

<b>Title:</b> <b>Amendment of the Air Navigation Order 2009</b> <b>Lead department or agency:</b> Civil Aviation Authority <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>
	<b>IA No:</b>
	<b>Date:</b> 26/05/2011
	<b>Stage:</b> Public Consultation
	<b>Source of intervention:</b> EU
	<b>Type of measure:</b> Secondary legislation
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## Summary: Intervention and Options

**What is the problem under consideration? Why is government intervention necessary?**

On 8th April 2012 new, directly applicable, EU legislation for Flight Crew Licensing will come into effect. In order to achieve a proper and least burdensome implementation in the UK, changes must be made to the Air Navigation Order 2009. The changes required will:

- i) authorise the CAA to administer the new safety legislation; and
- ii) ensure that UK citizens and UK businesses are able to continue to undertake present activities lawfully.

If the amendment is not made to the Air Navigation Order the CAA will be unable to continue to facilitate the flying activities of approximately 50,000 UK professional and private pilots; and some types of aircraft will be grounded because there will be no provision to license pilots to fly them.

**What are the policy objectives and the intended effects?**

- To allow the airlines, business aviation and private flying to continue in the UK by enabling the CAA to licence pilots in accordance with the directly applicable EU legislation.
- To modify the UK national provisions for pilot licensing so that activities that will be excluded from European licences by the scope of the new EU legislation may be facilitated using national legislation to issue appropriate national pilot licences.
- To remove contradictions with directly applicable EU legislation that might mislead pilots into flying illegally.

The intended effects are to maintain UK pilots' privileges to fly internationally by complying with EU legislation, and to preserve as far as is practicable the freedoms currently enjoyed by pilots in the UK.

**What policy options have been considered? Please justify preferred option (further details in Evidence Base)**

Policy options are very limited. Compliance with the directly applicable EU legislation is mandatory for the UK pilot community and the CAA. The EU legislation specifies the obligations of the "Competent Authority" in each State to administer the regulations. It is essential to amend the Air Navigation Order to designate the CAA as the UK Competent Authority for Flight Crew Licensing (as it already is for Airworthiness Regulations). If the CAA cannot issue European licences in accordance with the EU Regulations we will not be able to license any new pilots from 8th April 2012 and the 200 flying training organisations that provide training for professional pilots, and the 400 schools that train private pilots will be unable to continue in business. Also, the new EU licensing system has a scope that is different to the current "JAA" system and so some categories of aircraft that can currently be flown using JAA licences will be excluded. Changes to the Air Navigation Order are needed to allow the EU licences to be used as national licences and to allow the CAA to issue national licences, depending upon the circumstances.

<b>When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?</b>	It will be reviewed on an on-going basis.
<b>Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?</b>	Yes

**SELECT SIGNATORY Sign-off** For consultation stage Impact Assessments:

***I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.***

Signed by the responsible: ..... Date: .....

# Summary: Analysis and Evidence

Option 1

## Description:

### Option 1 - Make no changes to the Air Navigation Order 2009

Price Base Year 2010	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate			

#### Description and scale of key monetised costs by 'main affected groups'

If the Air Navigation Order is not amended to designate the CAA as the UK Competent Authority for pilot licensing under the European regulations, it will no longer be legal for the CAA to issue pilot licences from 8th April 2012 to be valid for aircraft that are subject to EU legislation. If the other proposed changes are not made, most of the 50,000 UK pilots will require an additional national licence (at a typical cost of £ 200 per person). Also, approximately 140 aircraft would be grounded because there would be no provision to issue pilot licences to allow them to be flown.

#### Other key non-monetised costs by 'main affected groups'

If the proposed changes are not implemented, the CAA would be unable to issue licences, either generally or for specific national purposes. Apart from the loss of income for professional pilots, and loss of privileges to others, this would mean that UK flying schools would no longer be able to sell training courses to pilots wanting to obtain those licences. This would result in loss of income/employment, including financial losses to small businesses.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	0		

#### Description and scale of key monetised benefits by 'main affected groups'

With no change to the Air Navigation Order, UK citizens would no longer be able to obtain pilot licences, and flying schools would no longer be able to sell courses to train pilots to qualify for those licences. This could affect up to 50,000 UK pilots and 600 UK flying training schools.

