



POSITION PAPER ON REGIONAL SAFETY OVERSIGHT ORGANIZATIONS (RSOO)

Background

In accordance with the Chicago Convention, a State has complete and exclusive sovereignty over the airspace above its territory and it is responsible to establish an oversight system to ensure safe and efficient air transport. Nevertheless, in its Doc 9734 "Safety Oversight Manual Part B. The Establishment and Management of a Regional Safety Oversight Organization", the International Civil Aviation Organization (ICAO) recognizes that "in many regions... a number of States still experience major challenges in developing the capability for effective safety oversight." and that "the main reason identified for this situation is lack of adequate resources, specifically in terms of qualified technical expertise". ICAO therefore concludes that "regional or sub-regional safety oversight organizations are an effective means of overcoming these deficiencies through shared objectives, strategies and activities. Most importantly, the pooling of resources enables the RSOO to effectively utilize appropriately qualified and experienced personnel".

RSOO may take a number of different legal forms and institutional structures that range from highly formalised intergovernmental organizations, such as the European Aviation Safety Agency (EASA) and the Pacific Aviation Office (PASO), to less institutionalised projects established under the ICAO Cooperative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP).

ICAO has developed extensive guidance on all key aspects of the development and implementation of RSOOs, including the financial aspects, in Doc 9734 Part B, 3rd Edition.

IATA position

1. IATA considers that States have the ultimate responsibility and accountability to ensure the safety of air transport operations and the protection of lives and property. Accordingly, IATA expects that governments should fund safety oversight operations.
2. Nevertheless, the industry understands that in certain cases, it may not be possible or practical for States to provide adequate aviation safety oversight functions and to sufficiently fund related activities. In such cases, IATA supports in the first instance regional cooperation through the establishment of a regional safety oversight organization (RSOO).
3. IATA believes that an RSOO can contribute to the continuous improvement of air transport safety and efficiency across the globe, through the creation of economies of scales and the pooling of limited resources, technical knowledge and skills. Regional cooperation may also be useful to ensure standardized



oversight systems and uniform applications of safety regulations across the different Member States.

4. Therefore IATA encourages States that still experience major challenges in developing the capability for effective and adequately funded safety oversight to consider actively participating in regional or sub-regional safety oversight organizations to overcome such shortcomings through shared objectives, strategies, resources and activities.
5. IATA is concerned however, that the creation of an RSOO poses a risk for the duplication of tasks and functions. As such it is important to note that regardless of the institutional structure of an RSOO, whenever a specific task or duty is delegated from a Member State to an RSOO, proper legal and practical arrangements should be in place to ensure that such a task or duty is not just duplicated, but effectively transferred from the involved Member State Authorities to the RSOO.
6. This should result in authority and resources being transferred from the Member States to the RSOO through transparent and effective mechanisms, while appropriate governance should result in efficient management of the RSOO. An RSOO should generate economies of scale by spreading the cost of safety oversight among several Member States and IATA expects that the creation of an RSOO should not normally lead to increased costs but should contribute to a more efficient system, and not a more expensive one.
7. With regards to the funding of an RSOO, IATA fully supports the guidance provided by ICAO in Chapter 5 of Doc. 9734, Part B. 3rd Edition.
8. In so doing, IATA recognizes that in some regions of the world with limited aviation activities, the issue of funding may be crucial to securing the continued operation of an RSOO. Also, IATA is aware that many RSOO often experience difficulties receiving overdue contributions from Member States and collecting fees for services provided.
9. In these instances, any approach towards the sustainable financing of an RSOO can be achieved through many available funding sources including Member States' and Regional Economic Communities' contributions, donations and/or grants from International Donor Organizations, specific user fees and charges and ultimately through the collection of an air safety charge. This implies that Members States must contribute through a cost-sharing scheme to the recovery of the costs incurred by the RSOO for the provision of common services such as the development and implementation of national aviation safety legislation and regulations, the establishment of the administrative structure of the RSOO, the implementation of procedures and technical guidance and the qualification and training of the professional staff. It also means that the full cost of services actually rendered by the RSOO that directly benefit specific users, such as



licensing and certification of personnel and operations, processing of appeals, etc., will be recovered from the users through cost-related fees and charges following a transparent User Pay Principle (UPP) and established on the basis of the ICAO's charging principles of non-discrimination, cost-relatedness, transparency and consultation with users.

10. Once all revenue from Member States and other contributors, as well as revenues from fees and charges for specific services to users have been accounted for and it is determined that a gap remains in the RSOO financing plan, implementing an air safety charge would then be justified to close such gap. Notwithstanding, the implementation of an air safety charge would be acceptable to IATA, only if it is allocated in a fair, equitable, and transparent manner and provided strict safeguards are put in place by the Member States of an RSOO in the constitutive agreements, regulations or policies. These safeguards need to include effective and transparent oversight of the charges imposed and related performance management systems, meaningful consultation mechanism with the Industry as well as comprehensive and transparent accounting, with assurances that resulting revenues from charges are, and will remain, designated for the RSOO's civil aviation safety oversight functions.