

Economic Licensing Enforcement Guidance

CAP 1234



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Contents

Contents	1
Guidance on enforcement of economic licences	2
Purpose / Introduction	2
Scope	3
Expectations.....	4
Stages of enforcement - Prioritisation, escalation and process.....	5
Enforcement action under the Civil Aviation Act 2012 in relation to the licensing of airports and information gathering.....	8
Enforcement action under the Transport Act 2000 in relation to the licensing of providers of air traffic services and information gathering.....	11
Alternative enforcement mechanisms.....	13
Communication	14
Publication.....	15
Appeals and Challenge	15
Annex A: CAA duties.....	16
Annex B: Simplified flowcharts of the rules and procedures for licence enforcement action	19
Civil Aviation Act 2012 –Enforcement Orders	20
Civil Aviation Act 2012 – Urgent Enforcement Orders.....	21
Transport Act 2000 – Final Enforcement Orders.....	22
Transport Act 2000 – Provisional Enforcement Orders	23

1. Guidance on enforcement of economic licences

Purpose / Introduction

- 1.1. This guidance document forms part of a suite of CAA enforcement guidance under our overall approach to enforcement.¹ It sets out our approach to enforcing airport economic licences under the CAA122 and air traffic services licences under the TA003 and outlines the legal framework in which our work fits.
- 1.2. We are the regulator of those airport operators that we have determined have passed the market power test⁴ set out in CAA12⁵ and which, therefore, require a licence to charge for the airport operation services (AOS) that they provide. We exercise this role through monitoring and enforcing the conditions of these licences and through licence modifications. This replaces the framework for airport economic regulation under the Airports Act 1986 (AA86). We have a general duty to carry out our functions under Chapter 1 of CAA12 (including enforcement functions) in a manner which we consider will further the interests of users of AOS⁶ and, where appropriate, to promote competition in the provision of AOS. In doing so, we must have regard to a number of other duties.
- 1.3. We are also the regulator of those providers of air traffic services (ATS) that have been granted licences by the Secretary of State under the TA00.⁷ We exercise this role through monitoring and enforcing the conditions of these licences and, where appropriate, through licence modifications to fulfil our duties. Under Chapter 1 of the TA00 we have a primary duty to carry out our functions to maintain a high standard of safety in the provision of ATS. We also have some secondary duties such as furthering the interests of users of ATS,⁸ promoting efficiency and economy by the licence holder and ensuring it can finance its licensed activities.
- 1.4. A full list of our duties under both the CAA12 and the TA00 is set out in Annex A.
- 1.5. In developing our guidance, we have considered our Regulatory Enforcement Policy, as well as the approaches and best practice of other sector regulators. In addition, we have had regard to the Better Regulation Principles to ensure transparent, accountable, proportionate, consistent and targeted decision making.

¹ The CAA's Regulatory Enforcement Policy and associated guidance can be found at www.caa.co.uk/enforcement.

² The airport economic licences are distinct from the aerodrome licences issued under the Air Navigation Order 2009 which relate to safety standards. Separate guidance on enforcement of aerodrome licences can be found at www.caa.co.uk/enforcement. Airports are also subject to the Airport Charges Regulations (2011) and the Airports (Groundhandling) Regulations 1997. We are developing separate guidance on how we will enforce these regulations.

³ Air traffic service providers are also subject to regulation under EU legislation.

⁴ In summary, that the operator has substantial market power in a market, that competition law does not provide sufficient protection from the risk of abuse of that market power and that, for passengers and cargo owners, the benefits of regulating the operator by means of a licence outweigh the costs.

⁵ In 2014 the CAA determined that the operators of Heathrow and Gatwick airports met the criteria and were subsequently granted licences.

⁶ 'Users' in relation to AOS are passengers and those with an interest in cargo (cargo owners).

⁷ NATS (en Route) plc (NERL) is currently the only licence holder under TA00.

⁸ 'Users' in relation to ATS include aircraft owners and operators, airport owners and managers, people travelling in aircraft and cargo owners.

Scope

- 1.6. This guidance covers four of our activities:
- Enforcement of airport licences under Chapter 1 of the Civil Aviation Act 2012: this applies to holders of airport licences issued by us under the CAA12. We may issue enforcement orders, urgent enforcement orders and penalties.
 - **Enforcement of information powers under Chapter 1 of the Civil Aviation Act 2012:** this applies to any person⁹ from whom we request information by notice under section 50 of the CAA12. We can issue penalties for non-compliance and may enforce the duty to comply through the courts.¹⁰
 - **Enforcement of licences under Chapter 1 of the Transport Act 2000:** this applies to holders of licences issued by the Secretary of State under section 6 of the TA00. Our enforcement powers extend to the enforcement of licence conditions under sections 20 – 23 of the TA00 and enforcement of duties conferred on the licence holder under section 8 of the TA00 (a TA00 s8 duty). We may issue provisional orders and/or final orders to secure compliance.
 - **Enforcement of information powers under Chapter 1 of the Transport Act 2000:** this applies to any person from whom we request information by notice under section 25 of the TA00 for the purpose of licence enforcement action. We may enforce the duty to comply through the courts.
- 1.7. Our enforcement policy for our information powers under Part 2 'Other aviation matters' of the CAA12 are set out in our publication 'The Civil Aviation Authority's policy for carrying out its information duties under the Civil Aviation Act 2012'.¹¹
- 1.8. Annex B sets out more details on our licence enforcement powers under the CAA12 and the TA00.
- 1.9. We define enforcement as any activity that we carry out to seek to remedy a breach, or suspected or potential breach, of a licence or an information request under section 50 of the CAA12 or section 25 of the TA00.
- 1.10. In this guidance, a breach is a failure to comply with a licence condition or with an information request under section 50 of the CAA12 or section 25 of the TA00.
- 1.11. Under the CAA12, we have the power to impose penalties on holders of airport licences and any person who fails to comply with an information request. The criteria we will use to determine whether a penalty would be appropriate are set out in the CAA's penalties statement.¹²

⁹ In this guidance, the term 'person' refers to a company or individual who may be subject to enforcement action under the CAA12 or the TA00.

¹⁰ In civil proceedings for an injunction or, in Scotland, for specific performance of a statutory duty under section 45 of the Court of Session Act 1998.

