

Applying the principles of CS-STAN to UK national aircraft Department for Transport – Civil Aviation Authority (CAA)

RPC rating: validated

The IA is now fit for purpose as a result of the regulator's response to the RPC's initial review. As first submitted, the IA was not fit for purpose.

Description of the measure

The measure will apply the principles of the European Aviation Safety Agency's (EASA) 'Certification Specification' for Standard Changes and Standard Repairs (CS-STAN) to UK aircraft. The CS-STAN allows applications for small alterations to aircraft to avoid the lengthier formal approval process and regulatory authority authorisation. For UK aircraft, there is no such scheme at present. Currently, any standard changes involve a fee and an application to the Civil Aviation Authority (CAA).

Impacts of the measure

The assessment states that the measure will impact aircraft operators and owners who possess a UK National Permit to Fly or Certificate of Airworthiness. The CAA states this group is predominantly made up of private owners. There will only be a small number of business owners who will be affected by this measure. The assessment explains that the majority of business owners will be EASA certified and already follow CS-STAN rules.

The monetised cost of the measure relates to the time cost to engineers. Currently, engineers are unable to approve modifications themselves, they simply install and sign off changes approved by the CAA or Design Organisations. Under this measure, engineers will gain the power to approve alterations. The CAA estimates that it would take an engineer 2 hours to identify and document an alteration, based on the calculations of expert CAA staff. Using an engineer's salary of £35 per hour including uplift, this results in a cost of £70 per modification.

The monetised benefit of the measure results from avoiding the fee for modification approvals by the regulatory authority. The CAA fee is currently £86 per modification.

The CAA takes a conservative approach and assumes the worst case scenario, that this change will affect all modification applications. The assessment states that in reality not all minor changes would be eligible for the new scheme. Under the

conservative approach, the CAA assumes that there will be 1650 modifications in year 1, and 50 minor modifications a year in years 2-10. This is based on data from 'CAA NEMOD minor mod application records' and a recent significant modification change campaign. Combining the estimated number of modifications with the wage rate, hours of familiarisation and CAA application fee results in a net cost to business of £29,300. To the nearest £100,000, the EANDCB rounds to zero.

The measure will increase the total capacity capable of undertaking standard modifications. The CAA notes that approved licensed engineers may gain additional work as a result of this measure, as they will have increased flexibility and may be able to offer a more rapid response. The CAA also believes that owners and operators will benefit from the increased flexibility of the process, by receiving rapid approval of changes.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the business impact target.

Quality of submission

Issues addressed following RPC's initial review

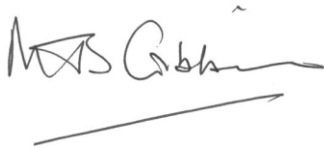
As initially submitted, the IA included one issue that meant that the RPC did not consider it fit for purpose. The original submission contained a number of unjustified assumptions, such that the RPC was unable to validate the EANDCB. For example, the assessment did not establish the number of minor changes made per annum. The RPC believes that the CAA should have access to this information, given that under the current system there is a requirement to send applications for these modifications to the CAA. The resubmitted assessment takes a conservative approach and considers the 'worst case' scenario. It also now contains the number of applications for minor changes made to the CAA each year, based on evidence from 'CAA NEMOD minor mod application records for the period 2014-16.' As this was a key component of the assessment of costs, the cost benefit analysis is now more robust. Furthermore, the CAA has now used experts from its General Aviation Unit Design Surveyors team to support the assumptions made. The RPC accepts in this particular case the use of such experts as a proxy for business support for assumptions made in these circumstances, where the alternative of seeking support from the business sector has been shown to be disproportionate.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	£0.0 million
Business net present value	£0.06 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANDCB – RPC validated ¹	£0.0 million
Business Impact Target (BIT) Score ¹	£0.0 million
RPC rating (of initial submission)	Not fit for purpose



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.