Achieving Regulatory Convergence

- Introduced by Lt. Col. Egbert Field
“Pathways to convergence”

- Globalization
- Harmonization
- Competition
- Liberalization
“Hindrances to Regulatory Convergence”

- Type of Bureaucracy
- Policy process
- National preference
- Government capacity. “great powers remain the most important architect in determining the extent of convergence”
“Liberalization” in Air Transport speaks to...

- Favourable environment for air transport to prosper...
- Reduction of State control of international air transport...
- Removal of restriction on market access, capacity and pricing...
- Promoting “Open Skies” Air Services Agreements vs. Traditional ASAs...
Some of the Benefits of Liberalization...

- Improvements in Economic Development
- Increased choice for Consumers...
- Enhanced services for consumers...
- Competitive Prices...
- Stimulation of traffic growth
- Promotion of airport services
- Expansion of airline networks and partnerships
- Growth of Low Cost Carriers (LCCs)
- Improved trade and logistics
- Employment opportunities
### Regulatory Convergence is needed because...

**It will:**

- Achieve consensus and commonalities amongst States…
- Improve harmonization of legislation and policies amongst States…
- Foster collaboration and partnerships with industry-stakeholders…
- Improve efficiency and effectiveness in services…
  - Push airlines to achieve economies of scale and widen scope…
  - Force airlines to increase network size…

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<th>Facilitate Consumer protection:</th>
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<td>Against unfair treatment</td>
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<td>For compensation</td>
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<td>Against breach of Consumers’ rights</td>
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- Facilitate fair and healthy competition amongst carriers…
ICAO Compendium Competition’s results suggest that:

- 31% of States has broad aviation-specific regulations or policies...
- 42.64% of States has aviation-specific regulatory practices aimed at addressing competition-related issues...

We can conclude that there is:

- Lack of widespread localized regulatory framework, policies and practices to facilitate *fair competition*, regulatory *convergence*, and *consumer protection*...
**International Tools/Instruments - Consumer Protection Regimes**

**Montreal Convention (MC99):**
- Known as Convention for Unification of Certain Rules for International Carriage by Air
- Establishes airline liability in the case of death or injury to passengers, and in the case of delay, damage or loss of baggage and cargo
- It was signed in 1999
- Amended provisions of the Warsaw Convention and harmonized it to modern conditions
- Introduced a two-tier liability system
- Designed to be a single, global treaty to govern global air carrier liability

**Warsaw Convention:**
- Formally known as the Convention for the Unification of Certain Rules Relating to International Carriage by Air
- Signed in 1929
- Established first set of airline liability rules
- Amended by the Hague Protocol in 1955 and in Guatemala in 1975
Montreal Convention has **136** Parties
Warsaw Convention has **152** Parties
Hague Protocol has **137** Parties

**Source:** IATA
Fostering regulatory convergence for “Consumer Protection Regulations” and “Competition Policies” has remained a challenge.

NB. Patchwork of different liability regimes still exist.

We will focus on:
• Examination and the achievement of common tools.
• Policy guidance and best practices for global harmonization.
• Compatibility of regulatory regimes.