#### Other key non-monetised benefits by 'main affected groups'

If not amended, the Air Navigation Order will imply that persons may undertake flights in circumstances that will in fact be illegal - because European legislation will apply to those flights. Allowing the current text to remain as national law, when rendered invalid by European law, would be contrary to all good regulatory practices and would complicate (and increase the costs of) any legal proceedings that might result from any alleged breach of European or UK regulations.

#### Key assumptions/sensitivities/risks

Discount rate (%)

- It is assumed that EU legislation for pilot licensing will come into force with effect from 8th April 2012 as is specified in European Parliament Regulation 216/2008.
- There has been considerable lobbying of MPs, MEPs, DfT and the CAA by pilots and their representative associations expressing concern over the potential loss of piloting privileges that will result from the implementation of EU legislation. Legislative changes made in the UK cannot change the direct effects of the EU legislation, but the proposed changes to the Air Navigation Order would negate some consequential adverse effects on the licensing of pilots who wish to fly nationally regulated aircraft. If the Order is not amended these adverse effects will not be mitigated

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):	In scope
New AB: N/A	AB savings: N/A	Net: N/A	Policy cost savings:	Yes

# Summary: Analysis and Evidence

Option 2

## Description:

**Option 2 - Amend the Air Navigation Order to mitigate the directly applicable EU legislation.**

Price Base Year 2010	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate			

### Description and scale of key monetised costs by 'main affected groups'

Making the change to designate the CAA as the Competent Authority for pilot licensing in the UK would allow normal business to continue. Making the other proposed changes would avoid most of the 50,000 UK pilots requiring an additional national licence (at a typical cost of £ 200 per person). It would also allow some 140 specific nationally regulated aircraft to continue to be flown, because the appropriate national licences would be available under national legislation.

### Other key non-monetised costs by 'main affected groups'

Implementing the proposed changes would enable flying training schools to continue to sell pilot training courses to fly certain nationally regulated aircraft, because the CAA would be able to issue the appropriate licences. This would preserve income/employment, primarily to small businesses.  
(The costs that will be incurred in the UK in making the transition to European licensing rules arise from the directly applicable EU legislation, NOT from these proposed changes to the Air Navigation Order).

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	0		

### Description and scale of key monetised benefits by 'main affected groups'

- UK citizens would continue to benefit from legal provisions that allow them to become licensed to fly; and flying schools would continue be able to sell courses to train pilots to fly those aircraft.

### Other key non-monetised benefits by 'main affected groups'

Amending the Air Navigation Order would make clear where the national rules have been replaced by EU legislation and so avoid misleading pilots regarding the legality of their actions. If the proposed amendment is adopted it will make clear the circumstances under which flights under national regulations may take place. This will benefit 50,000 licensed pilots, and training organisations, instructors and examiners.

### Key assumptions/sensitivities/risks

Discount rate (%)

- It is assumed that EU legislation for pilot licensing will come into force with effect from 8th April 2012 as is specified in European Parliament Regulation 216/2008.  
- There has been considerable lobbying of MPs, MEPs, DfT and the CAA by pilots and their representative associations expressing concern over the potential loss of piloting privileges that will result from the implementation of EU legislation. Legislative changes made in the UK cannot change the direct effects of the EU legislation, but the proposed changes to the Air Navigation Order would negate as far as is practicable the consequential adverse effects on the licensing of pilots who wish to fly nationally regulated aircraft.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):	In scope
New AB: N/A	AB savings: N/A	Net: N/A	Policy cost savings:	Yes

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	United Kingdom				
From what date will the policy be implemented?	08/04/2012				
Which organisation(s) will enforce the policy?	CAA				
What is the annual change in enforcement cost (£m)?	Nil				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	<b>Traded:</b> Nil		<b>Non-traded:</b> Nil		
Does the proposal have an impact on competition?	Yes				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	<b>Costs:</b> Nil		<b>Benefits:</b> Nil		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	<b>Micro</b> Nil	<b>&lt; 20</b> Nil	<b>Small</b> Nil	<b>Medium</b> Nil	<b>Large</b> Nil
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties</b> <sup>1</sup> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	15
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	Yes	15
Small firms <a href="#">Small Firms Impact Test guidance</a>	Yes	15
<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	15
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	No	15
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	15
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	15
Justice system <a href="#">Justice Impact Test guidance</a>	No	15
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	15
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	15

