

Summary: Intervention & Options

Department /Agency: Department for Transport	Title: Impact Assessment of the transposition of Council Directive 2006/23/EC on a Community Air Traffic Controller Licence	
Stage: Consultation	Version: 5	Date: 30 November 2007
Related Publications:		

Available to view or download at:

<http://www.dft.gov.uk>

Contact for enquiries: David Shephard

Telephone: 020 7944 5881

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

Council Directive 2006/23/EC, establishing a Community Air Traffic Controller licence, has been brought into force to increase safety standards and improve the operations of the Community air traffic control system. The aim is to bring about a more efficient organisation of the labour market for air traffic controllers and make freedom of movement more effective by eradicating the current discretion which some Member States take with regard to mutual recognition.

Government intervention is necessary in order to transpose the provisions of the Directive into UK legislation.

What are the policy objectives and the intended effects?

The objective is to implement, within the UK, an Air Traffic Controller licensing scheme that fully complies with the EU Directive by 17 May 2008. This will contribute towards the harmonisation of ATM standards within Europe and facilitate the free movement of air traffic controllers across Europe. The intention is to achieve this with the least possible change to the existing UK ATC licensing processes, procedures and costs.

What policy options have been considered? Please justify any preferred option.

Option 1. Implement the all of the provisions of the EU Directive by 17 May 2008. This is the Government's preferred option, involving a single implementation date. English is the first language of the vast majority of UK licensed Air Traffic Control Officers (ATCO) and so accommodating the new language proficiency requirements early should not be a significant issue.

Option 2. Implement all of the provisions of the Directive, with the exception of the language proficiency requirements (Article 8) by 17 May 2008. Implementation of the language requirements would follow by 17 May 2010.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? This Directive forms part of the Single European Sky (SES) initiative. Its success in achieving the desired effects will be assessed by the EU as part of its evaluation of the SES project as a whole.

Ministerial 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 Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option: 1

Description: Implement all of the provisions of the Directive by 17 May 2008

COSTS	ANNUAL COSTS		<p>Description and scale of key monetised costs by 'main affected groups' The CAA will incur one-off costs of around £20,000 for the reissuing of Directive compliant ATCO licences, and around £100,000 for certifying ATCO Training Provider Organisations. Air Traffic Controller Training Organisations are collectively likely to incur around £120,000 in one-off costs to prepare and submit information to the CAA in order to obtain Certification.</p> <p>Annual costs are likely to be in the region of £10,000 per annum for the CAA in connection with the re-approval of "on-the-job-training" Instructors and Examiners. Total annual costs of around £15,000 are likely to be incurred by Air Navigation Service Provider Organisations in connection with the reassessments for renewal of Examiner endorsements.</p> <p>Additional one-off and annual costs may be incurred by Air Navigation Service Providers in connection with the assessment of English language proficiency for existing ATCOs, but these are likely to be minimal.</p>
	One-off (Transition)	Yrs	
	£ 240,000	1	
	<p>Average Annual Cost (excluding one-off)</p> <p style="text-align: right;">£ 25,000</p>		
		Total Cost (PV)	£ 265,000
<p>Other key non-monetised costs by 'main affected groups' Nil.</p>			

BENEFITS	ANNUAL BENEFITS		<p>Description and scale of key monetised benefits by 'main affected groups'</p>
	One-off	Yrs	
	£ 0	0	
	<p>Average Annual Benefit (excluding one-off)</p> <p style="text-align: right;">£ 0</p>		
		Total Benefit (PV)	£ 0
<p>Other key non-monetised benefits by 'main affected groups' i) Compliance with EC Law ii) UK air traffic service providers will benefit from greater mobility in the labour market and take advantage of changes in ATC service provision, such as the functional blocks of airspace concept, developed under Single European Sky. iii) UK ATC Training providers would be able to compete for training contracts across Europe.</p>			

Key Assumptions/Sensitivities/Risks Future CAA costs for the certification of ATS training service providers would be dependant on the number of new entrants to the ATS Training Service market. Costs relating to amending safety regulatory documentation, including those held at ATC units, would be contained within those associated with a normal amendment cycle.

