# Implications of economic liberalization on safety/security regulation

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# Presentation to cover:

- Background

- Findings of the ICAO study

- Conclusions

- An update on ICAO's recent work

# Background

- Evolution of air transport regulation:
  - liberalization, privatization, regionalism
- Evolution of business practices:
  - globalization, alliance, leasing **…**

- Constantly changing
- New issues / challenges

- ATConf/5 called for the Study

# Purpose of Study

- Identifying problems
  - How safety/security regulations may be affected?
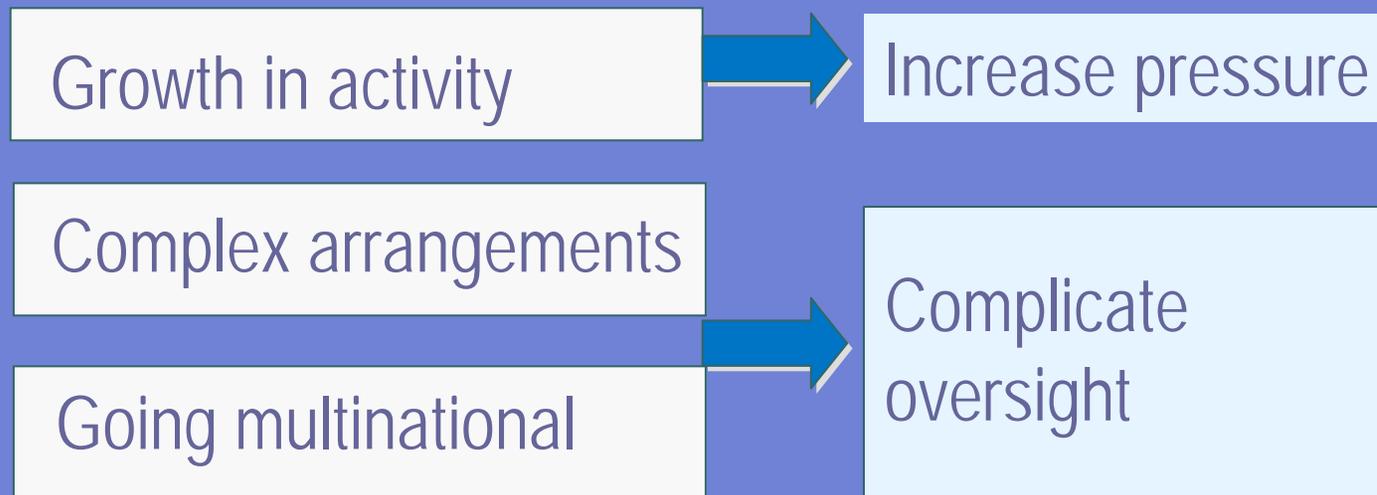  - Any gaps in existing ICAO provisions?

- **Fixing the problems**
  - Action by ICAO
  - Action by States

*2006 DGCA Conference*

# Relationship between Liberalization and Safety/Security

○ Implications on S/S regulations

| | |
|---|---|
| Growth in activity | → Increase pressure |
| Complex arrangements | |
| Going multinational | → Complicate oversight |

○ Liberalization not at issue

Clear need for a coherent policy

# What are the problem situations?

**Concerns: aircraft, air operator, personnel**

- **Type 1: Single State involved**
  - Having an impact but clear re State's responsibility

