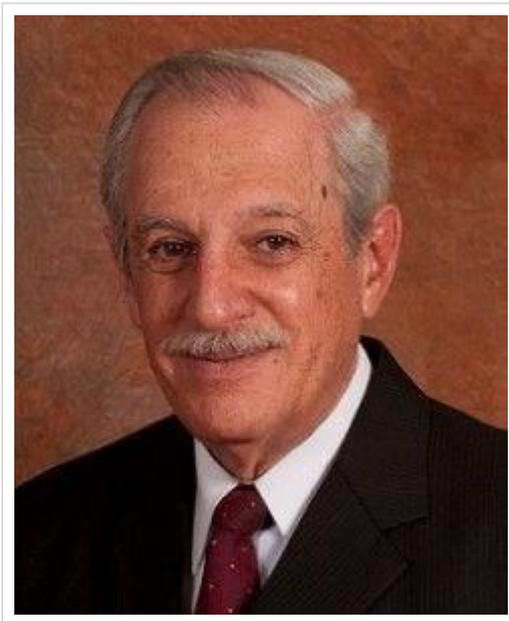


BUILDING A SUSTAINABLE AIR TRANSPORT VALUE CHAIN



Since 2006, Roberto Kobeh González has held office as the President of the Council of the International Civil Aviation Organization (ICAO). Under his stewardship, ICAO has led the aviation industry in tackling a wide range of key international issues such as safety, security, manpower development and carbon emissions. In an exclusive interview with Bridging Skies, Kobeh discusses the need for greater international cooperation on industry-wide key issues and various roles governments and the private sector should take on to successfully advance global aviation.

What are the major challenges facing air transport today and what role do you see for ICAO?

The global air transport system is safer and more secure than it has ever been, given the exponential growth in the number of departures and passengers over the past 70 years. Modern jet aircraft are much more energy efficient and quieter than their predecessors. So one of our major challenges is to maintain and improve upon this remarkable performance. I have no doubt that we will.

A more demanding challenge will be to achieve the overall sustainability of air transport. Beyond safety, security and environmental considerations, it means meeting the needs of the peoples of the world for regular, efficient and economical air transport. This implies providing airlines, airports, air navigation service providers and other stakeholders of the air transport value chain with a reasonable expectation of profitability. Finally, it means supporting competitive economies and promoting balanced regional development.

ICAO has already taken a number of significant steps in this direction. Last year, ICAO approved a new mission statement: “Achieve the sustainable growth of the global civil aviation system”. It also approved a new strategic objective titled “Economic Development of Air Transport: Foster the development of a sound and economically-viable civil aviation system.” This directs us to focus our energies and resources on establishing policies and guidance on air transport regulation, infrastructure management and economics of aviation activities, including consumer protection, taxation, fair competition and user charges. We will also look at facilitating access to funding for aviation infrastructure and financing of the air transport system.

What are the critical success factors that would help ICAO and the global aviation community overcome these challenges?

The most obvious one is cooperation among states and with all other members of the world aviation community. Cooperation is highlighted prominently in the Preamble to the Chicago Convention in terms of helping to promote peace among the nations and peoples of the world. It is a prerequisite to success in all of our future endeavours.

Such global cooperation implies an equally strong commitment to shared responsibility for the achievement of common goals, all aimed at providing the citizens of the world with the safest and most efficient global air transport system possible.

Today, this is more challenging than ever. So another success factor is the willingness to keep an open mind. The world has changed tremendously over the past decades and the rate of change will only accelerate. As I conveyed at the recent 2013 World Civil Aviation Chiefs Executive Forum (WCACEF) in Singapore, company executives and regulators should be ready to question any mindset or outmoded way of thinking that stands in the way of ensuring the growth of a vibrant and responsive industry. This can be very difficult but as we open our minds to new ideas, we will inevitably find solutions that better respond to new realities.

In your welcome address at the WCACEF 2013, you noted that “in a real sense – aviation has always embraced change – and as a community, we have always worked closely together”. Could you give us some examples of the key issues that the aviation community has worked together to resolve?

The most obvious one is technology. Manufacturers, operators and regulators have worked together tirelessly for almost 70 years to ensure that aircraft, air navigation systems, airports, avionics and all other components of the air transport system evolve in the safest and most efficient manner possible, in keeping with the phenomenal growth of air travel. At the same time, we combined our expertise and experience in making sure that the human factors side of the business kept pace with technological developments. Another excellent example is the pooling of resources and resourcefulness with other government stakeholders to protect air transport from terrorist threats, especially after 9/11. With the goodwill of States, we also

resolved a number of commercial and diplomatic issues that might otherwise have hindered the healthy growth of air transport.

