

**Virtual Round Table promoted by ICAO and National Civil Aviation Agency of Brazil, Aerocivil**  
**Colombia and CLAC to give their point of view about COVID-19**

Virtual meeting convoked by Mr. Fabio Rabbani, Regional Director ICAO Office.

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Participants:

1. Mr. Juliano Noman, Director and CEO of the National Civil Aviation Agency of Brazil
2. Mr. Juan Carlos Salazar, Director General of Aerocivil of Colombia
3. Mr. Jaime Binder, Executive Secretary,
4. Latin American Civil Aviation Commission - CLAC

Fabio Rabbani says: Greetings to all of you who are listening to us in this Virtual Round Table, promoted by ICAO's Regional Office, the International Civil Aviation Organization, with the purpose of sharing with all of you the challenges, actions and outlook regarding the regional civil aviation in face of the COVID-19 tantrum. I am Fabio Rabbani, Regional Director of ICAO's office, and we have some very special guests with us who will give us the view on this issue and their outlook beyond this crisis.

First of all, I would like to introduce the Director and CEO of the National Civil Aviation Agency of Brazil, ANAC, Mr. Juliano Noman, the Director-General of Aerocivil of Colombia, Juan Carlos Salazar, and the Executive Secretary of the Latin American Civil Aviation Commission, Jaime Binder.

It is really important to highlight that we are living a moment of uncertainty and the position of our guests and what is being discussed here has no intention of reflecting the final view of the actors or their organizations, but rather, to give all of us here some information and also some good ideas that could be shared, as well as good experiences that have been adopted by the States and by the Regional Organizations. In addition to that, the elements we are building here will contribute to the vision and the actions that may be taken in a National Regional level so supporting the industry, because this is a chain that has been highly impacted by this critical moment and which naturally expects some rapid action to guarantee a response to all the needs of the peoples on these moments of crisis and also to be able to recover and thus sustaining the industry and all its actors.

So, let's us now start by talking about the challenges and main actions adopted during the first moments of crisis, and I would like to start this giving the thought to the Director of ANAC Brazil; Juliano, from the viewpoint of the measures being adopted by the Brazilian State, what are your expectations and the main challenges you had in those first moments and the actions adopted, the ones that were successful in response to the current situation.

Juliano Noman says: Fabio, thank you very much for this opportunity, this is a great and excellent initiative, all of us are living some unique moments, all of us with a lot of work, this is a huge challenge,

and to be able to have this type of talk to share experiences it's a very important and enriching opportunity, so once again my congratulations for this great initiative.

First of all, I would like to tell you that I will speak in Portuguese, very slowly, so that you can all understand me. It is very important to put into the right context this year, 2020 was the year when we were going to take up the year growth, very important growth of Brazil; we were expecting a growth rate of above two digits, so the idea of the expectations of the airlines expecting to receive an average of two aircraft per week that would be added to their fleets was an environment of great optimism, of great growth. Recently Brazil had adopted some measures that would facilitate the attraction of foreign capital, easing up regulations for the air transportation in order to have new business models in the country, so this was a very optimistic environment, with lots of expectations and, all of a sudden, I would say that practically overnight, the airlines began to notice that the air transport sales were plummeting around 20% per day or so on the domestic market in that first moment, well they were not noticing any reduction in terms of reservations, I think everything was going fine at the domestic market, but at that moment we turned on the yellow light, the amber light. ANAC was already participating in a work team together with the Ministry of Health in order to support the actions to face COVID-19 because we were getting news since December from China, so we understood that we had to take up some social distancing measures. Not as initially foreseen, the initial idea was that this was going to happen slowly, that is, county by county around the world but then all of a sudden this changed and the outlook was that everything would happen very quickly at the same time. So, from there, what we did, was to try to organize our actions both of the National Civil Aviation Agency and the Ministry of Infrastructure to face this scenario, so I will try to split this into three access; The first access, the financial one:

In face of a scenario where there was a drop in the reserves, and as a consequence of a drop in the reserves in the company, added to the lockdown and closing of borders, and how that would affect all the number of tickets that had already been sold, they were not going to be flown, so there was going to be an increase in reimbursements, we knew that this was a matter of time it would arrive to the domestic market. The companies were already dropping their costs, and the costs are fixed most of them, so we tried to see that it was going to be a very serious cash-flow problem from the initial moment, the cash flow was going to be the new challenge. Having said this, we encouraged some actions and the Ministry of Infrastructure together with ANAC and the Ministry of Economy began to study some measures that would be adopted in the sector. I will highlight a couple of initial measures that ended up having, but there are some others that I will mention later on. But in that very first moment, a couple of measures were adopted to try to stop to a certain extent this drop in the outflow of cash flow.

One of them was air companies to reimburse passengers that wanted their reimbursement that was not going to fly again, the companies would be given twelve months to reimburse the amount of the ticket to passengers in order to avoid this use up of cash flow in the very short term; there was another action of putting off the payment of some tariffs, the main one for airlines was the air navigation tariffs, because they were seasonally paid in Brazil, with an accumulated value to be paid, so the Government postponed payment of those tariffs and they began to study payment of reimbursements. Those would be the first two initial measures, I would say.

