

**INTERNATIONAL CIVIL AVIATION ORGANIZATION**  
**Eighth Meeting of Civil Aviation Authorities of the SAM Region**  
**(RAAC/8)**

(Buenos Aires, Argentina, 23 - 25 April 2003)

(presented by the Secretariat)

**Agenda Item 1: Review of the new air transport scenario in the South American Region**

**Summary**

This working paper presents updated information on the situation of air transport in the Region following the events of 11 September 2001, for consideration by civil aviation authorities of the South American Region. It also provides information on the activities being carried out within the Regional Air Transport Competitiveness Committee (Post-Colloquium Committee) regarding the resolution of the difficulties facing regional air transport.

**References:**

- Report of the RAAC 7 meeting
- Reports of the XI and XII Ibero-American Summit of Heads of State and Government
- Reports of the meetings of Latin American Ministers of Transport and Aeronautical Authorities.
- Reports of the meetings of the high-level Post-Colloquium Committee
- Report of the XV LACAC Ordinary Assembly.

**1. Background**

1.1 At the seventh meeting of aeronautical authorities of the SAM Region (RAAC/7), held in the city of Salvador de Bahia, Brazil, on 1-3 July 2002, under Agenda Item 1 concerning the new regional air transport scenario,

the authorities were informed about the work carried out by the Regional Office in the field of air transport flexibility and airport privatisation. It was also advised of the actions adopted by ICAO, and of compliance by the aeronautical authorities of the conclusions reached on that occasion, noting that they were all carried out within a broad framework of co-operation between ICAO and LACAC, and within the context of economic globalisation, commercial integration and the work carried out by regional inter-institutional fora.

1.2 On the other hand, the meeting examined the commercial integration processes in the Americas, highlighting the harmonisation and co-ordination role adopted by the ICAO South American Regional Office for the merging of policies for an orderly development of air transport that meets the interests of all the parties concerned.

1.3 Upon reviewing the new air transport scenario, emphasis was also placed on the work resulting from the ICAO/LACAC/IDB/IATA/AITAL colloquium, and the work being carried out by the high-level Post-Colloquium Committee for the adoption of measures to contribute to the development of regional air transport.

## **2. Commercial integration processes in the Americas**

2.1 During the past year, the consolidation of the integrationist movement among the countries of the South American sub-regions continued, through more liberal agreements, co-ordination meetings and studies for the establishment of common policies, with emphasis on the fact that air transport constitutes a basic tool for achieving integration objectives. In this respect, the Sub-regional Air Services Agreement of the Fortaleza Agreement continues to foster the standardisation of operational licensing for sub-regional flights. Regarding sub-regional services, consideration is being given to the elimination of the overlap of two regulatory structures: bilateral agreements and the sub-regional system. Work has started for the liberalisation of traffic rights among the States that form party to this agreement.

2.2 In turn, in the Andean Community of Nations (CAN), based on the “open skies” principle, intra-sub-regional air transport with free access to airlines from member States has been taking place. However, flexibility has not been achieved at the extra-sub-regional level and, at present, the Air Transport Working Group of the Community is drafting a Draft Decision that

will replace Decisions 297, 320, 360 and 361. On the other hand, the CAN is examining the LACAC Decisions in order to incorporate them into the legislation of the community.

2.3 The ICAO South American Regional Office, in close co-ordination with LACAC, has also had to foster this type of processes, playing a harmonisation and co-ordination role that will permit the merging of policies and the development of air transport in such a way that the interests of all those involved (aeronautical authorities, regulatory bodies, airport operators and airlines) and air transport users will be met.

### 3. **New air transport scenario**

3.1 With the implementation by the States of the Region of more open economic policies within political and economic management modernisation schemes, as reported last year, the aeronautical market has seen the emergence of new actors during the last decade. Accordingly, not only aeronautical authorities and airlines should be taken into account as reference points in this activity, but also airport operators and regulatory bodies should be considered in the new scenario.

3.2 The work being carried out by the specialised organisations in the field of aviation will have to take into account the opinion of all those involved in the activity, without neglecting and, rather, placing more emphasis on the participation of consumers, understood to be not only air transport users but also airport users.