I believe that this exceptional level of global collaboration can serve as a model for many other sectors of our global society. Working together will also be key to our future success as we address the huge challenges on the horizon, from globalization and climate change, to commercial sub-orbital flights which are just a few years away. Without cooperation in human affairs, nothing of lasting value can be achieved. With it, everything is possible.

Why is it important to the future growth of aviation to build a globally-harmonised air navigation framework?

By 2030, the number of aircraft departures will double from today's roughly 30 million a year to about 60 million. The only way to successfully meet the airspace capacity challenge this will create is to implement a globally coordinated, coherent and harmonised air navigation strategy. This is what we achieved at the 12th Air Navigation Conference last November. At the heart of the strategy is a revised Global Air Navigation Plan and a bold new initiative called Block Upgrades, which allows us to collectively define the results that technologies must produce in order to safely and efficiently manage future capacity demands. Equally important for both states and industry, it provides planning and investment certainty needed for effective decision-making over the long-term, critical in today's demanding and rapidly evolving global economy. The strategy addresses a major concern – that a number of states and regions are developing their own plans and their own timelines to address airspace capacity issues. Encouraging states and regions to gradually develop their respective systems based on a globally agreed master plan is the most efficient and cost-effective way of reaching our ultimate objective of “one sky” for the world. A more efficient and globally harmonised air navigation system will support the long-term sustainability of air transport.

With the rise in low cost carriers in Asia, the topic of service standards regulations on airlines has come up in the interest of protecting passengers. What are your thoughts on this?

A number of states around the world have adopted consumer protection regulations. I applaud such initiatives because of the positive impact they can have on the quality and the popularity of air travel. The reality, however, is that the number of countries that have such provisions is currently limited and the nature of the protection offered varies considerably. It becomes counter-productive to have different rules for the same international flight, particularly when we do not know which of the regimes applies. It is my conviction that ICAO can and will play a leading role in the development of more convergent regulations, providing increased operational and legal predictability, ultimately benefitting both passengers and operators. I would include in this category the treatment given to persons with some form of impairment. With the aging of the global population, many of whom have time and money to travel, this is especially important for the future growth of air transport and as a key partner in world tourism.

Could you elaborate on “regulate deregulation” as mentioned in your speech during WCACEF 2013?

Generally speaking, deregulation has had a positive impact for the industry and for travellers through a wider choice of destinations, frequencies and fares. It has also created a situation where passengers and various other stakeholders faced unfortunate situations related to airline insolvencies. At the Forum, I put a few tough questions to the participants. Essentially, I asked what the role of governments should be in the case of airlines or other service providers that are not financially viable, or that have collapsed. Should they be allowed to continue operating? Should governments intervene in the interest of passengers and employees when an airline shuts down? These are not easy issues to resolve. After 40 years, the time may have come to revisit deregulation and perhaps we need to regulate deregulation. This is a question, not a statement. In any event, we have a moral and legal responsibility to ensure the long-term development of the industry on a sound economic basis, with high levels of safety and security. We must implement and promote practical regulatory tools that will ensure the application of sound economic policy and good governance for the industry.

What exactly do you hope to achieve at the upcoming 6th Worldwide Air Transport Conference?

My expectations are high. I want the conference to formulate recommendations that will fundamentally transform and adapt the global regulatory framework to the geopolitical and economic realities of the 21st century. That means generating consensus on complex issues like consumer protection, taxation, fair competition and user charges which I mentioned earlier. Others include market access as well as air carrier ownership and control. Profitability must be increased so as to benefit all stakeholders in the air transport value chain if sustainability is to be achieved. The financing of huge investments in airport and air navigation infrastructure is also critical. In many cases, this will involve the private sector, which raises a number of crucial governance questions. We have our work cut out for ourselves at the conference and I am optimistic at the outcome. We have held consultations in many regions of the world to sensitise states and industry on the scope of the agenda and we have incorporated many of their views in the conference documentation. The other reason I am optimistic is that we have to succeed. The future of air transport is at stake.

What role can Singapore and other Asian states play in supporting ICAO’s vision to achieve a sustainable, global air transport?

Singapore has traditionally played a key role in the development of international aviation, both out of necessity due its geographical location and out of a commitment to work with other members of the aviation community to improve the efficiency of air transport in the Asia Pacific Region and around the world. This has been most evident in the areas of training, assistance and cooperation. The upcoming Air Transport Conference from 18 to 22 March will set the stage for major gains by all states in our common pursuit for a globally sound and economically viable air transport system.