¹¹ CAP 1143 The Civil Aviation Authority's policy for carrying out its information duties under the Civil Aviation Act 2012 (Jan 2014) can be found at <http://www.caa.co.uk/docs/33/CAP%201143%20Jan%2014.pdf>.

¹² The CAA's Economic regulation of airports: Statement of policy on penalties, February 2014, can be found at: <http://www.caa.co.uk/docs/33/CAP1156Final.pdf>.

Expectations

1.12. In carrying out our enforcement work we will

- behave professionally;
- use a proportionate and risk-based approach – we will take a proportionate approach to a breach where there is no immediate risk to the interests of relevant users,¹³ but where there is evidence of immediate harm we will intervene rapidly by taking the appropriate action;
- take independent, objective, evidence-based decisions – we will consider all pertinent information available to us to inform our enforcement decisions and will ensure that our decisions are robust, objective and well documented, and that they reflect our statutory duties;
- be clear about what we require businesses to do;
- act on information we receive about non-compliance and on our own monitoring;
- follow our established processes in accordance with the relevant legislation; and
- involve licence holders and, where appropriate, other relevant stakeholders in the development of our policies.

1.13. In return, we expect licence holders to comply with their legal obligations as a matter of routine by:

- understanding what those legal obligations are;
- preparing for changes to the law to ensure ongoing compliance throughout any transition – when the law changes or new licence conditions are included in the licence, there is almost always a reasonable notice period before the new obligations come into force and we expect licence holders to use this period to determine how to comply. For example, we do not expect the inflexibility of, or cost of, making changes to IT systems to be a valid excuse for non-compliance;
- talking to us should they face any difficulties in complying with the law or their obligations. However, we do not consider a person's covenants under their financing arrangements relating to breaches of licences or enforcement orders to be a valid reason for us not to take enforcement action; and
- having governance and information management systems that are effective, flexible, resilient and support regulatory compliance to ensure that senior managers are able to secure compliance with their obligations. We do not regard time for internal escalation as a reason to delay action to ensure compliance.

¹³ Relevant users are users of either AOS or ATS as appropriate to the licence we are investigating.

- We will also expect licence holders to manage their contractual relationships effectively and to explore mechanisms in those contracts to secure compliance. Where appropriate, we will encourage the parties to those contracts to resolve disputes between themselves as far as possible before seeking our intervention through licence enforcement.

Stages of enforcement - Prioritisation, escalation and process

- 1.14. Our Prioritisation Principles are set out in a separate document¹⁴. These explain that we will prioritise our enforcement work on the likely impact on relevant users, the strategic and regulatory importance of taking action, the likelihood of a successful outcome and the resources we have available. We will use these principles to decide whether to proceed with enforcement action and to select the most appropriate course of action. In summary, in deciding whether to take enforcement action, we will act in a proportionate manner, prioritising our resources on issues that are most important to, and likely to have greatest impact on, relevant users, in line with our statutory duties and strategic objectives.
- 1.15. We are less likely to take formal enforcement action where the evidence of a breach is weak, if it is trivial, or where there is little or no harm to relevant users. The TA00 states that we should only take action if we consider it appropriate to do so where the licence holder has already taken steps, or has agreed to take steps, to restore compliance and to remedy the effects of the breach. As a matter of policy, we might also take such actions into account when considering issues under the CAA12. In any of these cases, we may chose to follow more informal methods to encourage compliance.
- 1.16. In general, we will take a stepped approach to enforcement, seeking to resolve issues through informal methods in the first instance and escalating to more formal action if necessary. Our choice of approach will be guided by the seriousness of the issue, the flexibility permitted within the legislation and the person's intent and past behaviour. Where appropriate, we may seek to encourage a return to compliance by informal means. It should not, however, be assumed that our first reaction to information received will always be informal. If we believe that there is a serious breach or that urgent action is required, we will not hesitate to take formal action immediately. Figure 1 shows the actions we may take.

¹⁴ The Prioritisation Principles can be found at www.caa.co.uk/enforcement.

Figure 1.



*We may only impose penalties under the CAA12.

1.17. We will consider complaints and take them forward in accordance with our Prioritisation Principles. Under the TA00 we must investigate any complaints of a breach of a licence condition or a TA00 s8 duty, unless the complaint is frivolous or vexatious.

Advice and guidance

1.18. Where necessary and appropriate, we will provide general information and guidance to make it easier for businesses to understand their obligations and to comply with the law. We will usually publish such information and guidance. Wherever possible, we will involve the industry in developing the content and style of guidance and will distinguish between statutory or licence requirements and guidance that is aimed at improvements above the minimum standards to identify and encourage best practice. We will advise industry if our interpretation of the law changes, for example, by publishing information about European court cases.

Self-regulation and co-regulation

1.19. Self-regulation is generally where the industry administers a solution to address issues without formal oversight from the regulator, for example, through contractual methods. As such, it is not relevant to this guidance.

1.20. Co-regulation is where the industry and the regulator work together to combine elements of self-regulation with some regulatory oversight where appropriate. We will seek to use co-regulation where we have concerns that the interests of relevant users are not being addressed adequately and where the industry and/or industry organisations are willing to work in partnership with us and agreement can be

reached on the split of responsibilities. At Gatwick, where the licence is based on commitments set out in the Gatwick Airport Conditions of Use and where many airlines have bilateral contracts with Gatwick Airport Limited, we expect the majority of issues will be dealt with in this way.

- 1.21. Where we cannot reach such an agreement or we have serious concerns regarding the interests of relevant users, we may choose to take more direct action.

Informal discussions

- 1.22. We encourage businesses to approach us promptly if they have difficulties in ensuring compliance. In such circumstances, we will normally provide advice and give the business a reasonable opportunity to comply with the law rather than taking immediate enforcement action. When we suspect that action (or inaction) could be evidence of a possible breach, we will normally provide advice and guidance to the business and provide the opportunity for them to move into compliance without resorting to our formal powers. These discussions would normally be conducted at a working level of engagement. We expect the majority of our work to fall into this category.

Formal discussions

- 1.23. If we are unable to resolve an issue through informal discussions, we may seek resolution through more formal discussions, usually at Director or Chief Executive level (or equivalent). We may accept formal plans for securing compliance, possibly in the form of an undertaking, as an alternative to taking more formal action at this stage. However, we will reserve the right to use our powers under the relevant legislation if it becomes apparent that the formal plans are not working.

