



DEBATE PACK

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Effect on the aviation sector of the UK leaving the EU

By Louise Butcher

Summary

This is a Westminster Hall debate sponsored by Mike Kane MP which will discuss how the aviation industry will deal with the UK's forthcoming exit from the EU at a time of considerable uncertainty over what the immediate future will look like.

The UK is currently in the process of negotiating its exit from the EU including a possible a transition period and the shape of our future relationship with the EU. As those negotiations are ongoing, we do not yet know with any certainty what the effects of Brexit on transport policy, industry, services and operations will be.

Another Library Paper provides analysis of the UK's aerospace industry: [Aerospace Industry statistics and policy](#).

To date it is probably fair to say that the most attention has been given to the impact of Brexit on air travel, particularly the low-cost market between the UK and the EU27 and how UK-licensed airlines, which operate across the EU, will be affected by the UK's possible exit from the European Common Aviation Area. The Department for Transport has indicated that this is a priority for them, along with international freight transport. A [Haulage Permits and Trailer Registration Bill](#) is currently before Parliament to make provision about the international transport of goods by road in the event of a 'no deal' Brexit.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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1. Aviation and the European Common Aviation Area (ECAA)

What is the ECAA?

The advent of cheap short haul flights across Europe in the early 1990s has revolutionised both the way people travel and the airline industry. It owes a large part of its success to the liberalisation of air transport across the EU and the single aviation market, or European Common Aviation Area (ECAA).¹ This created a number of ‘freedoms’ for EU-registered airlines which have allowed them to have a base in one Member State and operate on a ‘cabotage’ basis within other Member States. For example, easyJet, registered in the UK, can fly without restriction from the UK to other Member States, wholly between other markets (France-Germany) and wholly within countries (domestic Italy).

Respondents to the Government’s Balance of Competences Review generally were of the view that liberalisation had broken down restrictive trade and operating barriers that had previously existed, and was credited with encouraging growth in the sector with deregulation facilitating new business models, such as the low-cost carriers. These new business models have increased competition in the industry, driving down prices and forcing efficiency savings.² Sophie Dekkers, UK Country Director at easyJet, told the House of Lords European Union Committee that the “liberation of the EU aviation market was part of the growth and the basis on which we grew as an airline and low cost [travel] grew within Europe”. She noted that “average fares are now down by 40% in real terms” since 1996, and “numbers of routes have increased by 180%”.³

Airline ownership rules

At the moment, EU majority-owned and -controlled airlines have the right to establish themselves in any EU Member State and operate freely within the borders of the EU.⁴ As Andrew Haines, Chief Executive of the CAA, said in a December 2016 speech, “If the UK is no longer a member of the EU, then these rights can’t be assumed to continue – especially the rights to operate domestic routes within a third country, and the rights to fly between two third countries”.⁵ This is a major part of some airlines’ business models, particularly low cost operators like easyJet.

¹ More details are given in HC Library briefing paper [CBP 182](#); the ECAA was extended to the Balkan countries in the mid-2000s and already applied to Norway and Iceland. It covers 36 countries and more than half a billion people, for more information see: European Commission, [International Aviation – ECAA](#) [accessed 12 April 2018]

² Op cit., [Review of the Balance of Competences between the United Kingdom and the European Union Transport](#), p24

³ HL, European Union Committee, [Brexit: trade in non-financial services](#) (18th Report of Session 2016–17), HL Paper 135, 22 March 2017, para 212

⁴ On 8 June the European Commission published new ‘interpretative guidelines’ on ownership and control of EU airlines, see: [C\(2017\) 3711 final](#), 8 June 2017

⁵ [The future of open skies post-Brexit](#), GAD Speech by Andrew Haines, Chief Executive of the CAA, 1 December 2016

There have been reports that UK-registered airlines with this sort of business model have been ‘warned’ by the EU that they would need to relocate their headquarters or sell off shares to EU nationals if they want to continue flying routes within continental Europe after Brexit.⁶ Some airlines have already started preparing for Brexit by obtaining EU operating licences.⁷ Conversely, some EU-registered airlines are also applying for a UK operating licence.⁸

What does the industry want?

