

SHORT (& MEDIUM) TERM MEASURES - EXECUTIVE SUMMARY

MEASURE SET	Regulatory	
MEASURE TITLE	Airport regulations	
MEASURE SUMMARY	The measure is focused on reducing / removing regulatory restrictions and rebalancing market shaping incentives / disincentives on airport use.	
MEASURE INVOLVES	<input type="checkbox"/> Behavioural Change <input type="checkbox"/> Operational Change <input type="checkbox"/> Technical Change	<input type="checkbox"/> Infrastructure Change <input checked="" type="checkbox"/> Regulatory Change <input checked="" type="checkbox"/> Policy Change
WHAT DOES THIS ADDRESS?		
<p>Currently there are a number of regulatory measures in place that restrict airports from behaving in a fully commercial or pure market-oriented way. These include:</p> <ul style="list-style-type: none"> • restrictions on the type of traffic that can be served. For example, air carriers at Biggin Hill are prohibited from selling tickets for journeys in or out of the airport, effectively restricting it from supporting scheduled or holiday charter flights and restricting it to business aviation. Similarly, Farnborough Airport's planning permission restricts its use to that of a civil-licensed dedicated business airport • requirements at the airports designated for price control (Heathrow, Gatwick, Stansted) to consult and gain approval from their incumbent airlines on capital investment programmes • the extensive planning and consultation process needed to expend and develop airports and their associated airspace with, in many cases, planning permissions being subject to approval by local authorities that are most affected by the adverse impacts of the airport. 		
WHAT WOULD BE DONE?		
<p>The measure would reduce regulatory and planning restrictions to enable airports to behave in a more innovative and commercial way as well as accessing the air transport market and providing a more competitive environment.</p>		
WHAT IS THE IMPACT?		
<p>The overall impact would be expected to be:</p> <ul style="list-style-type: none"> • More competitive market-focused, innovative airport system • More cost-effective, efficient services to users • Allowing better use to be made of existing infrastructure • There could be negative impacts if regulatory reform introduced other market distortions, or reduced environmental protection 		

MEASURE SET:	Regulation	Short Term	<input type="checkbox"/>
MEASURE TITLE:	Airport regulations	Medium Term	<input checked="" type="checkbox"/>

MEASURE SUMMARY

Proposed by:	Biggin Hill (044), Bristol Airport (010), IOD (039), TfL (068)		
Proposal:	The measure is focused on removing regulatory restrictions and incentives/disincentives on airport use. There are to:		
REG-APR-1	<ul style="list-style-type: none"> remove the restrictions on the use of certain (general aviation) airports for scheduled air services 		
REG-APR-2	<ul style="list-style-type: none"> reduce the regulatory burden on airport investments at regulated (designated) airports 		
REG-APR-3	<ul style="list-style-type: none"> reduce the planning burdens on airport expansion. <p>The scope of the change of regulation needed, as well as changes planning processes and permissions suggest that this measure would only be executable in the medium term.</p>		
Approach	Existing restrictions on usage of general aviation airports (including Biggin Hill) would be lifted, allowing for a wider range of usage, including chartered and scheduled passenger services, which could provide some relief to others such as LHR and LGW. The regulatory burden on airport investments at LHR, LGW and STN would reduce or remove the ability for airlines to restrict investment decisions by those airports (TfL)	Stated Capital Cost: Not stated	
	Specific proposals are:	Capacity (mppa): Not stated	
	<ul style="list-style-type: none"> Avoid a “One size fits all” approach to safety and security and with any limits or guidelines, that takes into account the characteristics of individual airports (Bristol Airport); Avoid new regulatory costs (Bristol Airport) Streamline the planning systems to enable regional airport expansion (Bristol Airport) Establish a Joint Task Force to enable airports to work with government to identify areas where red tape can be removed (Bristol Airport) Reduce the regulatory burden for non-South East Airports (IOD). 	Capacity (atm): Not stated	
Benefits	Additional usage of general aviation airports could provide utility for some users, and develop opportunities for new scheduled services enhancing connectivity. It would also enhance the ability of those airports to service a wider range of customers, making a contribution to redistributing traffic from more congested airports. A reduction in the regulatory burden on airport investments may increase the amount of such investment, creating benefits for airport owners and users.		
Issues & Risks	<p>The main issues and risks are that:</p> <ul style="list-style-type: none"> If <u>all</u> general aviation airports see a removal of restrictions it may challenge the viability of other airports. If not, it may be seen as discriminatory. Reducing the regulatory burden on airport investments risks airport charges being seen as a way to cross-subsidise airport investments that are otherwise not commercially viable. A wider use of general aviation airports would increase traffic (air and surface), and resulting emissions and noise. 		
Mitigations	There may need to be airport specific restrictions if wider use creates specific noise issues.		
Dependencies	<p>There key dependencies are the:</p> <ul style="list-style-type: none"> extent to which there is interest by airlines in establishing new services at GA airports or to transfer services from existing congested airports (e.g. LHR, LGW, LCY). extent to which airports would increase investments if faced by lower regulatory barriers to airport development. 		

MEASURE SET:	Regulation	Short Term	<input type="checkbox"/>
MEASURE TITLE:	Airport regulations	Medium Term	<input checked="" type="checkbox"/>

ASSESSMENT SUMMARY

Strategic Fit	Removing non-safety based restrictions on GA airports may not be inconsistent with long term options. Changes to the planning/regulatory regime around airport investments would need to be in the context of a review of CAA airport charges. A review may be warranted depending on the preferred long term options.
Economy	Increases potential options for scheduled air services, so may increase connectivity, particularly for domestic and short haul European routes which are typically operated by aircraft capable of utilising GA airports. Lower restrictions on airport investment may accelerate development of capacity and improvements expected to benefit some airport users, particularly new entrants. Bristol Airport estimates it could accommodate 12mppa (extension above the existing 10mppa) without significant adverse environmental impacts.
Surface Transport	May be localised increases in traffic at GA airports that attract air carrier traffic.
Environment	Localised increases in noise and emissions at GA airports that attract air carrier traffic.
People	Localised increases in noise and emissions at GA airports that attract airline traffic.
Cost	Not yet known – depends on outcome of the measure which requires further analysis to be understood properly.
Operational Viability	Some redesign of airspace needed to accommodate some airports that may attract airline traffic. Some existing GA airports not equipped to manage airline traffic.
Delivery	Reducing regulatory barriers to airport investment will require changes to law and specific reform of planning laws.