- Type 2: Multiple States involved
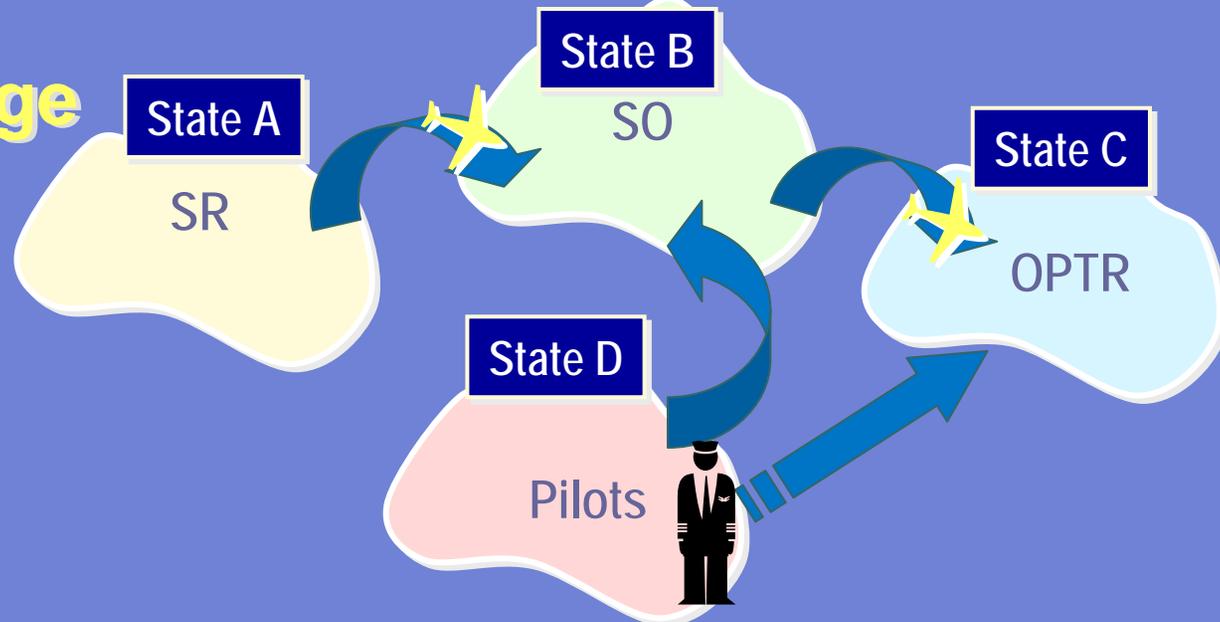  - Complicate accountability and raise questions re State's responsibility
