



Civil Aviation Authority

Draft Aviation Policy Framework Consultation

The Civil Aviation Authority's Response to the Department for
Transport's Consultation on the Draft Aviation Policy Framework,
October 2012

1. Introduction

- 1.1 As the UK's specialist aviation regulator, the CAA is fully committed to contributing to the development of a Sustainable Framework for UK Aviation which meets the needs of current and future aviation consumers, tackles the environmental effects of aviation and provides a stable platform for the industry to deliver the investment that will meet these goals.
- 1.2 The CAA's is committed to focusing on the needs of consumers as the end users of aviation. It seeks to promote choice and value amongst passengers and shippers by encouraging the development of choice and competition that meet the needs of passengers, shippers and the many businesses in the UK that rely on aviation.
- 1.3 The CAA recognises that aviation must fulfil its responsibilities towards the environment and the wider public by working to meet the serious sustainability challenges it faces with regard to climate change and local impacts.
- 1.4 In order to create a durable platform for the development of the sector, the policy framework needs to seek to minimise these environmental impacts whilst promoting aviation's contribution to the consumer and wider economic prosperity.
- 1.5 The Government, therefore, has an important part to play in shaping the future of UK aviation by providing a robust framework that sends credible signals about the long-term direction of policy. Given the timescales involved in delivering aviation infrastructure and in securing returns to investors, policy stability will be crucial to generating the investment necessary to deliver the Government's objectives.
- 1.6 In approaching this consultation, the CAA has limited its responses to the questions raised in the consultation. The CAA recognises that the draft framework forms an important component of the overall policy picture in terms of addressing the challenges facing the sector's ability to meet the needs of the consumer and the wider economy; by establishing the pre-conditions for airport capacity enhancements, the framework will inevitably inform the work of the Airports Commission established to look at the future desirability of additional airport capacity in the UK.
- 1.7 At the same time, the CAA also notes that a number of important areas, such as aviation safety, are not considered in detail as part of the consultation. Further detail on the CAA's contribution to the development of Government aviation policy, including coverage of issues not addressed in the current consultation, are available from the CAA's website at:

www.caa.co.uk/sustainableaviationframework.

2. The Benefits of Aviation

Do you agree with our analysis of the meaning and value of connectivity, set out in Chapter 2?

- 2.1 The CAA welcomes the focus on connectivity in the draft Aviation Policy Framework as this places the consumer interest at the heart of the policy debate.
- 2.2 Connectivity is a term which is often used but rarely defined. The use of the term in the draft Aviation Policy Framework is consistent with the CAA's view, as set out in the Aviation Policy and Consumers insight note, that connectivity 'combines a number of aspects of the choice and value available to consumers such as the range of airports they can access and the range of destinations available, the frequency with which these destinations are served, and whether destinations can be reached directly or only through intermediate stops'¹.
- 2.3 As the CAA set out in its response to the Government's Scoping Consultation in 2011, the benefits from aviation are primarily a function of the sector's ability to transport business and leisure consumers, or their goods, from A to B, and to do so affordably, conveniently and comfortably.
- 2.4 The CAA recognises that the Government's own considerations will be broader than ours and may wish to incorporate broader public interest considerations, such as the contribution of the aviation sector to direct and indirect employment in the UK, and the value-added generated by UK businesses. Maximising connectivity within sustainability constraints is, we believe a sensible starting point for optimising aviation's contribution to the economy as, in most instances the interests of the economy and consumers, and those of the sector that serves them are aligned.
- 2.5 However, such an alignment is not inevitable, nor in all cases are the interests of all industry players aligned. In cases of conflict, we would encourage the Government to give prime consideration to the consumer interest. There are two main reasons for this.
 - First, the economic benefit to the UK relating to consumer welfare (broadly, the value that consumers derive from aviation) is larger and more important to the UK economy than the economic benefits that would be maximised by focussing more narrowly on the producer interest in terms of profits, wages and taxes;
 - Second, there is long experience in the UK and around the world of policy frameworks organised around helping the sector or particular players within it. These tend to be aimed at maximising the well-being or competitiveness of industry players, but the results have tended to be the exact opposite: weak and inefficient airlines and expensive airports, which have failed to thrive in the face of competition. In

¹ http://www.caa.co.uk/docs/589/CAA_InsightNote1_Aviation_Policy_For_The_Consumer.pdf

contrast, industries which focus on the interests of consumers tend to be more successful and competitive.

Do you support the proposal to extend the UK's fifth freedom policy to Gatwick, Stansted and Luton? Please provide reasons if possible.