Price Base Year 2007	Time Period Years 1	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ -£265,000
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What is the geographic coverage of the policy/option?	United Kingdom
On what date will the policy be implemented?	17 May 2008
Which organisation(s) will enforce the policy?	CAA
What is the total annual cost of enforcement for these organisations?	£ 0

Does enforcement comply with Hampton principles?		Yes		
Will implementation go beyond minimum EU requirements?		Yes		
What is the value of the proposed offsetting measure per year?		£ N/A		
What is the value of changes in greenhouse gas emissions?		£ N/A		
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro 0	Small 0	Medium 0	Large 0
Are any of these organisations exempt?	No	No	N/A	N/A
Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)		
Increase of £ 0	Decrease of £ 0		Net Impact	£ 0
Key:	Annual costs and benefits: Constant Prices		(Net) Present Value	

Summary: Analysis & Evidence

Policy Option: 2

Description: Transpose the bulk of the Directive by May 2008, but with the language requirements following in May 2010.

COSTS	ANNUAL COSTS		<p>Description and scale of key monetised costs by 'main affected groups' In the first year, the CAA will incur one-off costs of around £20,000 for the re-issuing of Directive compliant ATCO licences, and around £100,000 for certifying ATCO Training Provider Organisations. Air Traffic Controller Training Organisations are collectively likely to incur around £120,000 in one-off costs to prepare and submit information to the CAA in order to obtain certification.</p> <p>In 2010, the CAA would incur additional one-off costs of perhaps £10,000 to issue new English language proficiency endorsement pages into existing ATCO licences.</p> <p>Annual CAA costs are likely to be in the region of £10,000 per annum for re-approving "on-the-job-training" Instructors and Examiners. In addition, Air Navigation Service Provider Organisations are collectively likely to incur annual costs of around £15,000 in connection with the reassessment and renewal of Examiner endorsements.</p> <p>Additional one-off and annual costs may be incurred by Air Navigation Service Providers in connection with the assessment of English language proficiency for existing ATCOs, but these are likely to be minimal.</p>
	One-off (Transition)	Yrs	
	£ 250,000	2	
	<p>Average Annual Cost (excluding one-off)</p> <p style="text-align: center;">£ 25,000</p>		
		<p>Total Cost (PV) £ 275,000</p>	
<p>Other key non-monetised costs by 'main affected groups' Nil.</p>			

BENEFITS	ANNUAL BENEFITS		<p>Description and scale of key monetised benefits by 'main affected groups'</p>
	One-off	Yrs	
	£ 0	0	
	<p>Average Annual Benefit (excluding one-off)</p> <p style="text-align: center;">£ 0</p>		
		<p>Total Benefit (PV) £ 0</p>	
<p>Other key non-monetised benefits by 'main affected groups' i) Compliance with EC law. ii) UK ATC service providers will benefit from greater mobility in the labour market for Air Traffic Control Officers and would be able to take advantage of initiatives, such as the functional blocks of airspace concept, that are being developed under Single European Sky.</p>			

Key Assumptions/Sensitivities/Risks Future CAA costs for the certification of ATC training providers would be dependant on the number of new entrants to the ATS training market. The costs relating to the amending of safety regulatory documentation, including that held at ATC units, would be contained within those associated with the normal amendment cycle.

Price Base Year 2007	Time Period Years 2	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ -275,000
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What is the geographic coverage of the policy/option?	United Kingdom
On what date will the policy be implemented?	In full - May 2010
Which organisation(s) will enforce the policy?	CAA

What is the total annual cost of enforcement for these organisations?		£ 0		
Does enforcement comply with Hampton principles?		Yes		
Will implementation go beyond minimum EU requirements?		No		
What is the value of the proposed offsetting measure per year?		£ N/A		
What is the value of changes in greenhouse gas emissions?		£ N/A		
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro 0	Small 0	Medium 0	Large 0
Are any of these organisations exempt?	No	No	N/A	N/A
Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)		
Increase of £ 0	Decrease of £ 0	Net Impact	£ 0	
Key:	Annual costs and benefits: Constant Prices	(Net) Present Value		

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. Options Analysis

OPTION 1

DESCRIPTION

Transpose the EU Directive, in full, into UK domestic legislation by 17 May 2008.

COSTS

The CAA would incur one off costs of around £20,000 in connection with the upgrading of existing IT systems and the administrative costs of re-issuing Directive compliant ATCO licenses. In addition, the CAA would incur costs associated with the gathering and assessing of information to confirm ATCO Training Provider Organisations meet the certification requirements plus administrative costs of issuing certificates. This will be in the region of £100,000, based on approximately 40 organisations with an average cost to the CAA of £2,500.

Air Traffic Controller Training Organisations are likely to incur one-off costs of around £3,000 each, on average, in preparing and submitting information to the CAA in order to obtain certification. With approximately 40 organisations, the total one-off costs would be in the region of £120,000.