Airlines clearly want the UK Government to negotiate continuing access to this liberalised regime. The most obvious way of doing this would be by remaining a member of the ECAA, post-Brexit. In a speech given on 1 December 2016 the Chief Executive of the CAA, Andrew Haines, set out the UK’s options on access, on a “sliding scale of liberalisation”:

1. Staying in the European Common Aviation Area (i.e. UK airline treated as if part of the EU, with full access – in many ways highly desirable for both sides in this negotiation). But Aviation is likely to be caught in the crossfire- so on what conditions would this be possible and will they be potentially acceptable?
2. A UK “Open Skies” deal with Europe? (i.e. UK treated as a third country, like the USA)
3. Negotiating a single bilateral agreement with the EU as a whole if Member States give the EU a mandate to negotiate on their behalf. Or the UK could still negotiate bilateral agreements with individual member states; for instance, if member states wish to or find the EU-led process too slow. (Any state that wanted to go down that route would have to notify the EU and negotiate in a way that is compatible with EU law, but this is a possible scenario.)
4. Enhanced ‘UK open skies deal’ – what are the prospects of the UK securing better deals because of its inherent strengths than pan European deals have secured.⁹

Airlines support the ECAA option.¹⁰ However, membership of the ECAA effectively requires acceptance of EU aviation law across all areas, so

⁶ See, e.g. “Airline investors face forced share sale after Brexit”, *Financial Times*, 27 January 2017 and “UK-based airlines told to move to Europe after Brexit or lose major routes”, *The Guardian*, 22 March 2017

⁷ See, e.g., easyJet press notice, “[easyJet Europe now operational after award of Austrian AOC and licence](#)”, 20 July 2017

⁸ See, e.g. “[Ryanair seeks UK operating permit in Brexit move](#)”, *Financial Times*, 2 January 2018; and “[Another airline has applied for a new licence to get ‘Brexit-ready’](#)”, *City A.M.*, 18 October 2017

⁹ Op cit., *The future of open skies post-Brexit*; see also: op cit., *Brexit: trade in non-financial services*, chapter 7 and *Internal EU27 preparatory discussions on the framework for the future relationship: “Aviation”*, TF50 (2018) 24 - Commission to EU 27, 17 January 2018

¹⁰ See e.g. EasyJet press notice, “[Response to result of UK referendum on membership of the European Union \(“EU”\)](#)”, 24 June 2016; and CAPA, *Brexit and aviation Part 1: Open Pandora’s box and anything can happen. But status quo is likely*, 27 June 2016

where the UK might want to move away from current EU rules with which it is not entirely satisfied, compromise would be required.

In its July 2017 report the ITC stated that:

Aviation needs to be treated separately from trade agreements: comprehensive air services agreements are the pre-condition for the success of trade deals. Any agreement should aim to replicate the benefits of membership of the Single Aviation Market in a new format, in light of the fact that the UK was the driving force behind its creation. It should also replicate in new agreements the traffic rights enjoyed by UK airlines under the EU's multilateral aviation agreements. Failure to do so could severely limit UK aviation's – and by extension the UK economy's – ability to generate jobs and economic growth. It could also result in increased costs to the consumer and risk-reduced connectivity, particularly from smaller airports.¹¹

Will a deal be done?