Detailed investigation

- 1.24. We may carry out a detailed investigation of a potential breach to gather further evidence. Decisions on whether to launch a formal investigation will be made in accordance with our Prioritisation Principles and will be taken by a CAA Group Director.
- 1.25. In some cases we may require the licence holder to carry out their own internal investigation headed either by a non-executive Director or by an independent expert. We may also decide to appoint an independent lead for our own investigations. Decisions on how the investigation will be managed will be made on a case by case basis in consultation with the licence holder and, where appropriate, with relevant stakeholders.
- 1.26. We will publish the scope and terms of reference of the investigation, setting out the relevant condition that we consider may have been, or is likely to be breached. Where appropriate, we will offer licence holders and other relevant stakeholders the chance to comment on the terms of reference before we start.
- 1.27. The investigation may involve the use of consultants to give us advice on specialist areas and we may seek information from other relevant stakeholders to inform our conclusions.

- 1.28. We will give a provisional timeline for the key steps of an investigation and when we expect to give updates. Companies under investigation can expect regular updates, often by telephone or email. The timeline may change as the case progresses. If it does we will notify the company.

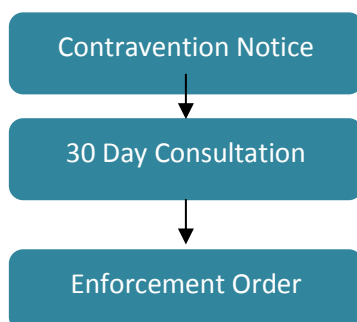
Formal action under the TA00 and the CAA12

- 1.29. Once we have concluded a formal investigation and are satisfied that there is, has been or is likely to be a breach of a licence or TA00 s8 duty, the TA00 and the CAA12 set out specific rules and procedures on when and how we should proceed. Our decisions on more formal action under these Acts will therefore be governed by these rules and procedures rather than by our Prioritisation Principles.

Enforcement action under the Civil Aviation Act 2012 in relation to the licensing of airports and information gathering

- 1.30. The CAA12 requires us to consider at each stage of the enforcement process whether it would be more appropriate to proceed using our competition powers under the Competition Act 1998 (CA98) rather than to take licence enforcement action. This requirement is reinforced in the Enterprise and Regulatory Reform Act 2013. Once we have decided that it would be more appropriate to use the CA98, we cannot then proceed with licence enforcement under the CAA12.

Licence enforcement



Contravention notice

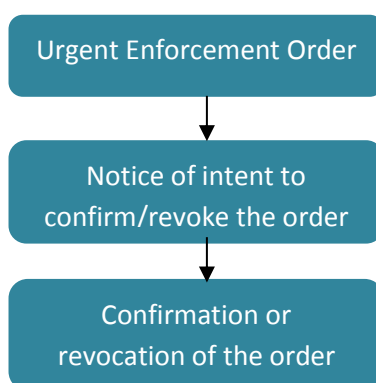
- 1.31. If, following a detailed investigation, we have reasonable grounds for believing that a person is breaching or has breached a licence condition, we may give them a notice to that effect. The decision on whether to give a contravention notice will be made by the CAA Board or, where appropriate, its delegated sub-committee.
- 1.32. The contravention notice must set out the relevant condition, the breach and period covered by the breach and it must explain the action that we may take. The CAA12 does not require us to specify at this stage what steps we consider the licence holder needs to take to return to compliance. Where possible and appropriate, however, we would normally do so, in order to give licence holders and, where appropriate, other relevant stakeholders the opportunity to comment on those steps.

- 1.33. We must publish the notice and consult the licence holder and other relevant stakeholders on the notice for at least 30 days.¹⁵ As part of this consultation process we may invite the licence holder and, where appropriate, other relevant stakeholders to present oral evidence at a Hearing.

Enforcement orders

- 1.34. If we have found that a person is in breach of their licence obligations or has breached them and has not taken the appropriate steps¹⁶ to secure compliance (taking into account any representations made to the contravention notice), we may issue an enforcement order. The decision on whether to issue an enforcement order will be made by the CAA Board or, where appropriate, its delegated sub-committee.
- 1.35. The enforcement order will set out the relevant licence conditions and the breach as well as stating the appropriate steps the licence holder must take within specified timescales. We will also give our reasons for the order. We may amend the order with the licence holder's permission or revoke it if we consider it appropriate, following consultation on those amendments.
- 1.36. The person subject to an order must comply with it and this obligation is a duty owed to every person who may be affected by a contravention of the order. We may also enforce it through civil proceedings.
- 1.37. We may issue a penalty for the breach of a licence condition or the breach of an order. Our penalties statement¹⁷ sets out the criteria we will use to decide whether a penalty is appropriate and the amount.

Urgent enforcement orders



- 1.38. Where action is needed urgently to require or stop any action, we can issue an urgent enforcement order with immediate effect, without the requirement to consult on a contravention notice. This can be used if we have reasonable grounds for believing that there is an immediate risk of a serious economic or operational

¹⁵ This period may be shorter for a repeated breach where the CAA has given a contravention notice, an enforcement order or urgent enforcement order and/or a penalty in respect of the same condition within the last 2 years.

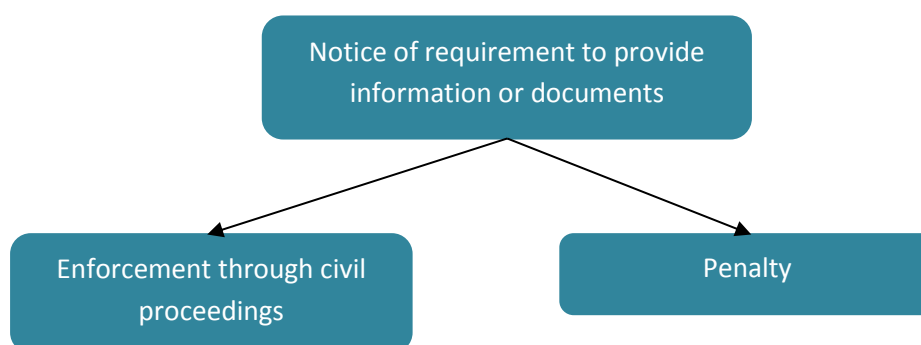
¹⁶ The appropriate steps are those steps that the CAA has determined are appropriate to restore compliance and to remedy the consequences of the breach.

