

**WORLDWIDE AIR TRANSPORT CONFERENCE: CHALLENGES AND  
OPPORTUNITIES OF LIBERALIZATION**

**Montreal, 24 to 29 March 2003**

**Agenda Item 2: Examination of key regulatory issues in liberalization**  
**2.4: Consumer interests**

**THE USER AS THE MAIN OBJECTIVE**

(Presented by Cuba)

**SUMMARY**

This paper presents some ideas concerning the protection of passengers when they are carried by airlines and when they pass through airport facilities within a context of liberalization.

Action by the Conference is in paragraph 2.

**1. DISCUSSION**

1.1 Liberalization is a challenge for the global system of international air transport. The main objective of air transport services is the user, in this case the passenger. In more or less liberalized regimes, air transport and its components have to guarantee above all a safe and efficient service for its *raison d'être*, the passenger.

1.2 We consider that air transport has unquestionably the nature of a public service. Whatever the circumstances in which air transport is developed, the State as the regulatory body must ensure that this objective is achieved, by requiring compliance with standards and regulations both from airlines and from airport facilities and other entities directly related to passengers.

1.3 One of the supports for the protection of the fundamental interests of passengers is the ticket which, as a contract for this purpose, must correspond to the services paid for and the conditions under which they are offered.

1.4 In an environment of growing liberalization, airlines are increasingly subjected to competition laws in the market. The pressure to reduce costs and maintain profit margins or avoid bankruptcy

cannot be to the detriment of the service to the user or the safety and security of the user. Oversight of compliance with ICAO's safety-related Standards is an inescapable duty of States to their citizens.

1.5 Attention must also be paid to the computer reservation systems (CRSs) which are a powerful marketing instrument that greatly influences the degree and effectiveness of market access. Although they facilitate the service to passengers, they could be an impediment of a structural nature that could lead to unfair competitive practices. This activity must of necessity be transparent to passengers during their search for information, making the reservation and buying the ticket. Tariffs must be fair and proportional to the service offered. The present existence of four or five mega-vendors supported by the main alliances of airlines have in fact created monopolies that do not always work in favour of the interests of the users.

1.6 Codesharing operations deserve special attention: what must be clear and what travellers must be informed about are the details of the routes, the non-traffic and traffic stops, the type and characteristics of the aircraft to be used on each segment and the responsibilities of each of the airlines involved in this commercial mode. In this regard, the model clause recommended by ICAO should be welcomed by States and applied.

1.7 The subject of insurance is relevant. The protection of passengers and their families, as well as third parties, is an inescapable duty of airlines in accordance with what is established and recognized internationally. In view of the policy applied by insurers as a result of the regrettable events that occurred on 11 September 2001 in the United States of America, ICAO is presently dealing with this subject in an attempt to provide relief to the airlines that were the most affected in the end. We support these initiatives and consider them a practical way to resolve the problem that we are presently facing in this field globally.

1.8 Another relevant aspect is that related to the organization of the airport activity, a fundamental element for greater and better facilitation for passengers.

## 2. ACTION BY THE CONFERENCE

2.1 The Conference is invited to:

- a) recognize that air transport has unquestionably the nature of a public service;
- b) recommend measures for the protection of passengers within a context of liberalization;  
and
- c) take into account the thoughts expressed in this paper.

— END —