The Government has remained consistently optimistic that a deal can be done. As set out in section 1.3, above, the latest European Council negotiating guidelines are aiming for “continued connectivity between the UK and the EU ... through an air transport agreement”.¹²

In November 2016 the Government and [Airlines UK](#) issued a joint statement emphasising the importance of aviation to the UK economy. It stated that “Market access remains a top priority, and we want to make sure we have liberal access to European aviation markets. We will also work closely to explore new opportunities for further liberalisation”.¹³

Later that month, in a debate on Brexit and transport, the Secretary of State for Transport, Chris Grayling, said that he was:

... absolutely [in] no doubt that we will secure in good time and effectively the agreements that our aviation sector needs to continue to fly around the world and within the European Union. Not doing so is in no one's interests. Many parts of the EU depend economically on the contribution made by British airlines flying to regional airports. It is in all our interests that that continues.¹⁴

Appearing before the Transport Select Committee in October 2017 Mr Grayling again expressed confidence in a deal:

There is absolutely no benefit to anybody in having a situation where the current international aviation structures are weakened as a result of problems between us and the European Union. I am sure that is not what they want. I have a very good

¹¹ ITC, [How will leaving the EU affect UK transport? Key issues](#), ITC Occasional Paper No. 10, July 2017, para 2.3.5; the ITC is a land use and transport think tank

¹² Op cit., [European Council \(Art. 50\) \(23 March 2018\) - Guidelines](#), Article 11(i)

¹³ DExEU et al. press notice, [“Joint statement between the UK Government and Airlines UK”](#), 14 November 2016

¹⁴ [HC Deb 23 November 2016. cc952-3](#)

relationship with the European Transport Commissioner. I am absolutely certain that over the coming months we will have mutual sensible arrangements put in place, but we are obviously preparing for all eventualities, as you would expect [...] The day after we have left the European Union, the world from our airports will look very similar to the day before.¹⁵

As time has passed, the industry has also become increasingly confident that a deal will be done. For example, Willie Walsh, chief executive of International Airlines Group (IAG), told the Transport Committee in October 2017 that:

I think the Secretary of State is optimistic and I share his optimism that the world will continue as it has. There are issues to be dealt with, and I am confident that they can be dealt with well in advance of the beginning of April 2019.¹⁶

Also, in November 2017 witnesses representing the aviation sector before the House of Lords European Union Committee “expressed confidence that a deal would be reached to cover the sector”.¹⁷

Not everyone in the industry is as optimistic. For example, the Chief Executive of Ryanair, Michael O’Leary, and the Chief Financial Officer, Neil Sorahan, have consistently argued that there is little evidence of progress towards an agreement being reached.¹⁸

What would ‘no deal’ mean?

In its December 2017 report on a ‘no deal’ Brexit, the House of Lords European Union Committee stated that “The consequences of failure to reach a deal [on aviation] would be grave”.¹⁹ It had previously reported in March 2017 that:

There is no adequate ‘fall-back’ position for aviation services in the event that no agreement is reached with the EU. Air services are excluded from the WTO, and the pre-existing bilateral air services agreements between the UK and individual EU Member States may not be valid, given the EU’s extended competence in this area. It follows that, in order to avoid significant damage to the UK aviation sector, either a UK-EU bilateral air services agreement must be agreed before the UK leaves the EU in 2019, or a transitional arrangement must be adopted, to allow continuing UK participation in the Single Market for aviation pending conclusion of a comprehensive agreement.²⁰

The UK in a Changing Europe stated in a July 2017 paper that:

¹⁵ Transport Committee, [Oral evidence: Policy priorities for the Department for Transport](#), HC 430, 16 October 2017, Qq118 & 126

¹⁶ Transport Committee, [Oral evidence: Aviation and Brexit](#), HC 531, 30 October 2017, Q2; Sophie Dekkers, UK director for easyJet agreed with this assessment

¹⁷ HL European Union Committee, [Brexit: deal or no deal](#) (7th Report of Session 2017–19), HL Paper 46, 7 December 2017, Box 5, p15

¹⁸ See, e.g. “[Fears flights between Britain and the EU could be halted after Brexit](#)”, *The Independent*, 5 July 2017

¹⁹ Op cit., [Brexit: deal or no deal](#), Box 5, p15

²⁰ Op cit., [Brexit: trade in non-financial services](#), para 238

So would planes actually stop flying between the UK and the EU27? In principle, absent measures to mitigate the impact of no deal, that is possible – if only because their lawyers would not let them. But, even assuming that some stop-gap arrangement were to be put in place, it seems likely that there would be very serious impacts, with many airlines reducing their schedules to the UK, both immediately and in the medium term.²¹