- 2.6 The CAA considers that increased liberalisation of air services agreements is likely to increase the opportunities available to airlines and airports and thereby increase the choice and value available to consumers. The CAA therefore supports as a matter of principle any effort to liberalise air services agreements that is likely to generate net benefits for consumers, including the extension of the fifth freedom policy to Gatwick, Stansted and Luton.
- 2.7 Most long-haul origin-destination markets are relatively small and so long-haul services tend to depend on substantial volumes of feed traffic, requiring a hub or major alliance partner at one or both ends. For this reason, policies that make it easier for foreign airlines with their own remote hubs to access the UK market are generally likely to result in higher levels of connectivity. The recent growth in long-haul routes at Gatwick, for example, has largely been driven by the expansion of services by carriers based outside of the UK.
- 2.8 In examining the merits of a more liberal fifth-freedoms policy, it is worth noting that airlines face significant operational and commercial challenges in seeking to exploit such freedoms. These challenges include: the 'thin' nature of most long-haul origin-destination markets, the presence of powerful home-based competitors, marketing challenges (e.g. selling tickets in markets with less of a marketing presence), reliability and crewing issues. For these reasons, the CAA does not consider that the extension of fifth-freedom rights to airlines operating at airports in the South East of the UK is likely to result in an explosion of new routes using fifth freedoms. This prediction is supported by the experience of a similar policy (the presumption in favour of fifth-freedoms being granted on application by a foreign carrier) being applied to regional airports in 2005, which resulted in few additional services.
- 2.9 However, a more liberal approach to fifth-freedom rights would give Gatwick, Stansted and Luton a greater opportunity to market themselves to foreign airlines, with less risk of prolonged administrative delays in establishing routes (which can result in airlines switching their resources elsewhere before a final decision is reached).
- 2.10 The proposal would also fit well with Government's stated aim of making the best use of existing airport capacity, and would do so by the means of removing a regulatory impediment and allowing the market to determine which opportunities would be most desirable (and would therefore be more likely to be commercially sustainable). It would also send out a more general message that the UK is committed to liberalisation as a means of generating economic and consumer benefit – a useful counter-weight to the more restrictive policies frequently applied as a means of protecting domestic producer interests.

- 2.11 In terms of possible negative effects, UK-based airlines are likely to cite a loss of traffic from existing routes. It is possible that the introduction of a fifth-freedom route at Gatwick or Stansted could divert traffic from the Heathrow services of other airlines, including carriers that use Heathrow as a hub for their operations. However, as Heathrow is heavily congested, it is to be assumed that the capacity freed up by any diverted service would be used for alternative services on other routes.
- 2.12 Therefore, the CAA might expect some overall consumer benefit, albeit marginal, to result from the extension of the fifth-freedom policy to Gatwick, Stansted and Luton.

Are there any other conditions that ought to be applied to any extension of the UK's fifth freedom policy to Gatwick, Stansted and Luton?

- 2.13 The CAA believes that the granting of fifth-freedoms rights at Gatwick, Luton and Stansted would be likely to benefit consumers overall, although, as already noted, we also believe that the attractiveness of these freedoms to airlines is likely to be relatively limited. Conditioning their use might further reduce the take-up of such freedoms. The CAA does not therefore consider that it would be necessary or appropriate to place conditions on the extension of the UK's fifth-freedom policy.
- 2.14 Should the Government wish to place any conditions on the application of this policy, then the CAA considers that any conditions should be very tightly defined with a very strong presumption in favour of liberalisation. The two key issues as regards consumer interests which would appear to be relevant to any conditions are whether it can be demonstrated that:
- there would be a significant loss of leverage in the bilateral arrangement such that the possibility of achieving broader liberalisation, and the associated consumer benefits, would be diminished, and/or;
 - extension of the policy would be likely to cause significant and sustained disbenefits to UK consumers by restricting choice and value on a specific route.
- 2.15 In principle, the ability to grant fifth-freedom rights might be a bargaining chip of value in some circumstances allowing the UK to obtain additional traffic rights for UK-based carriers and move towards the long-term objective of full liberalisation, which the CAA supports. The CAA notes that the lack of available capacity at Heathrow is already beginning to affect the UK's ability to negotiate liberalised air services agreements with foreign states. With London's airports forecast to become more congested in coming years, this bargaining chip may grow in significance.
- 2.16 As already noted, it might be argued that the diversion of routes away from Heathrow could diminish the strength of the hub network of home-based carriers, with knock-on detrimental impacts on the choice and value available

to consumers at that airport. However, for the reasons already given, we do not believe this should be a significant consideration.

Do you agree that the Government should offer bilateral partners unilateral open access to UK airports outside the South East on a case-by-case basis?

