



WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF)

SIXTH MEETING

Montréal, 18 to 22 March 2013

Agenda Item 2: Examination of key issues and related regulatory framework

Agenda Item 2.3: Consumer protection

HARMONIZATION OF CONSUMER PROTECTION REGULATION

(Presented by Brazil)

EXECUTIVE SUMMARY

This working paper brings the Brazilian experience in terms of consumer protection and proposes that ICAO should promote the harmonization of consumer protection regulation.

Action: The Conference is invited to agree to the recommendations presented in paragraph 4.

References: ATConf/6 reference material is available at www.icao.int/meetings/atconf6.

1. INTRODUCTION

1.1 The process of deregulation of air transportation in Brazil over the last decade, marked by the liberalization of air fares and rules on market access, was followed by a strong growth in the sector in the period. Demand for air transport in Brazil has grown at an average annual rate of 11.8 per cent between 2003 and 2012.

1.2 Notwithstanding the existence of general laws on consumer protection, much social pressure has been made in order to create specific regulations aimed at reducing information asymmetries related with the characteristics of air transport, as a new range of consumers began using air transport in recent years.

1.3 In this sense, Brazil has issued several regulations aimed at providing greater protection to consumers of air transport services.

2. **BRAZIL'S EXPERIENCE**

2.1 Passenger Assistance (Res. 141/2010) — In cases of flight delay, cancellation or denied boarding, passengers should receive due information, communication facilities and accommodation. The regulation does not provide compensation to passengers, except in cases of denied boarding.

2.2 Price transparency (Res. 138/2010) — All indispensable air service items, such as fuel, must be included in the airfare. Only items which are separable from the basic air service, such as the purchase of refreshments, may be charged separately. Taxes are used exclusively for items which will be passed onto other entities, for instance airport operators and the Government. Taxes applied to the same service do not vary between companies, which enables the consumer to access information more easily, enhancing price comparison, competition and, consequently, consumer welfare and economic efficiency.

2.3 Conditions of carriage (Res. 140/2010) — The rules and restrictions of tariffs should be available and kept current by companies to consultation.

2.4 Customer services (Res. 196/2011) — Rules regarding ways to receive complaints from passengers and give proper answers.

2.5 Disclosure of delays (Res. 218/2012) — The percentage of flight delays and cancellations must be made available to the consumer at the time of purchase of air ticket.

3. **HARMONIZATION AND BEST PRACTICES**

3.1 Given that many countries have adopted similar laws or regulations, and the potential conflicts between different regulations, Brazil shares the concerns about the harmonization and the standardization of these rules, either through disseminating a set of best practices or through the promulgation of general principles applicable to international air transportation.

3.2 To this end, ICAO can play an important role in promoting the necessary discussions among States to identify these principles and practices, with a guideline for subsequent implementation by States.

4. **RECOMMENDATIONS**

4.1 The following recommendations are proposed for consideration by the Conference:

- a) States should note the Brazilian regulation concerning consumer protection; and
- b) ICAO should develop a set of general principles or best practices on consumer protection.

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