

24 August 2006

Dear

Certification of ANSPs in accordance with EC Common Requirements Regulation No 2096 /2005 - General Update

The purpose of this letter is to update ANSPs on issues that may impact on their certification in accordance with the Common Requirements Regulation and supplement the information contained in previous correspondence relating to:

- Acceptable means of compliance - Economic and Financial aspects
- Insurance Requirements
- Confirmation of QMS deadline and acceptable means of compliance

Compliance with Economic and Financial aspects

Following consultation, the CAA published, in December 2005, its policies on the implementation of the economic and financial aspects of the Common Requirements regulation made under European law.¹ The CAA has previously made it clear that it would aim to adopt an approach in fulfilling its functions as the UK National Supervisory Authority that would impose as little additional regulatory burden on the industry as possible. However, the regulatory burden has to be such as to meet the legal requirements and, as a result, the CAA is reminding all ANSPs that are not eligible for a derogated certificate² or intend to apply for a non derogated certificate, that they should submit to the CAA their five-year Business Plan, Annual Plan, and audited accounts for the last completed year before they can receive a certificate. Such ANSPs will also have to produce an Annual Report. The CAA recognises that most ANSPs may not be in a position to deliver an Annual Report covering a completed year in advance of certification. Instead, the CAA will accept a written declaration that they will produce, and send to the CAA, an Annual Report at the end of their next reporting period and that this report will be made available to users as part of the consultation process.

For the avoidance of doubt, the submission of each of these four documents is necessary to comply with the law and consequently, without them, the CAA will not be able to certify ANSPs. In order to allow the CAA time to complete the economic and financial aspects of the certification process those ANSPs who wish to be certified by 21 December 2006, should aim to provide this information as soon as possible and by no later than 20 October 2006.

We recognise that there will be some ANSPs who will not have experience in the preparation of this type of information. In order to assist such ANSPs we attach details of what each of the documents must include in order to satisfy the economic and financial aspects of the Common Requirements. The CAA is not asking ANSPs to provide more information than described for this purpose. Pro-formas - based on these details - are available on the CAA website at

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

² For further details see section 1 of the ANSP Certification Application Form

<http://www.caa.co.uk/default.aspx?categoryid=589&pagetype=90&pageid=6841>

Providers producing such documents for the first time may wish to use the pro-formas located on the CAA website for the purposes of initial certification.

As far as the provision of annual accounts is concerned where an aerodrome “self-supplies” air navigation services the CAA will accept audited accounts for the entity that has management of the aerodrome. Equally where an ANSP forms part of a larger organization and where it provides services at more than one airport the CAA will accept group level audited accounts. This should mean that ANSPs will not have to draw up audited accounts beyond those that they currently produce. However, for Business Plans, Annual Plans and Annual Reports, because these are relevant to the process of consultation with users they should include the information required by the Common Requirements on the specific provision of air navigation services at the airport level. Where an ANSP operates as part of a wider group, these Plans and Reports can be presented for the group so long as they include the information for each individual airport where services are supplied.

Please send all documents relating to the economic and financial requirements to:

Dave Miller
Economic Regulation Group
Civil Aviation Authority
CAA House
45-59 Kingsway
London
WC2B 6TE

E-mail: dave.miller@caaerg.org.uk
Tel: 020 7453 6231

Insurance requirements

The following information is included for the benefit of ANSPs that have not previously been notified:

ANSPs are required to hold sufficient levels of third party and war risk (including allied perils) liability insurance. You should note that war risk cover and allied perils insurance will, depending on the policy, normally include coverage for terrorism, vandalism and malicious damage. Whilst it is the CAA's policy not to permit derogation from the requirement to hold third party insurance, ANSPs with turnover of less than £1 million may be considered for derogation from the requirement to hold war risk and allied perils cover. ANSPs in this category should take advice from their broker as to the applicability of war risk and allied perils cover and it is highly recommended that such cover be put in place. However if you wish to take advantage of the war risk derogation, then written confirmation of your level of turnover will be required. Note that there is no derogation available for ANSPs with turnover in excess of £1 million and they will be required to hold third party and war risk and allied perils cover.

The attached form certifying the level of cover that an ANSP has in place should be completed by your broker and sent to:

Airline Licensing and Consumer Issues
Consumer Protection Group
Civil Aviation Authority
45-59 Kingsway
London
WC2B 6TE.

A Microsoft Word version of this form is available on request from airlinelicensing@cpq.org.uk, where electronic copies of this form may also be filed.

An ANSP will not be certified unless it can provide satisfactory evidence that appropriate insurance is in place. Those ANSPs that wish to take advantage of the war risk derogation should write confirming the basis on which they consider they are eligible. If either you or your broker have any queries regarding the completion of this form please contact Consumer Protection Group as soon as possible.

Confirmation of QMS deadline and acceptable means of compliance

Following clarification from the European Commission, the final date for implementation of QMS has been confirmed to be 21 December 2007. Once again, it should be emphasised that, whilst a certificated ISO 9001 QMS is an acceptable means of compliance, certification against this standard is not mandatory.

Guidance on acceptable means of compliance with the QMS requirements is contained on the CD Rom 'Application/Questionnaire and Guidance for ANSP Certification' at Annex I - 3.2.

Derogated providers should note that they will only be required to implement a suitable document control system supporting, or within, a management system, to meet the QMS requirement.

ANSPs that have not already initiated the certification process should note: that before a certificate can be issued, the UK CAA will need to assess the extent to which an ANSP complies with the CRs and identify any additional compliance measures to be implemented prior to certification. The assessment process and implementation of compliance measures can take several weeks to achieve and there are a significant number of ANSPs in the UK that have to be certified and designated. Consequently, it is vital that you apply as soon as possible in order to ensure that you will be able to continue to provide air navigation services after the mandated deadline.

Yours sincerely



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Safety Regulation Group



Phil Roberts
Assistant Director, Airspace Policy 1
Directorate of Airspace Policy