



## **SAN JUAN ACCORD**

### **Memorandum on the Regional Air Transport Sector - Looking for a Better Way**

**El Condado Plaza Hotel – San Juan, Puerto Rico**

**Friday 19<sup>th</sup> of October 2007**

#### **Preamble**

Ministers with responsibility for Tourism and International Transport of member countries of the Caribbean Tourism Organization (CTO) met under the chairmanship of Senator the Honourable Allen Chastanet in San Juan, Puerto Rico on Friday October 19<sup>th</sup> 2007 to discuss proposals for restructuring the regional air transport sector in order to offer the best prospects for safe, secure and sustainable air services in the Caribbean consistent with their Governments' long term economic development objectives.

The Ministers along with civil aviation and tourism officials, select regional airline executives and representatives of relevant regional and international institutions focused particularly on measures aimed at improving the management of international and intra-regional air services in order to maintain and improve the vibrancy and competitiveness of the vital tourism sector while promoting greater business, social and institutional integration in the region.

Ministers received presentations from the Head of the European Delegation to Barbados and the Eastern Caribbean (EU), and representatives of the International Air Transport Association (IATA), prior to consideration of the working document from CTO entitled "A Proposed Policy Regime for Ensuring the Sustainability of the Caribbean's Air Transport Services Sector".

The primary rationale for the deliberations was recognition of:

- 1 The critical importance of the tourism sector to all Caribbean economies;
- 2 The inescapable link between tourism and air transport;
- 3 The region's declining global tourism market share;
- 4 The escalating cost of regional air travel; and
- 5 The reduction in intra-regional tourism arrivals.

### **General Conclusions**

Following intense discussions, Ministers noted:

1. The many previous recommendations on regional air transportation solution, which have not been implemented, and the ongoing process in the Caribbean Community (CARICOM) to liberalize air transport services and harmonize aviation safety and security measures pursuant to obligations emanating from the Revised Treaty of Chaguaramas;
2. The need for a single CTO-wide policy or harmonization of policies on air transportation;
3. Air transport solutions are crucial to tourism and general business development and a regional approach would be much more effective, far-reaching and sustainable;
4. The need for the requisite financial support and specialized technical resources to examine and implement the accepted proposals.

## **Proposals**

Accordingly, the Ministers pledged to work towards the realization of the following:

- I. Accelerating the revision of the CARICOM Multilateral Air Services Agreement (MASA) and related liberalization of regional air transport sector, with a view to completion and implementation by **September 30<sup>th</sup> 2008**;
- II. Convening of a Forum of CTO Tourism Ministers and Ministers responsible for Air Transport, National Security and other related matters to examine ways and means of harmonizing air transport policy in the context of the sustainability of Caribbean tourism. This Forum should be convened no later than **February 15<sup>th</sup> 2008**, preceded by a meeting of a Technical Group to prepare a Working Paper for consideration of the Ministers with respect to the principles and components of such a policy;
- III. Establishment of a CTO-wide umbrella policy for air transport within the framework of the existing Association of Caribbean States Multilateral Air Transport Agreement or other mechanism taking account of the obligation of CARICOM member states under the Revised Treaty of Chaguaramas;
- IV. Intensified efforts towards the creation of a single regional air space within sub-regional groupings such as CARICOM by **September 30<sup>th</sup> 2008** and extending this air space to the wider Caribbean, as feasible;
- V. Urging the Regional Aviation Safety Oversight System (RASOS) or successor agency to consider the feasibility and procedural requirements of creating a single regional air space (at IV above) in accordance with International Civil Aviation

- Organisation (ICAO) policy, cognizant of the disparate structures for the delivery of air navigation services in the region;
- VI. Further liberalization of, where required, Air Service Agreements (ASAs) with key international partners such as the EU and the USA;
- VII. Reinforcing measures to facilitate the movement of international and intra-regional passengers in the Caribbean. Such may include a common ED Card, regional travel card, harmonized visa policies and streamlined customs and immigration procedures;
- VIII. Promoting in association with existing regional airlines, enhanced functional cooperation geared towards improving the efficiency of those airlines and *ipso facto* their profitability and reduced dependence on Governments' financial and other support;
- IX. Encouraging the simplification of the air transport operations by embracing new technologies, as proposed by IATA, which would contribute towards greater efficiency, improved customer service and cost savings. Such should include interlining, e-ticketing, Common Use Self-service Solution (CUSS) and Bar Coded Boarding Passes (BCBP);
- X. Undertaking a study on the competitiveness of the Caribbean's air transport sector for the consideration of the Forum of CTO Tourism Ministers and Ministers responsible for Air Transport, National Security and other related matters, taking account of work of a similar nature being undertaken by other agencies in the region. This Study should consider the cost and pricing structure on 'parallel' routes served by those carriers that serve the region. The study should be completed no later than **May 31<sup>st</sup> 2008** and should examine, inter alia, taxation, user charges, pricing structure, fees applied to air transport and the optimization of existing hubs as well as the creation of new strategic hubs.

### **Resources for implementation**

The Ministers were pleased to accept and agree to:

- 1) The offer of IATA to undertake the said study (at X above) and to work actively with the respective countries and the region as a whole in realizing the objectives outlined above; and
- 2) The offer of the EU to commit financial resources under the Caribbean Regional Sustainable Tourism Development Programme (CRSTDP) to support the aforementioned implementation activities, as required.
- 3) The directive for the CTO, through the CRSTDP, to designate an official who would be specifically responsible for coordinating and overseeing the implementation of the aforementioned agreed proposals.