There were some other measures that were adopted to be a charge of ANAC, like the concession of slots, and slots weren't given until October. According to the rules all Airports have to coordinate their slots, so based on that, we began to enable licenses of civil aviation personnel, crew and all personnel, knowing

that the licensing and the social distancing measures would have an impact from the training processes and dropping flights was going to be huge, so that would be a huge pressure, so we put off the terms of the licenses, the postponement was of 120 days, so we began to adopt some regulatory measures to try to accommodate the regulatory environment to this new reality. If I could summarize it was a shock, a sudden shock that had not been foreseen, so we tried to give the companies the right conditions to make all the internal adjustments they had to make in a matter of 48 to 72 hours, which was more or less the period in which all of this happened.

All these measures were also extended to the airports, we have a program of airport concession that is very comprehensive in Brazil. There are many airports, almost all of them, are under concession, so we managed to extend a number of licenses in training. Licenses and certifications were extended, the validity of them. We postponed for a matter of twelve months' payment of concessions on average because they pay a royalty to the government, so it was the postponement covered until December, 20<sup>th</sup> of December of this year, nine months actually, to alleviate the cash flow of companies, airport companies. So we began to study with them a number of decisions, operational decisions, that make a lot of sense when there is much less demand. Airports where they had three, five to forty movements per hour and they were going to twenty or thirty movements per day so there was flexibility allowing airports to operate without one single operational level to close some taxiways, if you have more than one taxiway, they would operate intermediately. We made some changes in that sense to try to make some adjustments to provide operational flexibility in this new scenario. In like manner, we adopted some measures for ground handling companies, for example, what we have done within ANAC is to try to adjust to the regulatory environment to this new reality, and at the same time, we have a very serious problem. Almost all the measures were almost simultaneity but now always are coordinated by the States that try to close out the borders, all of a sudden we saw that we all had this problem and we had passengers trying to come back to the country, we had to make huge efforts to approve operations, even in direct flights or connections where we managed to get this solution by doing a huge work with the States in order to allow citizens to be repatriated.

In the case of Brazil, we were careful to not only take into account Brazilian passengers, understanding that Brazil is a very big hub for Latin American connections, so, together with the Government, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Health we got an understanding of the importance of the Airport infrastructure and air transport so in the public (unintelligible) decree this was regarded as an essential service so, therefore, it had to remain open, and the decrees of closing borders tried to take into account those foreigners that were in connecting flights as well as Brazilians that were coming from Europe, everybody trying to go back to their respective countries, so we were very careful not to close down borders completely. That's we began working together with the authorities to do this repatriation of citizens, all this happening at the same time, things were getting worse and worse very quickly.

At some point before concluding, I would like to mention something related to Brazil. Some states when they began to adopt the isolation measures they asked complete lockdown and that was a huge work we had to do with the States so that they could understand that airports work, not only to the purposes of the Federal Government but also to the purposes of each State, because it was the main source in Brazil, is the main source of distribution of material, biological and medical material, material even related to fighting COVID-19. In like manner, the trust word of medical staff, medical personnel. So, by way of my

initial contribution, this is what I wanted to say, sorry it took me so long but this was the first measures that we adopted in Brazil, thank you for the opportunity.

Fabio Rabbani says: Thank you, Juliano, I think that you have given us the very first impact of this crisis and especially the measures adopted by Brazil, we see that was a mix of actions, operational and economic actions to guarantee operations to be kept available at the minimum and that aviation would be maintained in Brazil. At this point, I would like to invite the Director-General of Civil Aviation, Juan Carlos. Juan Carlos, I ask you the same question, what was the initial impact of the measures adopted so far in order to face this outbreak that has taken up the whole world, now it is here in South America.

Juan Carlos Salazar says: Thank you, Fabio, likewise to my colleges and thank you very much for this invitation. The experience in Colombia is quite similar to what Juliano has just described regarding the Brazilian experience, taking into account the proportions of course.

The first thing is the National Colombian Government began to adopt some measures announcing them in advance in order to start restricting the arrival of passengers, foreign passengers, in international flights and then the measure to suspend the arrival of all international passengers, foreign and Colombian passengers, and then to restrict even domestic operations because the president of Colombia, in order to generate this process of mandatory preventive isolation, as recalled in Colombia, the “lockdown”, for all citizens, trying to avoid the quick propagation of the virus in Colombia, this has given us a very good result at least to flatten the curb. Off course, the decision made by the president and supported by health reasons and declaration of the emergency situation in the county as a result of the Coronavirus pandemic had a very direct impact on many activities on the economy and of course, a very direct impact on air transport and the whole infrastructure and this process was given very quickly, very frantic and as civil aviation, we are at the same time the authority and we also provide all navigation services and at the same time we are responsible for several public airports in Colombia, so we had to act in different levels and very quickly.

