



## Proposed Changes to CAA Scheme of Charges

### Operating Licences, Air Transport Licences, Foreign Registered Aircraft Operating Permits, Alternative Dispute Resolution Scheme and Scarce Capacity Allocation Certificates Scheme Enclosure

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#### 1 INTRODUCTION

- 1.1 Details of revisions proposed to apply from 1 April 2019 are shown in red within this Enclosure. Current charges are shown in brackets where direct comparison is possible. Where no change to a price is proposed then the current charge will only be shown.
- 1.2 All references to European Law contained within this Scheme will be retained in UK domestic law by section 3 of the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.
- 1.3 References to Brexit no deal in this document means the UK is not a member state of EASA. References to Brexit deal in this document means the UK remains a member state of EASA.

**2 CHARGES (Amended)**

- 2.1 On making application to the CAA for an Operating Licence or an Air Transport Licence, or the specified exemption as shown, the applicant shall pay to the CAA the relevant charge as specified in Table 1:

**Table 1**

<b>Fixed Charges</b>	<b>Charge</b>
Application for, or a licence resubmitted for, approval of a Type A Operating Licence/Air Transport Licence (Note 1)	<b>£15,996</b> (£15,621)
Application for, or a licence resubmitted for, approval of a Type B Operating Licence (Note 2)	<b>£1,920</b> (£1,875)
Exemption to allow the use of UK registered aircraft in the UK by non-UK carriers	<b>£113</b> (£110)
Air Travel Organisers' Exemption	<b>£113</b> (£110)

**NOTE 1:** Provided that where the cost of the approval process exceeds the fee paid, the applicant shall pay a charge of such an amount as may be decided by the CAA having regard to the amount of the new information in the business plan to be analysed, **not exceeding £70,000**.

**NOTE 2:** In the case of Type B applicants or licence holders, where complex financial or ownership and control analysis is required, the CAA reserves the right to charge an additional assessment fee of up to **£15,996** (£15,621). The CAA will consult with the applicant or licence holder before an additional fee is charged.

- 2.2 Except as set out in paragraph 2.3 below, variable charges are payable by the holder of the licence to the CAA in respect of each month during which an Operating Licence or an Air Transport Licence is in force. These are calculated on the basis of passenger and tonne-kilometres flown pursuant to the licence during that period, multiplied by the rate applicable to each category. The charge for each month will be the sum of the two amounts based on the rates as specified in Table 2:

**Table 2**

<b>Variable Charges</b>	
(1) per 1,000 passenger-kilometres flown pursuant to the licence	(2) per 1,000 cargo tonne-kilometres flown pursuant to the licence
Applicable rate: <b>0.59p</b> (0.55p)	Applicable rate: <b>2.98p</b> (2.76p)

- 2.3 No variable charge is payable:
- in respect of any flight of a description specified in an Instrument made under Section 64(2)(a) of the Civil Aviation Act 1982 and in force in accordance with Section 64(3) of that Act, except where the flight is between points both of which are within the area consisting of the European Economic Area, the Channel Islands and the Isle of Man; or
  - in respect of any flight on which no passengers or cargo are carried for remuneration.
- 2.4 Where the holder of an Air Transport Licence or an Operating Licence (hereinafter referred to as the "contracting carrier") enters into an agreement with another aircraft operator (hereinafter referred to as the "actual carrier") under which the actual carrier provides substitute flights for the contracting carrier, passengers and tonne-kilometres flown by the actual carrier in the course of operating such substitute flights shall, for purposes of this Scheme, be deemed to be flown pursuant to the contracting carrier's licence.

- 2.5 Where the holder of an Air Transport Licence or an Operating Licence operates aircraft registered outside the United Kingdom under the authority of a permit granted under Article 250 of the Order which includes a condition that the holder shall comply with some or all of the terms of the licence, passenger and tonne-kilometres flown pursuant to that permit shall, for purposes of this Scheme, be deemed to be passenger and tonne-kilometres flown pursuant to the licence.
- 2.6 Charges under paragraphs 2.1 and 2.2 above are payable upon demand being made by the CAA. The CAA may require the holder of a licence to pay a deposit against charges due and payable on the last day of each month which will be calculated:
- by reference to the number of passenger and tonne-kilometres flown pursuant to the licence during the corresponding month of the previous year;
  - where no passenger and tonne-kilometres were flown pursuant to the licence during the corresponding month of the previous year, an amount based on the passenger and tonne -kilometres estimated by the CAA to have been flown by the licence holder during the month; or
  - where, in the opinion of the CAA, the number of passenger and tonne-kilometres flown pursuant to the licence will be significantly different from the corresponding month of the previous year, an amount based on the passenger and tonne-kilometres estimated by the CAA to have been flown by the licence holder during the month.
- 2.7 A charge of **£113** (£110) is payable on making an application for an Instrument pursuant to Section 64(2)(b) (including Section 64(2)(b) as applied in relation to Route Licences by Section 69A(6) of the Civil Aviation Act 1982.
- 2.8 **Alternative Dispute Resolution (ADR) Scheme**
- A charge of **£5,972** (£5,832) is payable on making an application to be approved by the CAA to operate under the ADR Scheme.
- The ADR approved entity shall pay to the CAA an annual continuation charge of **£14,333** (£13,997) on 1 April. The CAA will raise an invoice in respect of the annual continuation charge which shall be payable by the approval holder on demand.
- 2.9 **Handling of airline passenger complaints outside of the ADR Scheme (Amended)**
- In respect of airlines and aerodromes that have not joined an ADR Scheme, a passenger may make a complaint about (a) a UK airline, or a non-UK airline in respect of a flight arriving at or departing from the UK, and (b) a UK aerodrome, or both, to the CAA;
- Handling of complaints against an airline**  
Unless the airline can satisfy the CAA that it has already settled the passenger(s) complaint, once the CAA has concluded its assessment of a complaint against an airline, in scope of the CAA PACT's service, the CAA will invoice the airline a charge of **£160** (£156) per flight, which is payable on demand.
  - Handling of complaints against an aerodrome**  
When the CAA has concluded its assessment of a complaint made to it against a UK aerodrome, in scope of the CAA PACT's service, the CAA will invoice the aerodrome a charge of **£160** (£156) per passenger complaint, which is payable on demand.

