To: Circulation List Below

15 June 2005

STRATEGIC REVIEW OF GENERAL AVIATION IN THE UNITED KINGDOM

The purpose of this letter is to seek your views on CAA proposals, as set out below, for carrying out a Strategic Review of General Aviation in the UK.

You will be aware that the CAA initiated last week a consultation on the CAA's proposals for revisions to the Safety Regulation Group's Charging Schemes. That consultation will, no doubt, provide us with the views of the UK aviation industry about the proposed Charging Schemes, and we will give careful consideration to those views in framing our eventual conclusions. However, the CAA considers that there is also now a need for review of a number of broader issues related to General Aviation in particular.

It is many years since a review of this kind was carried out for the General Aviation sector, and there are currently many developments in progress or planned which have important implications for the sector, for example:

- the Single European Sky initiative
- the European Aviation Safety Agency
- changes in airspace classification
- changes in technology e.g., Mode S
- continued rapid growth in commercial air transport
- possible introduction of unmanned air vehicles

Against the above background, the CAA Board believes that a strategic review of the GA sector would be timely, and we are aware that recent discussions with DfT Ministers have shown that there is an appetite in the sector for a review of this nature.

Accordingly, the CAA proposes that a Strategic Review is carried out over the next year to address issues affecting General Aviation (GA), on the basis set out below.

- (a) The Milestones of the Review would be:
 - to have the Review Team in place by end August 2005;
 - to agree Terms of Reference and a Work Programme by end September;
 and
 - to present Conclusions and Recommendations to the CAA Board by June 2006.
- (b) We propose that membership of the Team to carry out this Review would include:
 - (i) CAA representatives with knowledge of the GA sector perhaps 6 or 7 people
 - (ii) Representatives of organisations involved in General Aviation perhaps 6 or 7 people
 - (iii) A representative from the Ministry of Defence
 - (iv) A representative from the Department for Transport

We envisage that the Team Leader would be Alex Plant, who heads the policy and analysis area in the CAA's Economic Regulation Group.

We believe that a Team of 14-16 members is, for reasons of efficiency, as large a group as we should contemplate. We recognise the difficulty of limiting the GA representation to 6 or 7 people. We plan to consult with the General Aviation Consultative Committee to determine who these representatives should be, and on arrangements for liaison with organisations not directly represented on the Review Team.

- (c) The Review Team's terms of reference and modus operandi would be for the Team itself to determine. However, for purposes of consideration at this stage, the CAA envisages the Team identifying and recording:
 - a description and definition of general aviation in the UK;
 - the existing UK policy context for general aviation;
 - GA sectoral trends in the UK during the past 10 years;
 - UK versus international trends:
 - benefits (quantified so far as possible) to UK or European aviation industries from general aviation;

- implications of general aviation activities for other users, and for the community generally (including, so far as practible, environmental impacts);
- major current developments which are likely to affect UK general aviation: airspace, infrastructure, technology, regulatory, costs, etc;
- issues concerning access to airports;
- future trends affecting GA;
- methods and effectiveness of consultation and dialogue between GA interests and CAA/Government;
- key strategic issues for UK general aviation;
- Conclusions and Recommendations for consideration in policy making for the future i.e. policy making by Government, by the CAA, by GA organisations and by industry.
- (d) The Principles under which the Review Team will operate will include:
 - The workings of the Review Team shall be based upon available factual information;
 - The individual members of the Review Team are responsible for collecting and expressing the view of the sectors they represent and providing feedback from the Review Team;
 - Where general consensus has been reached by the Review Team, all members shall be committed to taking the consensus forward; minority positions will be acknowledged, recorded and the sponsor of the position identified:
 - Wherever possible, nominated representatives will attend all meetings.
 Where alternates are used, they must be aware of, and be committed to, understandings already reached;
 - Ensuring that adequate liaison is maintained with all general aviation associations represented on the General Aviation Consultative Committee; and
 - Trade association members will be expected to fund their own participation in this activity. (Selected members of the team, if involved in overseas benchmarking activities, may recover appropriate travel and subsistence costs from the CAA).

In addition to this review of strategic issues affecting the GA sector, the CAA also plans to carry out within the next 12 months or so a comprehensive review of its regulatory approach to the GA sector, smaller AOC holders, and small aerodromes. This regulatory review will be initiated as soon as the CAA has a clear view of EASA's intended approach to the GA sector in Europe, which we expect to have later this year. We will write to you separately concerning this second review and industry involvement in it, and we intend that the eventual outcomes from the two reviews will be co-ordinated as appropriate.

The purpose of this letter is to seek your views as to:

- the advisability of carrying out a Strategic Review as outlined above;
- the Scope of the Review as outlined above;
- the Milestones for the Review as outlined above;
- Membership of the Review Team and, in particular, representation from the GA sector;
- the proposed Work Streams; and
- the Principles under which the Joint Review Team will operate.

We would appreciate your response not later than 10th July 2005 and, subject to the responses we receive, we envisage seeking to put the Team in place between then and end August.

We look forward to hearing from you.

Yours sincerely,

Sir Roy McNulty CBE Chairman