



**Keynote address by the President of the Council of
the International Civil Aviation Organization (ICAO), Dr. Assad Kotaite,
to the International Aviation Club**

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It is truly a pleasure for me to be here in Washington, D.C., and to address the International Aviation Club. On 31 July, I will be retiring as President of the Council of ICAO after a 53-year association with the Organization and I appreciate the opportunity to share a few thoughts on the evolution of air transport and the challenges we face in the coming decades.

First, I would like to pay tribute to your great country for the determining role it has played in the creation and success of ICAO. At the invitation of President Franklin Delano Roosevelt, delegates from nations the world over met in Chicago at the end of 1944 to build a strong foundation for international civil aviation. President Roosevelt reminded the 51 nations present that they had been called to undertake a task of the highest importance and exhorted conference participants to "...work together so that the air may be used by humanity, to serve humanity...".

They did just that. They drafted and signed the international treaty we know as the *Convention on International Civil Aviation*, or Chicago Convention. This historic document, which is kept in the National Library here in Washington, D.C., created the International Civil Aviation Organization, a United Nations specialized agency that today has a membership of 189 Contracting States.

The preamble to the Chicago Convention echoes the spirit of the times with the conviction that international civil aviation can greatly help to create and preserve friendship, understanding and cooperation among the nations and peoples, upon which the peace of the world depends. And for more than 60 years, it has done just that.

Another American, Edward Warner, guided the Organization through its crucial formative years until his retirement as President of the ICAO Council in 1957. He was a visionary with extraordinary insight into the potential of air transport to transform the world for the better, through economic, social and cultural progress. His writings seem as relevant and inspirational today as they were when he helped prepare the Chicago Conference of 1944. In 1956, I had the privilege to work under his leadership as a member of the Council representing my native country of Lebanon.

And so, from the very beginning, the United States has been one of the most ardent supporters of ICAO as a global forum for the safe and orderly development of international civil aviation. Through heavy turbulence and calmer skies, your country has enthusiastically shared its expertise and its resources as an active member on the Council of ICAO, the Air Navigation Commission, and as a loyal supporter of all major programmes and activities designed to shape the future course of global air transport.

I consider myself fortunate to have been a witness and an actor regarding the extraordinary evolution of civil aviation in the technological, operational and regulatory areas. I have seen it grow from a fledgling industry during the 1950s to a vital component of our modern global society. I sometimes pride myself for having started my career with the DC-3, overseen regulations for the Concorde supersonic aircraft, and for being able to leave with the Airbus 380 and the Boeing 787 Dreamliner.

During that period, traffic has grown practically every year and the trend is set to continue. According to ICAO's medium-term forecasts just released, global passenger traffic in terms of passenger-kilometres performed will continue to expand – at 6.1 per cent this year, 5.8 per cent in 2007 and 5.6 per cent in 2008, with the airlines of the Middle East region showing the highest average annual growth rate. The airlines of the Asia/Pacific region are forecast to experience fairly strong traffic growth rates, well above the world average. The markets for the European airlines as well as African airlines are also expected to grow at rates higher than the world average. The airlines of North America and of Latin America and the Caribbean are expected to grow somewhat below the world averages. For the longer term, up to 2015, we forecast traffic to grow at an annual rate of 4.4 per cent. In terms of the number of passengers, this is equivalent to about 2.8 billion by 2015.

This positive outlook assumes that we will have been able to deal effectively with major impediments to growth, such as airspace and airport congestion; threats to the security of airline operations, airports, and critical ground installations such as air traffic control towers and communications satellites; the negative impact of aviation on the environment; and, of course, the constant preoccupation with aviation safety.

In today's demanding global context, ICAO will continue to exercise leadership in providing guidance and assistance to its Contracting States and, by extension, to the aviation community at large, in addressing all of these challenges.

In terms of safety, this means promoting an effective synergy between our Universal Safety Oversight Audit Programme (USOAP), our Unified Strategy, and the growing application of Safety Management Systems (SMS) worldwide. These are three key elements of a global safety strategy based on transparency and sharing of information among States and the industry. Let me point out here a milestone decision of the Conference of Directors General of Civil Aviation held at ICAO in March, when DGCAAs agreed to post results from the Organization's USOAP on the ICAO public website at the latest by 23 March 2008. At present, some 76 States have authorized ICAO to publish the information. I believe this will encourage States to correct safety deficiencies that remain in their aviation systems and enable other States and donors to provide more rapid and effective assistance to those that require much-needed financial or human resources.