¹⁷ The CAA's Economic regulation of airports: Statement of policy on penalties, February 2014, can be found at: <http://www.caa.co.uk/docs/33/CAP1156Final.pdf>.

problem for users of AOS or for any other relevant stakeholder who provides services at the airport.

- 1.39. Where possible, we will try to seek the views of relevant stakeholders before issuing an urgent enforcement order but this may not always be possible. Decisions on whether to issue an urgent enforcement order will be made by at least 2 members of the CAA's Executive Committee.
- 1.40. An urgent enforcement order must set out the relevant condition, the breach and the appropriate steps which the licence holder must take within specified timescales to restore compliance and remedy the breach. We will also give our reasons for making the order.
- 1.41. As soon as possible after making an urgent enforcement order, we must consult on our intention to either revoke it or confirm it (if necessary with modifications), in either case allowing a reasonable period for representations. The decision on whether to confirm or revoke a provisional order will be made by the CAA Board or, where appropriate, its delegated sub-committee.
- 1.42. Once we have confirmed an urgent enforcement order, it is subject to the same rules and processes as an enforcement order. It can be (further) modified with the agreement of the licence holder or revoked, following consultation.
- 1.43. The person subject to an order must comply with it and this obligation is a duty owed to every person who may be affected by a contravention of the order. We may also enforce it through civil proceedings.

Enforcement of the CAA's information powers under the CAA12:



- 1.44. We may by notice require a person to provide information or documents that we reasonably need to carry out any of our functions under Chapter 1 of the CAA12 at a specified time and in a specified format. These functions include market power determinations and reviews of the provision of AOS as well as licensing matters.
- 1.45. We may seek information from people through voluntary routes in the first instance, seeking agreement on what information is reasonably available. We would expect to use our legal powers to obtain information where businesses are unwilling to provide the information, where they have a history of being unwilling to provide information and the information is needed urgently, or where there may be an issue regarding the confidentiality of the information. We will always ensure that it is clear when we are

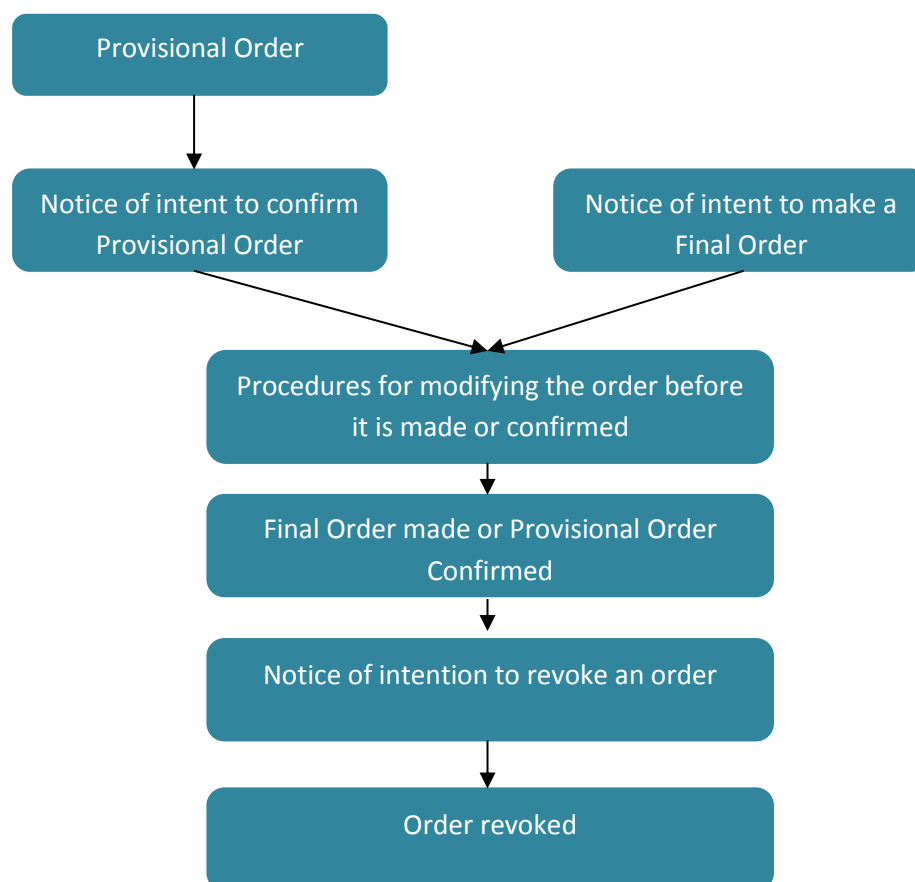
issuing a notice under the CAA12 and set out the action we can take for non-compliance.

- 1.46. We can enforce the notice through civil proceedings and can issue penalties ourselves for non-compliance. Our Penalties Statement¹⁸ sets out our policies on whether we will impose penalties and the amount.

Enforcement action under the Transport Act 2000 in relation to the licensing of providers of air traffic services and information gathering

- 1.47. As with the CAA12, the TA00 requires us to consider at each stage of the enforcement process whether it would be more appropriate to proceed using our competition powers under the Competition Act 1998 (CA98) rather than to take licence enforcement action. This requirement is reinforced in the Enterprise and Regulatory Reform Act 2013. Once we have decided that it would be more appropriate to use the CA98, we cannot then proceed with licence enforcement under the TA00.

Provisional orders



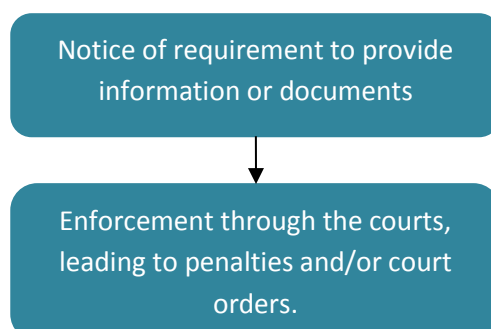
¹⁸The CAA's Economic regulation of airports: Statement of policy on penalties, February 2014, can be found at: <http://www.caa.co.uk/docs/33/CAP1156Final.pdf>.

