

Royal Aeronautical Society Conference

The Global Market Place: The Challenges for Flight Crew Training

Keynote address: The Implications of the Global Market Place for Regulations

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Good morning ladies and gentlemen and thank you for this opportunity to talk to you.

There is no doubt that the excellent safety record that aviation has, especially compared to other industries, is in no small part due to the high levels of training that flight crew receive throughout their career. I come from an industry where inadequate training was a very significant contributory factor in a tragedy where over 40 people lost their lives barely 2 miles from this building and so it is a subject close to my heart.

It is therefore quite right that a significant amount of time and effort is spent getting that training to the highest possible standard. And today's event is part of that process in learning, discussing and acting to make it even better.

You don't need me to tell you that aviation is by its nature a global business. Along with the benefits that this brings, there are also risks. Worldwide operations bring with them the challenge of achieving common levels of safety, common regulations and common trading conditions.

And, as a global industry, aviation is also directly affected by the global economy. It has been among the biggest sufferers during the recent economic downturn.

For the training industry this is especially difficult. As a service provider to the airlines, general aviation and potential pilots you need to anticipate and respond to the changing demands of others.

Demand for aircrew has always been cyclical, with times of boom and bust being traditional. I'm sure you are all too aware of the scenario where airlines suddenly from nowhere require a major influx of staff. We are now entering a period where the demand for pilots is expected to grow significantly. The worldwide aviation industry predicts a shortage of 200,000 pilots by 2018. In order to satisfy this demand we must ensure that ways are found to attract, train and retain new pilots.

For someone considering a commercial pilot career it is especially daunting. These people are making significant investments. Costs of up to £80,000 for training, then another £20,000 for a type rating are a reasonable average. I've seen the implications of this first hand when I visited a UK training organisation only a few months ago. Potential commercial pilot students were touring the school with not only their parents as potential investors in their training but grandparents as well. Both generations were prepared to mortgage properties and use life savings to help fund the training.

When that kind of commitment is being made it's quite right that people ensure they are getting the best value. And that can mean looking at training establishments throughout the world, illustrating again the globalisation of our industry.

Operating in a global marketplace brings global competition and there are many factors that determine a training organisation's costs and attractiveness to customers, and that influence an individual or company's decision on where to obtain their training.

Some may be based in countries that can guarantee good flying weather, others may be able to offer tax breaks, or operate in the airspace that the student eventually hopes to work in.

For example, a training establishment in the USA may offer blue skies for a large proportion of the year but its students would be training in an airspace and ATC environment that does not exactly match that which they will experience in Europe.

I know in the UK the industry has a particular issue with the fact that VAT is added to flying training. I've had numerous industry representatives raise the subject with me but, although I understand and sympathise with their view, the CAA is not a lobbying organisation and has no power to change the rules on VAT.

Having said that, we have facilitated several meetings with parliamentarians to enable the issue to be discussed. But, in reality, in the current fiscal conditions I have to say that we are unlikely to see a change in policy anytime soon.

Despite the apparent disadvantages I am aware that there is still, for now at least, a real kudos for some attached to acquiring a UK Licence and have witnessed for myself a course in the UK dedicated to foreign nationals.

But these factors mean there is an ever-increasing demand for efficiency at all levels of flight training. While this makes good business sense, we must ensure that this does not mean that training, and therefore safety levels, are compromised. As well as the drive for efficiency, there is a need for training to be delivered in new and innovative ways that take account of the needs of the trainee pilots, new technologies, and modern airline business models.

If the real benefits of globalisation are to be achieved there needs to be consistency between as many aspects of the business concerned as possible.

For the pilot training industry that means standardising rules and regulations, and also the quality of training that pilots receive. We can standardise a huge amount through regulation, licensing and general law but the quality of a school and even individual instructors is much more likely to vary. Although there are set syllabus to follow, how the actual training and lessons take place of course is still very much in the hands of the flying instructor.

As far as regulations go, for many years now the two dominant sets of regulations have been those from the USA and those from Europe.

The FAA's regulations have been reasonably stable for a considerable time but changes are now being considered in response to recent accidents. Europe meanwhile has sought to harmonise its regulations through various steps, and this has resulted in change, and an on-going degree of uncertainty.

We moved to a Joint Aviation Authorities personnel licensing scheme some time ago now but with the establishment of the European Aviation Safety Agency the regulations for pilot training are set to change again.

I know this means extra work and upheaval for industry. That now is inevitable and the key is to ensure that benefits are realised from the introduction of a safe level playing field of regulation.

Certainly, from our perspective we are committed to working closely with EASA and other NAAs to make the new regimes work. Many in the aviation community still hold the perception that the CAA is somehow in denial about EASA or resisting its influence. In practice EASA itself acknowledges that two thirds of all its input from national authorities comes from the UK and France. This means we are more effective in getting the UK's voice heard at the European table and we are making

representations to EASA and trying to get what's best and sensible for the future for the UK as a whole.

We are also looking at our long-term relationship with EASA, something that is considerably helped in that one of our own staff, Mike Smethers, leads the EASA management board.

And I think it is the implementation that is key. Unlike the JAA requirements, which had to be brought into each country's own legal system, and were therefore at a nation's choice to implement when they were ready, the EASA regulations are enshrined in EC law and so become immediately binding in every EC nation on fixed dates. That means of course that each country and national authority has no opportunity to vary the regulations or postpone their implementation once they are introduced by EASA.