Maybe just to describe some of the measures, I would like to highlight that the first thing we did was to make a decision regarding not to require compliance of payments of slots for those airports coordinated in Colombia, I think we were one of the first authorities in adopting that decision. So we also agreed with the government not to charge parking tariffs for those aircraft that remain on the ground. Also, we had 132 aircraft on the ground on different airports of the country, so one of the first measures adopted was actually, while those aircraft remained on the ground, they there were not going to be paying parking fees. And after that, we have been also been working with the various actors in the chain, airlines, airports, workshops, the very air navigation service provider, to deal with the expiree of licenses, of medical check-ups and those requirements because in a normal period they will not be changed but in view of these tantrums were we need to have social distancing, and we even tried to avoid circulation of people, this kind of training activities and medical check-ups and so on, are obviously impossible to be done and that is why we have been issuing a number of wavers. Everything of course supported by safety studies and together with what is being done in other sectors in the Government.

On the other hand, we also had some measures, economic measures, where the industry of air transport and the infrastructure itself face huge challenges regarding cashflow. This is an industry that lives on future sales for the next season or for the next month and since all air operations are suspended this is seriously affecting all the airlines and the whole air navigation chain in Colombia, and the Colombian Government so far has adopted some measures, making a huge effort, of course, but this obviously doesn't fully guarantee financial viability of all the actors in the chain. For example, we have suspended the charge of leases in infrastructure, so managed the Colombian Civil Aviation Authority, we have agreed with different actors in the chain regarding payment agreements, related to different debts of fees of services we provided to different actors in the chain. We have been working in order to suspend environmental restrictions that we have in some airports; this was another important measure because cargo operations are critical at this point. In view of such a complex situation the industry is going through, at this point, the main challenge for civil aviation is that we are one more actor in the chain, as Air Navigation Service Provider, our income depends also on the operation of the whole air transport system, since is suspended, and it seems that it will still be affected, we don't know for how long, that has affected the forecast of income in civil aviation and we have had to review all the projects that we were studying since last year in order to see how to face the challenges we have this year in view of the drastic drop in our revenues, estimated in 1/3 of our revenues, so have had to revisited all our projects and our expenses and in addition to that with another major challenge we have (is) that the Colombian Government have asked us as The Civil Aviation Authority to keep the airport infrastructure that is of the essence for cargo and humanitarian flights, to keep it operating so we have all our air navigation services and some of the airport services available so that the essential air operations can continue in this time of lockdown.

And in addition to that, I would like to say that at this point I see two major challenges, the first one, is that as a sector, and I think this is common to all the world, as this is a public health crisis, a pandemic; obviously the leader and decision-maker is the health authority. In Colombia, we have the Ministry of Health with whom we have been working, but there are some local health authorities as well, local Governors, so that is a complexity that I think Juliano also mentioned when he mentioned the State Governments, in Colombia, we have also faced that big challenge. From previously a system that was coordinated nationwide, now the main difficulty, the main challenge we have is coordination with local authorities because in our legal system they can try to take some legal action in order to limit air transport or closing airports, fortunately, that didn't happen but I think that is going to be a huge challenge to reactivate air transport at least locally in Colombia. We will have to do a lot of work with local authorities trying to get their trust once again so that airports may operate and so that flights may be received again when the public health crisis is overcome. This is initially what I wanted to point out. Thank you, Fabio and I give the thought to my colleagues.

Fabio Rabbani says: Thank you very much for your presentation Juan, I think that it's been shown that the States have been proactive in the adoption of measures and at the same time the aviation sector has responded to the demands and decisions of the health authorities and of course to the needs of the population regarding cargo transport. No doubt, the impact generated by the measures adopted at this point, especially regarding the cargo that is on hold in passenger aircraft, reduces this responsive capacity because we have to be able to recover, as soon as possible, this important logistic sector for the region. Taking this view into account, I think we could invite Jaime Binder, Executive Secretary of the Latin American Civil Aviation Commission. In this broad outlook of the impact generated to society to the

aviation sector and regarding the first actions originally even regarding cargo, this is something that you could highlight in your first words, Jaime.

Jaime Binder says: Thank you Fabio. Thank you very much for this invitation. I commend you on this initiative to share experiences. As Secretary of the Latin American Civil Aviation Commission, just like the directors present here and yourself, Fabio, we have lived this phenomenon this COVID crisis knowing that it was coming up but without really realizing how fast things came up. WHO first told us to be on the alert and then they declared a pandemic and very quickly we had to react to a crisis that was completely unexpected. Men and women who have a *location* in aviation are at this field to connect people and what the World Health Organization recommended was not to be connected, to keep social distancing and to stay home, and aviation became a vector that could transfer the virus and against human nature which is to hug each other, we had to, for very obvious reasons to protect human life, we had to start up a number of restrictions within some countries are quite stringent. At the CLAC we are learning that air transport would double, we were foreseeing that it would doubling in Latin America and the Caribbean in the next 10 years and then all of a sudden, we are living a scenario of total uncertainty, we do not know what is coming up in the future, a future that we had forecasted no longer exists, we have to think again about the future and well, the challenge we had was one of adaptation as an international organization to be adapted to teleworking, a new way of communication for us, and I would like to acknowledge through Juan Carlos Salazar and Juliano Norman of Colombia and Brazil, the extraordinary effort of adaptation of the Latin American Aviation Authorities.