- 2.17 As set out in the answers to the questions on fifth freedom rights, the CAA considers that increased liberalisation of air services agreements can increase the choice and value available to consumers and therefore strongly supports any effort to liberalise air services agreements that is likely to generate overall net benefits for consumers.
- 2.18 Addressing the considerations that were set out in paragraph 2.14 of this response document, experience has shown that traffic rights for non-London airports are less likely to be a significant bilateral bargaining chip in negotiations with foreign states. Similarly, it is less likely that the use of any new rights will directly affect the connectivity offered by the existing operations of incumbent airlines. On that basis, the CAA considers that unilateral liberalisation would be expected to cause a net increase in route choice and overall activity, resulting in overall net connectivity benefits to consumers and the UK economy.
- 2.19 The CAA therefore supports the proposal to offer unilateral access to UK airports outside the South-East and does not consider that it would be necessary or appropriate to place any conditions on the policy of unilateral open-access to airports outside the South-East.

Do you have any other comments on the approach and evidence set out in Chapter 2?

- 2.20 The CAA considers that the establishment of the Aviation Policy Framework, along with the related work of the Airports Commission to promote the best use of existing capacity, offers an opportunity to reflect on the overall functioning of the aviation sector as a whole. Whilst the CAA recognises that in general there are many elements of the sector that work effectively at present, there is a concern that a lack of coordination across the aviation system (or 'supply chain') may be contributing to unnecessary delays, disruption and environmental damage (e.g. Noise, CO2 and fuel burn). This is likely to be most acute at congested airports such as Heathrow due to the capacity constraints in place there, but may also be evident at less congested airports. This would lend support to the hypothesis that there are systemic problems with the way that the sector currently operates.
- 2.21 Some of the potential causal factors could include information failures, fragmented governance and misaligned or conflicting incentives. In addition, legacy structures and practices that have grown organically and which blur the line of accountability between ANSPs, airports, airlines and ground handlers might be blockers to change.

2.22 The difficulty in driving forward progress with delivery of industry-led initiatives including the work of the Airport Performance Facilitation Group (APFG), stack removal and Airport Collaborative Decision Making (A-CDM) is illustrative of the impact of such coordination failures on delivery of service improvements for consumers. Industry implementation of FAS also appears to be subject to some of the same issues. The CAA considers that a fundamental review of the relationships between, and the rights and responsibilities of the key players in the aviation system could deliver significant improvements in resilience, improve the industry's ability to implement major change programmes and could potentially deliver some enhancement in operating capacity, all of which would meet the Government's short and medium term objectives of making best use of existing capacity.

3. Climate change impacts

Do you have any further ideas on how the Government could incentivise the aviation and aerospace sectors to improve the performance of aircraft with the aim of reducing emissions?

- 3.1 As the consultation document notes, the ability of policy initiatives to influence outcomes depends heavily on what stage of technological implementation is being targeted and whether decision-making is more likely to be influenced by global or national factors.
- 3.2 The development and implementation of aircraft technologies is characterised by long lead times and the concentration of high R&D expenditure by a relatively small number of global original equipment manufacturers. Incentives are most likely to have a significant effect on the overall speed of introduction of cleaner technologies if they are implemented at an international level, although national-level incentives might be effective in helping to prioritise implementation of such technologies within a given national market.
- 3.3 Similarly, standard-based incentivisation aimed at influencing the development of the next generation of technologies is likely to be most effective if implemented at the international level. The design and review of Certification Standards by International rule making bodies such as ICAO is one example. The CAA recognises that standard-based incentives remain an important means of driving improvements in aircraft engine emissions.
- 3.4 The CAA therefore considers that market-based incentives are likely to be most effective and cost-efficient if they are coordinated at the international level and possibly combined with the introduction of tighter international standards. This is one of the reasons why action at the European or global level is essential and why the CAA has supported aviation's inclusion in the EU's ETS scheme.
- 3.5 National policy can be effective where decisions are typically taken at national level and where those decisions influence the implementation of technologies in order to generate a better outcome than would have otherwise been achieved. One example of this is the efforts being coordinated through the Future Airspace Strategy (FAS) to introduce more efficient airspace structures, modern technologies and operating practices to improve the efficiency of airspace use in the UK and thereby generate environmental improvement.

Do you have any other comments on the approach and evidence set out in Chapter 3?

- 3.6 The CAA believes that market-based policy measures, such as trading schemes or targeted pricing schemes, that take full account of costs and benefits including externalities, offer the best mechanisms to ensure that the aviation sector makes a significant and cost effective contribution towards

reducing global emissions. The CAA fully supports the Government's continued push for a global-level trading scheme to reflect the global nature of the climate change challenge. Until agreement on such a scheme is achieved, the CAA shares the view that aviation should continue to be included within the EU ETS scheme as it has been since the start of 2012.

3.7 Consistent with our view that:

- aviation, like other sectors of the economy, should not be excluded from having to make a contribution towards meeting the UK's statutory targets for carbon emissions reduction as set out in the Climate Change Act 2008; and
- the efficiency of carbon reduction measures should be maximised through cross-sectoral trading so as to limit the overall cost impact on the UK's economy,

the CAA considers that aviation should be brought within the UK's national carbon budgets and targets as recommended by the Committee on Climate Change in April 2012.