Our security strategy is based on the ICAO Plan of Action for Strengthening Aviation Security, adopted by the High-level Ministerial Conference of 2002, along with the Universal Security Audit Programme (USAP) currently funded on a voluntary basis by ICAO Member States. The United States is the largest contributor to this Programme, which should be integrated progressively into the Regular Programme of the Organization no later than 2010. In the long term, we must diligently assess new and emerging threats, particularly man-portable air defense systems (MANPADS). We must also continually monitor and upgrade existing security processes to ensure they are commensurate with the level of threat identified; and expedite the clearance of passengers and cargo at airports while maintaining the highest level of security.

Environmental protection is another daunting task. Aircraft today are 70 per cent more energy efficient than they were in the 1970s. However, in terms of noise and air pollution, the sustained growth in the number of flights may negate this otherwise phenomenal achievement. We must pursue our work diligently through the ICAO Council's Committee on Aviation Environmental Protection (CAEP), in close cooperation with the United Nations Framework on Convention on Climate Change (UNFCCC) and other interested parties, so that ever fewer people are affected by aircraft noise and engine emissions. As I have mentioned lately in various fora in Europe, it is highly desirable that consultation take place and/or solutions found well in advance of the next session of the ICAO Assembly.

We have also surged ahead in the field of air navigation services. The 11th ICAO Air Navigation Conference held in 2003 established the future direction for the development of a globally harmonized and seamless global air navigation system, with a Global Air Traffic Management Operational Concept at its core. This blueprint aims at ensuring the safe and orderly development and implementation of global air traffic management that takes into account efficiency, regularity, cost-effectiveness and environmental protection.

As for liberalization of the air transport industry, it can be considered the cornerstone of future growth. Since the mid-1990s, the regulatory structures and objectives of international air transport have been changing toward more emphasis on the enhancement of consumer benefits and competition. Largely under the impetus of the United States, over 120 "open skies" bilateral air services agreements have been concluded amongst 86 States with the evolution of regional blocs and negotiations on a plurilateral level. Several States seek also to liberalize international air transport services, in whole or in part, on a unilateral basis and by allowing more airlines to fly international routes, as well as to accelerate the privatization of government-owned airlines.

Economic liberalization, globalization and commercialization have been bringing about major structural transformation of the operating environment of airlines. The traditional business model of the full-service airline has come under scrutiny, while the low-cost carrier phenomenon has expanded rapidly, not only at the national level but increasingly at regional levels and even beyond. Airline strategy and planning has generally focused more on alliances, consolidation and cross-border equity investments to exploit network-based economies of scale and scope. In addition, E-commerce is being used extensively to minimize intermediary marketing and selling costs.

ICAO's policy on liberalization is clear and contained in the Declaration of Global principles of the fifth Worldwide Air Transport Conference, also held in 2003. It aims to create an environment in which international air transport may develop and flourish in a stable, efficient and economical manner without compromising safety and security and while respecting social and labour standards. The Declaration also promotes equality of opportunity, so that smaller carriers can be active in global markets without prejudice from larger, more dominant carriers.

In retrospect, I would be tempted to say that liberalization and globalization are not new concepts, at least as far as aviation is concerned. While the Chicago Convention of 1944 established legal, technical and operational aspects of air transport, two other agreements dealt specifically with more commercial aspects – the *International Air Services Transit Agreement*, with 123 parties, and the *International Air Transport Agreement*, with 11 parties. These recognized the inherent global nature of aviation. It was globalization before globalization. In a way, the future is now catching up with the past.

And so we have it, the strategy for meeting the enormous challenges that await us. To make it work, to keep turning the dream of 60 years ago into reality, we must demonstrate the same kind of global cooperation that made it possible for us to get to where we are today. Only through global cooperation can we together meet the expectations of the world for the continued growth of what is certainly the safest and most efficient mode of mass transportation ever created.

I could think of no other words more appropriate than those of the Chairman of the Chicago Conference, Adolf A. Berle, Jr. who observed:

"There are many tasks which our countries have to do together, but in none have they a clearer and plainer common interest than in the work of making the air serviceable to mankind. For the air was given to all; every nation in the world has access to it. To each nation there is now available a means of friendly intercourse with all the world, provided a working basis for that intercourse can be found and maintained."

For you and I, this still remains our collective mission, after more than sixty years. We must go forward, not just by toasting the years themselves, but the good things they represent. Even though I retire from ICAO in two weeks, I will never be far away from the world of aviation. It has been my passion and whatever contribution I have been able to make, I owe much of my success to friends and colleagues in this room and around the world, and to the United States. To all of you, thank you for honouring me with your friendship and encouragement through the years. I will think of you always.