First of all, to solve the crisis of repatriation, that is to bring back those citizens to their respective countries so whenever possible and actually this has been an extraordinary adaptation effort, and we are not ready for such a quick adaptation but at the very location of aviation, fortunately, made us move rather fast in this matters. So, I would say that the first major challenge we all had to face was that of adaptation and the second one is to understand that we are within a system, so not only do we talk here about air transport, but rather the system of air transport, because there are many actors in the chain. This air transport system, in turn, is within a larger social and economic system and everything changed there as well because when decisions are made by other actors, not the aeronautical authorities anymore, we had to understand how to make this system keep on operating and the main challenge here has been to stay united. International aviation has international standards, universal standards that should not vary from a country to another, but since many decisions vary from each State this understanding is lost because each State adopts some decisions and this is what we see in Latin America and of course in the rest of the world, so the challenge here is to stay united.

The first thing we did as the CLAC was to get together with ICAO SAM, ICAO NACC, with Pablo, Fabio and Melvin and we managed to start talking about the future, what we can do now, in view of this new future that we have to guess how it's coming up, what can we do and this challenge then is to start that search to become adapted, to stay united, and to find a new future, that new future, which is the major challenge.

We wanted to start by studying the cargo because it seems evident that cargo is an essential part of air transport that will not disappear, just like the transport of health care personnel, so we asked the Latin American aeronautical authorities to send us their best experts and we wanted to think about getting standards for the region that may be uniform, so as to manage the serious situation of supply, especially of health care supply, so that this may not disappear. Finally, the challenges are enormous, from now on

we will have to think out of the box to find some incentives so that the demand for air transport may be reactivated and these incentives cannot be found using the old recipes, we will have to find new recipes and the best way of getting them is thinking together. Thank you very much Fabio.

Fabio Rabbani says: Jaime you have given us a broad understanding of the sector and of society in general, and I think that you have done it in a very professional manner, so very you. I thank you for your vision, you're your understanding of the social aspect of the economic nature in this broader sense but of course, at the end of the day, it will have an impact in our cultural environment as well and there we'll have to try to build the steps to resume activities in society and in aviation as a whole, so, as Juliano mentioned, the initial impact was on the international aviation. Probably the resumption will start in domestic flights while countries will still try to guarantee the control of their borders as strictly as possible. This assumption will require several actions of National nature of course, but if we don't do that, regionally or globally, then we already know the impact, we went through that process when we had the 2001 attempt where the security measures are still generating serious imbalance between the measures adopted by different countries and there we have the inspections procedures that are valid in one country but are not recognized but another country when we need the facilitation of air transport and that has an enormous impact, this imbalance I would say, the total lack of agreement of the countries on the understanding of necessary measures.

So, we need to see how to adopt health measures required by health authorities and at the same time, these requirements may not be interpreted equally but rather differently and thus generating huge impact on a system that, as Jaime said, could even be seen as a vector of this pandemic or is part of a vector of this pandemic that is floating around. Well, so, the question I would have to ask is, what is the role of the countries in this process, what is the role of organizations and the multilateral aspect we have to adopt from the moment we start our activities. There is some planning that we will have to be done immediately, there are some scenarios that we will have to take into account, but there are some measures to be adopted. Part of this process is to acknowledge this resumption will have to be gradual but it cannot go through any doubt or unnecessary delays, and we have to understand the risks we are facing we have identified the risks related to operational capacity, the financial capacity, the employment issue, travel restrictions that we will probably have because of health issues and at the same time the national reduction in the demand, so how do we do this joint planning, how to adopt immediate measures that may guarantee the *operations* of aviation at least to a minimum level while we await the resumption of operations and at the same time the possibility of resuming operations, so how to rebuild all these in an efficient manner so that it may not be simply a set of individual measures but rather coordination representing coordinated measures through the aviation system. So, how do we do this work together with the Industry, the States and the multilateral organizations; how to work as of now, I think that Julian could also say something more about the measures already being adopted and then our colleagues could also what actions they foresee to be adopted as of now. Juliano, please.

Juliano Noman says: Yes, thank you Fabio. I would like to talk about the future outlook because it is a very interesting and challenging part for all of us, as regulators. But it is still hard to have a clear idea as to when we will be able to flip the page, move forward and what the new world scenario would be like, and that would obviously have an impact on Civil Aviation. But before talking about that, please allow me

to talk first about the first measures to face, the initial impact in Brazil. What happened during the first week after the first closures of borders and things like that.