3.8 In contrast, application of the same principles leads us to suggest that it would be inappropriate for the Government to set a national target solely for aviation. A sector-specific target would place constraints on aviation that would not apply to other sectors of the economy, leading to the unattractive outcome that the costs of compliance for the UK economy involved in achieving a given level of emissions reduction would be higher than would otherwise be the case. It is therefore difficult to see a compelling logic in favour of the introduction of a national target for aviation.

4. Noise and other local environmental impacts

Do you agree that the Government should continue to designate the three largest London airports for noise management purposes? If not, please provide reasons.

- 4.1 With regard to noise management, the CAA considers that designation of airports for the purposes of noise regulation under Section 78 of the Civil Aviation Act 1982 should only be done in exceptional circumstances where local solutions cannot be found. The CAA recommends that the Government's aviation policy framework would benefit from a clearer articulation of the Government's policy principles for designation, and that the current designation of airports should be reviewed against those criteria.
- 4.2 Designating an airport for the purposes of noise brings with it the risk that Government is drawn into considering matters of operational detail at the affected airports, thereby both limiting the likelihood that local solutions to noise issues will be found and blurring the line of accountability between Government, airport operator and local community. As a result of the risks associated with such designation, the CAA considers that airports should only be designated where there is a clear rationale, which could include a need to reconcile local and strategic national interests.
- 4.3 Considering the current set of airports designated for the purposes of noise, we note that more people are exposed to noise at some non-designated airports such as Manchester, Glasgow, Birmingham, than at Gatwick and Stansted². Experience suggests that noise issues at these non-London airports are being managed well through constructive engagement between the airports and their communities, such that it is far from clear whether designation would offer additional benefits.

Do you agree with the Government's overall objective on aviation noise?

- 4.4 The CAA supports the Government's proposal to maintain a clear policy objective for the management of noise issues whilst of course recognising that a single objective will inevitably involve a number of implicit trade-offs between different stakeholders. The CAA notes that the Government's proposed objective focuses on the number of people in the UK who are significantly affected by aircraft noise, but does not distinguish within that group in terms of those who suffer the greatest noise impacts. Whilst the proposed policy objective has some attractions in terms of clarity, it does not reflect the complexity of the issues generated by noise and the measures taken to manage its impacts.
- 4.5 For example, we note that the practice of runway alternation currently in place at London Heathrow actually increases the number of people affected by aircraft noise, but spreads out the impact, and is arguably inconsistent

² Source: European Commission, CAA. Based on the populations affected by noise using the standard measure of 55 LDen- 2006 figures

with the objective to limit or reduce the number of people significantly affected by aircraft noise. By contrast, without any further policy intervention, the improvements in navigational and control technology will result in aircraft routes being concentrated on NPR centrelines. This is likely to meet the Government's proposed objective, as fewer people will be significantly affected by noise. However, the people located beneath the centrelines are likely to become more adversely affected by noise.

- 4.6 The complexity of the noise issue is reflected in the Government's overarching Noise Policy Statement for England, which promotes three aims: to avoid significant adverse impacts on health and quality of life; to mitigate and minimise adverse impacts on health and quality of life; and where possible, to contribute to the improvement of health and quality of life.
- 4.7 We consider that the Government's overall objective on aviation noise should take this policy into account, and that the objective should recognise the relative severity of impact of noise by aiming to limit and where possible reduce the number of people in the UK significantly affected by aircraft noise, whilst giving priority to those most significantly adversely affected by aircraft noise.

Do you agree that the Government should retain the 57 dB LAeq,16h contour as the average level of daytime aircraft noise marking the approximate onset of significant community annoyance?

- 4.8 There are two elements to the average level of daytime aircraft noise used to mark the approximate onset of significant community annoyance. Firstly, the numerical level (currently 57 dB), and secondly, the metric (currently LAeq,16h). We address the appropriate level for the threshold in our response to the following question.
- 4.9 In terms of the metric, LAeq,16h, the CAA considers that the daytime (annoyance) and night-time (sleep disturbance) effects of aircraft noise are sufficiently different that day and night should be considered separately, rather than aggregated into a single metric, as is currently the case with the European 55 Lden measure. We would therefore recommend retention of LAeq,16h, but also recommend that consideration be given to more routine generation of night-time LAeq, 8h noise contours.

Do you think that the Government should map noise exposure around the noise designated airports to a lower level than 57 dBA? If so, which level would be appropriate?

- 4.10 The use of 57dBA to mark the onset of significant community annoyance has been in use since 1990. Since then, and particularly in more recent years, there has been growing concern that public attitudes have changed and that people have generally become more sensitive to aircraft noise. Noise complaint data gathered by airports gives some weight to this in that more

complaints received relate to noise disturbance at levels below 57dBA than above this level.

