



Economic Regulation Group
Head of Economic Policy and International Aviation

20 December 2005

Dear Consultee

OUTCOME OF THE CAA'S CONSULTATION ON ITS PROCEDURES FOR ALLOCATING SCARCE BILATERAL CAPACITY RIGHTS: REVIEW OF STATEMENT OF POLICIES ANNEX 8 OFFICIAL RECORD SERIES 1 AND HEARING PROCEDURES

The CAA recently held a consultation on its methodology and procedures for the allocation of traffic rights. The consultation closed on 8 November 2005. This letter sets out the changes to the Annex 8 document and procedures made by the CAA following that consultation.

It will be of interest to those who might wish to apply for air traffic rights granted to the UK under its bilateral air service agreements. This may include European carriers in cases where the UK has signed a Community Designation article with the relevant bilateral partner.

Following the consultation on the review of the Annex 8 guidance and scarce capacity procedures, the CAA has concluded as follows:

- **Annex 8.** The CAA will be introducing a new version of the Annex 8 guidance document, which aims to guide the parties on the economic data expected by the CAA as one of the inputs to the scarce capacity hearing. The new Annex 8 guidance, a copy of which is attached to this letter, is similar to the version on which the CAA consulted, except for one substantive change relating to the treatment of confidential information.
- **Review of Scarce Capacity Procedures.** Having considered stakeholders' responses to the consultation on the scarce capacity procedures, the CAA has concluded that there would be no benefit in altering either the existing hearing procedures or the pre-hearing procedure allowed for under Regulation 23 of The Civil Aviation Authority Regulations 1991.

The rationale for the CAA's decision is set out in the attached document, which summarises the responses the CAA received and sets out its assessment of them. Copies of this, the CAA's original consultation letter, and the five stakeholder responses are all available at www.caa.co.uk (Go to: 'Economic Regulation' → 'Download Publications').

The new version of Annex 8, a copy of which is also attached, will come into effect immediately. Access to the CAA's full Statement of Policies, including its scarce capacity procedures (Annexes 7 and 8 of the CAA's Official Record 1) is available on the CAA's website, www.caa.co.uk (Go to: 'Consumer Protection' → 'Airline Licensing' → 'Legislation and Publications' → 'Official Record Series 1').

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Alex Plant'. The signature is written in a cursive, flowing style.

Alex Plant