- 1.48. We must make a provisional order when it appears to it that there is, or is likely to be a breach of a licence or a TA00 s8 duty. We must consider the likely extent of loss or damage to any person as a result of the breach and the fact that this is the only remedy for such a breach. A provisional order is only valid for 3 months unless it is confirmed. The decision to make a provisional order will be taken by at least 2 members of the CAA's Executive Committee.

Final orders and confirmation of a provisional order

- 1.49. We must make a final order, or confirm a provisional order, if we are satisfied that there is, or is likely to be, a breach of a licence condition or a TA00 s8 duty. The decision on whether to make a final order or confirm a provisional order will be made by the CAA Board or, where appropriate, its delegated sub-committee.
- 1.50. There are exceptions to the requirement to making or confirming an order. We must not do so if we consider that our duties under section 2 of the TA00 preclude us from doing so, or if we consider that it would be better to proceed under the Competition Act 1998. Where we consider that the licence holder is already taking the appropriate steps to secure compliance, where the breach is trivial or will not adversely affect the interests¹⁹ of users of ATS or where the Secretary of State has already applied for an air traffic administration order, we should only make an order if we consider it appropriate to do so.
- 1.51. Prior to making or confirming an order, we must consult the licence holder and other relevant stakeholders, giving at least 21 days for them to make representations. If we then consider that the order should be made or confirmed with modifications, we can only do so with the agreement of the licence holder. Unless the modifications are trivial, we must give the licence holder notice of the proposed modifications, allowing at least 7 days for representations.
- 1.52. Once we have made or confirmed an order, we must publish it and serve a copy of it on the licence holder and the Secretary of State.
- 1.53. The order will continue in force until we revoke it. Prior to revoking an order, we must consult the licence holder and other relevant stakeholders for at least 21 days, and must publish and notify the licence holder of our decision following that consultation.

Enforcement of the CAA's information powers under the TA00:



¹⁹ Interests regarding safety and the range, availability continuity, cost and quality of ATS.

- 1.54. We may by notice require a person to provide information or documents that we reasonably need to carry out our enforcement functions under the TA00 at a specified time and in a specified format.
- 1.55. We would normally seek information from people through voluntary routes in the first instance, seeking agreement on what information is reasonably available. We would expect to use our legal powers to obtain information where businesses are unwilling to provide the information, or where they have a history of being unwilling to provide information and the information is needed urgently. We will always ensure that it is clear when we are issuing a notice under the TA00 and set out the action we can take for non-compliance.
- 1.56. Under the TA00 we may seek an order from the courts to enforce the notice, and the courts may also issue penalties. As issuing the notice would be an indication that we consider the requested information to be essential to enable us to carry out our functions, we would normally use this route to enforce any non-compliance.

Alternative enforcement mechanisms

- 1.57. We have a number of other enforcement mechanisms at our disposal under different legislation including:
- the Competition Act 1998;
 - the Enterprise Act 2002;
 - health and safety legislation;
 - European-derived law such as
- 1.58. Commission Implementing Regulation (EU) No 1035/2011 laying down common requirements for the provision of air navigation services; and
- 1.59. legislation implementing European law such as the Airport Charges Regulations 2011 and the Airports (Groundhandling) Regulations 1997;
- 1.60. We will not generally seek to use different enforcement mechanisms in relation to the same issue but will decide on the most effective mechanism based on:
- the nature of the issue,
 - the effectiveness of the relevant mechanism to restore compliance and prevent harm to relevant users, including the potential speed of resolution;
 - our statutory duties, such as the need to ensure that our decisions do not jeopardise safety;
 - the need for ongoing regulation of the issue; and
 - the ability of third parties to seek damages or compensation.
- 1.61. The CAA12 and the TA00 require us to consider at each stage of the enforcement process whether it would be more appropriate to proceed using our competition

powers under CA98. This requirement is reinforced in the Enterprise and Regulatory Reform Act 2013. Once we have decided that it would be more appropriate to use the CA98, we cannot then proceed with licence enforcement under the CAA12 or the TA00.

- 1.62. Where another organisation has powers to act in relation to the same incident, for example under environmental legislation, we will liaise with that other organisation to ensure a proportionate and transparent approach.
- 1.63. We will always give our reasons why we have chosen a particular course of action and will carry out any enforcement action in line with the principles and processes set out in this guidance, or the guidance on consumer protection, competition and safety and airspace regulation published alongside this guidance.

Communication

- 1.64. Our aim is always to be transparent and open about the reasons why we are taking formal enforcement action under either the CAA12 or the TA00 and will provide information about the process to any business being investigated. This will include details of:
 - the legislation or licence condition that we believe is being breached;
 - the risks we have identified which we believe make enforcement necessary;
 - an explanation of the next steps, including timescales and the possible consequences of failures to respond;
 - information on any right to appeal following the outcome of enforcement action; and
 - details of how we intend to gather both written and oral evidence from both licence holders and, where appropriate, relevant stakeholders, including details of any Hearings that will be held, how they will be conducted and who is likely to be invited to give evidence.
- 1.65. We will always encourage open dialogue with licence holders and, where appropriate, relevant stakeholders and will take into account any written or oral representations they may make. Where appropriate, we will invite licence holders and relevant stakeholders to make representations directly to the final decision makers at an oral hearing.
- 1.66. In return, we expect licence holders and relevant stakeholders to engage with us in a similar manner, advising us of any actions they are planning to take to ensure compliance and to provide any information reasonably requested in a timely manner, taking into account the seriousness of the breach.

Publication

- 1.67. We will publish our enforcement actions in accordance with our Regulatory Enforcement Policy and the relevant legislation. Where relevant, we will also publish details of our reasons why we have decided not to take enforcement action.

Appeals and Challenge

- 1.68. The CAA12 allows licence holders and relevant stakeholders to appeal our enforcement decisions to the Competition Appeals Tribunal.

