



Implications of economic liberalization on safety/security regulation

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Presentation to cover:

- Background
- Findings of the ICAO study
- Conclusions



Background

- Evolution of air transport regulation:
 - liberalization, privatization, regionalism
- Evolution of business practices:
 - globalization, alliance, leasing ...

- ★ Constantly changing
- ★ New issues / challenges

- ATConf/5 called for the Study



Purpose of Study

○ Identifying problems

- How safety/security regulations may be affected?
- Any gaps in existing ICAO provisions?

○ Fixing the problems

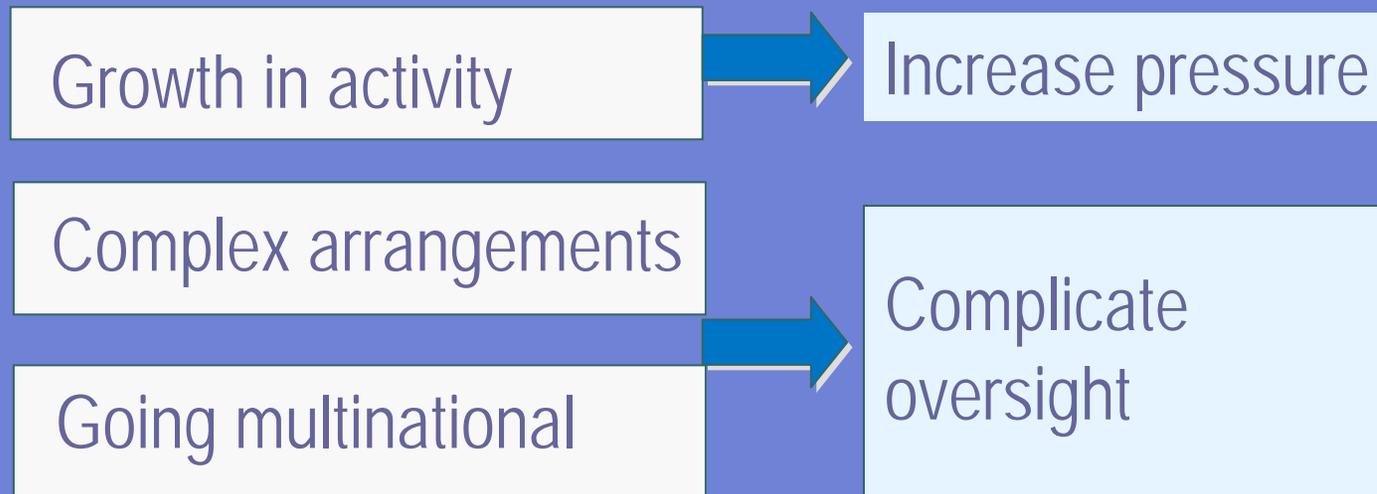
- Action by ICAO
- Action by States





Relationship between Liberalization and Safety/Security

- Implications on S/S regulations



- Liberalization not at issue

Clear need for a coherent policy



What are the problem situations?

