



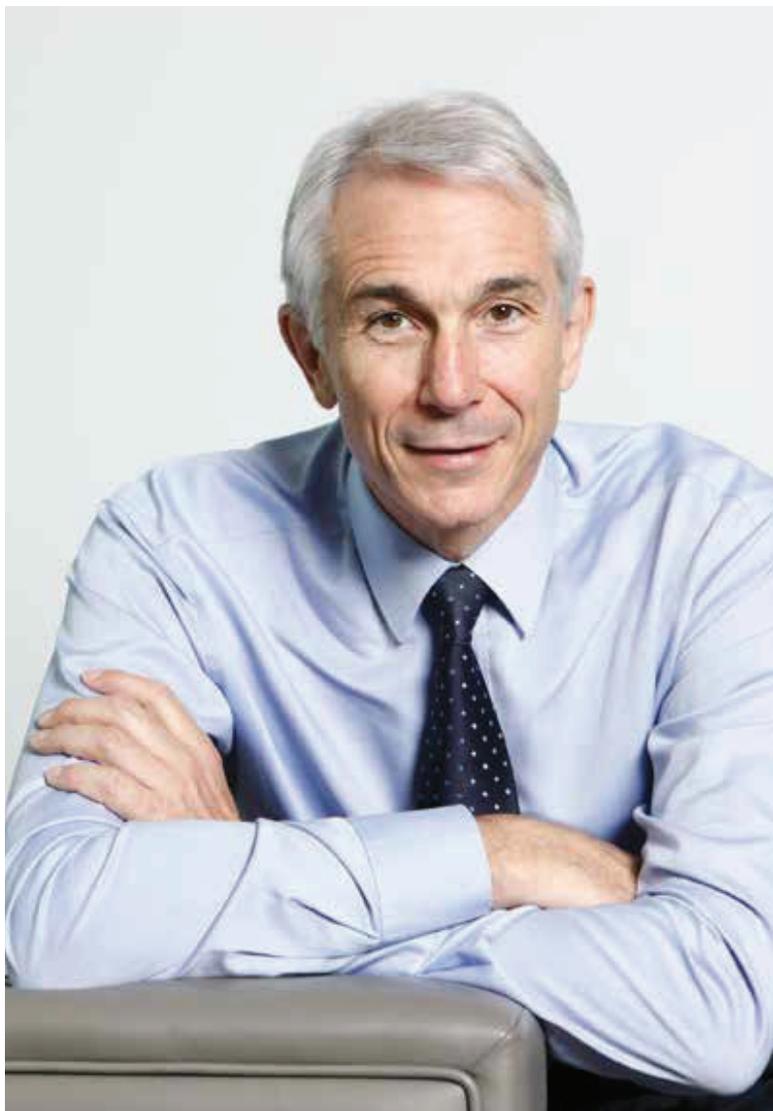
“COMMON VISION, COMMON GOALS”

An Interview with Tony Tyler, Director General & CEO,
International Air Transport Association (IATA)

 Oxford University-educated British national Antony (Tony) Tyler has broad international working experience in Australia, Canada, Hong Kong, Italy, Japan, the Philippines, and the U.K.. Before taking on the role of Director General and Chief Executive Officer of the International Air Transport Association (IATA) in July 2011, he was Chairman of the organization’s Board of Governors.

Tall and affable, Tyler built his career at John Swire & Sons in Hong Kong, a diversified group whose holdings include Cathay Pacific Airways and Hong Kong Aircraft Engineering. Joining Swire in 1977, Tyler eventually rose to become Chief Executive of Cathay Pacific in 2007.

At IATA, he works from both its headquarters in Montréal, Canada and executive office in Geneva, Switzerland. Tyler is a Fellow of the Royal Aeronautical Society (FRAeS).



On a typical gray day in Geneva, Switzerland, ICAO Journal editor Rick Adams met with Tony Tyler in his office overlooking the runway at Genève Aéroport to discuss IATA's view of industry challenges such as safety, security, and the environment. This is the first of a new series of interviews with world aviation leaders.

EDITOR: What do you regard as the most challenging issues facing airlines and the aviation industry today, and what actions is IATA taking to resolve them?

TONY TYLER: I think the most important priority for everyone in the industry is always, of course, safety. It's a key area where ICAO and IATA work very closely together.

IATA's flagship safety product or service is IOSA [IATA Operational Safety Audit], which is undergoing something of a change at the moment into what we call Enhanced IOSA. You could criticize it as a concept in that originally it was a two-year audit and therefore was a snapshot in time, with no mechanism to monitor adherence to the

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IOSA standards between audits. The new Enhanced IOSA has an element of continuous assessment and quality assurance to make sure that standards are kept up through the whole audit period.