- 4.11 Various studies have provided similar indications. As a result, The European Commission has adopted indicators that define zero annoyance at 42dBA Leq. Whilst having a current policy threshold of 57dBA Leq for significant community annoyance, DfT's guidance on the monetary valuation of noise defines a cut-off at 45dBA Leq. We do not consider metrics that quantify annoyance down to a threshold of zero impact to be helpful; they apportion too much weight to very large numbers of people experiencing very small impacts, rather than the much smaller numbers of people that suffer much higher impacts.
- 4.12 The ANASE study published in 2007 updated understanding of people's attitudes to aircraft noise. Despite the concerns raised by the peer reviewers regarding the overall robustness of the study, the CAA considers that results from the pilot study support the adoption of a lower level for the approximate onset of significant annoyance, around 54 dBA Leq,16h.
- 4.13 It is becoming increasingly common to map noise exposure around airports down to the lower level of 54 dBA. This is made possible by newer, more refined noise modelling techniques which reduce the uncertainties and inaccuracies associated with predicting noise at lower levels. Given this possibility, and in light of the evidence drawn from the ANASE pilot study, the CAA considers that the Government should map noise exposure around the noise designated airports to a level of 54 dBA Leq,16h. The CAA also notes that in the interests of clarity and effective engagement between airports and their local communities, any review of noise thresholds should seek to avoid a profusion of different measures being used.
- 4.14 Finally, it is worth noting that there are significant difficulties associated with robustly modelling noise any lower than 54dBA. ERCD Report 1006³ concluded that producing noise contours at lower exposure levels would require significant additional monitoring to be undertaken to ensure modelling databases had sufficient data for validation. Even if this were accomplished, the modelling process would then need to be refined to reflect aircraft flight path variation in more detail, resulting in "significantly longer timescales and higher associated costs".

Do you agree with the proposed principles to which the Government would have regard when setting a noise envelope at any new national hub airport or any other airport development which is a nationally significant infrastructure project?

- 4.15 The proposed principles align with Government policy on noise as set out in this consultation, i.e. to limit and where possible reduce the number of people significantly affected by noise (as amended, or otherwise, to take into account those most significantly adversely affected (see answer to question

³ ERCD Report 1006, 'Measurement and Modelling of Aircraft Noise at Low Levels', October 2010

9)). The principles may also assist in meeting the aims of the Government's Noise Policy Statement for England if the envelope criteria are set appropriately. The CAA therefore considers that the noise envelope principles should also have regard to prioritising those most significantly adversely affected by aircraft noise.

- 4.16 The CAA agrees with the principle of setting a noise envelope to encourage the sharing of the benefits of future improvements in operational practices and technology between the aviation industry and local residents. We consider that the application of an appropriate noise envelope should provide clarity and assurance to local communities that growth would be delivered in a sustainable way within pre-established parameters.
- 4.17 The suggestion in the consultation document is that noise envelopes would be set at any new national hub airports or airport development which is a nationally significant infrastructure project. The CAA suggests that the principles which underpin the envelope concept should be sufficiently robust and standardised that they could be applied, if desired, to airports of all sizes and significance.

Do you agree that noise should be given particular weight when balanced against other environmental factors affecting communities living near airports?

- 4.18 In terms of the relative health and quality of life impacts for residents living in the vicinity of an airport, current evidence suggest that aircraft noise creates the biggest problems, with increasing evidence that high noise exposure levels can result in acute health impacts in addition to annoyance. This would logically lead to a prioritisation of noise close to airports where such noise levels are experienced. Furthermore, the statutory framework for dealing with other environmental emissions from aviation and other sources affecting air quality (e.g. NO_x and airborne particulates) is well established and generally effective, meaning that noise can legitimately be prioritised at the airport level.

What factors should the Government consider when deciding how to balance the benefits of respite with other environmental benefits?

- 4.19 It is widely recognised that providing respite spreads the impact of noise over a larger number of people, yet reduces the level of impact on any individual. However, the CAA is not aware of much research that has attempted to value that individuals place on respite; therefore, the degree to which this dispersion of noise annoyance is net beneficial to communities is poorly understood. Given the focus placed on respite in moderating communities' exposure to noise, the CAA considers more should be done to better understand the value that residents place on respite periods. This is particularly important given that creating the conditions for respite often comes with some costs as it generally requires some sort of rotating pattern

of operation that can add complexity to operations and potentially result in increase flight time and hence fuel burn/CO2 and emissions.

Do you agree with the Government's proposals in paragraph 4.68 on noise limits, monitoring and penalties?

4.20 The CAA supports the view that a review of departure noise limits would be timely, and that the level of penalties for breaches should be part of any review. We would also agree that more could be in terms of the publication of data around breaches to incentivise performance and increase public awareness.