<sup>1</sup> Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	European Parliament Regulation 216/2008
2	EASA Opinions for FCL, OR, AR, MED
3	The Air Navigation Order 2009
4	

+ Add another row

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Annual recurring cost</b>	0	0	0	0	0	0	0	0	0	0
<b>Total annual costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Transition benefits</b>										
<b>Annual recurring benefits</b>	0	0	0	0	0	0	0	0	0	0
<b>Total annual benefits</b>	0	0	0	0	0	0	0	0	0	0

\* For non-monetised benefits please see summary pages and main evidence base section

# Evidence Base (for summary sheets)

## Main Evidence Base

### Problem under consideration

Directly applicable European (EU) legislation is going to change the pilot licensing rules in Europe, including the UK, with effect from 8th April 2012. The legislation will affect the privileges of many existing licence holders and will specify how new licences may be obtained. The European Implementing Rules that are to be enacted will be directly applicable, binding in UK law and will replace and override the equivalent national aviation legislation in the Air Navigation Order 2009 (“the Order”) for the pilots of aircraft to which EU legislation applies.

European Regulation 216/2008 requires that each EU Member State has a Competent Authority to administer the Implementing Rules. In the UK the CAA has been the Competent Authority for the rules relating to airworthiness since 2003. In order that licences may be issued in the UK in accordance with European rules from 8th April 2012, Article 246 of the Order must be amended to designate the CAA to be the Competent Authority for pilot licensing.

Currently, the Air Navigation Order gives the legal provisions for the licensing of UK pilots for all categories of aircraft. When the European regulations come into force they will supplant some provisions of the Air Navigation Order, but the Order will still have to provide for some aspects of pilot licensing. One of the more significant aspects is now summarised as an illustration of the kind of issue that the proposed amendment to the Order is intended to address:

*When the European JAR-FCL licensing rules were adopted in the UK, circa 2001, the Air Navigation Order was amended so that the previously issued UK licences that were equivalent to JAR-FCL licences could no longer be issued. The amended Air Navigation Order made provision for the ratings for almost all types and classes of aircraft to be included in the JAR-FCL licences and for the past decade we have issued JAR-FCL licences with these ratings. A primary effect of the EU licensing legislation is to replace the current “JAR-FCL” system of licences that are administered under national laws with a common legally binding set of regulations for European pilot licences. However, some types and categories of aircraft are outside of the scope of the European regulations and so remain nationally regulated.*

*The new EASA licences must be held by pilots who are to fly aircraft that are subject to European regulations (EASA aircraft). National legislation must provide for the licensing of pilots to fly nationally regulated (non-EASA) aircraft. Some aircraft types that are currently flown using “JAR-FCL” licences cannot be included in EASA licences; if UK pilots are to continue to fly these nationally regulated aircraft the Air Navigation Order must be amended to make provision to allow for national licences to be issued again.*

It is emphasised that the major of the regulatory changes for pilot licensing and the associated impacts on UK citizens and businesses are being imposed by the directly applicable European legislation. The purpose of the proposed amendment to the Air Navigation Order is to mitigate the unintended adverse consequential effects that the European legislation will otherwise have on UK citizens and on UK businesses engaged in flying training.