Concerns: aircraft, air operator, personnel

- **Type 1: Single State involved**

- Having an impact but clear re State's responsibility

- **Type 2: Multiple States involved**

- Complicate accountability and raise questions re State's responsibility

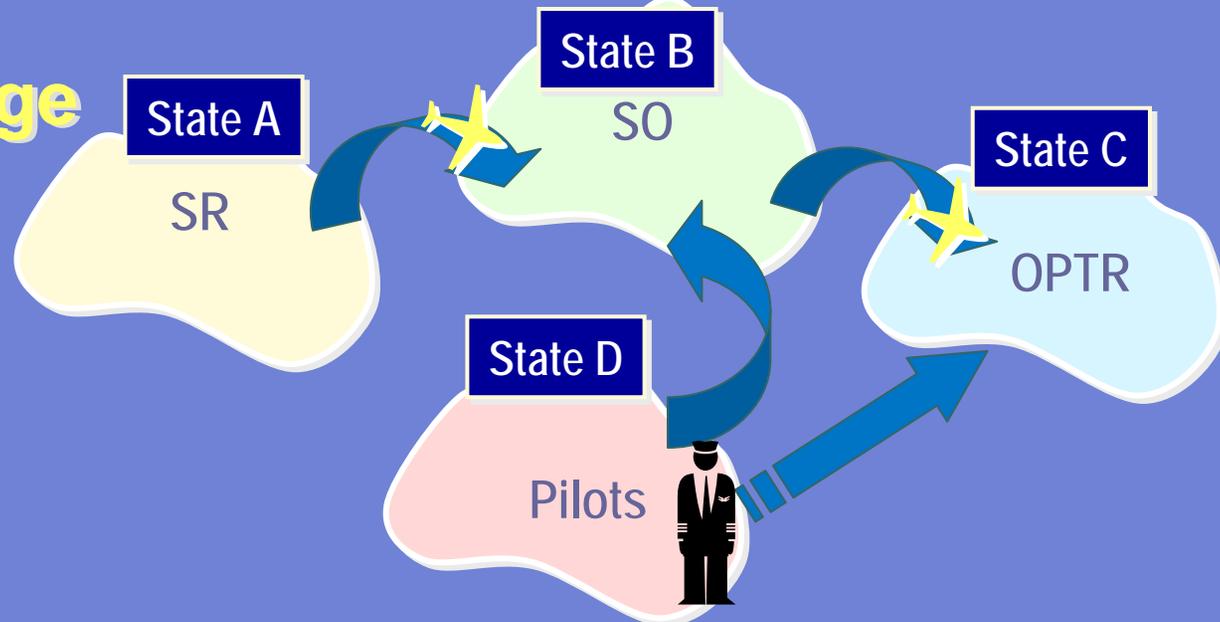


Problem: Split responsibility

Traditionally



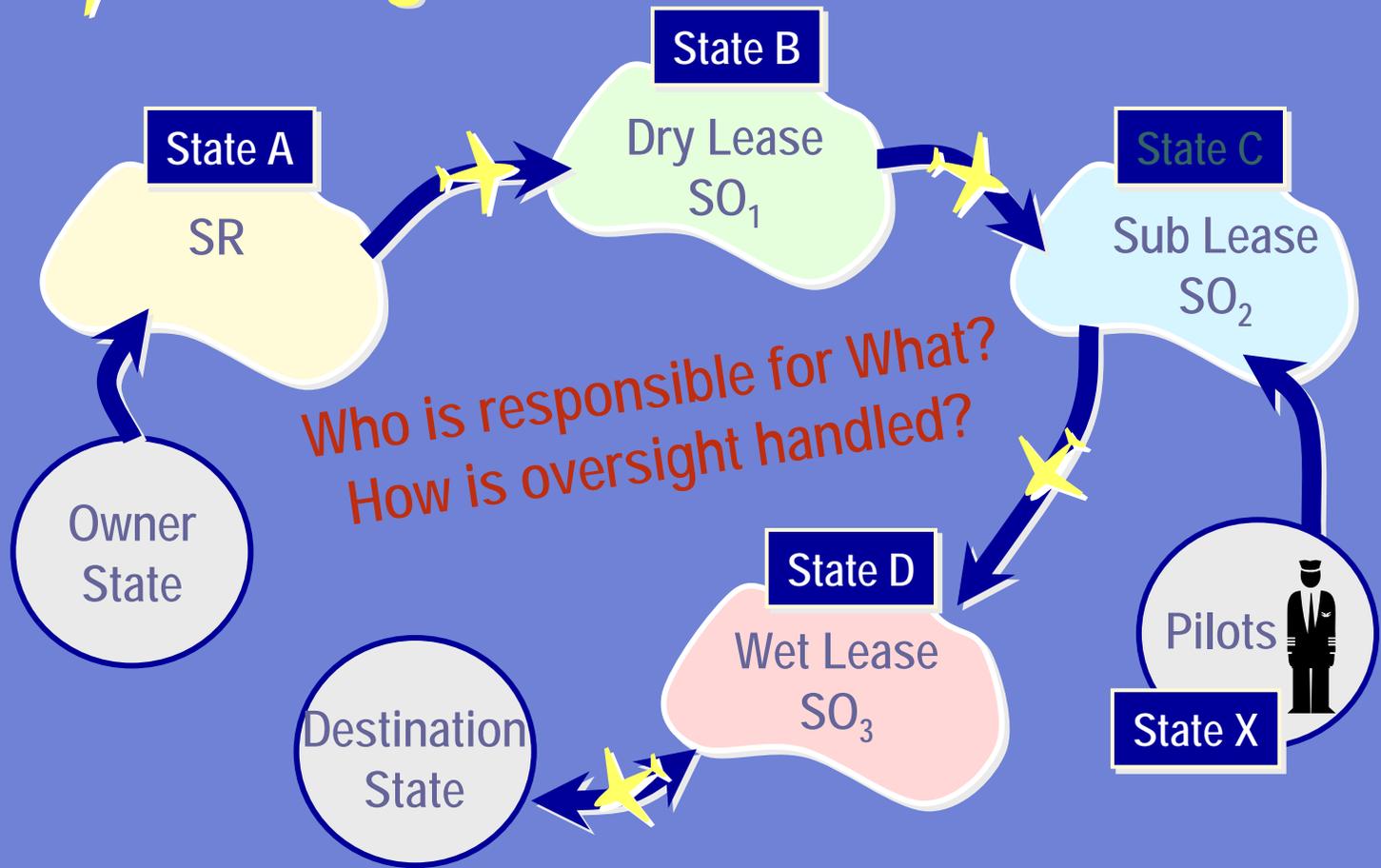
Change





Problem: A moving target

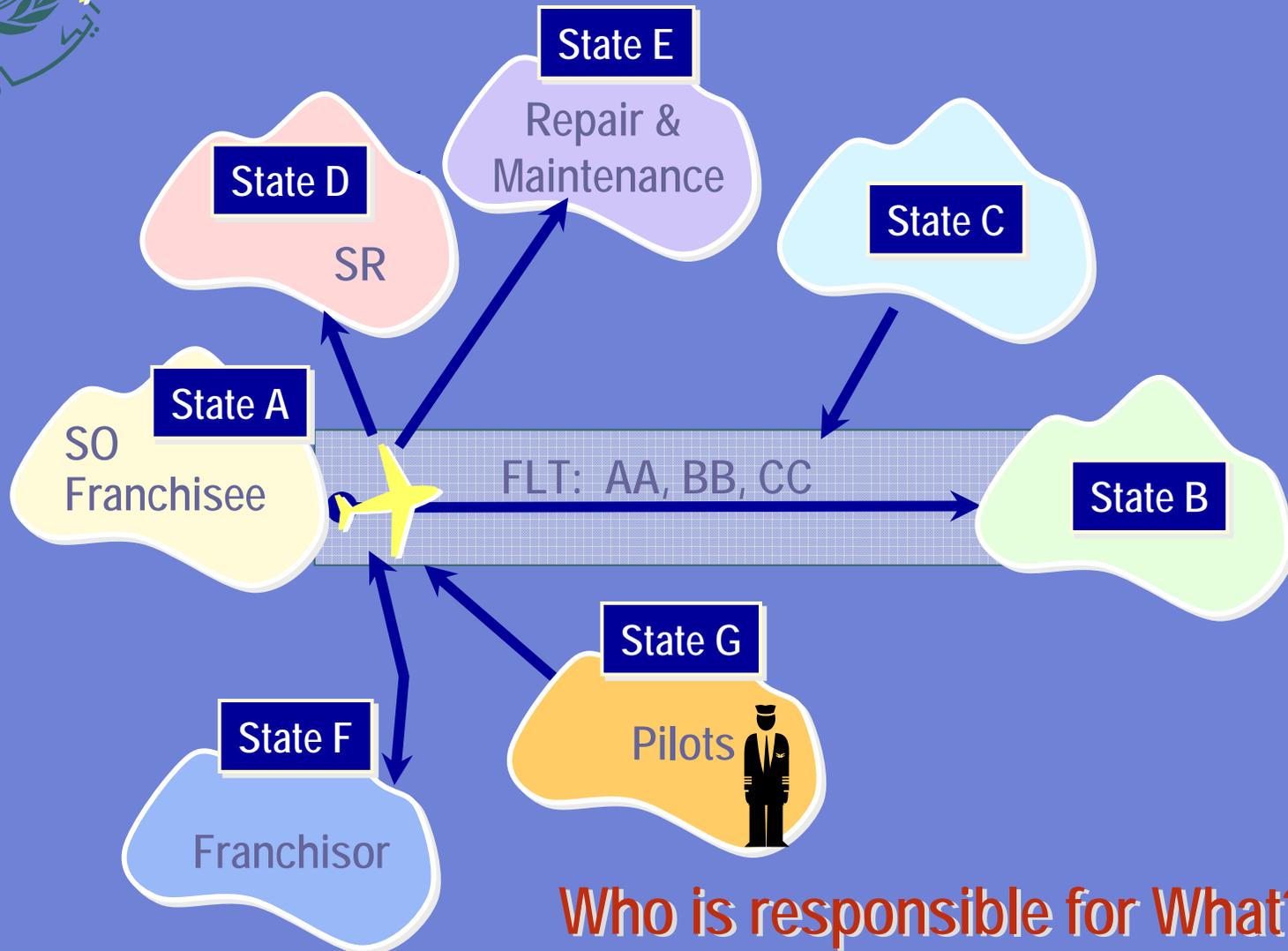
Leasing





Problem: Complex arrangement