Timing is also important. The International Air Transport Association (IATA) has urged “an early resolution for aviation in the Brexit discussion”:

Time is precious. The Brexit clock is ticking towards a deadline of March 2019. But the aviation deadline is earlier. Normally passengers can book travel about a year in advance. At a minimum, the flight schedules and seat and cargo inventories must be available at least six months in advance. So that puts the airlines’ deadline at October 2018...²²

There were reports towards the end of 2017 that some airlines were tightening their terms and conditions for flights booked in advance for after Brexit, warning customers that they may not take off and that airlines will not pay compensation if planes are grounded.²³

²¹ The UK in a Changing Europe, [Cost of no deal](#), 20 July 2017, p16

²² IATA press notice, “[UK Aviation Priorities: Clarity on Brexit and Expanding Heathrow](#)”, 8 November 2017

²³ “[Airlines may not guarantee flights after exit from EU](#)”, *The Times*, 18 October 2017; see also: “[Ryanair confirms roll out of "Brexit clause" in tickets](#)”, *City A.M.*, 31 January 2018

2. Air service agreements with third countries

The UK has long had bilateral agreements with many of its important markets, such as the US, which were superseded by EU-third party agreements. The ITC has said that as a result of EU membership UK airlines benefit from 42 Air Services Agreements entered into by the EU with countries inside and outside the EU including the US and China.²⁴

Once it has left the EU, the UK would need to have negotiated new agreements with those countries or to have negotiated with the EU and those countries to continue as a party to the agreements as a non-Member State.

In their joint statement issued in November 2016 the Government and UK airlines said that Brexit provided “greater freedom to seek new agreements between the UK and some third countries. This includes looking at possible bilateral agreements to strengthen economic and cultural ties even further with countries such as the US and Canada”.²⁵ In a debate on Brexit and transport later that month Mr Grayling said that leaving the EU would give the UK “more freedom to make our own aviation agreements with other countries beyond Europe”.²⁶

Open Skies Agreement with the United States

Once the UK leaves the EU it ceases to be a party to third country agreements between the EU and those countries (unless some sort of arrangement is made).

Given its importance to the UK, the Government has commented specifically on the future of the [EU-US Aviation Agreement](#), commonly called ‘Open Skies’.²⁷ When Open Skies was agreed back in 2007 the UK market was one of the key attractions for the US – at the time the UK accounted for a 40% share of the EU-US market.

In evidence to the Transport Select Committee in October 2016 the Secretary of State for Transport, Chris Grayling, said that his “expectation and my intention would be that we retain the open skies arrangement for the United States. I cannot conceive of any US Transport Secretary who would not want that to be the case”.²⁸

In a debate on Brexit and transport in November 2016 Mr Grayling said that he had had “positive discussions” with the US Transportation Secretary under President Obama and that he intended to reprise those discussions with President Trump’s Transportation Secretary (Elaine Chao).²⁹ Updating the Transport Committee in October 2017 Mr Grayling said:

²⁴ Op cit., [How will leaving the EU affect UK transport? Key issues](#), para 4.4.1

²⁵ Op cit., [“Joint statement between the UK Government and Airlines UK”](#)

²⁶ [HC Deb 23 November 2016. c952](#)

²⁷ More details are given in HC Library briefing paper [SN455](#)

²⁸ Transport Committee, [Departmental priorities and annual report and accounts](#), HC 745, 17 October 2016, Qq74-5

²⁹ [HC Deb 23 November 2016. c952](#)

I expect us to have a very similar arrangement with the United States after we leave. I have a very good relationship with my US counterpart. We have had very constructive discussions. I have no doubt that those arrangements will be put in place in good time. Talks between the two Departments are ongoing on a variety of issues, including this one.