Annex A: CAA duties

Civil Aviation Act 2012

CAA's general duty

- (1) The CAA must carry out its functions under this Chapter in a manner which it considers will further the interests of users of air transport services regarding the range, availability, continuity, cost and quality of airport operation services.
- (2) The CAA must do so, where appropriate, by carrying out the functions in a manner which it considers will promote competition in the provision of airport operation services.
- (3) In performing its duties under subsections (1) and (2) the CAA must have regard to—
 - (a) the need to secure that each holder of a licence under this Chapter is able to finance its provision of airport operation services in the area for which the licence is granted,
 - (b) the need to secure that all reasonable demands for airport operation services are met,
 - (c) the need to promote economy and efficiency on the part of each holder of a licence under this Chapter in its provision of airport operation services at the airport to which the licence relates,
 - (d) the need to secure that each holder of a licence under this Chapter is able to take reasonable measures to reduce, control or mitigate the adverse environmental effects of the airport to which the licence relates, facilities used or intended to be used in connection with that airport (“associated facilities”) and aircraft using that airport,
 - (e) any guidance issued to the CAA by the Secretary of State for the purposes of this Chapter,
 - (f) any international obligation of the United Kingdom notified to the CAA by the Secretary of State for the purposes of this Chapter, and
 - (g) the principles in subsection (4).
- (4) Those principles are that—
 - (a) regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent, and
 - (b) regulatory activities should be targeted only at cases in which action is needed.
- (5) If, in a particular case, the CAA considers that there is a conflict—
 - (a) between the interests of different classes of user of air transport services, or
 - (b) between the interests of users of air transport services in different matters mentioned in subsection (1),

its duty under subsection (1) is to carry out the functions in a manner which it considers will further such of those interests as it thinks best.

- (6) For the purposes of subsection (3)(d) the environmental effects of the airport, associated facilities and aircraft include—
- (a) substances, energy, noise, vibration or waste, including emissions, discharges and other releases into the environment,
 - (b) visual or other disturbance to the public,
 - (c) effects from works carried out at the airport or the associated facilities or to extend the airport or the associated facilities, and
 - (d) effects from services provided at the airport or the associated facilities.
- (7) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the carrying out by the CAA of its functions under this Chapter.

Transport Act 2000

CAA's general duty.

- (1) The CAA must exercise its functions under this Chapter so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (2) to (5).
- (2) The CAA must exercise its functions under this Chapter in the manner it thinks best calculated—
 - (a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;
 - (b) to promote efficiency and economy on the part of licence holders;
 - (c) to secure that licence holders will not find it unduly difficult to finance activities authorised by their licences;
 - (d) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification);
 - (e) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section.
- (3) The only interests to be considered under subsection (2)(a) are interests regarding the range, availability, continuity, cost and quality of air traffic services.
- (4) The reference in subsection (2)(a) to furthering interests includes a reference to furthering them (where the CAA thinks it appropriate) by promoting competition in the provision of air traffic services.

- (5) If in a particular case there is a conflict in the application of the provisions of subsections (2) to (4), in relation to that case the CAA must apply them in the manner it thinks is reasonable having regard to them as a whole.
- (6) The CAA must exercise its functions under this Chapter so as to impose on licence holders the minimum restrictions which are consistent with the exercise of those functions.
- (7) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its functions under this Chapter.

Annex B: Simplified flowcharts of the rules and procedures for licence enforcement action

The flowcharts on the following pages expand on the more basic flowcharts used in the main body of the guidance (recreated on this page) and give a more detailed overview of the rules and procedures for making enforcement orders and making and confirming provisional enforcement orders under sections 31 to 37 of CAA12 and section 22 to 24 of the TA00. However, these may not contain all relevant information and where more detailed understanding of the rules and procedures is needed, the relevant legislation must be used.