## Background

### 1. The scope of the EU regulations - EASA and Non-EASA aircraft

- 1.1 The European Aviation Safety Agency (EASA) came into being in September 2003 to administer the new European aviation regulations and rules, and in some circumstances to apply the regulations directly. EU legislation applies to most of the aircraft in Europe (and in some respects to those operating in or into Europe that are registered elsewhere). The regulations apply to the aircraft, their pilots, operators, and those who design, manufacture and maintain them. There are specific exceptions set out in the legislation and aircraft excluded from EASA's remit remain under national regulations.
- 1.2 When the EU regulations for flight crew licensing come into force there will be dates after which licences issued under national rules will no longer be valid for flying aircraft that are within the scope of the EU regulations - "EASA aircraft". Any pilot who intends to fly an "EASA aircraft" registered in the EU after the applicable dates will have to hold an appropriate EASA licence.
- 1.3 Under EU legislation all aircraft are "EASA aircraft" unless:
  - (i) they are aircraft that are *"carrying out military, customs, police, search and rescue, firefighting, coastguard or similar activities or services"* (i.e. "State Aircraft"); or
  - (ii) they are within the categories set out in Annex II to European Regulation 216/2008 - ("Annex II aircraft").

The main categories set out in Annex II to the Basic EASA Regulation are:

- microlight aeroplanes;
- light gyroplanes;
- amateur built aircraft;
- ex-military aircraft;
- foot-launched aircraft;
- "vintage" aircraft that meet specific criteria for date of design and manufacture; and
- aircraft built or modified for scientific or novel purposes.

A more succinct definition of an EASA aircraft is that it is an aircraft (other than a State Aircraft) of a type which is required by EU regulations to have an EASA certificate of airworthiness, an EASA restricted certificate of airworthiness or an EASA permit to fly.

- 1.4 The following example illustrates the primary effect that the forthcoming EU legislation will have on pilots with UK non-JAR licences:

The Tigermoth, Luscombe 8, Piper J3 Cub, and Rutan Varietee are examples of aircraft that are within the categories of Annex II to Regulation 216/2008 and so are non-EASA aircraft. The Cessna 172 and the Piper PA28 are EASA aircraft. When compliance with the EU rules for licensing becomes mandatory the holder of a Single Engine Piston (SEP) class rating on a UK Private Pilots Licence (Aeroplane) that was issued under national rules (before the introduction of JAR-FCL) will still be able to fly a Tigermoth, a Piper J3 Cub or other non-EASA SEP aeroplane, but that licence will not be valid for the PA28, Cessna 172, or any other "EASA aircraft".

To fly an EASA aircraft an EASA licence will be required; any holder of a national licence who intends to fly EASA aircraft when the new rules are in force must have obtained an EASA licence (based on credit for the national licence). It is important to understand that the EU legislation is directly applicable and overrides any existing national legislation. This means that UK licences will not be valid for EASA aircraft regardless of the wording of the licence or of UK legislation such as the Air Navigation Order (ANO).

- 1.5 The CAA is proposing the amendment of the Air Navigation Order so that EASA licences with the appropriate class ratings will be valid for non-EASA aircraft within those classes; thereby avoiding the need for the holder of an EASA PPL(A) with SEP rating to also hold a national licence in order to fly an amateur-built aeroplane or a Tigermoth, for example.

## **2. The EASA Licensing System.**

- 2.1 Part-FCL will make provision for the granting of licences, ratings and authorisations that are equivalent to those currently issued under JAR-FCL. The requirements will be similar to, but not the same as, JAR-FCL. Part-FCL will also make provision for pilot licences for sailplanes, balloons, airships and powered-lift aircraft.
- 2.2 Part-FCL will provide for a new Light Aircraft Pilot Licence (LAPL), which will not be compliant with ICAO Annex 1. This will be similar in concept to the current UK NPPL(A). However, the LAPL will be valid for flight throughout Europe using any aircraft registered in the EU that falls within the privileges of the licence. The LAPL is not limited to aeroplanes. It will be possible to obtain LAPLs for aeroplanes, helicopters, balloons and sailplanes.
- 2.3 All Part-FCL licences, including LAPLs will be non-expiring “lifetime” licences. The use of licence privileges will be dependent upon the validity of the ratings included in the licence and the validity of the associated medical certificate.
- 2.4 For UK national licences the Air Navigation Order and requirements notified by the CAA will continue to apply.