Codesharing, Franchising, Leasing

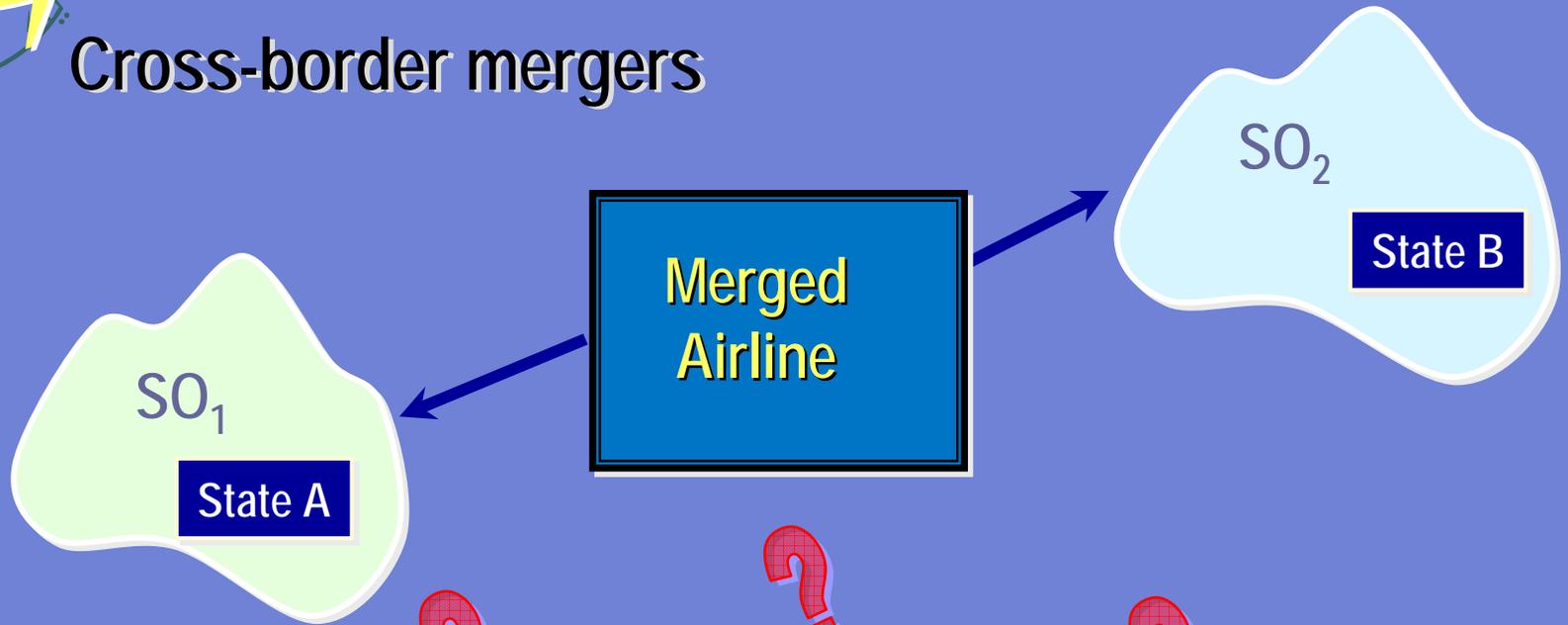


Who is responsible for What?



Problem: Multiple places of business

Cross-border mergers



Which is the SO?
Should there be a regional AOC?



How Do ICAO Rules Fare?

- **Clearly allocates responsibilities, but leads to fragmentation in some cases**
- **Fragmentation is not a problem where handled properly, but complicates the accountability for safety oversight**



How Do ICAO Rules Fare?

- **Compliance with ICAO SARPS is essential**
- **Article 83 *bis* provides a solution when the State of the Operator and the States of Registry are willing to enter in such agreement**



Conclusions

- Be aware of impact & implications
- Be clear about each party's responsibility
- Fully implement & enforce applicable S/S rules and regulations
- Use Article 83 *bis* to avoid complex situations involving aircraft transferred abroad



Conclusions

- ICAO Rules generally adequate
- ICAO to improve SARPs and guidance material
- ICAO to assist States improve safety/security oversight