As to the future, whether we choose further liberalisation, on areas such as ownership, is a matter for after we have left. Right now, I am not looking to do significant renegotiation of existing agreements. We simply want to grandfather those arrangements, so that there is a smooth transition. After that, we can look at other things that we want to do, on further liberalisation, for example.³⁰

In March 2018 there were press reports that the US was offering the UK a 'worse' aviation deal than it has as an EU member and that 'secret talks' in January "were cut short after US negotiators offered only a standard bilateral agreement. These typically require airlines to be majority owned and controlled by parties from their country of origin".³¹ This was later refuted,³² and was followed by reports that a deal was 'imminent'. *The Telegraph* quoted the view of Nick Calio, Chief Executive of [Airlines for America](#), that:

Everyone understands there is a problem to be solved but it is being worked out and we believe there will be a framework in place very shortly," Mr Calio, who has been close to the negotiations, said. "The issue will be taken care of so that British carriers can fly to the US without challenge. In terms of the timetable, we hope something will be in place as early as the end of the month or the beginning of April".³³

If there are difficulties reaching agreement it is not entirely clear what happens, specifically whether UK-US arrangements would revert back to the Bermuda II bilateral agreement, signed by the two countries in 1946 and last amended in 1991. The aviation market has changed considerably since then and any reversion to Bermuda II could cause disruption to UK airlines and transatlantic trade and passenger routes. The US negotiator (now independent of the US Government) responsible for the EU-US talks, John Byerly, has said, "it is impossible for me to believe that [reversion to bilaterals] is really what would happen in the real world".³⁴

³⁰ Op cit., [Oral evidence: Policy priorities for the Department for Transport](#), Q124

³¹ "[US offers UK inferior open skies deal after Brexit](#)", *Financial Times*, 5 March 2018

³² "[Walsh sees clear skies after Brexit](#)", *The Times*, 7 March 2018

³³ "[Deal to prevent post-Brexit grounding of US flights possible by end of month](#)", *The Telegraph*, 15 March 2018

³⁴ Op cit., [Brexit and aviation Part 1: Open Pandora's box and anything can happen. But status quo is likely](#)

3. Airspace change and Single European Sky

Airspace is a complex thing to understand, the easiest way to think of it is as a motorway network in the sky. Airspace is the volume of space above ground level and extends as far as aircraft can fly. UK airspace contains a network of corridors, or airways. These are usually ten miles wide and reach up to a height of 24,000 feet from a base of between 5,000 and 7,000 feet. Airspace is either considered to be 'controlled' or 'uncontrolled'. In controlled airspace, there is a system of structured routes and aircraft which are managed by air traffic control (ATC) services. By contrast, a large volume of airspace in the UK is uncontrolled and this is where the pilot of the aircraft does not receive a service from the ground but has to "see and avoid" other aircraft and navigate independently.

The current legal and policy framework for airspace is set by Government, in accordance with international and European standards and requirements. Member states of the International Civil Aviation Organization (ICAO), including the UK, collaborate on a common regulatory framework and agree international standards on various issues, including the access to and use of airspace. EU laws implement several of ICAO's resolutions.

The main EU initiative in this area is the Single European Sky (SES), launched in 1999 to reform the architecture of European air traffic management. Its implementation is intended to increase the overall efficiency of the European air transport system. The UK and Ireland is planning to meet the SES requirements through its Future Airspace Strategy, published in June 2011, with a programme to modernise airspace across the UK out to 2030. In February 2017 the Department of Transport published a consultation on UK airspace policy reform. In October the Government announced it would proceed with most of the main proposals in the paper.

There is general support for proceeding with this work on SES and airspace modernisation more generally at a European level.³⁵ Norway and Switzerland, which are both outside of the EU, are a part of SES so this may be something to which the UK could be party to after Brexit with relative ease.

In evidence to the Transport Select Committee in October 2016 the Secretary of State for Transport, Chris Grayling, was asked about airspace. He made no specific comment but stated that "my expectation is that it will be in the interests of everyone involved for aviation to continue to function in the way it does now".³⁶ In December 2016 the European Scrutiny Committee reported that the Government had told it

More information on airspace change and modernisation can be found in HC Library briefing paper [CBP 7889](#).