## **3. Consequential changes to the UK Licensing System.**

- 3.1 There are significant differences between the coming transition to EASA rules and the previous transition to JAR-FCL that took place a decade ago. Foremost amongst these are:
  - (i) that the transition is compulsory for most licence holders because licences issued under national rules will not be valid for EASA aircraft into the future, and
  - (ii) that national ratings cannot be included in EASA licences.

It is proposed that the privileges of licences as set out in the Air Navigation Order (ANO) be amended to reflect (i) above. This will be to improve clarity as, in this context, EU law takes precedence over national legislation. Item (ii) above will necessitate changes to the national licensing system.

- 3.2 Consider the case of the holder of valid type ratings for the Robinson R22 and Westland Scout helicopters. Currently, both of these ratings may appear on a JAR licence or a pre-JAR UK licence. The R22 is an EASA aircraft. The Scout is an ex-military helicopter as set out in Annex II to the Basic EASA Regulation; as such it is a non-EASA aircraft and so cannot be included in an EASA licence. A pilot qualified to fly both types will therefore require an EASA licence for the R22 and a UK licence issued under the ANO for the

Scout. A similar situation arises for any pilot who is or becomes qualified to hold a type rating for a non-EASA aircraft, or any other national rating for which there is no EASA equivalent.

(Note that if the Air Navigation Order is amended this problem will not arise with aeroplane class ratings, such as the SEP rating, which appear in both national and EU rules. This is because one effect of the proposed amendment will be to make EASA licences with SEP ratings valid for UK-registered non-EASA single engine piston aeroplanes; no national licence would be needed in addition to an EASA licence in such a case).

- 3.3 When JAR-FCL was implemented in the UK the ANO was changed so that new UK licences that were equivalent to JAR licences could no longer be issued. It is now intended to amend the ANO so that UK equivalents to EASA licences can be issued where necessary to allow EASA licence holders to hold non-EASA UK national ratings. This will mean reintroducing the UK ATPL, CPL and PPL for both aeroplanes and helicopters. In addition, it is proposed to have an NPPL(Helicopters) as an equivalent to the LAPL(H) so that if the holder of a LAPL(H) qualifies for a type rating for a non-EASA helicopter (that is within the limits of the LAPL(H) - mass, occupancy, etc) the rating can be issued and the privileges exercised using a UK licence that will be valid for the holder of a LAPL Medical Certificate.
- 3.4 It is intended that, as part of the ANO amendment, all UK licences will become non-expiring "lifetime" licences; this will be to align with European licences and to reduce the administration required and the associated costs. The use of the licence privileges will remain dependent upon the validity of the ratings included in the licence and the validity of the associated medical certificate.

#### **4. Conversion of existing UK licences**

- 4.1 All licences that are fully compliant with JAR-FCL will automatically become EASA licences but will need to be physically replaced on or before their calendar expiry date. All licences that are not fully compliant with JAR-FCL are national licences.
- 4.2 Annex II to the proposed Part-FCL Regulation provides criteria for commonly used national licences to be converted to EASA licences. Where a national licence does not appear in Annex II to the Part-FCL Regulation (e.g. balloon licences are not present) the regulation allows the alternative of the Competent Authority (the CAA in the UK) compiling a Conversion Report. This Conversion Report must compare the national rules (that were the basis upon which the national licences were issued) with the Part-FCL requirements and so propose the additional requirements (if any) to be complied with before an EASA licence may be issued. The Conversion Reports are to be agreed with EASA.
- 4.3 In the UK we have a variety of legacy licences that were issued on the basis of UK-specific standards. These include a number of versions of the "Basic CPL", various forms of PPL, and "JAA" ATPL and CPLs that are marked "Valid for UK registered aircraft" because their holders did not comply in full with JAR-FCL. We also have the NPPL for SSEA, the NPPL for SLMG, balloon and airship licences, and gliding qualifications to address.
- 4.4 For the NPPL SSEA, the NPPL SLMG, balloons, airships and gliders there does not appear to be any alternative but to develop and agree Conversion Reports. For helicopter and aeroplane licences (other than NPPL) it is proposed to reduce the complexity of the issue and to remove uncertainty over the outcome, by using an amendment to the ANO to convert each kind of legacy licence into one of the UK national licences that will be available in the future. These legacy licences will then be in one of the categories of Annex II to the Part-FCL Regulation and so will be convertible to EASA licences under the terms of that Annex.

