

## **Oral Report of the Board of Governors To the 75th IATA AGM**

Akbar Al Baker - Chair

- I have enjoyed the opportunity to serve as Chairman of IATA over the past twelve months and work with my Board colleagues as well as Alexandre and his team
- This morning, I am pleased to report on some of the key areas your association has been addressing since the AGM in Sydney, including those which were discussed in detail during yesterday's meeting of IATA's Board of Governors

### **B737 Max**

- The Board discussed the B737 Max grounding and the importance of achieving fleet re-entry in the safest, most efficient and timely manner as possible.
- The Board noted with concern the suggestion by some industry regulators that the mutual certification process that has served the industry so well should be reconsidered.
- The Board directed IATA to continue to promote the alignment of the state regulatory authorities reviewing the 737 Max while supporting airlines and the industry generally in regaining the public trust in this aircraft.

### **IATA Strategy**

- The Board of Governors approved the new IATA strategy developed by Alexandre and his team in conjunction with the Board's Chair Committee.
- This strategy is designed to enhance IATA's role in helping to shape the future of aviation, with safety and environmental sustainability at the top of our priorities going forward.
- This strategy commits IATA by 2035 to:
  - Help secure the industry's license to grow;
  - Build a strong platform for the industry to best meet the growth in demand; and
  - Support airlines' ability to grow
- This new strategy will form the basis for the 2020 - 2022 IATA business plan, which in turn drives the 2020 budget, including resource realignment.
- We are confident that our association is now well positioned to advance member interests in the face of increasing challenges from governments around the world

## **Consumer Protection**

- Turning to consumer protection, the Board received a briefing on steps that are being taken to address the increasing number of irrational and counterproductive passenger rights measures being pursued by governments at the global, regional and national level
- There is a balance to be struck between rights of passengers and the operational requirements of the airlines. We encourage governments to follow smarter regulations principles when pursuing passenger rights regulations to ensure that they reflect operational realities and do not unnecessarily raise costs for both airlines and their passengers.

## **Passengers with Disabilities**

- On a related issue, IATA and its members are committed to ensuring that all passengers are able to access air transportation services. The number of persons with disabilities who want to travel by air is expected to continue to increase over the coming years.
- The challenge before us is how best to accommodate these passengers safely within the constraints inherent in a modern jet aircraft and in a consistent and respectful manner across the air transportation network.
- The Board directed IATA to promote multi-stakeholder consultations aimed at driving a global and harmonized approach to accessibility, while paying particular attention to some areas that need to be addressed on an expedited basis, including the potential misuse of airline provided wheelchair services.
- The Board recommended that the AGM adopt a resolution setting forth practical principles to support airlines and governments as they work collaboratively to achieve these important accessibility goals.

## **Slots**

- Turning now to the issue of airport slots, the Board reaffirmed its strong support for the Worldwide Slot Guidelines, or WSG, as the only globally recognized, single standard for airport slot allocation and management.
- The Board was pleased to learn that IATA, Airports Council International and the Worldwide Coordinators Association have agreed to work together on slot policy issues and will be signing an agreement today on this.
- To that end, we have endorsed the strategic review IATA and these partners have undertaken to ensure that the WSG remains fit for purpose. That review will be completed by the end of 2019.
- We have also recommended that the AGM adopt a resolution to support IATA's 2019-2021 slot strategy, which focuses particular attention on meeting the needs of consumers and acknowledging the relationship between infrastructure and sustainability

## **Environment - CORSIA, Sustainable Alternative Fuels and Noise**

- Turning to the environment, the Board noted with some concern the increasing rise in sentiment against commercial aviation by some environmental activists. This is in spite of the fact that commercial aviation was the first industry sector to establish firm commitments to reduce its carbon footprint, commitments that were adopted by ICAO at the 2016 General Assembly.
- The Board also viewed with concern the calls to impose new taxes on aviation under the pretext of environmental protection. The Board draws the attention of ICAO and other stakeholders that the resolution adopting CORSIA was based on the premise that it be the ONLY Market Base Measure. In fact the Board draws the attention of all concerned that only CORSIA will have an actual impact on reducing net CO2 emissions, while taxes have no resonance on emissions
- The Board and the commercial aviation industry as a whole remain firmly committed to ICAO's Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA that addresses any annual increase in total CO2 emissions from international civil aviation above 2020 levels. We have recommended that the AGM adopt a resolution restating this commitment and urging all ICAO member states to do the same
- We also encourage ICAO to undertake additional work towards the adoption of a long-term target for international aviation at the 2022 ICAO Assembly.
- A fundamental component of any long-term target will be the deployment of sustainable alternative fuels, which can produce up to 80% less CO2 than fossil derived fuels. The Board therefore directed IATA to undertake an assessment of the relevant policy framework and economic conditions which would be necessary for the supply of these alternative fuels to reach 2% of total aviation fuel supply by 2025.
- Finally, the Board noted with concern that several states have adopted aircraft noise policies that deviate from ICAO's Balanced Approach for Aircraft Noise Management that tailors noise solutions to address specific characteristics of the airports concerned.

## **Baggage - RFID**

- IATA plays an important role in setting the industry standards that allows this global industry to operate seamlessly and efficiently. The Board discussed several of those standards during our meeting yesterday.
- Resolution 753, which was approved by the Passenger Services Conference and became effective in June 2018, introduced four common tracking points to be recorded for all checked bags
- The Board reaffirmed its commitment to the use of Radio Frequency Identification, or RFID, for baggage tracking and recommended that airlines adopt the use of RFID inlays conformant with IATA standards in their baggage labels by January 2020.

- The Board recommended that the AGM adopt a resolution calling for airports, airlines and ground handlers to commence implementation of a RFID-based baggage tracking solution.

### **Cargo - Dangerous Goods**

- Moving to cargo, the Board discussed our growing concern about the safety implications raised by the increase in the incidence of undeclared lithium battery shipments on commercial airlines.
- The Board commends IATA, airlines and their ground handling and forwarding partners who have together educated shippers and government regulators about the need for supply chain compliance to alleviate safety risks.
- While mis-declarations may be due to lack of knowledge on the part of the shipper, our primary concern is the increasing number of counterfeit batteries being shipped that are not manufactured in accordance with applicable safety standards.
- The most effective way to fully and effectively address this safety issue is for governments to identify and destroy the problem at its source, well in advance of these items entering the supply chain.
- The Board directed IATA to undertake several new initiatives to address this growing safety risk, including a system for incident information sharing, an increased regulatory campaign to promote supply chain compliance and the use of the IATA Dangerous Goods AutoCheck tool that increases compliance of declared dangerous goods shipments.

### **Travel Facilitation - One ID**

- The Board also reviewed progress on the IATA One ID program, which aims to introduce standardized and robust identity management and biometric recognition in the passenger process.
- The vision of One ID is secure, seamless and paperless passenger travel, from booking to luggage retrieval using biometrics rather than passports or other forms of traditional identification.
- The Board asked IATA to be proactive in the management of privacy issues related to this initiative.
- The Board recommended that the AGM adopt a resolution calling on government authorities, member airlines and airports to urgently collaborate to make this vision a reality.

## IATA

- Finally, the Board reviewed the report of its Audit Committee and the financial statements of IATA. I am pleased to report the Association continues to enjoy a sound financial position with a debt free balance sheet and effective internal controls and processes.
- This concludes my report on the actions taken by your Board yesterday. I am pleased to be succeeded as chairman by Carsten Spohr who I know will do a great job.
- I will now turn it back to the AGM president and propose that this report be adopted by the AGM.