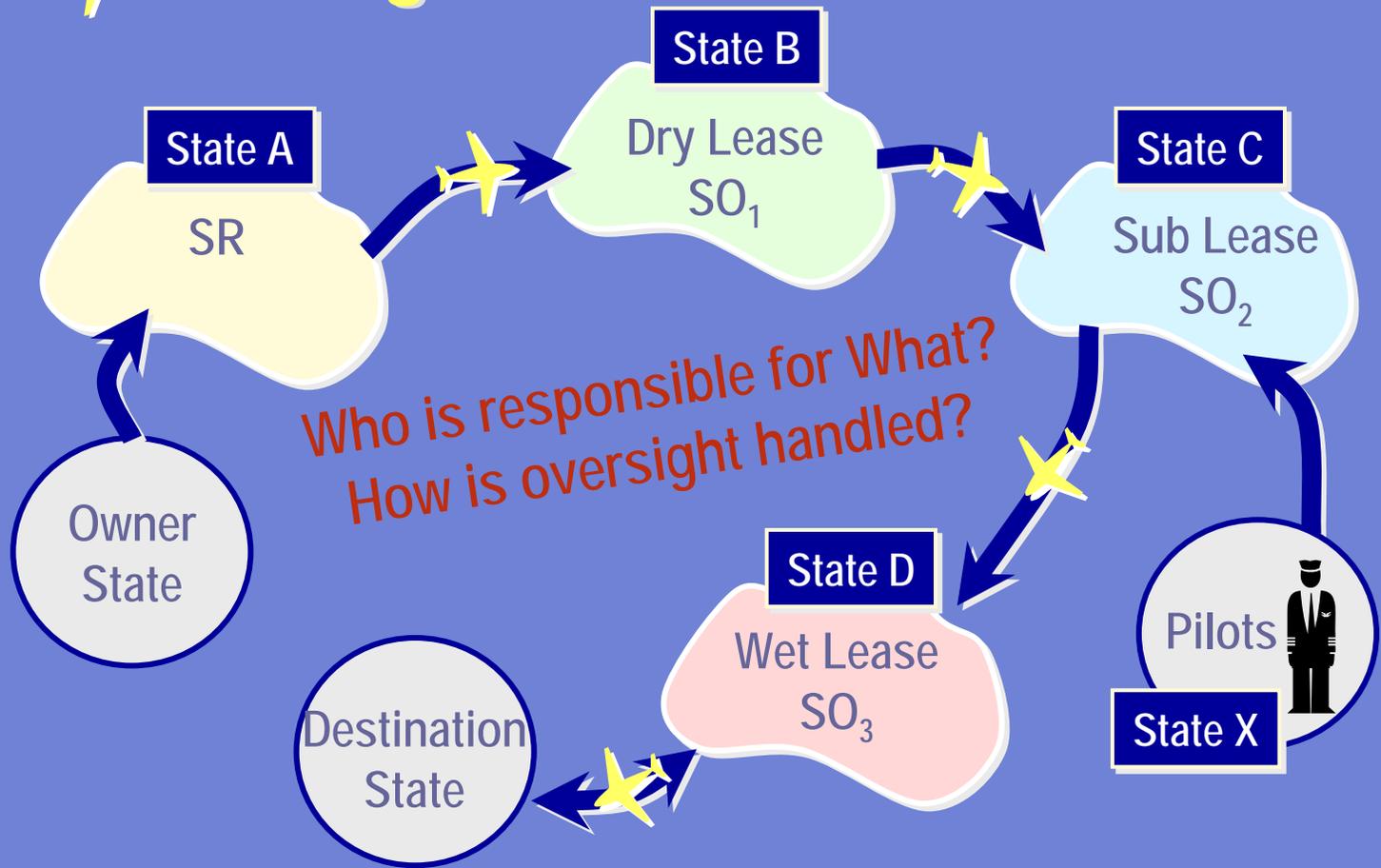
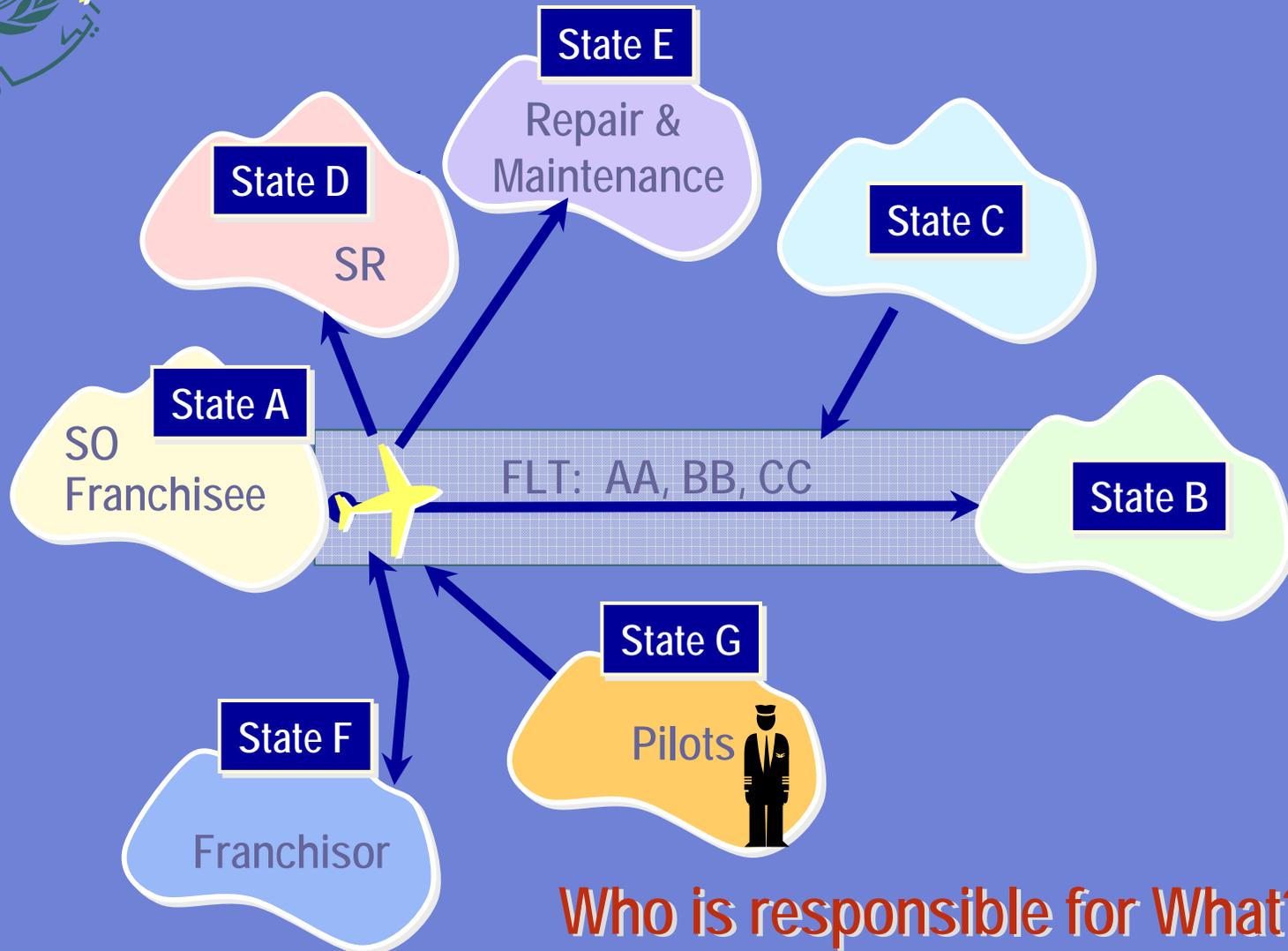# Problem: Split responsibility

