



SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)

Montréal, HQ, 16 to 20 November 2026

- Agenda Item 3: Strengthening regulatory and institutional frameworks**
3.3: Strengthening emergency planning mechanism and consumer protection for a resilient aviation system

**CORE PRINCIPLES AND REGIONAL APPLICATION: LACAC'S EXPERIENCE IN AIR
TRANSPORT CONSUMER PROTECTION**

(Presented by Chile and supported by 7 LACAC Member States²)

EXECUTIVE SUMMARY

This paper examines the experience of the Latin American Civil Aviation Commission (LACAC) in air transport consumer protection based on LACAC's resolution on this matter, as an example of the regional application of the 2015 International Civil Aviation Organization (ICAO) Core Principles according to the specific circumstances of each market. It argues that the guiding nature of the Principles stems precisely from the diversity among States, and that their proper application does not entail the full adoption of a particular regulatory model, but rather the pursuit of a balance unique to each region between consumer protection and the sustainability of its industry. It also proposes that the Conference reaffirm the guiding role of ICAO Core Principles on Consumer Protection and encourage States and regional organizations to apply them to their own circumstances, with such legal force as each may determine.

Action: The conference is invited to:

- note LACAC's experience in air transport consumer protection as an example of the regional application of ICAO Core Principles according to the specific structural conditions of its geographic area;
- reaffirm ICAO Core Principles on Consumer Protection as a guiding framework for global application, without prejudice to their ongoing review and refinement; and
- invite States and regional organizations to apply these Principles to their own circumstances, without requiring the full adoption of models developed for different circumstances; and
- recognize that it is for each State or region to determine the legal force of its approach, in accordance with its own institutional processes.

*Strategic
Goal:*

This working paper relates to Strategic Goal: *The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.*

¹ Spanish version provided by Chile.

² Argentina, Colombia, Costa Rica, Dominican Republic, Guatemala, Peru and Venezuela (Bolivarian Republic of).

<i>Financial implications:</i>	None.
<i>References:</i>	LACAC Assembly Resolution AE6–1, Air Transport Consumer Protection, VII Extraordinary Assembly, virtual, 14 December 2020. ICAO Core Principles on Consumer Protection, adopted by the Council in 2015 and endorsed by the 38th Assembly. IATA, "Celebrating 10 Years of ICAO's Core Principles on Consumer Protection," document presented at the 60th Conference of Directors General of Civil Aviation, Asia and Pacific Regions (DGCA/60), Sendai, Japan, July 2025. IATA, "Ten Years of ICAO's Core Principles on Consumer Protection" (opinion piece), 2025. Regulation (EC) No 261/2004 of the European Parliament and of the Council. U.S. Department of Transportation (DOT), Final Rule on Automatic Refunds, April 2024. Convention for the Unification of Certain Rules for International Carriage by Air (Montreal Convention, 1999). White & Case LLP, Navigating Turbulence: Latin American Airlines in Chapter 11 (2023); CAPA – Center for Aviation, COVID-19: Latin American Airline Bankruptcies Reflect Lack of Government Aid (2020).

1. INTRODUCTION

1.1 One of the central aims of the economic regulation of international air transport is to expand people's access to this mode of transport, helping to overcome its historically elitist nature. However, the costs of complying with consumer protection regulations tend, to a greater or lesser extent, to be reflected in the final ticket price. Attempts to protect passengers through excessive or poorly calibrated regulatory requirements risk increasing the cost of air transport and making air travel less accessible to precisely those whom such measures are intended to protect.

1.2 The balance between consumer protection and air transport accessibility varies from one State to another. It depends on the characteristics of each market, including the level of competition, the density of its connectivity network and the capacity of both the industry and States to absorb the costs of such protection.

1.3 It was precisely in recognition of this diversity that the International Civil Aviation Organization (ICAO), when adopting its Core Principles on Consumer Protection in 2015, chose a non-binding guidance instrument rather than a single international treaty to be applied uniformly by all States. That choice reflects a well-recognized risk. A single regulatory standard designed for certain States may prove disproportionate or ill-suited when applied to States with different structural conditions.

1.4 However, experience over the past ten years has shown that the application of these Principles by individual States has not been sufficient on its own. Indeed, national and regional consumer protection regimes remain heterogeneous and may, at times, apply simultaneously to the same passenger or itinerary.

1.5 Against this backdrop, the Latin American Civil Aviation Commission (LACAC) adopted in 2020 Resolution AE6-1 recommending to its member States a set of guiding criteria on passenger protection that are expressly aligned with ICAO Core Principles but tailored to regional circumstances.