At some point there was this expectation that those initial measures would be enough, at least in the short term, they would be able to manage the situation, but then the next week things went too fast as Juan, Jaime and you Fabio mentioned very well the situation worsen very quickly and the problem worsen overnight and at some point we realized those measures were not going to be enough for the initial horizon was for one month but quite likely that would be extended, and that is when we at ANAC, allow me please to explain for one minute what we did in ANAC to do some re-planning to respond to these maximum contingencies to cover more than those initial 30 days and there what we did was realizing that the scope of actions within the Ministry of Health and how the State Governments where trying to manage things in response to Corona all the purchases of material, material being imported from other countries and the domestic production in Brazil, all that would have to be transported very quickly within the national territory because there was an increasing demand, everything was very urgent. I'm talking mainly about the material, but in the case of Brazil, I mean also the transport of people related to the essential services, not only medical personnel but security people as well and things like that. So, things were happening very quickly and obviously everything was very urgent, so what we did then, was to draft some logistics corridors and the additional challenge there was to have Airlines operating because well we would guarantee the airport infrastructure open but to guarantee the flights of airlines in view of such a drop in the demand it was very hard to build this logistic corridor so to fight Covid and on the other hand there was this industry that was not able to respond to have a number of flights as a result of the drop on the demand that was taken place then, so we had to meet with the airlines, we managed through ANAC to include the agency to defend competition called CAD and we included it so it was ANAC, CAD and the Airlines, we seated all together, we identified some minimum premises for operation and together with the Airlines we promoted an adjustment in the network of course taking care so that the airlines would not coordinate this network amongst themselves, it was ANAC that ended up leading this process, taking care of following all the competition standards. So we defined some premises like we had to cover all the states in all regions in Brazil, we have 27 states plus a Federal District and in some states with more than one airport so we had a set of 28 sites that were defined as major distribution hubs in each state. So, at that point, the first premise was to have at least one weekly flight to each state and based on that we defined some other regional premises. Brazil is a very large country so we had to cover the whole territory and the Amazon region received special attention because transport there is by river but that was not fast enough to face the pandemic and to leave it without air transport would mean to leave those cities just to their own luck. So we decided premises of that kind, and in other regional airports taking into account business in radios of 150-200 kilometres between cities, we tried to create a network of cities so that airlines would build their networks, we managed to have a network covering the 27 capital cities of our states plus an additional 19 cities, so we reduced the coverage of 130 cities down to 49, sorry to 46 but in that way, we managed to have daily flights to all the capital cities, so instead of having them on a weekly basis we had them on a daily basis but the connectivity was very reduced from a horizon of 2400 flights per day, we went down to 200 – 190 flights per day depending on the day and some weekend days was 150 flights so that was a brutal drop of almost 90% But in this way no Brazilian state was left isolated shall we say because there were airline connections. At the same time, knowing the demand for large or small cities was very important ANAC worked together with air taxi companies and we created a special manual to guide them in the transportation of biological material, hazardous material, so we design a manual with

them and we authorized all those air taxi companies to carry goods to fight the pandemic, in that way we added 120 duly trained companies to provide the service with a total of 900 aircraft.

A third measure, we worked together with the states and the public state forces like the local military police, firefighters, environmental units, that also have substantial aircraft fleets around 300 aircraft more or less, so we worked with them, we authorized them to transport goods. There is still another measure that is being finalized which is to allow passenger aircraft to carry cargo in their main cabin. A technical department is finalizing the scope, the regulatory aspects of that proposition, so we would have the necessary air service and imagine the airport infrastructure and in that way, we would be able to fight the pandemic.

At the same time, we have to strengthen the financial measures, and there allow me to mention just a few of them. For example, public banks in Brazil managed to have working capital lying for air companies and special conditions with more time to pay. The main development bank in Brazil suspended payment of loan instalments of airport operators, the Federal Government put off the payment of a number of State and Federal taxes loan installments of Airport Operators, the Federal Government paid a number of State and Federal taxes so that companies would be able to make some cash, thus face the period that will be longer than initially expected. There are some other measures that are still being expected and to be approved in a matter of 10 days, one of these is the Federal Government that now buys around 700 million Reals worth of air tickets, the idea is to make advance purchases taking into account their market shares so they will be making some advance purchases and thus the Federal Government will have a large credit and when flights are resumed the companies would be crediting this loan. It is a way of strengthening companies; this is an idea of the Development Bank that is studying other means of financing through the instruments of the ventures on a substantial amount, the idea is for companies to issue the ventures so that the bank may buy them. Well, these are some additional measures to face the problems we are having. According to the Minister of health, there will be some restrictions until August or September, this is the measure that we will have to survive within Brazil maybe until September.

Having said this, lets now try to respond your question, Fabio. What will we be having when all of this is over. Well according to our forecasts, I'm glad that we share the same idea is that the domestic market would be the first one to recover, the international market will feel for a long time still the impact of this pandemic, but still the domestic market to go back to those levels of 2019 and the forecast of 2020 which were highly promising, that would take at least two to three years to be obtained. Take into account that the world economies would be suffering a low, and that has direct impact on the demand for air transport and I am only talking about traditional demand, the correlation between IGDP and air transport without taking into account all the changes that are resulting from all this, people need to start trusting going out again, so all these measures of video conference, or working from home, all the measures that are being adopted by different companies will remain in the day to day operations of the companies. Well, we are working on a scenario like that so eventually we will have to think about making more adjustments to the regularity measures to face of this new reality and there, as Jaime said, I also think that the more successful we are in terms of cooperation amongst countries and the more demand we have in our domestic markets the faster we would be able to recoup the previous levels and there we have been thinking about somethings that have already been discussed maybe we should speed up the process of that. For example, a common certification environment with a lot of flexibility for companies that are becoming more and more regional companies that they could be better managed and become highly competitive with a cost. There is also a program to exchange aircraft so we need to move forward and

expedite that process with other countries. In Brazil is hard because some union issues are related to leasing for example, it makes a lot of sense for companies to have more flexibility to increase and reduce the crew during the low season so that to create a more efficient cost structure, but all that I think that goes through a very close cooperation process and at the same time a matter of joining efforts. As a region, the more successful we are in these measures the better for us, for example, in something more related to freedoms, for example we need to bring material from China, so eventually we have to work with some states because our cargo plus the cargo of another state would take up one single flight instead of having to pay separate freight charges so the company that ends up being chosen asks whether if it can operate because in some countries it involves the 7<sup>th</sup> freedom so how are we going to do this, so we are going to be facing all these discussions but from a different viewpoint.