**Traditionally**

State A

SR, SO, OPTR
Pilots

**Change**

State A

SR

State B

SO

State C

OPTR

State D

Pilots

# Problem: Complex arrangement
## Codesharing, Franchising, Leasing

State E

Repair & Maintenance

State D

SR

State C

State A

SO Franchisee

FLT: AA, BB, CC

State B

State G

Pilots

State F

Franchisor

**Who is responsible for What?**

# Problem: Multiple places of business

**Cross-border mergers**

$SO_2$

State B

Merged Airline

$SO_1$

State A
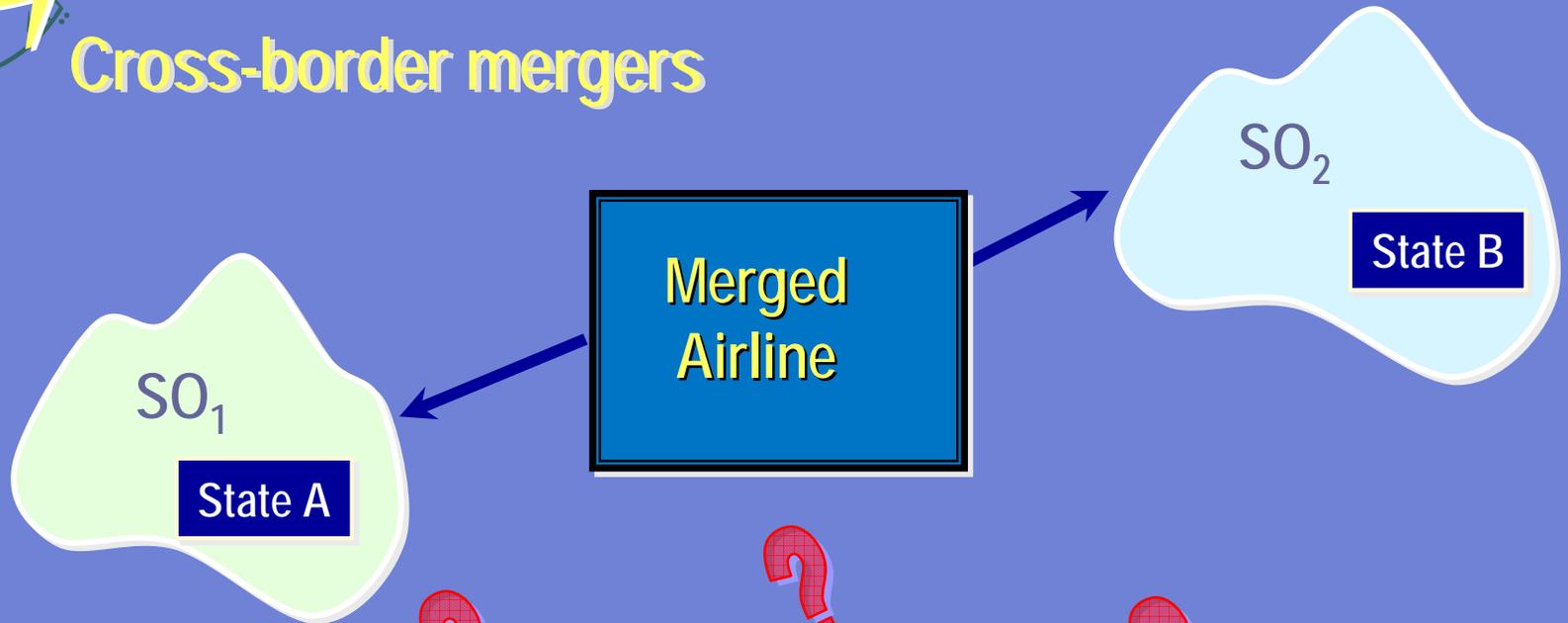
Which is the SO?
Should there be a regional AOC?

# How Do ICAO Rules Fare?

○ **Clearly allocates responsibilities, but leads to fragmentation in some cases**

○ **Fragmentation is not a problem where handled properly, but complicates the accountability for safety oversight**

# How Do ICAO Rules Fare?

- **Compliance with ICAO SARPS is essential**

- **Article 83 *bis* provides a solution when the State of the Operator and the States of Registry are willing to enter in such agreement**

# Conclusions

- Be aware of impact & implications
- Be clear about each party's responsibility
- Fully implement & enforce applicable S/S rules and regulations
- Use Article 83 *bis* to avoid complex situations involving aircraft transferred abroad

# Conclusions

- ICAO Rules generally adequate
- ICAO to improve SARPs and guidance material
- ICAO to assist States improve safety/security oversight

# Update on What ICAO has done

Improving SARPs and guidance material

- Amendments to Annex 6: require aircraft to carry copy of AOC; standardize AOC
- Plan to establish register of AOCs
- A36-6: strengthen surveillance of foreign operators
- Database on aircraft registered in States
- Further work to simplify line of accountability of States

The Study available on ICAO website:

[www.icao.int](www.icao.int)


Thank you!