³⁵ Op cit., *Review of the Balance of Competences between the United Kingdom and the European Union Transport*, p33

³⁶ Op cit., *Departmental priorities and annual report and accounts*, Q76

that the UK “will remain part of the Europe wide air traffic management network, by virtue of its Eurocontrol membership”.³⁷

³⁷ ESC, [Air traffic management](#), HC 71-xx, 13 December 2016; [Eurocontrol](#) is the European Organisation for the Safety of Air Navigation. It is an intergovernmental organisation with 41 Member and 2 Comprehensive Agreement States. Its primary objective is the development of a pan-European ATM system

4. Air fares

Liberalisation has helped bring down fares to the EU at a much greater rate than to other parts of the world:³⁸



It may be that if the UK's access to the ECAA post-Brexit is limited in some way or if there is no access at all, this could potentially lead to higher air fares. As CAPA says: "any reversal of the liberalisation process, leading to increased restrictions on market access (e.g. by UK airlines on intra-EU routes, not just from the UK to the new EU, or by EU airlines flying from the UK to third party EU countries), could result in fare increases". Consultancy Oxera has estimated that such restrictions on market access could lead to UK passenger fares rising by 15% to 30%.³⁹ Fares could also be affected by dramatic currency fluctuations.

However, higher fares are by no means a certainty and it will depend on the deal the UK secures. For example, Bjorn Kjos, the chief executive of Gatwick-based, low-cost carrier Norwegian Air, told ITV before the referendum that he did not think fares would rise post-Brexit. He said: "We are here providing low fares to everybody... whether you are in the EU or not that's not the problem".⁴⁰

³⁸ Op cit., *Review of the Balance of Competences between the United Kingdom and the European Union Transport*, p25

³⁹ CAPA, *Brexit and aviation Part 2: lower air traffic, economic uncertainty, UK-EU relations up in the air*, 28 June 2016; the Chief Executive of Ryanair, Michael O'Leary, voiced similar concerns, see: "[Airfare hikes ahead unless Brexit talks turn, warns Michael O'Leary](#)", *Daily Telegraph*, 7 November 2016

⁴⁰ "[The boss of one of Europe's biggest budget airlines says Brexit would not end cheap fares](#)", *ITV News*, 31 March 2016

5. Safety and EASA

The [European Aviation Safety Agency \(EASA\)](#) develops common safety and environmental rules at the European level. It monitors the implementation of standards through inspections in the Member States and provides the necessary technical expertise, training and research.⁴¹

The UK's involvement with EASA and the standards and safety regulation it is responsible for is a key issue which will need to be resolved in any Brexit negotiations. The Government has explicitly stated that it would like to negotiate some sort of ongoing membership of EASA after Brexit.⁴² Specifically, in her speech on 2 March 2018 the Prime Minister said:

We want to explore with the EU, the terms on which the UK could remain part of EU agencies such as ... the European Aviation Safety Agency. We would, of course, accept that this would mean abiding by the rules of those agencies and making an appropriate financial contribution.⁴³

As to the likelihood of such an arrangement being agreed, the March 2018 European Council negotiating guidelines state that "the aim should be to ensure continued connectivity between the UK and the EU after the UK withdrawal. This could be achieved, inter alia, through an air transport agreement, combined with aviation safety and security agreements."⁴⁴ In its March 2018 paper on Brexit, MLex Market Insight interprets this as follows:

... it foresees a bilateral aviation safety agreement, with the UK's Civil Aviation Authority taking on responsibility for testing and licensing aircraft and components in the country. A streamlined system that simplifies the certification of UK products would be possible with "sufficient trust" in the UK regime, the European Commission said.⁴⁵