We have been working a lot with embassies, I'm very excited to talk about the solidarity of all the states that have been highly cooperative in terms of repatriation, one State cover the cost of one leg and the other state covered the other leg, and things like that, so and in this way I conclude, I've tried to give some answers, the cooperation will have to be more and more and in this way, we will be able to take air transport to a different level and in time we will be able to recover the levels of demand that we had, it's a matter of trust maybe we have talked a lot with the Minister of Health, there are safety protocols on sanitation in airports that are being practiced nowadays but they should remain after the pandemic and I think that that could be incorporated in the routines of the airports and airlines in order to recover the confidence of the passengers and create a sanitized environment pulling the new sanitation requirements resulting from the pandemic. We have to reduce costs and I just want to mention a couple of examples because I've taken too long but there is an exaggerated litigation culture in Brazil and together with the high price of fuel those are problems that we have internally but we have to discuss these measures so that we can allow air transport to become more accessible, more reachable, we have to take this demand more seriously, I apologize for taking too long. Thank you very much.

Fabio Rabbani says: Juliano has given us this understanding that things have been changing week after week, and measures had also a gradual nature, are actions that had gradually become adapted to the reality and is also very important to highlight this aspect of solidarity by States regarding humanitarian flights that are guarantying the repatriation of all citizens that need to go back to their homes. In this resumption process what we expect is efficiency and speed. There are some initiatives that may help enormously in this resumption process, for example, the Regional Safety Surveillance System throughout the years has proven to be very efficient in the promotion of the compliance of International Standards, now there is an opportunity to deal with the harmonization of regulations, procedures, certification and surveillance processes in order to allow the simplification of activities and also to avoid redundancy saving resources of the States and the Industries in the normal processes that we have in aviation. How do you see this process and how can mechanisms like these can guarantee the actions we need to adapt to make them more efficient for the whole sector?

Juan Carlos Salazar says: Well, no doubt, this crisis has shown us how important standardization is for the viability of air transport, international air transport and even within our countries. When each country, each authority, each region begins to adopt their own decisions regarding a specific issue, like a health issue for example, then it immediately becomes global aviation unviable and then the comment you make

about increasing the role played by the regional system to find some harmonized rules becomes of special importance at this point. Of course, at this point, we need to remember that the crisis has a pandemic origin, a public health issue, so these are the concerns, are the goods that are to be protected, which is the life and health of individuals. The systems leading the decisions that affect us all, especially in air transport so I would also say, in addition to what you said, that is not only a task for a regional safety surveillance system but it is also a matter of cooperation with the regional health authorities, I don't know, in the region, we have the Pan-American Health Organization, how important it would be for the regional system to start working hand in hand with PAHO in order to give some protocols that may be complied with by all the states International Aviation may be viable once again. That is what I think could be a valuable contribution of the regional system working hand in hand with regional health organizations, ICAO would be working together with WHO in order to have some standardized guidelines because in aviation that is of the essence, on the other hand, I would like to say that I fully agree with Juliano, here in Colombia we think that there will be an early reactivation of domestic air transport and international air transport will take a bit longer to be reactivated because of this, that is until we get common standards all until there is a vaccine against this virus and in that way we can go back to normalcy. The fate of us the sector of our industry I think is fully linked to the possibility to overcome this public health crisis or that there is a vaccine that may help us overcome this generalize fear there is in the world due to the devastating effects of this pandemic.

In that order of ideas, I would also like to agree with what Jaime says that in Colombia, and I think that in many countries in the region as well, we had a very optimistic outlook, some growth forecasts based on which we had built a whole vision for the year 2030, that is for practically the next ten years and at this point, the main lesson out of all this is that we need to rebuild everything again from the ashes, that is that we need to rethink as authorities, as infrastructure what we were thinking as Ministry and as an Air Transport Service. I think that is the task we have as aviation authorities in the region and in the world, we have to think again about all this and agree on the rules of the game that will once again allow us to build international civil aviation on more solid grounds. And that is done based on solidarity as Juliano was saying, we have to work better and improve our communications amongst aviation authorities. Initially, for example, to facilitate those repatriation flights, those humanitarian flights also to agree on rules of the game so as to have safe aviation, taken into account by security, to have it with compatible standards in the region and in the world. Those are my conclusions.

