

Achieving Regulatory Convergence

- Introduced by Lt. Col. Egbert Field



“Pathways to convergence”

- **Globalization**
- **Harmonization**
- **Competition**
- **Liberalization**



“Hindrances to Regulatory Convergence”

- **Type of Bureaucracy**
 - **Policy process**
 - **National preference**
 - **Government capacity. *“great powers remain the most important architect in determining the extent of convergence”***
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“Liberalization” in Air Transport speaks to...

- **Favourable environment for air transport to prosper...**
 - **Reduction of State control of international air transport...**
 - **Removal of restriction on market access, capacity and pricing...**
 - **Promoting “Open Skies” Air Services Agreements vs. Traditional ASAs...**
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Some of the Benefits of Liberalization...

- **Improvements in Economic Development**
- **Increased choice for Consumers...**
- **Enhanced services for consumers...**
- **Competitive Prices...**
- **Stimulation of traffic growth**
- **Promotion of airport services**
- **Expansion of airline networks and partnerships**
- **Growth of Low Cost Carriers (LCCs)**
- **Improved trade and logistics**
- **Employment opportunities**



Regulatory Convergence is needed because...

It will:

- Achieve consensus and commonalities amongst States...
 - Improve harmonization of legislation and policies amongst States...
 - Foster collaboration and partnerships with industry-stakeholders...
 - Improve efficiency and effectiveness in services...
 - Push airlines to achieve economies of scale and widen scope...
 - Force airlines to increase network size...
 - Facilitate Consumer protection:
 - Against unfair treatment
 - For compensation
 - Against breach of Consumers' rights
 - Mechanisms for redress
 - Facilitate fair and healthy competition amongst carriers...
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Regulatory Convergence – Fair Competition A Challenge

ICAO Compendium Competition's results suggest that:

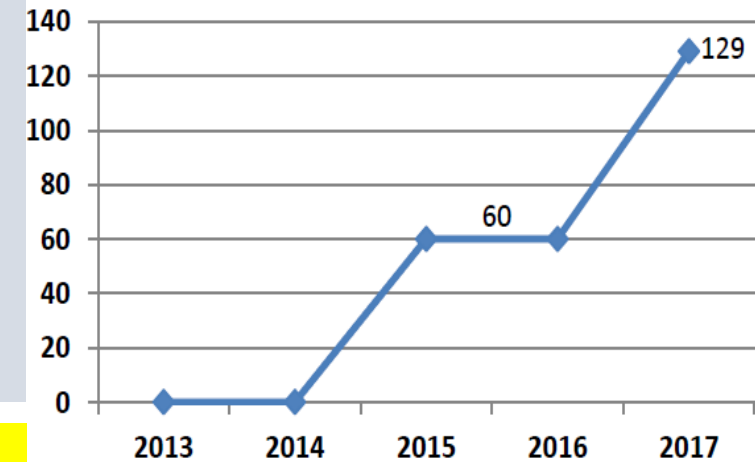
- **31%** of States has broad aviation-specific regulations or policies...
- **42.64%** of States has aviation-specific regulatory practices aimed at addressing competition-related issues...

IT IS EVIDENT THAT THERE ARE CHALLENGES

We can conclude that there is:

- Lack of widespread localized regulatory framework, policies and practices to facilitate **fair competition**, **regulatory convergence**, and **consumer protection**...

ICAO Competition Compendium covered 129 States: 2013-2017



International Tools/Instruments - Consumer Protection Regimes

Montreal Convention (MC99):

- Known as Convention for Unification of Certain Rules for International Carriage by Air
- Establishes airline liability in the case of death or injury to passengers, and in the case of delay, damage or loss of baggage and cargo
- It was signed in 1999
- Amended provisions of the Warsaw Convention and harmonized it to modern conditions
- Introduced a two-tier liability system
- Designed to be a single, global treaty to govern global air carrier liability

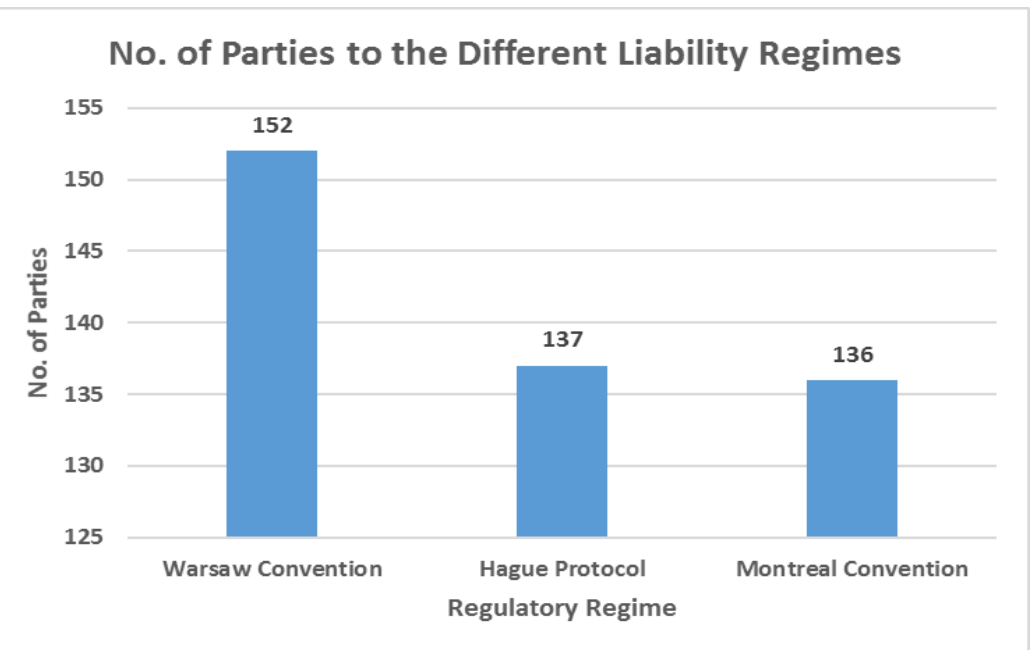
Warsaw Convention:

- Formally known as the Convention for the Unification of Certain Rules Relating to International Carriage by Air
- Signed in 1929
- Established first set of airline liability rules
- Amended by the Hague Protocol in 1955 and in Guatemala in 1975



Conventions & Protocol – State Parties

- Montreal Convention has **136** Parties
- Warsaw Convention has **152** Parties
- Hague Protocol has **137** Parties



Source: IATA

Question of Challenges

Fostering regulatory convergence for “Consumer Protection Regulations” and “Competition Policies” has remained a challenge.

NB. Patchwork of different liability regimes still exist.

We will focus on:

- Examination and the achievement of common tools.
- Policy guidance and best practices for global harmonization.
- Compatibility of regulatory regimes.