

WORLDWIDE SYMPOSIUM ON THE FINANCE, TECHNOLOGY, REGULATION AND POLICY OF AIR NAVIGATION

REPORT OF CONCLUSIONS–AUDIENCE POLLING RESULTS

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McGill University and the International Civil Aviation Organization (ICAO) cosponsored a symposium addressing salient contemporary legal and policy issues impacting air navigation services at ICAO headquarters in Montreal in September 2006. It was attended by approximately 200 industry experts and governmental officials from around the world. What follows is a summary of a poll conducted of the delegates.

A. Constitution of the Delegates

Of the participants at the Conference, approximately one half (48.86%) came from North America, one quarter from Europe, and the remaining quarter from Africa (12.5%), Asia (7.95%), South America (3.47%), and Australasia (2.27%) combined. Of the various sectors of the aviation industry from which the participants came, about 34% worked in government departments or agencies (compared to 40% in 2004), 23.3% in the academic and consultant sectors combined (compared to 20% in 2004), 22% in the airport and air navigation service provider sectors combined, and an average of 1-3% each from the passenger carrier, cargo carrier, union and employee group, and industry supplier sectors. About a third of the delegates had 25 or more years of experience in air transportation.

B. Identification of Important Issues and Constraints facing Air Transport and Air Navigation

When asked about the most important issue confronting global air transport policy in their respective parts of the world, there was little consensus. Nearly a quarter of participants perceived this to be bilateral and multilateral agreements, while 21% and 18% considered this to be air traffic control services and aviation security measures, respectively. When asked about the most important issue confronting air navigation in their respective parts of the world, congestion appeared to be the most important issue (attracting 33% of the votes), followed by cost (21%), safety (19%), and regulation (17%). Surprisingly, privatization and corporatization of ANSPs was considered the least important issue facing air navigation by participants, attracting only 10% of the votes. More than half of participants (52%) considered airports to be the most significant constraint on capacity.

C. Technology

Although technology was not identified as the principal constraint on capacity, 44% of the audience identified improved technology as the best means of reducing congestion, cost, fuel burn and delay. Improved regulation and congestion pricing attracted 20% and 11% respectively of the votes.

There was no consensus among delegates as to whether current satellite and ground-based technology is adequate to satisfy contemporary needs. Whereas 39% of the audience

disagreed with the proposition (including 8% who strongly disagreed), another 39% agreed (including 11% who strongly agreed). Also, an overwhelming majority of participants (about 88% in total, 37% strongly) agreed to the suggestion that GPS and other space based navigation systems could be used more effectively to reduce cost, congestion and delay.

The audience also was almost equally split when the proposition was put forward that, unless adequately regulated, a growing number of space launches will pose potential safety hazards for air navigation. As regards the manner in which ANS can help reduce fuel burn, there was similarly little consensus, with 37% voting for improved technology, 30% for free flight, and 22% for reduced air space separation.

D. Efficiency, Safety, and Service Provision

General consensus was achieved regarding the proposition that ANS should be more customer-oriented; 76% of the audience agreed (36% strongly), whereas 19% remained neutral, and 5% disagreed. There was overwhelming consensus as to the proposition to the suggestion that ANS interoperability should be improved; 96% agreed (57% strongly) and 4% was neutral. A similarly overwhelming majority (75%) agreed that there should be consolidation of ANSPs. However, the audience was split when asked whether there should be competition between air service providers; 46% agreed (21% strongly), and 45% disagreed (18% strongly). As regards who should determine performance targets for ANSPs, 86% of the audience agreed that governments, airlines, and the ANSPs themselves, working cooperatively together, should determine these targets.

E. Regulation and Air Space Management

A majority of the audience (58%, 15% strongly) agreed when asked if scarce resources could be efficiently allocated through market mechanisms such as congestion-based pricing and slot auctions. Also, an overwhelming 88% of the audience (69% strongly agreeing) held the view that the regulator should be separated from the air navigation service operator. When asked whether regulators are fit and equipped to address the challenges of future safety oversight, a majority of the audience (52%, 7% strongly) disagreed. The audience, however, expressed satisfaction with the safety oversight audits carried out over the last few years by ICAO, IATA, and the FAA; 57% agreed that those oversight audits adequately address safety issues.

There was an overwhelming disagreement to the suggestion that air navigation services should only be provided by governmental institutions; 78% of the audience disagreed whereas 12% agreed. On the other hand, there was strong agreement within the audience that, if corporatized or privatized, air navigation service providers should be regulated by government so as to ensure that pricing does not become monopolistic; 84% agreed (53% strongly) whereas 11% disagreed.

F. Liability

The audience was almost equally divided on the proposition that the liability exposure of ANS managers and providers for negligence is excessive; 35% of the audience disagreed, 31% agreed, and 34% was neutral. A little more than half of the audience (51%) agreed, however, that governments should be liable for air navigation service deficiencies, even if the ANS provider is no longer a traditional governmental institution. Finally, there was strong disagreement within the audience (56% as against 18% in agreement, and 26% neutral) regarding the suggestion that the insurance market is adequate to the task of providing sufficient liability coverage at a reasonable price.

G. Finance

Over three quarters of the audience agreed that user fees should play a greater role in financing today's aerospace system.

[Note: attach powerpoint summary of polling results as an appendix hereto]