There is widespread agreement that continued membership of EASA would benefit the UK and the EU. For example, in a speech given on 1 December 2016 the Chief Executive of the CAA, Andrew Haines, argued that it was in the UK's best interests to remain an active member of EASA and that it would mean a massive increase in the regulatory burden if the UK sought to establish its own regime. He highlighted the fact that the UK and France provide two thirds of all the rule making input on European Safety Regulation and together undertake close to 90% of EASA's outsourced activities. He also said that post-Brexit the

⁴¹ EASA, [About EASA](#) [accessed 12 April 2018]

⁴² See, e.g. "[UK wants to remain in EU aviation safety agency](#)", *Financial Times*, 1 December 2017

⁴³ [PM speech on our future economic partnership with the European Union](#), 2 March 2018

⁴⁴ Op cit., [European Council \(Art. 50\) \(23 March 2018\) - Guidelines](#), Article 11(i)

⁴⁵ MLex Market Insights, [Rival Visions of a Brexit Deal](#), March 2018, p8

UK can “continue to play a very active role in ICAO – indeed strengthening but it is not a substitute for European engagement” .⁴⁶

In a September 2017 paper the Royal Aeronautical Society (RAS) said:

Far from diminishing UK influence in global aviation, the EASA regime has provided a conduit for UK influence on aviation safety and security within Europe and beyond on behalf of the UK passengers flying on airlines around the world; indeed, the UK has been a major driver of ever-closer alignment on regulatory matters across Europe and the negative impacts of its withdrawal would be felt across the continent, to such an extent that EASA would likely be diminished in stature as an organisation.⁴⁷

It went on to outline three options open to the UK and the EU:

- The UK could remain a full member of EASA; or
- take an off-the-shelf participation option as Switzerland and Norway have done; or
- withdraw from EASA and repatriate all regulatory powers back to the UK Civil Aviation Authority (CAA), potentially contracting some activities back to EASA.

It concluded that “the case for the first option is very strong: the UK should remain within EASA” .⁴⁸

In a March 2018 report the Business, Energy and Industrial Strategy Select Committee set out the potential consequences of a UK exit from EASA:

If the UK is to make a managed departure from EASA, it would require a transition period in which special arrangements are made with the EASA, the US Federal Aviation Authority and other global regulators. The Civil Aviation Authority would need to undergo a major investment and recruitment programme if it is to take over the functions of EASA at some point in the future, and Bilateral Aviation Safety Agreements with mutual recognition agreements would need to be negotiated with the EU, US and other major markets. Given the complexities involved, this transition may need to last beyond the two years that the Prime Minister has said is likely to be appropriate for the economy-wide implementation period. This disruptive and costly process is unlikely to result in any significant divergence in regulation.⁴⁹

⁴⁶ Op cit., [The future of open skies post-Brexit](#)

⁴⁷ RAS, [Civil Aviation Regulation: What Future After Brexit?](#), 28 September 2017, pp5-6

⁴⁸ Ibid., p6

⁴⁹ BEIS Committee, [The impact of Brexit on the aerospace sector](#) (Sixth Report of Session 2017–19), HC 380, 19 March 2018, para 47

6. General aviation: drones, recreational & model aircraft

As the Government's Balance of Competencies review put it, the general aviation community (that is, the private and recreational flying sector) felt unfairly burdened by EU legislation which they considered was made without regard to their interests but, rather, to those of the commercial air transport industry. As a result they felt their sector to be governed by an overly prescriptive approach and a lack of proportionality.⁵⁰

For a long time private and recreational flying has sought a more nuanced approach for light aircraft and sports and recreational aviation. The CAA has agreed that there is some overly intrusive and costly regulation in this area. Much of general aviation, especially on the operational side, does not have single market implications, and some of it is not even international in nature.⁵¹ The sector's most recent concerns have been about the EU's plans to regulate small drones.⁵²

This may be an area where the UK chooses to apply its own more liberal regime post-Brexit, but there has been nothing to indicate that such would be the case.

⁵⁰ Op cit., *Review of the Balance of Competences between the United Kingdom and the European Union Transport*, p55

⁵¹ Ibid., p55

⁵² For more information see HC Library briefing paper [CBP 7734](#)

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