



WORKING PAPER

**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

**MECHANISMS TO ENHANCE FLEXIBILITY AND EMERGENCY REGULATORY
SANDBOXES FOR SYSTEMIC DISRUPTIONS TO AIR TRANSPORT: LESSONS LEARNED
AND AVIATION GOVERNANCE IN TIMES OF CRISIS**

(Presented by Peru and endorsed by 16 LACAC Member States)²

EXECUTIVE SUMMARY

This working paper addresses the need to establish and formalize dynamic mechanisms to enhance regulatory flexibility, such as Emergency Regulatory Sandboxes, in order to respond swiftly to disruptions in air transport caused by force majeure situations or disruptive events (pandemics, natural disasters, geopolitical events or civil unrest affecting airport infrastructure).

Building on the lessons learned reflected in the resolutions of the Latin American Civil Aviation Commission (LACAC) (Resolutions A24-1 and AE6-3), this paper highlights that resilience in regions without direct government subsidies requires exceptional regulatory measures, including temporarily suspending charges, introducing flexibility in operating authorizations, adopting a balanced approach to consumer protection (travel credits), and safeguarding industry liquidity. It also emphasizes that, in times of crisis, responsibility for operational governance should rest exclusively with Civil Aviation Authorities (CAAs), while avoiding interference from non-aviation authorities in airport operations.

Action: The Conference is invited to:

- a) recommend that the International Civil Aviation Organization (ICAO) develop guidance and policy frameworks for the implementation of mechanisms to enhance flexibility, such as Emergency Regulatory Sandboxes, enabling States to suspend or ease, on a temporary, proportionate and controlled basis, regulatory burdens, charges and commercial requirements in response to force majeure events or major disruptions to air transport;
- b) urge States to incorporate provisions into their national contingency plans to ensure that operational command, airport infrastructure management and the deployment of regulatory flexibility mechanisms always remain under the authority of their CAAs; and
- c) promote a balanced regulatory approach to consumer protection during major disruptions beyond operators' control, safeguarding both passenger rights and industry liquidity.

¹ Spanish version provided by Peru.

² Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, and Uruguay.

<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	None
<i>References:</i>	LACAC Resolution A24-1 – <i>Recomendaciones sobre medidas de apoyo a la aviación comercial de la región como consecuencia de la crisis del COVID-19</i> [Recommendations on Support Measures for the Region’s Commercial Aviation as a Result of the COVID-19 Crisis]. LACAC Resolution AE6-3 – <i>Medidas de equilibrio entre la protección al consumidor y la sostenibilidad financiera de las aerolíneas, durante la pandemia establecida por la OMS</i> [Measures to Balance Consumer Protection and the Financial Sustainability of Airlines during the Pandemic Declared by WHO].

1. INTRODUCTION

1.1 Air transport is a key social and economic catalyst worldwide, accounting for 3.9 per cent of global gross domestic product (GDP). However, recent global and regional crises, including public health emergencies, natural disasters and disruptions to airport infrastructure caused by social unrest, have revealed the limitations of traditional regulatory frameworks when confronted with scenarios involving operational collapse.

1.2 The experience of the Latin American Civil Aviation Commission (LACAC), as reflected in Resolutions A24-1 and AE6-3, showed that, in regions where direct government subsidies to the industry are not available, the continuity of air transport relies on States’ ability to implement financial relief measures, waive charges, and introduce flexible and innovative regulatory mechanisms.

1.3 When confronted with unexpected disruptive events, rigid legal frameworks hinder timely responses. It is therefore essential to introduce an “Emergency Regulatory Sandbox”, a controlled, temporary and exceptional environment for use in contingency situations, empowering Civil Aviation Authorities (CAAs) to temporarily and proportionately ease commercial and operational regulatory requirements without compromising safety.

2. DISCUSSION

2.1. Application of Emergency Regulatory Sandboxes in Times of Crisis

2.1.1 A Regulatory Sandbox (or Controlled Regulatory Environment) is defined as a temporary mechanism overseen by the CAA that enables the use of exceptional, simplified or temporary rules to address extreme market conditions or force majeure events.

2.1.1.1 When managing emergencies and major disruptions to air transport, an Emergency Regulatory Sandbox enables:

- a) enhanced flexibility in traffic rights and operating authorizations: Rapidly issuing temporary authorizations (charter operations, emergency cabotage or special cross-border transport) to serve underserved routes, ensure humanitarian corridors and facilitate the delivery of supplies;

- b) temporary exemptions from and suspension of charges and taxes: Establishing a “regulatory umbrella” to temporarily suspend air navigation charges, airport charges or taxes on tickets and fuel for the duration of the event; and
- c) evidence-based assessment: Collecting operational data during the crisis to assess which temporary measures proved effective and could be incorporated into permanent contingency protocols.

2.2 Technical Leadership and Airport Governance in Times of Crisis

2.2.1 One of the greatest challenges during major disruptions (such as pandemics or the occupation of airports during episodes of civil unrest) has been the direct involvement of non-aviation authorities (health, law enforcement and political bodies) in the management of critical infrastructure.

2.2.2 Airports and airspace cannot be placed under the control of authorities lacking aviation expertise. While emergencies require inter-agency coordination, decisions on airport closures and reopenings, apron capacity, and the operation of emergency flights must remain under the sole authority of the CAA. The Emergency Regulatory Sandbox must be implemented and managed under the technical oversight of the CAA.

2.3 Financial Sustainability and Flexible Consumer Protection

2.3.1 Consistent with LACAC Resolution AE6-3, during air transport system disruptions, applying consumer protection rules too rigidly may drive large numbers of air operators into insolvency by rapidly depleting their liquidity.

2.3.2 An Emergency Regulatory Sandbox framework temporarily enables the implementation of measures aimed at maintaining an appropriate balance, including:

- a) issuing travel credits or vouchers valid for 12 months or longer, without penalties for consumers; and
- b) extending deadlines for ticket refunds to safeguard liquidity across the commercial aviation industry.

3. CONCLUSION

3.1 The resilience of modern civil aviation requires not only physical infrastructure, but also flexible regulatory infrastructure.

3.2 Introducing Emergency Regulatory Sandboxes provides CAAs with a pre-approved toolbox for rapid response to air transport disruptions, ensuring that airport operations remain under qualified aviation leadership while helping to ensure the viability of the regional air transport market.