In terms of annual costs, the CAA would incur administrative costs associated with the reissue of “on-the-job-training” Instructor and Examiner endorsements. On the basis of an estimated 400 re-issues per annum at a cost of £25 each, this would amount to annual CAA costs of approximately £10,000.

Air Navigation Service Provider Organisations would incur annual costs associated with the requirement to reassess the competence of Examiners every 3 years. With an estimate of 100 assessments each year at £150 each, this would amount to total annual costs to the organisations of £15,000.

Additional one-off and annual costs would be incurred by Air Navigation Service Providers in connection with the assessment of English language proficiency for existing ATCOs, but these are likely to be minimal, as they are incorporated in existing annual assessment processes.

The costs relating to the amendment of safety regulatory documentation, including those held at ATC units, would be contained within those associated with a normal amendment cycle.

BENEFITS

This option would ensure that the UK complied with EC law and is included in the harmonisation and integration of ATCO licensing and ATC training certification within the EU. The harmonisation of air traffic controllers' licences will contribute to European aviation safety as competence levels will be harmonised between service providers, contributing to a more efficient and safer interface between them. It will also enable greater mobility of ATCOs within EU Member States.

This option goes beyond the strict requirement of the Directive by bringing into force the new English language proficiency certification requirements two years early. However, the International Civil Aviation Organisation (ICAO) will be introducing its own new, strengthened, language requirements for pilots and air traffic controllers from 5 March 2008. This option seeks to implement both the EU Directive and the ICAO language proficiency requirements, in full, at broadly the same time. As English is the first language of most of the UK licensed ATCOs, early implementation of the language proficiency requirement should have little practical impact on UK ATS providers and would eliminate the administrative burden of introducing a second change to the ATCO licensing provisions, in May 2010. This is the preferred option.

NET IMPACT

The total costs of this option are likely to be in the region £265,000, but these will be off set by significant unquantifiable benefits in terms of compliance with EU law, greater workforce mobility and the opportunity for UK ATM service providers to compete for contracts in the wider European market.

KEY ASSUMPTIONS

That the costs associated with amending safety regulatory documentation, including those held at ATC units, will be contained within those associated with the normal amendment cycle.

SENSITIVITIES

The CAA's future costs associated with the certification of ATS training providers will be dependant on the number of new entrants to the ATS training provider market. No new entrants are expected to the UK ATCO training market as a direct result of the ATCO Directive in the short term. However, it does allow the possibility for organisations from other Member States to provide training in the UK, subject to certification. Initial certification costs for training provision in the UK are likely to be born by the National Supervisory Authority of the State in which the training provider organisation has its principal place of operation. This is not expected to be significant.

RISKS

To facilitate future SES developments, particularly in respect of the functional blocks of airspace concept, the training and competence standards of ATCOs must be harmonised within Europe. The implementation of Eurocontrol's ESARR5 in Member States has played a major part in achieving this and will continue to do so. The implementation of the EU Directive has given the ESARR requirements relevant to ATCOs the force of European law and thus legal enforceability.

Failure to transpose the provisions of the EU Directive in full would mean that the UK would not be part of the harmonisation and integration of ATC service provision across Europe.

OPTION 2

DESCRIPTION

Transpose the bulk of the Directive by May 2008, but with the language requirement deferred to May 2010.

COSTS

In the first year the CAA would incur one off costs of around £20,000 in connection with the upgrading of existing IT systems and the administrative costs of re-issuing Directive compliant ATCO licenses. In addition, the CAA would incur costs associated with the gathering and assessing of information to confirm ATCO Training Provider Organisations meet the certification requirements plus administrative costs of issuing certificates. This will be in the region of £100,000, based on approximately 40 organisations with an average cost to the CAA of £2,500.

Air Traffic Controller Training Organisations are likely to incur one-off costs of around £3,000 each, on average, in preparing and submitting information to the CAA in order to obtain certification. With approximately 40 organisations, the total one-off costs would be in the region of £120,000.

In 2010, the CAA would incur additional administrative and IT costs, of around £10,000, in preparing and issuing English language proficiency endorsement pages for existing ATCO licences.

In terms of annual costs, the CAA would incur administrative costs associated with the reissue of “on-the-job-training” Instructor and Examiner endorsements. On the basis of an estimated 400 re-issues per annum at a cost of £25 each, this would amount to annual CAA costs of approximately £10,000.

Air Navigation Service Provider Organisations would incur annual costs associated with the requirement to reassess the competence of Examiners every 3 years. With an estimate of 100 assessments each year at £150 each, this would amount to total annual costs to the organisations of £15,000.

