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## NATIONAL REGULATION

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ICAO/LACAC Capacity Building Workshop on Air Transport  
Economic Regulation and Oversight



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## OBJECTIVES

**At the end of this session, you should be able to:**

**Describe the aims of air transport economic regulation**



**Identify the components of national regulation process**



**Identify the components of national regulation structure**



## INTRODUCTION

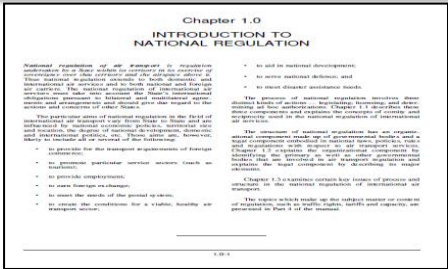
Domestic Air Services

International Air Services

**National Regulation of Air Transport**  
*Regulation undertaken by a State within its territory in its exercise of sovereignty over that territory and the airspace above it.*

National Carriers

Foreign Carriers

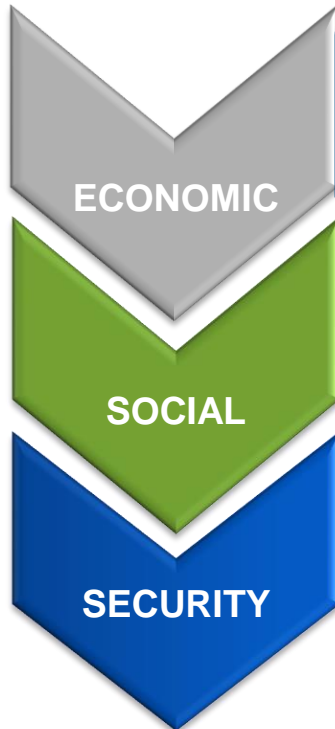




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## AIMS OF NATIONAL REGULATION



- SUPPORT FOREIGN TRADE
- EARN FOREIGN EXCHANGE
- PROMOTE PARTICULAR SERVICE SECTORS (i.e. TOURISM)

- PROVIDE EMPLOYMENT
- IMPROVE EFFICIENCY OF THE POSTAL SYSTEM
- AID NATIONAL DEVELOPMENT & SUPPORT REMOTE COMMUNITY

- ENSURE PARTICIPATION IN INTERNATIONAL AIR TRANSPORT
- SERVE NATIONAL DEFENCE
- PROVIDE NECESSARY SUPPORT IN EMERGENCIES



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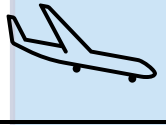
Process Components



## COMPONENTS IN THE PROCESS OF REGULATION

### LEGISLATIVE

- Laws
- Policies
- Rules and regulations



### LICENSING

- Granting, conditioning, denying permission to conduct air transport services – on a continuous or sustained basis

### AD HOC AUTHORIZATIONS

- Granting, conditioning, denying permission to conduct air transport services - for individual tariffs, flights, etc

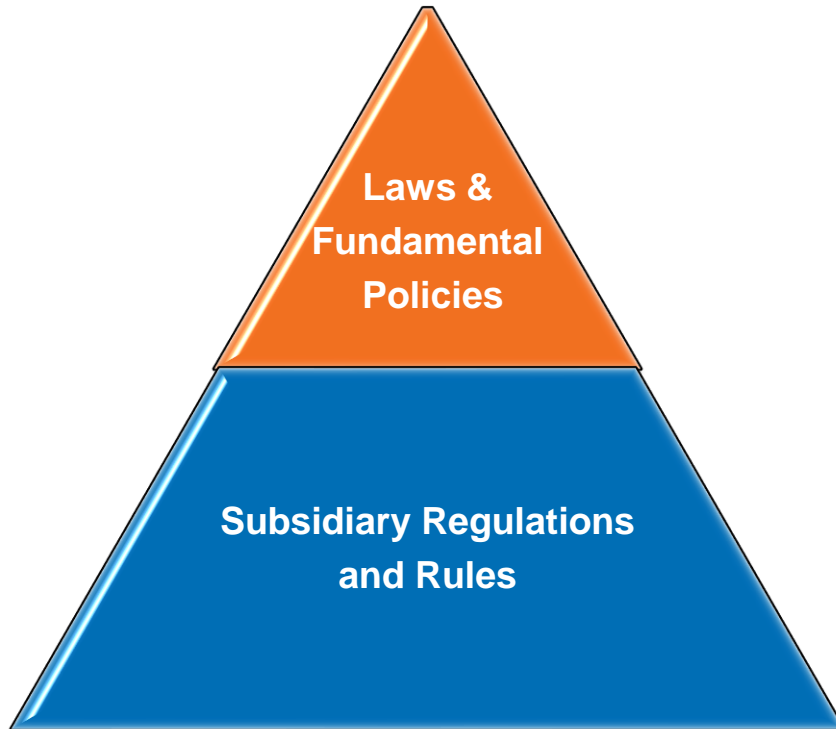
### ENFORCEMENT

- Taken, if, and when required





## Legislative Component (Laws, Policies, Regulations And Rules)



Each element of the legislative process (law making, policy making, rules and regulation making) **differ**.