In what circumstances would it be appropriate for the Government to direct noise designated airports to establish and maintain a penalty scheme?

4.21 The Government already directs designated airports to establish and maintain penalty schemes associated with departure noise limits. The CAA sees considerable benefits associated with such schemes as long as they can be introduced without leading to inappropriate behaviours in a safety critical period of flight. Any decision on the imposition of penalties is also complicated by the fact that a noise breach may result from the actions of air traffic control rather than solely from the behaviour of the pilot. These issues require further work in order to identify potential frameworks/metrics that could incentivise improving performance without generating adverse effects.

In what circumstances would it be appropriate for the Government to make an order requiring designated airports to maintain and operate noise monitors and produce noise measurement reports?

4.22 Designated airports currently maintain and operate noise monitors on a voluntary basis, providing valuable information on the actual noise effects of operations. Given that the provision of trusted information on noise effects is an essential first step in encouraging local solutions where possible, airports are generally incentivised to do this. There is, however, some evidence that the number of monitors around designated airports in the UK is far lower than the numbers deployed at airports elsewhere in Europe and other international comparators. Whilst the density of development in some areas increases the need for the effective monitoring of noise effects, it places acute constraints on appropriately isolated sites for noise monitoring. Consideration would need to be given to what added value there would be from a significant increase in monitoring and how the provision of additional monitoring data may fit with the CAA's proposed information powers.

How could differential landing fees be better utilised to improve the noise environment around airports, particularly at night?

- 4.23 Consideration should be given to the potential for differential landing charges to drive greater changes in behaviour and also for any potential opportunities for revenue collected from charges to be used to support other aspects of noise mitigation.
- 4.24 Similarly, further work is needed to establish whether existing fee structures provide much more than a back-stop against the re-introduction of noisier aircraft, particularly as there is some evidence to suggest that differential landing charges follow changes in airline behaviour rather than lead them, raising questions about the effectiveness of the current incentives and the process by which they are established.
- 4.25 Any scheme that results in greater changes in behaviour would need take into account any unintended consequences (for example reducing the targeted pollutant (e.g. NO_x) whilst increasing carbon dioxide emissions).

Do you think airport compensation schemes are reasonable and proportionate?

- 4.26 The CAA notes that there is some evidence that UK airports spend substantially less than other major international airports on mitigation and compensation programmes, despite some having some of the largest resident numbers affected by noise disturbance. In some cases, multiple schemes are in force, and the process for applying for such schemes can be confusing and inefficient for residents.
- 4.27 It is noteworthy that whilst some guidance was made available by Government on the threshold at which compensation schemes should be made available, there is considerable flexibility in how airports are expected to implement the guidance and the shape of such schemes are ultimately determined by the airport itself.
- 4.28 The CAA considers that more could and should be done to improve the performance of such schemes and to encourage the sharing of best practice within the UK and further abroad.

Do you agree with the approach to the management of noise from general aviation and helicopters, in particular to the use of the section 5 power?

- 4.29 Section 5 of the Civil Aviation Act 1982 provides for the CAA to “have regard” to environmental aspects when licensing an aerodrome. The provision only applies to aerodromes specified by the Secretary of State, and to date no aerodrome has been so specified. A feasibility study into the application of section 5 by the CAA has been initiated with a view to developing a general policy for aerodromes which have been specified under section 5.

- 4.30 The advent of EASA regulation of aerodromes is significant in that section 5 would only apply to aerodromes regulated under an Air Navigation Order. The main airports within the UK would be regulated under European regulations and would not be subject to section 5.
- 4.31 As section 5 operates through the aerodrome licence, any aerodrome specified for the provision would have the option of surrendering its licence and continuing to operate as an unlicensed aerodrome unaffected by section 5. As flying training, cargo operations and private flying do not require the use of a licensed aerodrome the loss of licensed status would not necessarily mean that an aerodrome business would become non-viable.
- 4.32 Once an aerodrome has been specified, the CAA would need to have regard to all the environmental factors listed in section 5. But it should be possible to restrict the amount of resource required by focusing on those areas in respect of which complaints or concerns have been raised. CAA would take the view that in the absence of any evidence to the contrary, those environmental factors in respect of which no concerns have been expressed, are unlikely to require a licence condition. Similarly, the DfT could, in a covering letter with the order, identify the factors on which they wish CAA to focus.
- 4.33 Helicopter noise is particularly difficult to monitor and assess, since by their nature helicopters often fly at relatively low altitude and thus create noise disturbance a long distance away from their originating or destination aerodrome. In the case of fixed-wing aircraft, noise is managed at the relevant aerodrome. However, in the case of helicopter noise, where disturbance is generated en-route, it may be completely unrelated to the origin or destination aerodromes, significantly complicating assessment and any potential mitigation measures.