1.6 This paper examines LACAC's experience and proposes that the Conference reaffirm the guiding role of ICAO Core Principles and encourage their application by regions in a manner that reflects their respective circumstances.

2. DISCUSSION

2.1 Air transport regulation encompasses several areas, each of which may require a different regulatory approach. In the area of safety, detailed and stringent regulations are essential. From an economic perspective, by contrast, deregulation and fair competition are generally preferable, as they broaden passenger access to air transport and help avoid passing unnecessary costs on to them through higher ticket prices. Within this last area, consumer protection warrants particular attention. It must be balanced with the sustainability of the industry concerned, and that balance will vary depending on the level of development and the structural circumstances of each State or region.

2.2 Passengers' right to information, a key element of ICAO Core Principles, also implies the existence of genuine alternatives from which passengers can choose. In a market with limited competition, clear information about conditions applying to the ticket offers only marginal protection, as passengers have no meaningful alternatives.

2.3 At the international level, the regulatory frameworks in Europe and the United States are often cited as benchmarks because of their advanced development in this area. The former provides for fixed monetary compensation in the event of significant delays and cancellations, payable regardless of whether the passenger chooses to continue the journey. The latter focuses on ticket refunds when the passenger decides not to travel, without providing for additional compensation solely on account of the delay or cancellation. In other regions of the world, efforts to develop a unified regulatory framework are generally less advanced, highlighting the value of examining regional experiences.

2.4 Rather than fully replicating either model, LACAC Resolution AE6-1 adopts a distinct approach. In addition to a detailed elaboration of the principles of information and continuation of travel, it incorporates an explicit principle promoting competition, encouraging States to expand the range of available operators, fares, routes and destinations. It also provides for predetermined monetary compensation in cases of denial of boarding due to overbooking and recognizes minimum levels of baggage compensation equivalent to those under the *Convention for the Unification of Certain Rules for International Carriage by Air* (Montreal Convention) of 1999, without extending a fixed-compensation scheme to delays and cancellations generally.

2.5 The fact that a regional approach does not replicate the models of other regions should not necessarily be regarded as a shortcoming. The industry itself has argued that some existing regulatory frameworks are difficult to reconcile with the principle of proportionality embodied in ICAO Core Principles, as they may require compensation exceeding the value of the service purchased or fail to differentiate adequately among the causes of the disruption. This suggests that faithfully applying those Principles does not necessarily mean fully adopting a particular model, but rather striking the right balance according to each region's circumstances.

2.6 The COVID-19 pandemic clearly illustrates the structural circumstances of the LACAC region. Although passenger air transport revenue losses in the region amounted to over USD 21 billion between 2019 and 2020 and, according to the International Air Transport Association (IATA), the region saw the lowest levels of government support for aviation worldwide, its major airlines did not receive government support sufficient to prevent bankruptcy, unlike their counterparts in other regions. LATAM, Avianca and Aeroméxico underwent a debt restructuring process before United States courts, financed by private capital, while smaller operators permanently ceased operations.

2.7 Requiring airlines in one region to meet the same consumer protection standards as those in others, without regard to whether their States have a comparable capacity to support the industry during

systemic crises, would effectively impose a regulatory burden designed for different fiscal realities, with the resulting risk of increasing the cost of air transport and reducing connectivity and access for passengers in the region.

2.8 Given this diversity of structural circumstances, the role of ICAO Core Principles as a global guiding framework is not weakened by the existence of different regional approaches; on the contrary, such differentiation is how that framework translates into effective and proportionate protection suited to the circumstances of each region. In any event, it is for each State or region to determine the legal force of its approach through its own institutional processes. In this regard, the LACAC experience provides a concrete example of how a regional approach can be put into practice.

3. CONCLUSION

3.1 The LACAC experience demonstrates that ICAO Core Principles can be adapted to regional circumstances without mechanically replicating any external model, while striking an appropriate balance between consumer protection and industry sustainability. Such differentiation does not weaken the global guiding framework; rather, it is the means to translate that framework into effective and proportionate protection suited to regional circumstances. It is proposed that the Conference reaffirm the guiding role of the Core Principles, encourage their periodic review in light of accumulated experience and existing regulatory models, and invite States and regional organizations to apply them in accordance with their own circumstances, with such legal force as each may decide, whether through recommendations or other instruments, including potential regional treaties.

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