Additional one-off and annual costs would be incurred by Air Navigation Service Providers in connection with the assessment of English language proficiency for existing ATCOs, but these are likely to be minimal, as they are incorporated in existing annual assessment processes.

The costs relating to the amendment of safety regulatory documentation, including those held at ATC units, would be contained within those associated with a normal amendment cycle.

BENEFITS

As Option 1 above, this option would ensure that the UK was compliant with EU law and was included in the harmonisation of ATCO licensing and training certification within the EU, allowing UK training providers to compete on a level playing field against continental competitors. Directive compliant UK ATCO licences would also allow greater mobility in the workplace.

This option would also comply with the implementation timetable set out in the Directive.

NET IMPACT

The costs of this option would be in the region of £275,000, but these will be off set by significant unquantifiable benefits in terms of compliance with EU law, greater workforce mobility and the opportunity for UK ATM service providers to compete for contracts in the wider European market.

KEY ASSUMPTIONS

If not introduced, the UK would need to file a “difference” in respect of the new ICAO language requirement with ICAO, which are due to enter into force, separately, in March 2008.

The costs associated with amending safety regulatory documentation, including those held at ATC units, will be contained within those associated with the normal amendment cycle.

SENSITIVITIES

The CAA’s future costs associated with the certification of ATS training providers will be dependant on the number of new entrants to the ATS training provider market. No new entrants are expected to the UK ATCO training market as a direct result of the ATCO Directive in the short term. However, it does allow the possibility for organisations from other Member States to provide training in the UK, subject to certification. Initial certification costs for training provision in the UK are likely to be born by the National Supervisory Authority of the State in which the training provider organisation has its principal place of operation. This is not expected to be significant.

RISKS

As for Option 1 above

2. Implementation

Both options would be implemented by way of a Statutory Instrument amending Part 10 and Schedule 11 of the Air Navigation Order 2005 [S.I. 2005 No. 1970], along with any consequential amendments. The Air Navigation Order, amongst other matters, provides for the

manner and conditions of the issue, validation, renewal, extension or variation of any certificate, licence or other document required by the Order, including ATCO licenses.

3. Enforcement

The CAA conducts periodic on-site audits of all Air Navigation Service Providers including those that provide an air traffic control service and therefore employ ATCOs. These audits will include checking the training and licensing of ATCOs. The CAA will also audit those organisations that provide the initial ATCO training, the “colleges”. Unit endorsements are renewed, in the main by the Air Navigation Service Providers own approved Examiners, every year and the renewal must be reported to the CAA.

Penalties for non-compliance with the licensing provisions of ATCOs already exist in the Air Navigation Order 2005. Sanctions can also include the revocation, suspension or variation of endorsements or ratings found in an ATCO’s licence.

4. Competition Assessment

It is not necessary to conduct a formal competition Assessment. Compared to the base case of ‘do nothing’ this new legislation will not directly or indirectly limit the number or range of suppliers. Nor will this legislation limit the ability of suppliers to compete. For ATS training providers the new legislation may actually increase competition as we are widening the market i.e. a training provider could relocate from Germany to the U.K., or vice versa. Furthermore the new legislation will not reduce suppliers’ incentives to compete vigorously.

5. Small Firms Impact Test

All air traffic service providers and ATC Training providers will be required to comply with the appropriate parts of the EU Directive. There are currently 39 providers of air traffic services in the UK. Of these, the CAA has identified 2 that fall into the small business category. There are also 6 organisations that provide controllers for special events, which also fall into this category. Of the three Training Centres, two are classified as small businesses. The introduction of certification requirements will only entail minimal changes to the current requirements.

6. Race Equality

It is considered that the transposition of the provisions of the Directive will not adversely impact on race equality. Physical and mental fitness test already apply in respect of the granting of an ATCO licence, and these will not fundamentally change. The minimum educational requirements for EU ATCO licence holders are set out in the Directive.

7. Disability Equality

It is considered that the transposition of the provisions of the Directive will not adversely impact on disability equality. Physical and mental fitness test already apply in respect of the granting of an ATCO licence, and these will not fundamentally change. The minimum educational requirements for EU ATCO licence holders are set out in the Directive.

8. Gender Equality

It is considered that the transposition of the provisions of the Directive will not adversely impact on gender equality. Physical and mental fitness test already apply in respect of the granting of an ATCO licence, and these will not fundamentally change. The minimum educational requirements for EU ATCO licence holders are set out in the Directive.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	No	No
Rural Proofing	No	No

