



## FLIGHT World Airlines Survey A 48-page special feature

# BRITAIN'S NEW BOARD

Plain Man's Guide to the Air Transport Licensing Board

By the Air Transport Editor

ON a day soon to be announced, the Air Transport Licensing Board will face its first real test. On this day, and probably on the two following days, it will hear arguments for and against the addition of a second British airline on the world's most important international route, the North Atlantic. Cunard Eagle is the applicant, BOAC the objector. The future of British air transport rests in the hands of this new Board, and it is timely to summarize its constitution and terms of reference. This is perhaps best done by answering some of the questions that are often asked about it.

### What is the Board's purpose?

As defined in the Civil Aviation Licensing Act, 1960, its statutory duty is "to further the development of British civil aviation."

### Why was it necessary?

The Civil Aviation Act of 1946 gave BOAC and BEA the monopoly of Britain's scheduled air services. The independents were in due course allowed to operate some scheduled services as associates of the corporations, but as time went by many of these associate agreements became a legal fiction. They had given the independents a licence to compete, rather than associate with the corporations, and the law had to be changed before it became an ass.

The corporations' monopoly was revoked in 1960, and the independents were then free to apply for any services. The Air Transport Licensing Board was created to license and control this freedom, and to replace the Air Transport Advisory Council (see later). For the first time in the industry, air service licences were to be issued, the issuing authority being the Board.

### Who can apply to the Board, and for what kind of licences?

Any British operator, independent or corporation, can apply for any kind of air service. There are six kinds of licence, explained in Table 1. Certain classes of operation are exempt from licensing.

### Is it the Board's job to protect BOAC and BEA?

No, this is not specifically laid down in the Act, but the constitution of the Board provides powerful safeguards for the two corporations. For example, among the things that the Board has to consider before allowing an independent on to a BOAC or BEA route are: (1) the adequacy of BOAC or BEA services; (2) the possibility of wasteful duplication of, or material diversion from, BEA or BOAC services; and (3) the corporations' financial commitments or commercial agreements [i.e. pool agreements].

There will be no mass handing over of BOAC's and BEA's business to the independents, but this business is no longer legally inviolate.

### If anyone can apply for anything, so to speak, won't the Board be inundated with applications from ambitious independents?

This obvious possibility was foreseen, and the Minister decided that there was to be a financial deterrent to the frivolous and vexatious applicant. It costs quite a lot of money to apply for a licence; British United Airways (who could hardly be classed as a frivolous applicant) had to pay more than £3,000 when they applied for a network of scheduled services in Europe and to Africa. The scale of charges, graded accordingly to the desirability of the market, is illustrated in Table 2 and in the map, overleaf.

The phrase "the Minister decided" suggests that the Board does what the Minister tells it; just how independent is it?

The idea was that it should be a completely independent executive licensing authority—unlike the old Air Transport Advisory Council, whose job was only to advise the Minister (though he always accepted their advice).

In fact, the Minister gave the Board a considerable degree of independence, though it is clear that he has reserved to himself two important powers, over (1) international traffic rights, and (2) international (though not United Kingdom domestic) fares. He has retained complete control over these important aspects of British air transport because they involve questions of national sovereignty which—in his view—cannot be delegated.

So far as fares are concerned, the Minister's role is largely that of a rubber-stamper of fare agreements reached by the International Air Transport Association, the airlines' trade association, of which BOAC, BEA, British United, Cunard Eagle and Skyways are members. His powers here are largely academic, but they exist. The Act appears to allow scope for the Board to initiate changes; but final responsibility for international fares rests with the Minister.

In the matter of traffic rights the Board's role must be passive. Indeed, it must actually be submissive, because the Minister—under the draconian Section 2(3) of the Act—can tell the Board to reject any application which, in his opinion, looks as though it might upset a foreign operator. Just how often he will exercise this power remains to be seen; he did not do so when British United and Cunard Eagle applied for a series of European routes which nearly all looked tricky from the traffic-rights point of view. But so long as he has this power, and has in his pocket the master key to the double lock of fares and traffic rights, and has the last word on appeals, the Board cannot really be called independent.

[Continued overleaf]

Table 1: Classes of Air Service Licence

Class A	Scheduled service to specified points, usually at a specified fare. Six months' notice required.
Class B	Generally intended to cover inclusive tours, this is for non-scheduled services between specified points at separate fares (usually specified) open to the general public. Six months' notice required.
Class C	Generally intended to cover charter operations of not more than three flights; the points are specified, but not the fare. Seventy-two hours' notice required.
Class D	Generally intended to cover "group" charter (see text) operations, in this case of more than three flights. Points are specified, but not the fare. Two to 12 weeks' notice required, depending on area (see Table 2 and map).
Class E	This is for any sort of air transport service, scheduled or non-scheduled, between unspecified places. It will be useful for operators who often get very short notice of flights, and will avoid the need for a hearing each time such a flight comes up. Six months' notice required.
Class F	Covers anything other than an air transport service that is not an exempted service.

Footnote: The precise definitions of each class of licence are given in the Civil Aviation (Licensing) Regulations, 1960; the above definitions are a general interpretation only.

### THE BOARD'S EIGHT WISE MEN :—

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Prof R. G. D. Allen

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