Fabio Rabbani says: Great Juan, we have to think out of the box now, actually, the mechanisms we have, the way in which we plan, we have to re-think about this and hopefully we hope to be able to take the action line in the next few years, but after that how are we going to be using those existing mechanisms in order to get the best out of all the actions that we would be doing in order to guarantee the lifeline of aviation and supporters for recovery, so we start there to discuss how to convey to all levels of authorities in governments, in the various economic sectors this important message we have, that that aviation never stopped trying to satisfy the needs of the people, even at critical times like this one that it needs to keep its lifeline, that it needs to keep its sector at least alive at this moment and to get the support for its comprehensive recovery that we expect in future years.

Jaime, how do you think we can convey this message, so that it may reach all corners, in order to reach society and authorities to guarantee their contribution commitment in this process, how to make them

understand the importance of aviation that it had throughout all these years, the economic and social importance of aviation, the importance it's had in this critical moments, and the importance we expect to have after all that is happening. How to convey this message, what is your vision about this?

Jaime Binder says: Well, this is a question that actually made us coordinate our actions as CLAC, as ICAO and with the private sector as well, because the way to make an appeal to the authorities, so that they may understand aviation as essential means to attain economic and social development of our people is by having one single voice and not many voices, to make them understand that since this is a system we should all do our part in order to at least reach a minimum level of operation of aviation on its most critical aspects. COVID brought about a multidimensional crisis; it is a civilization crisis I may say. Let me be more specific, there is the health crisis and the economic crisis, whenever we think air transport according to standard logic as we were saying, we estimated that aviation growth rate is twice the growth rate of GDP, it is usually like that, a bit more, a bit less, depending on the country and we know that what we have today is an economic crisis, eventually a future global recession that according to some forecasts it would be one of the worse recessions in our history, so aviation will obviously have that fate, the demand of passengers transport will drop, not only that this year but also in upcoming years, because we will have an economic crisis and, by the way, authorities at the highest levels are thinking about that crisis, but not only about the health crisis and the most affected party in all this was aviation together with tourism, so what should we do in order to be the first in line. Aviation, as we were saying, in cargo transport will be needing some standards, we need the 7<sup>th</sup> freedom so that private transport may be easily developed, but air transport, air cargo transport will remain at reasonable levels, because we need it. But the passengers' demand will be affected, not only due to the economic crisis but also because there are cultural changes, changes in the way we work, like right now, we are using technology to communicate among ourselves, all the businesses are using teleconferencing methods that will remain as part of our future habits. All the universities and schools are teaching using the same mechanisms, just imagine; the number of state trips will drop in the future. Aviation will compete with these platforms, as a new way of competition. We need to attract people once again and encourage them to travel and we can't do this alone, it's not to be done by aviation alone, again, this is a complex system, it seems to me that what is coming up, and we need to convince authorities about this, is that economic hubs will change the way we traditionally think about globalization will change. Europe would be consolidating its trade within Europe itself and the challenge for Latin America and the Caribbean its to do the same thing. So, I agree with Juan Carlos and Juliano, yes the domestic transport, in some Latin American countries that have it, would be the first one to be reactivated. Intercontinental transport will take much longer, but regional transport, first with cargo transport is the first one that should be reactivated, and this makes us think as a region, and thinking as a region means that we should put down all our flags to put down all our ideologies, our political ideas, it is to think in a different way, it is to say that the dream of integration in Latin America and the Caribbean comes from this crisis and aviation is probably the transport means per excellence, the one that will lead us to build this integration in Latin America and the Caribbean and this old dream can be reactivated again because we will need, I mean, no country, not even Brazil, can produce everything by itself, it will need to trade at first, I think with Latin-American and the Caribbean countries. We would have to rebuild to re-found our economies and in all this process aviation should play an active role. Allow me, Fabio, to quote you, because you told me this once, that this is like a mobile phone that has a battery. If we let the battery to get completely discharged and we want to use our phone again it will be very difficult to use it again in

those conditions, therefore, even it is just 1% of our authorities, we need to convince our authorities that aviation should be preserved.

I think we have heard many ideas here, I just want to mention a very interesting one, one regarding future airfares, airlines won't be able to get into the futures market to buy oil today because they need cash, they won't be able to gain any efficiency there, but what may happen, as it happens in Brazil, is that the State buys future airfares thinking specifically of the domestic transport, I want to highlight that measure that Juliano mentioned that I think could be replicated in some other Latin-American countries. Juan Carlos Salazar was telling me that what they have done in Colombia is to do rate management and I find this very relevant because it is not happening in all of Latin America. To keep active aviation is quite a challenge and we need to convince our authorities, not the aviation authorities because they do understand this, rather we need to convince the Ministers of Economy and Finance of our countries and even our Presidents, otherwise, the economic reactivation and the wellbeing of our people will be at stake. And here we are not thinking about bailing out the owners or shareholders, we are thinking about the global system of our economies that allow us to improve the lives of all of us, this is what I can say at this point.

Fabio Rabbani says: Quiet right Jaime, your view about the way in which we need to take into account the resumption process and the economic and social performance based on a bailout of the economic activities, in general, will require this kind of understanding, that there should be a gradual response starting in the regions, of course, with the concessions of the States, of the countries to guarantee that we may be able to help on those actions in a positive manner, linking us with the visions of each country. I leave the floor open now so that our participants may make any additional comments or questions.