They vary from State to State, according to the legislative systems, governmental structures and customary practices.

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## LAW MAKING

- Law-making comes into use least often
- Once a law is enacted, it is usually difficult to change it
- Implementation of laws are often assigned to a subsidiary rule-making process





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## POLICY MAKING



**The most flexible and most likely to vary from State to State.**



**States may decide to make a separate policy statement within a law or decree, or in a rule or regulation.**



**States may also establish some policies, usually more detailed and specific on certain issues.**



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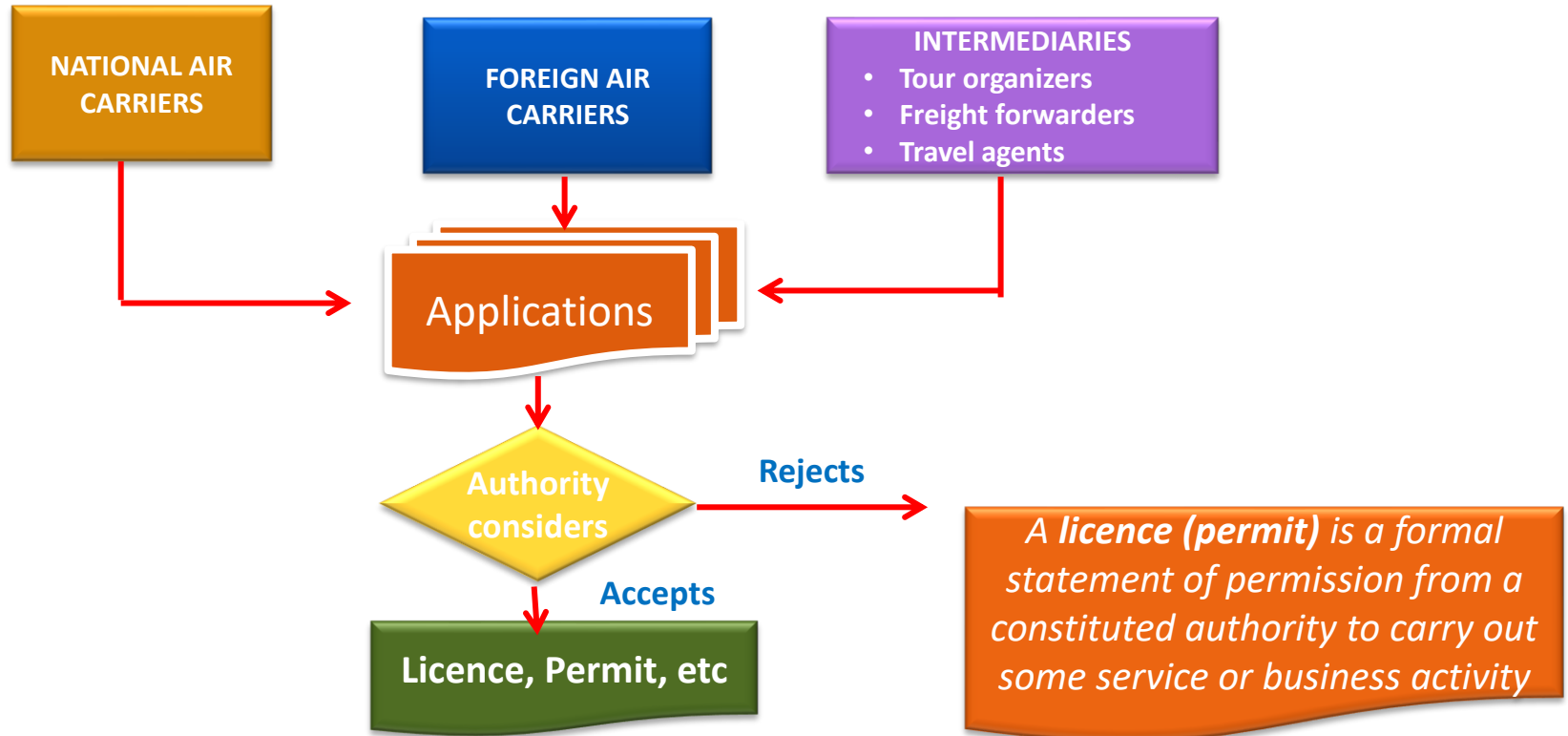
## RULES AND REGULATION

- More detailed and flexible than laws and policies.
- Provide more possibilities for making exceptions /granting exemptions.