CAA12

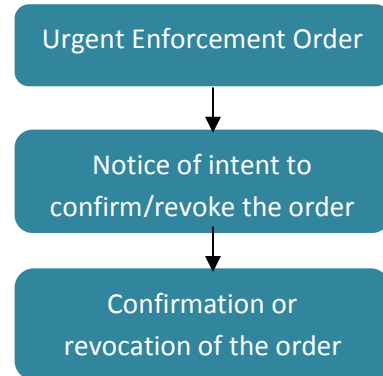
Sections 31 to 34

Enforcement Orders



Sections 35 to 37

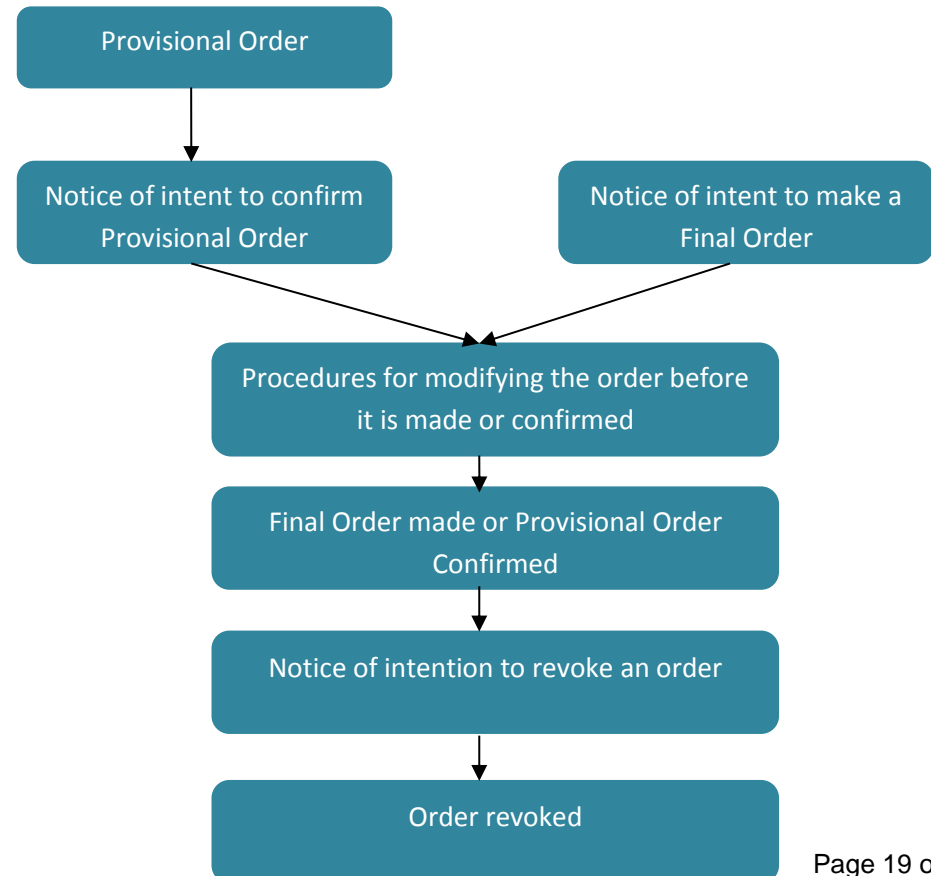
Urgent Enforcement Orders



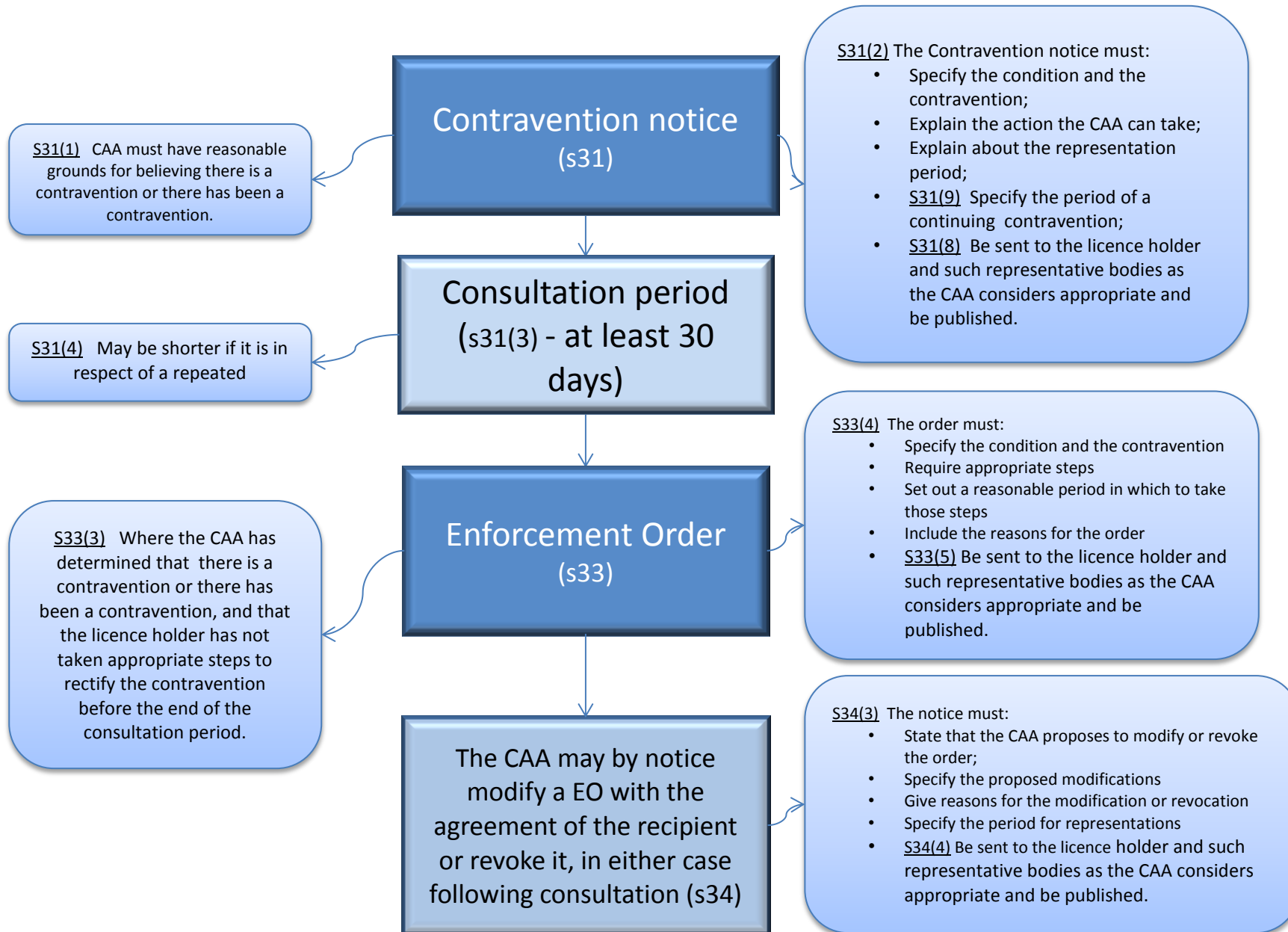
TA00

Sections 22 to 24

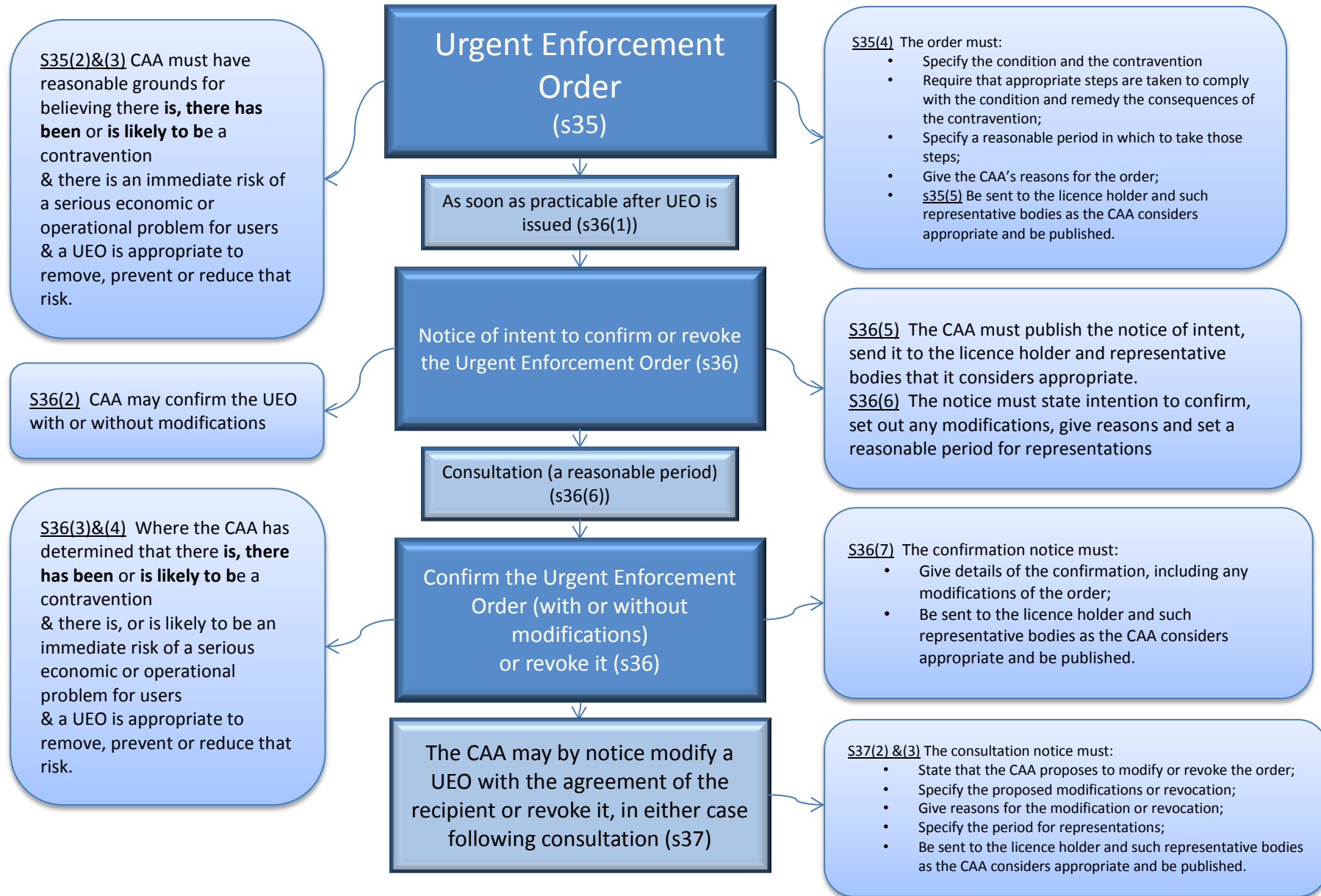
