



CAYMAN ISLANDS
GOVERNMENT



**Civil Aviation Authority of the Cayman
Islands
Annual Report for the period
July 2005 to June 2006**

Laid of the Table of Legislative Assembly on this _____ day of _____ 20_____



CAACI Annual Report for the Period 1st July 2005 through 30th June 2006

Submission to Government Information Service 23rd April 2007

General/Administrative:

Staff count – 15 staff members during this time at head-office in Grand Cayman; 3 contracted workers in the UK; 2 contracted surveys in Germany.

Commercial Affairs Regulation Division

The period in discussion, represents a continuation of the establishment of the Commercial Affairs Regulation division as a fully functioning economic regulatory division of the CAACI. This year saw the initial formalization of the economic regulatory activities specifically pertaining to the licensing of air operating agencies and aircraft as delegated by the UK State Department, to ensure compliance with the Air Navigation (Overseas Territory) Order 2001, Article 113. A formal process to identify the role of the regulator in the granting of operating permits/licenses was established thereby also defining the role of the service provider (Cayman Islands Airports Authority) and a suitable process implemented. During this time, the Commercial Affairs division processed 105 operating permits for foreign registered non-scheduled/charter air transport operations. Approximately 7 seasonal licenses for foreign registered scheduled carriers to operate into the territory as per bi-lateral agreements between the UK and relevant state governments were processed every six month.

During this time, the Commercial Affairs Regulation division also trained and implemented another facet of the economic regulatory role – that of monitoring of tariffs for all foreign registered scheduled carriers serving the destination. The main aim of this activity is to review airline pricing policies and ensure predatory actions are not taken by certain carriers or abuse of dominant position for large carriers or in areas where restrictions apply to route rights.

Other noteworthy happenings/accomplishments:

- ➔ During the first quarter of this fiscal period, the CAACI formalized an agreement with Brac Informatics to provide disaster preparedness/back-up and contingency planning for its electronic systems.
- ➔ During this time, the CAACI launched its joint promotional relationship with the Cayman Islands Shipping Registry and the Cayman Islands Investment Bureau for support with marketing and promotional activities, i.e., industry tradeshows, etc., with an aim to increase the public's awareness and that of specific target audiences as to the C.I. Aircraft Registry. Tradeshows attended: the National Business Aviation Association (NBAA) tradeshow and the European Business Aviation Association (EBACE) tradeshow – first year exhibiting at EBACE. Proved to be very successful with direct business-to-

business networking and a positive impact on the subscriptions to the CI Aircraft Registry.

- This was also the formalization of a closer relationship with private sector partners (particularly the legal firms) to review roles and synergy as it pertains to the process of registering aircraft on the C. I. Aircraft Registry

Air Safety Regulation Division

The ASR division was busy at this time with the registration of aircraft, annual airworthiness surveys and inspections and industry training.

At the start of the period July 1, 2005 there were 101 aircraft on the registry and at June 30, 2006 there were 111 aircraft on the registry. As a result of the expanding registry activity and planned activity for the future, the ASR division has hired additional staff: during this time the following new personnel were recruited: Personnel Licensing Officer, an Airworthiness Surveyor and a Flight Operations Inspector.

A milestone event also progressed during this time as CAACI representatives attended meetings in Riyadh, Saudi Arabia to lay the groundwork for the Authority's first international agreement for shared regulatory oversight of CI registered aircraft (ICAO Article 83 bis Agreement). This has the potential to utilise CI registered aircraft for public transport operations in that jurisdiction.

Training:

The Civil Aviation Authority hosted a seminar with the Aircraft Accident Investigation Bureau (AAIB) of the UK for industry partners which instructed and simulated the management of a major air disaster within the territory. Subsequently, an MOU was signed with AAIB to investigate aircraft accidents on behalf of the Cayman Islands.

The Director-General, Director of Air Safety and Director of Air Navigation Services all attended a five day FAA Foreign Air Carrier Seminar in Miami with representatives from the CAR/SAM region.

The Air Safety Support International (ASSI) hosted a 2-day sponsored seminar on Aviation Regulation & Enforcement which was attended by the Director-General, the Director of Air Navigation Services Regulation and the Director of Air Safety Regulation and all ASR staff.

Air Navigation Services Regulation Division

A plan to successfully meet the challenges of working with the Cayman Islands Airports Authority towards the certification of airports under its management and control was initiated by the Air Navigation Services Regulatory Unit (ANS) in June 2005. Establishing a foundation through clearly defined audit processes that included

the implementation of agreed corrective action plans for findings of regulatory non-compliances required much work throughout the year.

High priority was given to the activities evolving around the task of approving ANS in accordance with the requirements of the Air navigation (Overseas Territories) Order 2001 as amended and interrelated Overseas Territories Aviation Requirements with the sought-after objective of achieving airport certification in the short term and before the end of 2007.

The detailed preparation of the work involved in aerodrome certification has been central to the majority of regulatory work carried out by the ANS. Numerous audit and inspection related meetings were held with key management employees at Owen Roberts and Gerrard-Smith International Airports for the purpose of presenting non-compliant safety findings and reaching consensual agreements with the goal of achieving the implementation of required corrective actions throughout the year. Airport runways, taxiways, aprons and obstacle limitation surfaces were inspected along with Air Traffic Control, Aeronautical Telecommunications, Aviation Meteorology and Rescue and Fire Fighting services.

Many man hours were also spent on the continued development of internal ANS policy and procedure functional area documents that would be used by ANS staff for the safety oversight of airports and the services provided.