## 2.10 Foreign Registered Aircraft Operating Permits **(New charge)**

A charge of **£80** (£78) is payable on making an application for a Foreign Registered Aircraft Operating Permit under Article 250 or 252 of the Order.

On occasion, where the applicant does not allow at least 12 hours for the CAA to process and issue a permit applied for, the CAA will, require an additional charge of **£1,500** to be paid with the application.

### **(New charge)**

#### **Third Country Operator Safety Certificates**

On making application by a Third Country operator to the CAA for the issue of an Operator Safety Certificates aligned to Part-TCO, the applicant shall pay to the CAA a charge of **£80**.

Where it is deemed by the CAA that a site visit or audit of the third country operator is to be carried out by the CAA, then an additional charge of **£3,620** will be payable by the applicant to the CAA. In addition, where the cost of the investigation exceeds the application charge of **£3,620** (equivalent to 20 work hours), excess hour charges at **£181** per hour will be charged up to a maximum of **£46,800** in any year, or part of the year, in which the investigations are carried out. Any excess hour charges will be invoiced to the applicant in arrears and payable on demand.

## 2.11 Scarce Capacity Allocation Certificates

A charge of **£15,996** (£15,621) is payable on making an application for the grant or variation of a Scarce Capacity Allocation Certificate pursuant to Regulation 10 of The Civil Aviation (Allocation of Scarce Capacity) Regulations 2007.<sup>1</sup>

## 3 COPIES OF DOCUMENTS

Upon application being made for the issue by the CAA of a copy or replacement of a document referred to in this Scheme, the applicant shall pay a charge of **£30** (£29).

## 4 DEFINITIONS **(Amended and new definition)**

In this Scheme of Charges:

- a) 'ADR Scheme' means a scheme operated under the Directive 2013/11/EU of the European Parliament and of the Council dated 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC as implemented by the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (SI 2015/542). **All references to European Law will be retained in UK domestic law by section 3 of the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.**
- b) 'Air Transport Licence' means a licence granted by the CAA under section 65 of the Civil Aviation Act 182 (as amended).
- c) 'CAA' means the Civil Aviation Authority.

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<sup>1</sup> Where the costs incurred by the CAA in relation to an application are significantly less than the application charge, the CAA would normally, in accordance with its discretion under Section 11(5) of the Civil Aviation Act 1982, refund the difference. This would be assessed on a case-by-case basis. Such a refund may be appropriate where, for example, there is no need for the CAA to programme a public hearing relating to the application.

- d) 'Operating Licence' means a licence granted by the CAA under Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community. **All references to European Law will be retained in UK domestic law by section 3 of the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.**
- e) 'Passenger-kilometre' means the product obtained by multiplying the number of passengers carried by the distance flown in kilometres.
- f) 'Tonne-kilometre' means the product obtained by multiplying the number of tonnes of cargo (1,000 kg) carried by the distance flown in kilometres.
- g) 'The Order' means the Air Navigation Order 2016 and any reference to an Article or Part of that Order shall, if that Order be amended or revoked, be taken to be a reference to the corresponding provisions of the Air Navigation Order for the time being in force.

**(New definitions)**

'Part-TCO' means in relation to Third Country Operator Authorisations, that Part of Regulation (EU) No 452/2014 as so entitled (and as amended).

'in scope of PACT's service' means following a review of our complaint handling activities the CAA Passenger Advice and Complaints Team (PACT) will only handle complaints related to:

- EC Regulation 261/2004 for delayed and cancelled flights, downgrade and denied boarding;
- EC Regulation 1107/2006 about assistance for disabled and reduced mobility passengers, and
- The Montreal Convention for cases of lost, delayed or damaged baggage.

Further information can be found on the [CAA website](#).

**5 COMMENCEMENT (Amended)**

This Scheme will come into operations on 1 April 2019.