



International Civil Aviation Organization

**WORKING PAPER**

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**English,  
French and  
Spanish only<sup>1</sup>**

**ASSEMBLY — 36TH SESSION**

**TECHNICAL COMMISSION**

**Agenda Item 25: Follow-up of the DGCA/06 Conference on a Global Strategy for Aviation Safety**

**ICAO SECRETARIAT STUDY ON THE SAFETY AND SECURITY ASPECTS  
OF ECONOMIC LIBERALIZATION**

(Presented by the International Transport Workers' Federation)

**EXECUTIVE SUMMARY**

The International Transport Workers' Federation (ITF) represents unionized aviation workers around the world and speaks for millions of aviation employees globally. The day-to-day safe and secure operation of air transport worldwide depends on their skills and commitment.

ITF has a vast experience in the field of “Flags of Convenience” in the maritime industry.

This paper welcomes ICAO's Study on the Safety and Security Aspects of Economic Liberalization and notes its findings with concern.

It also affirms the ITF's commitment to participate in continuously developing a safe and secure aviation industry.

**Action:** The Assembly is invited to support measures suggested to overcome some of the shortfalls of existing Standards and Recommended Practices and introduce relevant measures.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objectives A and B. It will further Strategic Objectives A and B by identifying potential safety and security risks resulting from economic liberalization and suggesting solutions and necessary amendments to existing regulation.
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<i>Financial implications:</i>	
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<i>References:</i>	<i>Study on the Safety and Security Aspects of Economic Liberalization</i>
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<sup>1</sup> English, French and Spanish versions provided by the International Transport Workers' Federation.

## 1. INTRODUCTION

1.1 ICAO's Fifth Worldwide Air Transport Conference (ATConf/5) noted that globalization, liberalization and privatization in the last two decades have brought about fundamental changes in the air transport industry, some of which also have implications for safety and security regulation.

1.2 In view of these, the Conference stressed the paramount importance of safety and security in any regulatory change, the need for clear lines of responsibility and the leading role of ICAO in developing global strategies for safety and security under liberalization.

1.3 The Conference called for an ICAO study to clarify "the definition of the State or States responsible for safety and security oversight, and possibly to recommend amendments to the existing ICAO regulatory provisions in this area".

1.4 This study was previously presented to member States and is also presented to the General Assembly.

## 2. FINDINGS OF THE STUDY

2.1 The review has found that concerns over safety and security arise mainly from those commercial arrangements or practices which impinge on the operation of aircraft or the operating personnel. The various situations reviewed can fall into two basic categories. The first are those that could have an impact on safety and security regulation but do not pose a problem in terms of identifying the State's responsibility.

2.2 The second are those situations involving multiple States which could raise questions regarding the delineation of accountability or responsibility for safety and security oversight under the existing regulatory system based on ICAO provisions. Some examples are:

- a) operations involving foreign registered aircraft, an issue which might result in a phenomenon known and experienced very painfully as "Flags of Convenience (FOC)" in the maritime industry;
- b) operations involving foreign flight crew or even more complex involving crew members in flight deck and cabin from different States;
- c) "off-shore" operation, for example flight operations away from the designating State, State of Registry, or State of the Operator;
- d) operations involving multiple parties and the use of other's brand, such as code sharing and franchising;
- e) cross-border airline merger/acquisition, a situation where different places of business might appear; and

- f) outsourcing of activity affecting aircraft operation, for example when airlines outsource their ground handling, send their aircraft to be repaired and maintained in foreign countries, or contract out certain flight operation.

2.3 While some of the above situations already make it difficult individually for identifying or attributing the responsibility for safety and security compliance and oversight, it could become even more problematic when dealing with a complex situation that combines many or all of the above features.

### **3. THE ITF'S EXPERIENCE WITH "FLAGS OF CONVENIENCE" IN THE MARITIME INDUSTRY**

3.1 In the maritime industry, it is defined that where beneficial ownership and control of a vessel is found to lie elsewhere than in the country of the flag the vessel is flying, the vessel is considered as sailing under a flag of convenience.

3.2 Accordingly, FOCs provide a means of avoiding labour regulation in one State, and become a vehicle for paying low wages and forcing long hours of work and unsafe working conditions.

3.3 Most severely, they allow circumventing safety and security regulation of the State and escape monitoring application of and compliance with such regulation.

3.4 There are cases in which the crew originates from different countries and cannot communicate, which is of essential importance for example in case of emergency.

3.5 For the ITF, it is clear that all that can be done to avoid such dramatic situation in aviation must be done.

### **4. MEASURES TO OVERCOME SHORTFALLS IN EXISTING STANDARDS AND PRACTICES**

4.1 The study suggests several options of how to overcome some of the shortfalls it discovered.

4.2 One refers to the voluntary nature of implementing Article 83bis. It can be concluded that a mandatory implementation of this article should give a first possibility to make such transfers of responsibilities from the State of Registry to the State of Operator more transparent.

4.3 With respect to personnel, although concern is raised about the increasing use of validation for flight crew licences and their traceability in this case, provisions are considered sufficient.

4.4 In order to increase the level of flight safety in terms of personnel, however, it is reasonable to propose for cabin crews to carry with them proof of having acquired, successfully completed and maintained all relevant ICAO training standards.

4.5 The study suggests that all parties need to realize the importance of having a clear understanding of their respective responsibilities for safety and security compliance and oversight.

4.6 The International Transport Workers Federation and its affiliated personnel representative organizations stand firmly by its/their commitment to continuously develop a safe and secure aviation industry.

## 5. CONCLUSIONS

5.1 The General Assembly is invited to:

- a) note this paper;
- b) endorse the suggestions made in the ICAO secretariat study on the safety and security Aspects of Economic Liberalization; and
- c) endorse the involvement of stakeholders in this process, including personnel representative organizations such as the ITF, and others.

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