EASA will also be auditing nations on their compliance with the regulations to enforce that level playing field. Indeed, EASA has already started to audit some of our licensing work in the UK.

While acknowledging my previous point, that the quality of individual instructors and schools plays a big part in training, the standardisation and enforcement regulation is a big step to ensuring that students receiving an EASA licence have all been trained to the same level.

If this works correctly we will at least be confident that a pilot trained in France will have covered the same areas and passed the same exams as one trained in the UK.

The current situation with Part FCL finds us in somewhat of a state of flux, in that whilst we have a good indication of the way EASA is heading with its regulations, we are not yet at a stage where we have a final binding set of rules.

There are still some key issues that remain to be resolved, and much to be done to move to the new regulations and ensure we correctly interpret the intention of how they are to be enforced. For example, we currently approve training organisations in the US, Canada and Australia. How this will continue post implementation of EASA FCL, we are as yet still unsure. As important as well is to focus on the outcomes that these regulations are designed to achieve. Only by measuring the extent that they are successful in delivering those defined outcomes will we be able to establish their fitness for purpose.

From a General Aviation perspective we also face uncertainty over the future of the IMC rating. The CAA is clear on our support for the rating and we are doing all we can to persuade our European colleagues the merit of retaining either the IMC or something very similar for private pilots.

It is not surprising for a Europe-wide project of this size that there is some uncertainty and discomfort among everyone involved, but I hope that we can help to provide as much clarity as possible as the regulations develop. Indeed, as the UK organisation closest to the developing work, I believe it's something we should actively be doing.

Our licensing team will be offering advice and there will shortly be a new page on our website dedicated to the transition to EASA FCL, providing what detail we know about what the changes really mean. This will be regularly updated so please remember to check it routinely as there is still some way to go before we have a final binding set of regulations.

Of course there will be issues that arise and we will deal with them pragmatically and sensibly when they occur. We will work in partnership with you to help the transition to be as smooth as possible and seek to quickly pick up on any lessons to be learned.

This ability to reflect and respond is particularly important in the safety environment. This industry has an enviable record that has been built on years of experience, but the last thing we should do is rest on our laurels.

Learning from past accidents is one way to increase safety levels and this has served us well in the past. But within the CAA we believe that putting resource into identifying and trying to stop the causal factors of the next accident before it happens will be of greater benefit in our drive for continuous improvement.

We've been working with industry on what we refer to as our significant seven safety risks. These include areas such as loss of control and runway incursion. We highlighted these areas of concern with industry some time ago and formed joint CAA/industry task forces to target these risks.

Sensible regulatory oversight can assist industry to achieve this but we need to be sure that we are regulating appropriately.

That's why we are currently undertaking a complete review of our approach to safety regulation. The basic model that we use dates back beyond 1982 and, like any good

regulator, it is important that we challenge our own approach to be assured that what we are doing is proportionate, targeted, efficient and that we are transparent in our rationale and intention and thus accountable to our stakeholders. We need to examine if the way we regulate is commensurate with where the risks now lie to enable the best possible protection for those using air travel. We're at the early stages of the review so you may not see any initial changes immediately and we also want to talk to industry before we make any significant decision.

The work is being led by Gretchen Burrett, who as a new appointment, comes to the process with no preconceived ideas of the way we should operate. We hope to bring in a fresh approach to how we go about our business, particularly placing the emphasis on where we believe risk lies. As the training industry you'll recognise that a key area of work is the issue of human factors. How people react and interface with their surroundings is fundamental to safety. Indeed one project we've sponsored in the past has looked at the loss of manual flying skills and how training should change for highly automated aircraft.

We intend to re-focus our work in these areas, which will be greatly assisted by our recently appointed human factors specialist who is leading a review on the subject. In addition Gretchen is a human factors expert. Expect to hear more from us soon on how we intend to engage with industry to progress this work.

It is important that we work together as an industry to ensure that today's occurrences, and serious incidents, do not develop into tomorrow's accidents.

Changing regulations or introducing technologies can make some gains but, as far as the human in the cockpit is concerned, a large part of the solution will be secured through good training and the maintenance of pilot skills and proficiency.

The aircraft cockpit has changed quite radically over the past 20 years, with glass cockpits and fly-by-wire now the norm, even in the smallest commercial aircraft. In many cases the training pilots receive now reflects this. Courses such as the Multi-crew Pilot Licence have been devised to produce flight crew better prepared to fit into the modern airline system. And some of the first graduates of the MPL are now entering the commercial marketplace.

What we all have to ensure is that as the world changes so does pilot training. But we must also be confident that pilots still have all the skills necessary to fly the aircraft, something I know that many have raised as a concern.

We must also keep a check on the financial pressures that bear upon us to ensure that they do not become a risk to safety. Every kind of commercial organisation is under some form of financial pressure and the demand to deliver more for less is greater than ever. In today's economic environment, newly licensed pilots working on a type rating may even be offering their services for free.

A key job for us as regulator is to ensure that none of these factors leads to a reduction in safety levels. But it doesn't necessarily follow that because something is more efficient it is automatically less safe.

So, in conclusion, we can have no doubt that we operate in a global market place and, in most cases, this brings many benefits. As those responsible for producing tomorrow's pilots you have not only a very rewarding but also a very responsible role. I want to ensure that the CAA works with you to ensure that we all continue to enjoy first class levels of safety.