Juan Carlos Salazar says: Thank you Fabio, thank you very much. Well, Juliano said that in Brazil they are thinking about authorizing cargo in passenger aircraft, we received similar requests in Colombia which we are analyzing, and we would like to know ANAC's opinion about those requests and what are they doing about that.

Juliano Noman says: Sure Juan, with pleasure. We are having talks with the operators and also with the main aircraft manufacturers of the most common fleet we have in Brazil, that is Boeing, Airbus, Air to try to understand the specific characteristics of the projects and then eventually create the right scope of certification for each type of aircraft. At first, in ANAC, we thought that it would be possible to create a more general type of authorization with some specific safety measures that would guarantee the proper placement of the cargo, that there would not be any overload at the seat rails and things like that. Some issues relating to fire-fighting, but then after analyzing the characteristics of each aircraft the project and all that talking with each vendor we realize that it would not be possible, and now we are working in a case by case basis with each aircraft, taken into account directives of each company, we are working on specific authorization processes, but the rationale of the work of ANAC that's behind all this is to create a protocol, create a number of items and care measures that the companies must have. And obviously this in accordance with the specifications of each aircraft and the certification aspects of each aircraft. And

then we can issue an authorization so that the company can conduct that kind of transport with that aircraft in those specific conditions, so just to mention some minor details the cargo conditions vary from one model to another, from one vendor to another, the way to fix the cargo directly on the seat trail varies, some recommend to attach the cargo directly on the safety seat others recommend fixing the cargo directly on the trail that is under the seats, anyway, details like that, but basically we are about to complete the process with our three main operators; obviously we will be very pleased to do share with you all those details, our team is at your disposal to exchange experiences and eventually we will manage to overcome this challenge jointly because this is becoming a very important issue, I can talk about what happens in Brazil but I suppose that it also happens in all the other countries. Cargo aircraft are in increasing demand, so to create a cargo supply, a supply of aircrafts that may carry cargo, we will have to think about a solution like that one; otherwise, if we are not successful we will see huge delays in the transport of all the materials that it's so important to guarantee the health of our population. Anyway, our agency is at your full disposal to discuss these matters and share the experience we have gained so far.

Fabio Rabbani says: Well, thank you very much. We have received a very rich lot of information, we have a lot to reflect upon and I hope that this talk has been of benefit to all of you. I open the floor so you can give us your final thoughts. Juliano, please.

Juliano Noman says: Thank you, Fabio, once again I would like to congratulate you in this initiative, I know that for all of us in Brazil it is always an honour to be together with our colleges, our brothers. It is always very important to discuss, exchange experiences. Juan and Jaime, I always say this, I am a deep admirer of the work of both of you, we have been together in many battles and once again I would like to congratulate you. One final thought, one final message, and we have said this a lot internally, it's that this will be over, it certainly will be over, things will be different from last year after all this, the economy of air transport will be different but together, and only together, we will be able to overcome the challenges and will come out much stronger after this. I truly believe this and I know that what I say is based on this need to strengthen our bonds even more to create more common standards of which respecting the characteristics of each nation but always together, at this time it is more necessary, more than ever. Thank you very much.

Fabio Rabbani says: Thank you, Juliano, Juan please,

Juan Carlos Salazar says: Likewise, this has been a very valuable conversation in a critical moment like this one, to know about the experiences and view of Brazil, I think that they are going one step ahead because they've had to accommodate their operations to a new reality that's what is next for us, so we have a lot to talk about with Juliano, so he can share with us Brazils experience and thank you, Jaime, because Jaime has always had a broad and well-structured view of the challenges we will be facing and thank you, Fabio, very much for giving us this opportunity I hope that we will have many more of this opportunities to discuss matters in the region because we have a lot to learn from each other.

Fabio Rabbani says: Thank you, Juan, thank you very much for your leadership, you, Juliano to guarantee the survival of aviation in this moment and of course with the idea of joining actions as of now so we can promptly see a recovery of this system, Jaime, your final thoughts?

Jaime Binder says: How can a regional organization which is in the front line of the battle can see these? Well, first of all, this crisis I think that we, I am glad that we are all together in this battle and that we are listening to each other with an open mind and that we can learn from Colombia, from Julian of Brazil, from Fabio Rabbani in ICAO SAM with this view, where there is not one single valid answer because everything has changed, tomorrow we will literally find a new world, we will see that everything will be different. I am sure that just as has happened to us before, we will also win this battle and I think that we will find a far better world. This is the first of many talks, Fabio, once again thank you very much for this initiative and for the invitation.

Fabio Rabbani says: Thank you very much, Jaime, thank you very much to all our guests who've shared with us their experiences, the challenges they face, what they have done. The purpose of this talk has actually been to convey all our listeners, and I hope we reach all the leaders in the region in the Spanish speaking countries about the measures we are adopting. These actions we think are necessary in order to guarantee the continuation of aviation, keeping its main role which is to be a means of transport, a safe and efficient logistic means to allow for the economic and social development of people. The core message here is cooperation, collaboration and a comprehensive view and the understanding that all this will be over but it should not affect aviation on a permanent basis. We need to work on this; we need to convey this message, we need to work together in this process.

Thank you very much to all our listeners, may you stay healthy and with your families.