



WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF)

SIXTH MEETING

Montréal, 18 to 22 March 2013

Agenda Item 2: Examination of key issues and related regulatory framework

Agenda Item 2.3: Consumer protection

LEGAL FRAMEWORK AND IMPLEMENTATION OF AIR PASSENGER PROTECTION PROGRAMME

(Presented by the Republic of Korea)

1. INTRODUCTION

1.1 The protection of air passenger rights has been actively discussed at the 1994 Worldwide Air Transport Conference (ATConf/4) and the 33rd Session of the Assembly held in 2001. Pertaining to this, ICAO Doc 9626 (*Manual on the Regulation of International Transport*) suggests publishing a booklet providing information to air passengers.

1.2 The issue of passenger rights has received increased attention and discussed as follows at ATConf/4 calling for international standards that apply thereto.

1.2.1 In 1999 in the United States, the Airline Customer Service Commitment was founded by the Air Transport Association (ATA) and its member airlines working with Congress and the Department of Transportation (DOT). The Aviation Investment & Reform Act was introduced in 2000 with regard to a number of consumer-related measures.

1.2.2 In 2000, the European Commission proposed new voluntary commitments and enforcement legislation aimed at reinforcing the rights of air passengers. As for voluntary commitments, airlines and airports in the member States of the European Civil Aviation Conference (ECAC) introduced relevant legislations in 2002 covering stronger measures for denied boarding, cancellation of flights and long delays.

1.2.3 To protect the rights of air passengers against check-in rejection, ticket over-issuance and damaged luggage, the Arab Civil Aviation Commission (ACAC) introduced action plans for the establishment of passenger protection guidelines in its competition law and consumer rights. In this regard, ICAO urged the implementation of guidelines on air passenger rights protection.

1.3 Australia, New Zealand, Canada and countries in South America are also considering consumer protection measures.

1.4 The Republic of Korea (ROK) is also witnessing an increase in the variety of services air passengers can choose from because of newly introduced LCCs and the continuous increase in aviation demand; however, as described in Table 1 below, customer complaints filed with Korea Consumer Agency for the past six years have increased 2.4 times to 12,186 compared to the same six-year period from 2007. Also, the number of damage remedy claims made in 2012 increased 2.7 folds compared to 2007.

Table 1: Variation in air passenger complaints:

	2007	2008	2009	2010	2011	2012	Total
Total Flights (A)	386,000	390,000	379,000	404,000	433,000	469,000	2,467,000
No. of Complaints (B)	1,201	1,886	2,218	1,597	2,353	2,931	12,186
Complaints / Total Flights (B/A)	0.31	0.48	0.59	0.40	0.54	0.62	0.49
No. of Claims (C)	148	225	309	141	254	396	1,473
Claims/ Total Flights (C/A)	0.04	0.06	0.08	0.03	0.06	0.08	0.06

1.5 Accordingly, in order to recover the damage that air passengers received from air services more pro-actively, the ROK conducted basic research on the implementation of the Air Passenger Protection Programme from 2008 to 2011. Also, public hearings and model assessments on Air Traffic Service were conducted. In July 2012, legislation protecting air passengers was newly inserted into the ROK Aviation Act.

2. MAIN CONTENT OF AIR PASSENGER PROTECTION

2.1 The purpose of protecting air passenger rights in the ROK is to protect the interests of air passengers by establishing an air passenger complaint compensation plan, inducing voluntary service improvement efforts thorough quality control on air service operators and providing related information to consumers.

2.2 The Air Passenger Protection System of the ROK has three main points, which are as follows:

- a) airport operators and air carriers shall prepare and provide a complaint compensation plan for air passengers;
- b) the government shall establish a service evaluation plan for evaluating service quality; and
- c) the government shall publish and distribute an air passenger report annually to promote the rights of air passengers and improve services.

2.2.1 **Complaint compensation plan.** Air transport service providers (air carriers and airport operators) shall establish compensation relief procedures and a plan to protect air passenger rights with

regard to cancellations and delays, loss and damage of baggage, ticket bumping, delayed refund of cancelled tickets and failure to board due to the lack of necessary information such as boarding gates and flights.

2.2.2 **Air transport service evaluation.** An air transport service evaluation will consist of a quantitative assessment and a qualitative assessment.

- a) the quality evaluation of airport service is classified into: promptness of check-in service, accuracy of cargo handling, airport service convenience and passenger satisfaction; and
- b) the quality evaluation of air carriers is classified into: reliability, safety, compensation for complaints, and passenger satisfaction. The same type of evaluation is conducted for both Full Service Carriers (FSCs) and Low Cost Carriers (LCCs).

2.2.3 **Air passenger report.** The air passenger report shall utilize reliable and objective data obtained from the government, airport operators and air carriers and cover the following items:

- a) data on air service operators and air service demand;
- b) data on inconvenience or damage done to air passengers and related analysis;
- c) air transport service level;
- d) information concerning airlines' safety; and
- e) air passenger protection and air transport service policies of international organizations and other States.

2.2.4 The air passenger report may be used to establish systematic and reliable complaint compensation procedures for air passengers, provide reliable and useful information easily accessible to air passengers, and be a reference for air carriers and airports.

3. **EXPECTED BENEFITS**

3.1 The benefits of the air transport service evaluations are as follows:

3.1.1 In case of air transport service in the ROK, the service levels of FSCs and LCCs have either improved or maintained status quo of the previous years. The evaluation grades of the airlines were all above proposed target. The service quality of domestic and international flights of some LCCs has improved over the previous year.

3.1.2 In case of airport service, all airports subject to the evaluation received "very good" or better grades compared to the previous year.

4. **CONCLUSION**

4.1 The Conference is invited to note the information provided above.

4.2 The ROK's Air Passenger Protection Programme offers the opportunity to more actively resolve air passenger complaints and the inconveniences they suffer, and at the same time allows airport operators to voluntarily improve their quality. The air passenger report also provides passengers with the ability to establish their own standards to apply enabling them to choose better air services. In addition, it can be used as baseline data when the government develops various air transport related policies.

4.3 This Conference is invited to share the information and the system that is the Air Passenger Protection Programme of the ROK.

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