

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

CONSUMER INTERESTS

(Presented by Bahrain, Egypt, Iraq, Jordan, Lebanon, Libyan Arab Jamahiriya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen and the Observer from Palestine)²

SUMMARY

This paper emphasizes the need for standardized regulations in all Contracting States so that consumer interests are protected on the basis of ICAO provisions. The paper also describes a number of negative aspects, which have an adverse effect on passengers and require more attention.

Action by the Conference is in paragraph 5.1.

1. INTRODUCTION

1.1 Air transport industry is one of the most dynamic and evolving industries. Although relatively new, air transport is the most growing means of transportation. Speed and comfort made it more attractive and contributed to a fast development of its facilities (aircraft and airports) and of regulations and rules governing aircraft operation, flights, travel system and passengers rights.

1.2 New technologies improved air transport activities and services. Airlines are seeking more cooperation and alliances in order to alleviate the financial burden on the one hand, and to further develop the services they offer to passengers on the other hand. However, the high rates of air travel growth created several negative impacts on passengers, from embarkation to disembarkation at final destinations. These

¹ Arabic version provided by Members of the Arab Civil Aviation Commission (ACAC).

² Members of the Arab Civil Aviation Commission (ACAC).

negative effects are more visible in the Third World, where regulatory and procedural efforts in the field of air transport did not keep pace with the high speed of technological innovations.

2. **PRESENT STATUS**

2.1 Passengers experience some difficulties:

- a) While there is a variety of ticket types, reservation means, possibilities to change schedules, interlining and priority of embarkation, passengers do not always receive all pertinent information when making reservations or purchasing tickets;
- b) Passengers are not informed fully and explicitly in advance of the possibilities of flight cancellation or delay. This helps airlines to have less commitments;
- c) In many countries, denied boarding due to overbooking does not entail compensations for passengers. Rules concerning these cases are not always genuinely applied by airlines, which rely on the fact that passengers are not always aware thereof and civil aviation authorities are lacking clearer procedure in this respect;
- d) Luggage delays and losses represent a significant aspect. Passengers may experience difficulties in cashing those compensations established by the Warsaw Convention. In addition, a number of airlines assert that delays are due to security restrictions in a number of airports; and
- e) Civil aviation authorities and airport administrations in different regions are lacking the necessary procedure to record and analyze national and foreign air carriers' infractions.

2.2 All these difficulties and bad practices are due to the fact that aviation and airport authorities do not impose rules and regulations for the protection of passenger interests and rights.

3. **CONSUMER INTERESTS IN ARAB COUNTRIES**

3.1 Generally speaking, there is a lack of rules or legislation in Arab Countries for the protection of consumer rights. However, passenger clearance is applied in a fast and safe manner. Facilitation provisions of Annex 9 of the Chicago Convention are complied with. A number of Arab Countries adopted some regulations concerning passenger rights in case of denied boarding and promulgated generic consumer right regulations. In general, Arab airlines rely on International Air Transport Association (IATA) rules governing the passenger-carrier relationship and protect, thereby, passenger interests.

3.2 Aware of the role of consumer protection in fostering market economy, the Arab Civil Aviation Commission (ACAC) included in its plan of action for the next biennium a seminar on Competition Law and Consumer Rights in Arab Countries. The aim is to work out rules or guidelines for consumer right protection in Arab Countries. Moreover, within the context of a draft Convention on Air Transport Liberalization, ACAC will highlight the importance of providing consumers with advance, transparent information about their rights and every aspect relevant to their travel.

3.3 Conclusions by the Arab Conference on Air Transport Liberalization (Dubai, 21-23 October 2002) included an invitation for Arab Countries to give increasing attention to air transport

consumer and user interests, and to place more emphasis in the State regulatory role on making air transport industry operate on a market basis.

4. POSSIBLE SOLUTIONS

4.1 ICAO is the major actor in developing technical and operational rules, preparing legal frameworks and following-up implementation. Its recommendations, resolutions and general guidance receive full consideration in Arab Countries. One valuable example thereon is the Montreal Convention (1999) that updated the “Warsaw System”. Within the efforts by Contracting States and airlines to adopt international standards for unruly passengers, a number of Arab Countries (Jordan, for example) are including in their national legislation the model text adopted by the 33rd Session of the Assembly for certain offences committed on board aircraft.

4.2 All concerned parties should be invited to give more consideration to protecting air transport services consumer rights. We commend the European Civil Aviation Commission (ECAC) for the constructive dialogue established with the aviation industry and the European Union. The dialogue led to several voluntary commitments by airlines and airports.

4.3 ICAO should play a greater role in adopting Standards and Recommended Practices (SARPs) for a homogeneous protection of consumer rights in all countries. We also support the concept of a mechanism to monitor compliance and settle disputes without recourse to courts of law. It may be interesting to consider creating oversight and control units within civil aviation authorities so that passengers can enjoy their rights on the basis of specific provisions and penalties.

5. ACTION BY THE CONFERENCE

5.1 In line with the role of civil aviation authorities in protecting air carrier interests and air transport consumer interests in a balanced manner and in securing both parties’ fulfilment of their obligations and rights, the following course of action is proposed:

- a) A working group should be assigned the task of preparing guidance material on air carrier obligations *vis-à-vis* the consumer. A report thereon should be submitted to the coming Regular Session of the Assembly; and
- b) New developments in the field of voluntary commitments to consumer interests and in the field of State regulatory activities in favour of consumer interest should be continuously monitored. ICAO, in consultation with IATA and other interested parties, should examine air carrier requirements for international transport, the extent to which these requirements are applied and the need for their revision and updating.