4.5 It is proposed to amend the ANO so that:

1. Any JAA ATPL(A) marked as “Valid for United Kingdom registered aircraft” will be deemed to be a UK ATPL(A).
2. Any JAA CPL(A) marked as “Valid for United Kingdom registered aircraft” will be deemed to be a UK CPL(A).
3. Any JAA CPL(H) marked as “Valid for United Kingdom registered aircraft” will be deemed to be a UK CPL(H).
4. Any Basic CPL(A) that is marked that the holder is restricted not to undertake Public Transport or Aerial Work, except Aerial Work that is limited to: flying instruction and flying tests; or the towing of gliders; or flying displays; or parachute dropping; will be deemed to be a UK PPL(A) - see Note 1.
5. Any Basic CPL(A) that is not restricted as under (4) above will be deemed to be a UK CPL(A).

Note 1 - A national PPL(A) with FI(A) rating is convertible to an EASA PPL(A) with FI(A) on the basis of experience as set out in Annex II to the proposed Part-FCL regulation. The EASA PPL(A) with FI(A) includes the privilege to be paid for giving flying instruction.

## Options considered

Two options are considered:

- 1 - Do not amend the Air Navigation Order
- 2 - Amend the Air Navigation Order as set out in the proposal

### Option 1

If Article 246 of the Order is not amended the CAA will not be empowered to issue pilot licences under EU legislation. This would have severe consequences for UK pilots and the UK pilot training industry. The other changes proposed are intended to maintain as far as practicable the current rules for pilots who wish to fly nationally regulated aircraft. Not amending the Order would unnecessarily restrict the privileges of pilots and increase regulatory and administrative burden. The impact of Option 1 is simply the effect of the directly applicable EU legislation with no mitigation. There is no means to stop or delay the implementation of the EU regulations and so this Option 1 is not analysed any further.

### Option 2

The proposed amendments to the Air Navigation Order 2009 are set out in the proposal document in a tabular format; each proposed change being accompanied by an explanation of the purpose of the change.

In summary, the proposed amendments will achieve the objectives now listed.

In the Articles:

- To make clear that the national provisions that have been replaced by EU legislation no longer apply to EASA aircraft, but to nationally regulated aircraft only, and so avoid misleading pilots into undertaking flights that would be illegal.
- To make EASA licences valid for UK nationally regulated aircraft within the class ratings of those licences; thereby avoiding the need for most UK pilots to hold both an EASA and a national licence.

- To introduce UK licences that are equivalent to European licences that can be issued to allow pilots to fly nationally regulated aircraft that are not within the class ratings of EASA licences and so cannot be flown with EASA licences.
- To make clear the provisions for the validations of non-UK licences consistent with the changes made by EU regulations.
- To make consequential changes to define which ratings may be added to which licences.
- To make consequential changes to make clear which medical certificates apply in each case.
- To add the national provisions necessary to allow UK pilots and cabin crew to make use of the options within the EU regulations to have certain medical certificates issued by GPs, military doctors and Occupational Health Medical Practitioners as applicable, instead of an Authorised Medical Examiner.
- To make the CAA the Competent Authority for licensing in the UK.
- To add, remove or amend definitions as necessary.

In Schedule 7:

- To amend Part A to specify the privileges of the re-introduced and new licences, and to remove those of licences that will no longer exist.
- To add a third section to Part B to specify the ratings for the National Private Pilots Licence (Helicopters).
- To revise Part C to ensure that the renewal and revalidation requirements are correctly specified.

In Schedule 13:

- To amend Part A to make provisions for pilot training organisations that are equivalent to those for engineer training organisations.

## **Costs and Benefits**

The purpose of the proposal under Option 2 is to minimize the costs and restrictions that will result from the implementation of directly applicable EU legislation. The proposed amendments will also make provision for the CAA to issue national licences that will allow UK citizens to continue to fly aircraft that are not within the privileges of any European licence, and so also to permit training schools to sell courses for those licences.

