



The Board of Airline Representatives in the UK (BAR UK) 21 September 2018: Speech by Richard Moriarty

Good Morning everyone. As the new Chief Executive at the Civil Aviation Authority I am delighted to be with you today.

As you know, our work encompasses a very wide range of activities ranging from safety and security, and economic regulation, to airline licensing and consumer rights.

At its most basic level I see the core purpose of the CAA – indeed of any regulator – is to protect the public and ensure consumers are fairly treated. It is the role Parliament has set us and is what the general public expects from us.

So, looking to the future, I would like today to focus on four areas. These are strategic priority areas for the CAA. Namely: safety, infrastructure, the consumer, technology, and the services we provide our stakeholders.

On safety, I want to ensure that the CAA continues to uphold the highest standards and does not rest on its laurels. There cannot be any room for complacency when it comes to safety.

I'm keen we are truly a risk-based regulator, working with industry to demonstrably reduce safety risk across the total aviation system.

This means developing a comprehensive risk picture with the organisations we regulate and building our knowledge and data to make sure we target our regulation in the areas where it will make the biggest difference.

On infrastructure, our goal is to support improving the UK's aviation capacity and resilience, so it can continue to support your aspirations to grow and the future demand from consumers.

This includes our work on developing a regulatory framework to support an affordable and commercially financeable new runway at Heathrow.

This follows the recent vote in Parliament on the National Policy Statement giving Heathrow outline planning permission.

I want to reassure you that we are aware of your concerns about the cost of airport capacity expansion. We are committed to ensuring Heathrow works with all its stakeholders – obviously including you – to deliver this project efficiently. I am clear that charges need to be kept as close to current levels as possible.

But the expansion of Heathrow airport is about more than building a new runway. It also includes our work on modernising airspace – the vital infrastructure of the sky.

Turning to consumers. It is our aim to raise awareness of their rights and take proportionate action when we have evidence that businesses are letting them down.

This work includes:

A world first framework to measure airport accessibility, which in 2019 will be extended to Airlines taking enforcement action against individual companies on behalf of groups of customers where it is appropriate to do so. In addition to these is extending Alternative Dispute Resolution schemes. This helps passengers resolve complaints with airlines and airports.

This scheme has helped more than 30,000 consumers since 2016. So, I would encourage even more airlines and airports to sign up to this.

Our fourth priority is technology. Cyber security and space planes are just a couple of examples of things we will need to deal with to ensure the regulatory framework is fit for the future. Drones are another. We are continuing to work closely with the UK Government so that we unlock the benefits of drones, while keeping our skies safe.

In talking about our priorities for the future and the broader context within which we all work, it would be remiss of me not to mention Brexit.

Quite properly it is a matter for Government to decide its negotiating position and lead the discussions with the European Union.

But as the industry's technical regulator, what would we like to see achieved from our perspective?

We start by recognising that aviation and travel are by definition international businesses. We are one of the leading global aviation players and London is one the best-connected city in the world. We want to see an outcome that continues to allow aviation and travel to flourish, which means ensuring there is a liberal and open market for businesses to trade within.

Aviation and travel consumers have benefitted enormously from the choice that has resulted from the liberalisation of the sectors, particularly across Europe. Brexit should not, in our, view, be used as an opportunity to restrict competition.

We also need to be influential beyond our borders in ensuring safety and security of our citizens. The Government and the CAA have been clear that our preference is to remain part of the European Aviation Safety Agency, EASA.

As a responsible regulator, we continue to undertake technical preparatory work for a range of potential outcomes of the EU exit negotiations.

This includes the UK leaving the EU without a deal.

As many of your will be aware, the Government has been publishing a series of technical notices relating to issues that might arise in the event of a no deal. We expect a new batch of technical notices, including ones relating to aviation, will be published in the near future. What we can say at the moment is that in a no-deal scenario it is likely there might be an impact on your operations.

There will be a need for some of you to engage with the CAA to obtain Foreign Carrier Permits and Third Country Operator Certificates for the first time. I would urge you to keep abreast of updates to ensure you are all as prepared as you can be for such an outcome.

Finally, Brexit should not be used to undermine consumer rights and environmental protections that have been built up over the years following careful negotiation and a balancing of competing interests. On the subject of consumer protection, I'd like to briefly mention an initiative we have started recently. It relates to airlines' contract terms and conditions.

We did some research in 2016 which found that 40% of consumers don't read any of the terms at all and those that did try and read some of the terms found it difficult to do so.

Consumers considered that some terms could cause a particularly unpleasant surprise, such as having to pay to print off a boarding pass, or having a return flight cancelled if they did not take the outbound flight.

We think it is important that consumers are not caught out by these terms. Our review is looking at how prominent these terms are, how transparent they are, and any restrictions or charges applied by the airline.

My colleagues will work with the airlines over the coming months and we will publish a report in the in the coming months, which will include how we assess each of the airlines.

Let me end by paying tribute to the industry. Because yours is an industry that has adapted, grown, and continued to delight consumers despite some external challenges over the years.

I have no doubt that you will continue to do so. And as you do, I personally, and the CAA, are keen to work with you in an open and constructive way in your pursuit of putting the consumer first.

Thank you for your time today.