



Department for Transport

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From the Secretary of State
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Dear Deirdre

CAAs Strategic Objectives

The Government's objectives for aviation are ensuring that airports and airlines continue to provide the domestic and international connections the UK needs to grow and prosper. In doing so we will take into account climate change impacts of aviation and the impact of noise on communities living near our airports. At all times we will continue to ensure that air travel is safe and secure. This letter sets out how I see CAA contributing to these objectives. I propose to update these objectives annually and to discuss progress with you during the course of the year.

I see the key priorities for the CAA over the next year as:

Safety:

- To maintain the UK's leading position on aviation safety – including by developing risk based and proportionate safety inspection regimes, and promoting the development of such schemes internationally and by supporting the Department's State Safety programme

Security:

- To support and prepare for the transfer of Aviation security compliance responsibilities to CAA from 1st April 2014. This will require ensuring aviation security standards and maintaining staff commitment and expertise throughout the transfer. The Department also welcomes CAA's support for our development of outcome focussed and risk based approaches to security compliance

Connectivity:

- Leading the Future Airspace Strategy to support economic growth, mitigate environmental impacts and deliver efficient use of UK airspace
- Supporting UK delivery of Single European Sky/Functional Airspace Block targets
- Acting as an impartial expert advisor to the Department and the independent Airports Commission on airport capacity issues including airspace, noise and airport operations
- Supporting the delivery of low carbon goals including efforts to secure a global market based carbon reduction measure

Consumers:

- Meeting the needs of aviation consumers – including:
 - Working with the Department on EU consumer rights to ensure accessibility, consumer clarity, proportionate costs to industry and a level competitive playing field
 - Effective management and risk monitoring activities in relation to ATOL protected businesses and the Air Travel Trust Fund (ATTF), and expert advice and support to the Department's ATOL reform programme
- Effective contingency planning – for example working with the department to prevent unnecessary situations from occurring which lead to a significant closure of UK airspace, or airport disruption

Competitiveness, growth and efficiency:

- Leading economic regulation of the strategic airports and NATS, including:
 - Delivering new licensing regimes by April 2014, reflecting the competitive position of London airports, delivering investment priorities and an improved passenger experience
 - A National Performance Plan and an economic regulation regime for NATS which delivers EU targets for efficient airspace (RP2)
- Leading research and delivery of the aviation elements of the Government's Spectrum Release Programme with the objective of identifying spectrum for release whilst protecting and supporting aviation interests

- Delivering commitments from the General Aviation Red Tape Challenge; specifically to create, by April 2014, a distinct division within CAA for handling General Aviation matters, to cut unnecessary bureaucracy, reduce disproportionate regulation, and support and encourage the growth of a vibrant General Aviation sector

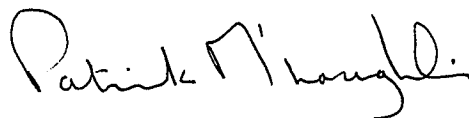
I would like to take this opportunity to recognise and welcome the constructive and close working relationship between the CAA and the Department. I hope this will continue. The CAA should also continue to work with European and International partners to drive global improvements in aviation, particularly in relation to safety which should always be a priority for the CAA.

As I am accountable to Parliament for the overall performance of the CAA, I expect the organisation to operate in a manner which is consistent with the principles of good corporate governance expected of public bodies. I also expect CAA to have regard to efficiency in all activities which they undertake as the industry regulator.

It is important that the CAA retains its position as an independent regulator whose role is to provide expert, impartial advice and accurate information to Ministers as requested. As Secretary of State I support and value the CAA's independence from Government and believe that this reinforces the CAA's position as a respected body in the industry and helps to create a positive working relationship with the Department.

Where these priorities are non-statutory, in the case of any conflict between matters set out here and the Authority's statutory duties, including directions given to it under statute, the statutory duties must prevail.

Yours sincerely



THE RT. HON. PATRICK McLOUGHLIN