### *Competition*

These proposals potentially enhance competition by allowing UK training schools to offer pilot training for aircraft that are outside the scope of the EU regulations.

### *Hampton principles*

These proposals are consistent with the Hampton principles.

### Summary

The preferred option is to amend the Air Navigation Order as under Option 2.

# Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

## Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p><b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p>
<p><b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p>
<p><b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p>
<p><b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured]</p>
<p><b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p>
<p><b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p>
<p><b>Reasons for not planning a PIR:</b> [If there is no plan to do a PIR please provide reasons here]</p> <p>We do not propose to have a formal PIR as the administration of the measures by the CAA naturally involves daily contact with the regulated community on these issues; (approximately 100 licensing transactions and numerous enquiries/questions every working day). The feedback thus obtained will ensure that the Regulator is fully aware of the effectiveness of the approach on an on-going basis.</p>

## Annex 2: Assumptions underpinning the analysis

We will be formally consulting on these proposals in due course and this IA will be updated in light of the consultation responses.

Assumption	Details	Monetary Value (2010 prices)
<b>Costs</b>		
<b>Benefits</b>		

## **Annex 3: Specific Impact Tests**

### **Statutory equality duties**

#### *Race*

1. The proposals relate to all pilots, therefore we do not anticipate that the proposed amendments will lead to:
  - Different consequences according to people's racial group;
  - People being affected differently according to their racial group in terms of access to a service, or the ability to take advantage of proposed opportunities;
  - Discrimination unlawfully, directly or indirectly, against people from some racial groups;
  - Different expectations of the policy from some racial groups;
  - Harmed relations between certain racial groups, for example because it is seen as favouring a particular group or denying opportunities to another; or
  - Damaged relations between any particular racial group (or groups) and the DfT.

#### *Disability*

2. The Disability Discrimination Act (DDA) 1995 now gives rights to disabled people in the area of access to goods, facilities and services. The proposals apply equally to all pilots, and so we do not anticipate any disadvantages or discrimination for disabled people, in line with this Act.

#### *Gender*

3. The proposals will apply to all pilots. Therefore, we do not anticipate that these proposed amendments will lead to:
  - Different consequences according to people's gender;
  - People being affected differently according to their gender in terms of access to a service, or the ability to take advantage of proposed opportunities;
  - Discrimination unlawfully, directly or indirectly, against genders; or
  - Different expectations of the policy from between genders.

### **Competition**

4. The amendments will not have a negative effect on competition. The proposed provisions to allow the issue of national licences may allow training organisations to offer courses and other services in addition to those provided for under EU legislation, potentially allowing greater competition.

### **Small firms**

5. Many training organisations and operators are small firms who nevertheless will be greatly affected by the EU legislation. The proposed amendments to the Air Navigation Order will provide the greatest practicable level of flexibility to enable the CAA to meet the needs of the industry.

### **Greenhouse gas assessment**

6. The aviation sector already has targets and policies in place to ensure it plays its part in helping to reduce greenhouse gas emissions and thus achieve the UK's climate change targets. These proposals do not affect such policies or targets, and more generally are not expected to affect the amount of greenhouse gas producing activity in the industry. We

therefore do not anticipate any direct impact of these proposals on greenhouse gas emissions.

### **Wider environmental issues**

7. There are two wider environmental issues relevant to the aviation sector as a whole: noise pollution and air quality. None of the proposals directly influences the overall level of activity in the industry, however, and so we do not anticipate any direct impact in these areas.

### **Social impacts**

#### *Health and well-being*

8. None of the proposals are expected to have a direct impact on health. There is no potential for any of the proposals directly to affect wider determinants of health such as income or the environment, nor is there any potential for the proposals to affect relevant lifestyle related factors such as physical activity or diet. There is no anticipated impact on the demand for health and social care services.

#### *Human rights*

9. It is not anticipated that our proposals will have any human rights impacts.

#### *Justice system*

10. It is not anticipated that our proposals will have any implications for the justice system.

#### *Rural proofing*

11. We do not believe that any of the proposals will have a different impact on people in rural areas because of their particular circumstances or needs.

### **Sustainable development**

12. Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. The proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.