What other measures might be considered that would improve the management of noise from these sources?

- 4.34 The Government could explore potential operational measures to limit the noise impact of helicopter operations. Any such measures would need to be subject to detailed operational analysis to ensure that they met safety standards, international requirements and ensured equitable access to airspace consistent with operational needs. Increasing the minimum size of registration lettering requirements would enable those affected by helicopter noise to more easily identify the aircraft responsible and contact the operator or register complaints. Requiring the registration lettering to be illuminated would enable helicopters to be identified at night.

Do you have any further ideas on how the Government could incentivise the aviation and aerospace sector to deliver quieter planes?

- 4.35 The current approach is to seek global action through the introduction of tougher international noise standards for the design of new aircraft. Whilst

the potential for future, more stringent standards, drives technical innovation, we note that despite the most recent standard being introduced as recently as 2006, around 95% of aircraft operating at major UK airports already meet the latest standard. In contrast less than 40% of aircraft operating meet the latest ICAO emissions standards. Recognising that reaching agreement on more stretching standards is challenging, the alternative is the introduction of locally based incentives, which could include:

- *Better use of comparative information.* One way of spreading best practice amongst comparable airports is to use information on historic performance to incentivise future improvements. Such an approach has been used in the United States, for example the 'Fly Quiet' Programmes in place at US airports such as San Francisco and Chicago O'Hare
- *Introduce absolute noise constraints on airports.* It would be possible to impose a daytime noise quota system similar to the one that operates for night movements at airports such as Heathrow. Such a daytime system operates at London City airport where the impact of day-time noise on residents is considered to be too high to be left unconstrained. It might be possible to link such an approach to the concept of a noise envelope consulted on in the draft framework.

Do you believe that the regime for the regulation of other local environmental impacts at airports is effective?

- 4.36 As the CAA noted in our insight note on the environmental impacts of aviation⁴, we believe that the framework governing the regulation of non-noise emissions from aircraft and other airport-based vehicles is generally considered to be effective.
- 4.37 By adopting a non-sectoral approach focused on an overall target for tackling air quality emissions, the legislation enables reductions to be made in the most efficient manner possible across sectors.

Do you think that noise regulation should be integrated into a broader regulatory framework which tackles the local environmental impacts from airports?

- 4.38 The CAA sees some benefits in creating a holistic framework for aviation's environmental impacts that integrates the various regimes for dealing with different impacts. Such an approach would offer greater clarity for both affected communities and actors in the aviation industry and help formalise the trade-offs between different pollutant types within the sector. However, it might create problems when seeking to generate efficient responses to environmental problems involving aviation and other sources of environmental impacts where the current pollutant-type approach has been

⁴ http://www.caa.co.uk/docs/589/CAA_InsightNote2_Aviation_Policy_For_The_Environment.pdf

relatively successful, Furthermore, we note that integration of the regulatory regime for aviation poses obvious challenges given the suite of European and national law that has a bearing in this area. Consequently, a more practical approach might be to issue up-to-date guidance on how the various regulatory requirements should be interpreted and, where necessary, conflicting obligations reconciled.

5. Working together

Do you think Airport Consultative Committees should play a stronger role and if so, how could this be achieved?

5.1 The ability for the views of airlines, passengers and residents to be exchanged in Airport Consultative Committees is an important element of ensuring that active engagement takes place between the airport and those using or affected by its services. The CAA notes that both the role played and the effectiveness of Airport Consultative Committees varies from airport to airport, but that in general they are valued by communities and passenger groups alike as a way of channelling their concerns and engaging with airport management.

The Passenger perspective

5.2 The Passenger perspective. Currently many of the larger ACCs also have a Passenger Sub-Committee (or User Group) which generally consists of a number of frequent travellers through the airport and/or representatives of passenger sub-groups with specific needs (e.g. families with small children). Where these exist, these committees can be a valuable source of information for both airport management and the CAA. For example, during the Q6 price review⁵ at the designated airports (Heathrow, Gatwick and Stansted), the passenger sub-committees are engaging with the CAA during the process and are helping to inform our understanding of passengers' interests.

5.3 We are supportive of the development of the role of the Passenger Sub-Committees of the ACCs. In order to achieve this, we believe it would be helpful to set out clear guidelines for the governance of these committees, ensuring the representation of relevant passenger sub-groups and an ongoing relationship with the CAA's Consumer Panel. We recognise also that airports will need to play a key role in empowering Passenger Sub-Committees, in particular in providing them with relevant information on airport performance in so far as it relates to consumer issues. Although the level of detail and the format in which this information is provided will be a matter for the airport and the Passenger Sub-Committee to decide on jointly, we would anticipate that the information would be drawn from existing sources. The importance of air freight should also be recognised and the Passenger Sub-Committees should endeavour to include representatives of users of air freight services at the airport too.