## LICENSING PROCESS





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## LICENSING PROCESS



National Carrier

Foreign Carrier



## AD HOC AUTHORIZATION - COMPONENT

Ad hoc Authorization



Day-to-day decisions regarding specific matters:

- Permitting a single flight or series of non-scheduled flights.
- Approving/disapproving Schedule filing



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## STRUCTURE OF NATIONAL REGULATION



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## ORGANIZATIONAL COMPONENT

### ORGANIZATIONAL

- State's air transport authorities (also called civil aviation authorities) directly responsible for the regulation of all aspects of civil air transport.
- Certain other non-aviation governmental bodies





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## FUNCTIONS OF THE ENTITY

### FUNCTIONS

- Formulation of specific rules and regulations to implement basic aviation law.
- Issuance of national and foreign air carrier licences and permits.
- Conduct of bilateral and multilateral international relations.
- Conduct of economic oversight audits





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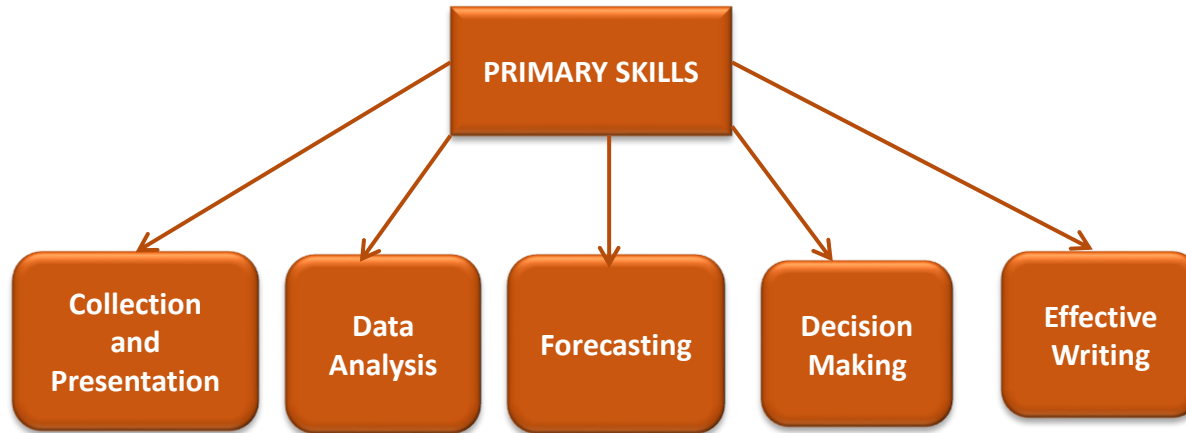
## LOCATION OF VARIOUS FUNCTIONS

- The functions are generally located in a single national entity or two different entities, with one responsible for technical regulation and the other responsible for economic regulation.
- Foreign Affairs is involved when it comes to issue of international aviation.





## THE NEED FOR SKILLED REGULATORS





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## OTHER AUTHORITIES

- ❑ Non-aviation governmental entities such as authorities responsible for customs controls, immigration controls, public health standards, Income Tax authorities, are involved in National Regulation.



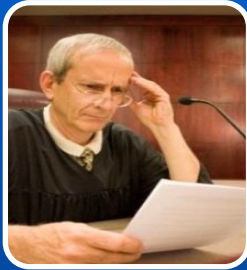


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## LEGAL COMPONENT



### LEGAL

- Basic laws
- Rules and regulations
- Multilateral and bilateral agreements
- Policy statements
- Judicial and administrative decisions
- Licences and/or permits
- Ad hoc decisions and ad hoc authorizations





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## TRANSPARENCY

Transparency in National Regulations, means that **rules and regulations are published in gazettes, register, or journal, and nowadays more on government official websites**





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## FUNCTIONS OF NATIONAL REGULATION

## Regulation on commercial aspects of air transport

- Provision of air carrier (and airport) traffic and financial and other data as may be required including definitions, deadlines, filing formats, etc.
- Organization, pricing, authorization and operation of charter flights and other non-scheduled air services
- Filing of tariffs for monitoring or approval (formats developed by ICAO which may be used by national air transport authorities for the filing of airline passenger tariffs can be found in Appendix B of the manual)
- Application for and processing of licences, permits and ad hoc authorizations for air services
- Protection of users, such as in rules requiring compensation for denied boarding of aircraft



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## KEY ISSUES

**The relationship between air transport regulators and interested parties**

**The optimum location of the international air transport regulatory function**

**The optimum location of the international air transport regulatory function**



## Conclusion

### You should now be able to:

- Describe the aims of air transport economic regulation;
- Identify the components of national regulation process; and
- Identify the components of national regulation structure.



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## QUESTIONS





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**THANK YOU**