3.3 Within the context of the new scenario, ICAO, through the Directors of the Lima and Mexico Regional Offices, has continued participating and actively supporting the high-level Post-Colloquium Committee, and will continue to support the new committee, which will be called “Regional Air Transport Competitiveness Committee”. In this committee, the States will eliminate “bottlenecks” in terms of proceedings, permits and competences, in order to comply with the agreements reached by the Ministers of Transport and Aeronautical Authorities, who have joined the work of LACAC and its norms through Resolution A15-1 “Agreements reached by the Ministers of Transport and Aeronautical Authorities of Latin America”.

3.4 Following the unfortunate events of 11 September 2001 and their impact on international civil aviation, within the framework of the XI Summit of Heads of State and Government of Ibero-America, held in Lima, on 23-24 November 2001, the Presidents, upon reasserting their will to strengthen political convergence, agreed on a set of mandates, among them the recognition of air transport as a strategic sector for the development and integration of the States, and expressed their concern about the serious repercussions of the terrorist acts of 11 September 2001 on the aeronautical industry. They also instructed the Ministers of Transport and the authorities responsible for civil aviation to meet in order to discuss this topic, and to establish co-operation mechanisms, especially in the Ibero-American setting, that would ensure a competitive and stable aeronautical industry.

3.5 It is expected that, pursuant to the mandate of the Presidents and Ministers of Transports, the Regional Air Transport Competitiveness Committee will draft a strategy to follow-up the implementation of the agreements reached. This strategy, *inter alia*, contemplates the establishment of local committees with the participation of all the parties involved (aeronautical authorities, airlines, regulatory bodies, and airport operators) which, led by the aeronautical authority, would further these tasks within each State. Today, these measures become more urgent as conditions in the sector get worse as a result of the war in Iraq.

3.6 To close the circle of the aforementioned strategy, the work of the local committees will be monitored by the regional competitiveness committee mentioned in the previous paragraph. This committee will hold its first meeting in the city of Varadero, Cuba, on 18 June 2003, during the LXIV meeting of the LACAC Executive Committee.

3.7 Within this same context, it should be noted that the Heads of State and Government from 21 Ibero-American countries met at the XII Summit held in the city of Bávaro, Dominican Republic, on 15-16 November 2002, and agreed on a set of mandates, including one on air transport which reads as follows:

*“Firmly convinced that air transport, which currently faces a profound crisis, is a strategic sector for the development and integration of our nations, we note with satisfaction that, pursuant to the mandate of the XI Ibero-American Summit, held in Lima, a Forum of Ministers of Transport has been established*

*and several technical meetings have been held with the purpose of generating the competitiveness conditions that will give sustainability to the development of the sector in the region. We urge the Ministers and other parties involved in this process to continue with this work in order to develop efficient public policies and improve the institutional and legal frameworks required to ensure the generation of employment and the necessary competitive conditions for the development of air transport.”*

3.8 As may be seen, the work carried out by the ICAO Regional Office in this area, in co-ordination with LACAC, has been intense. The steps taken to strengthen regional air transport and the co-ordination required among the different actors in this new scenario have been productive. It cannot be denied that ICAO, as the body specialised in civil aviation, must focus its work on this new scenario, in order to strengthen the relationship between economic policies and technical aspects, fostering decisions that meet the interests of consumers and have as their permanent objective the security of this mode of transportation.

#### 4. **Conclusion**

4.1 The conclusions of the previous Meeting of Civil Aviation Authorities of the SAM Region (RAAC/7) have been complied with. In this new air transport scenario, the States should adopt relevant measures to foster:

- a) inter-sub-regional co-operation in the field of air transport, promoting the integration of the Fortaleza Agreement and the Andean Community of Nations (CAN), so that, in the future, a South American regional flexibility agreement may be reached.
- b) the work of the regional air transport competitiveness committee, as a mechanism for strengthening regional air transport; and,
- c) co-ordination among the specialised organisations (ICAO and LACAC), and support to other regional initiatives that might emerge.

5. **Suggested action**

5.1 The meeting is invited to take note of the information provided in this working paper and adopt the measures suggested in paragraph 4.1.

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