5.4 At present the ACC guidelines do not require a Passenger Sub-Committee to be set up, and ACCs retain the flexibility to decide what is most appropriate for each airport. At present, the CAA does not see a need to change this arrangement. However, we note that, unlike issues such as noise, where there is naturally a high level of engagement with the local community and other interested groups, tapping into consumers' interests and views can be

⁵ <http://www.caa.co.uk/docs/5/Q6PolicyUpdate.pdf>

more difficult. In considering whether to establish Passenger Sub-Committees, we would encourage ACCs and airports to actively seek out sources of consumers' views and individuals to represent these views on the Sub-Committee.

The community perspective

- 5.5 For community groups concerned about the way that the airport is operating, the ACC plays a role in airing issues, helping to drive progress in the dedicated working groups dealing with noise and environmental issues. Whilst we can see the benefit in providing stronger guidance on the operation of ACCs, we would again be wary of an approach that distances the airport and the community from decisions on how the ACC should operate.

Is there a case for changing the list of airports currently designated to provide consultative facilities?

- 5.6 The CAA has considered this question in terms of ensuring adequate passenger representation and reflecting the perspectives of residents and does not feel that the list of airports designated to provide consultative committees needs to be revised.

Do you agree that the Civil Aviation Authority should have a role in providing independent oversight of airports' noise management?

- 5.7 The CAA considers that, although the outcome of any engagement process cannot be guaranteed, the likelihood of an outcome that is acceptable to all parties is likely to be improved if certain conditions are present:
- The parties have shared access to trusted data and a common understanding of the nature of the problem ("Condition one").
 - Incentives exist to encourage sides to find a local solution without outside intervention ("Condition two").
 - The regulatory framework does not seek to interpose Government or Regulator between airport and community to arbitrate an outcome unless absolutely necessary to balance local and national interests ("Condition three").
- 5.8 On condition one, we believe local accountability can be supported by better provision of information. The CAA is well positioned to perform a more proactive role in the provision of information to stakeholders in a way that has not been done in the past. This role is consistent with the environmental information duty that the CAA expects to be given through the Civil Aviation Bill, and is likely to include more active sharing of best practice. This information would be intended to play a role in strengthening the incentives on operators and the capability of the sector for achieving improvements. Set against this context, the CAA agrees that its role could be expanded to include the kind of data and best practice sharing activities illustrated in paragraph 5.22 of the consultation document.

- 5.9 On condition two, we believe that in general airports and their local communities share incentives to limit the environmental effects of the airport's operations, and that such misalignment occurs where one or both parties feels that it is no longer in their interest to listen to the other. Reconciling differences between community and airport might be difficult, depending on the degree to which the conditions that led to a break-down in communication can be reversed.
- 5.10 On condition three, we do not believe that it would be beneficial for any body, including the CAA or Government, to be placed between an airport and its local community unless absolutely essential. Should such a role be created for a third party, it would only be effective if it were given a very clear steer from Government as regards the discharge of its duties. For example, any steer would have to specify the boundaries of scope for assistance to individuals, airport consultative committees and Government so that aerodromes and their communities can find a local solution to any issues in order that they maintain local accountability.
- 5.11 As noted in the context of the question on the designation of airports for noise purposes, we note that the most logical grounds for the CAA or Government to intervene might be where there is a need to reconcile local and national interests, but that this should be done as a last resort (as is the case with the CAA's existing Section 5 duty). We are therefore sceptical that the suggested arbitration role for the CAA outlined in paragraph 5.22 would be beneficial.
- 5.12 Similarly, whilst the CAA already plays a limited role in assisting ACCs in monitoring the implementation of Noise Action Plan commitments in specific instances, we would that being required to do this for all 22 airports currently required to formulate Noise Action Plans in the UK would be disproportionate in terms of the resources implications.

Do you agree with the Government's overall objective on working together?

- 5.13 We would strongly support the objective to strengthen and streamline the way that the aviation industry and local stakeholders work together. As set out in the CAA's Aviation Policy for the Environment insight note, improved engagement and communication between the aviation sector and local communities are necessary prerequisites for achieving durable solutions to a number of the issues facing the sector, both in terms of the environmental challenges faced and the wider development of the sector.

Do you agree that master plans should incorporate airport surface access strategies?

- 5.14 We agree that master plans should include surface access as an important aspect of airport development, not least because of the positive contribution that efficient surface access infrastructure can make to tackling the

environmental impacts of airports, improving the passenger experience, and generating the conditions for sustainable growth.

Do you agree that, where appropriate, the periods covered by master plans and noise action plans should be aligned?

5.15 The CAA considers that this is a broadly sensible approach given the frequent link between airport infrastructure improvements and environmental effects, most notably noise.