Provisional and Final Enforcement Orders.



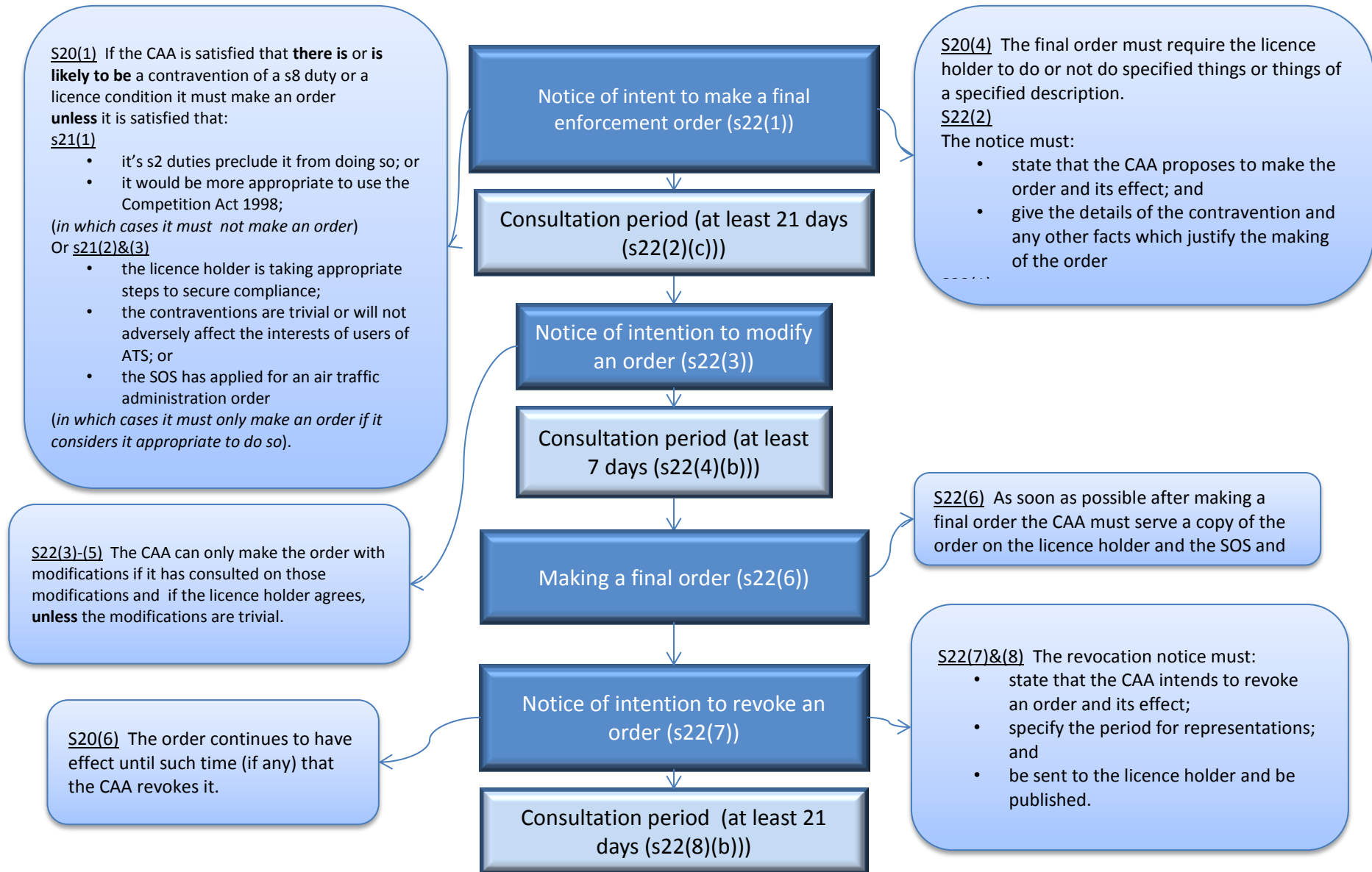
Civil Aviation Act 2012 – Enforcement Orders



Civil Aviation Act 2012 – Urgent Enforcement Orders



Transport Act 2000 – Final Enforcement Orders



Transport Act 2000 – Provisional Enforcement Orders