It's not only all the 250 IATA members who are on the IOSA Registry; we have another 150 or so non-member airlines who are on the Registry because they recognize the value or that value is recognized by regulatory authorities who use it to enhance their own safety regimes. I think it's a good example of how IATA is filling a wider role, not simply a group that's looking after its own members. We do see our role particularly in the area of improving safety in a much broader perspective.

Another thing we're doing is taking a big data approach to safety management with our Global Aviation Data Management (GADM) project, which now has input from some 470 different organizations. We're pulling together databases of the operational experience of airlines, air navigation service providers (ANSPs), airports, really any partner in the operational chain that can present data in an organized way that we can feed into the database.

Aviation has become very safe because whenever there is an incident it gets investigated very carefully, objectively, and thoroughly, and then the lessons learned get applied into a newer and better way of operating. And that's served us very well, and that system needs to remain in place. But now with the sort of IT power that exists we have the ability to get the right data organized in the right way to make predictions rather than rear-view mirror assessments. We must continue to learn from any accidents or incidents but if we can learn from the data about what could happen in the future, then prevention is much better than cure.

The financial health of the industry is also a hugely important aspect of business. Without financial sustainability, the industry certainly wouldn't grow. We had a good year last year, relatively, but even in a good year airlines made just under 20 billion dollars profit, which is just a little more than what Apple made in Q1 FY15, so one company is making more in a quarter than a whole industry is making in a year. IATA is doing its bit to help. We work hard to improve the efficiency of processes through programmes like our Fast Travel, which is all about self-service, a double win because passengers want to serve themselves – a bit like internet banking and ATMs, the way people want to interact with their banks. Self-service is very much the way forward in this industry too.

Another thing is working with partners in the value chain. I'm thinking particularly of airports and ANSPs to drive more efficiencies and in some cases a slightly fairer share of the pie to make sure that airlines aren't having to pour money down the drain unnecessarily, which I'm afraid all too often they have to when it comes to buying these kinds of services.

EDITOR: At the ICAO High-Level Safety Conference earlier this year, an approach to airline flight tracking was adopted. With the tracking system as envisioned, how might that change scenarios such as MH370?

TONY TYLER: I think on tracking what's been agreed is a sensible approach. MH370 was an extraordinary event. It was a shock to just about everybody that a plane could go missing like that, while the average man on the street can track his iPhone. Why don't we have a more robust system to track a large aircraft? What we're talking about here is tracking of aircraft in very remote parts of the world and over oceans where there isn't coverage and indeed where your iPhone would be out of reach as well.

Nonetheless, there emerges a strong expectation that we take action. Sometimes such "political" pressure can lead to hasty decisions which are later regretted. In this case, I think that the ICAO safety conference brought us to a reasonable balance. The big step is implementation measures, and I was pleased that this implementation initiative that ICAO's leading in the Asia-Pacific region will be an opportunity to make sure that what's being proposed will actually work in practice. We'll play a very active role in that, I hope. Everybody's got their eyes on space-based, ADS-B [automatic dependent surveillance – broadcast] in particular, which could come on line in the fairly near future, and really could be the silver bullet for this problem.

EDITOR: Another topic of extensive discussion at the HLSC was overflights of conflict zones. In a world where new conflicts pop up overnight, how do we move forward for airline safety?

TONY TYLER: It's good to see that ICAO is taking the lead on this because ultimately it's about sharing of information between governments, which is very much ICAO's area, and of course IATA will do all we can to support it. I think we all know there isn't a perfect system. There are plenty of conflicts around the world today, sadly, and again we are asking ICAO to pursue through the United Nations system the development of a legal mechanism which would help to control the design, manufacture, and the deployment of weapons capable of bringing down aircraft in the same way that there are international laws covering other weapons like landmines, nuclear weapons, other forms of warfare. It's perhaps time that this particular risk is recognized and managed at an international legal level.

Airlines need to make informed risk assessments. And they're doing that every day in every aspect of their operations. Airline managers can do a good job provided they've got the right

information, and I think that's where ICAO has a very important role to help provide that information to those who are best placed to use it.

EDITOR: Recently there have been some high-profile accidents. What needs to be done to continue to improve aviation safety and reassure the public?

TONY TYLER: It's important to remember there are also 100,000 flights a day for 365 days that were taking off and landing safely. I think the public does have confidence in the safety of the industry – we expect some 3.5 billion passengers to board aircraft this year, and we must continue to earn that confidence by making safety the top priority.

Asia certainly grabbed the headlines, and not in the way they would have wanted to. It's a rapidly growing region, a huge promise to the future of the industry. But you can look at China as a good example of how growth can be managed while improving safety. Thirty years ago, maybe even twenty years ago, Chinese aviation had a reputation for being well behind global safety standards; now it's almost leading the world. Clearly oversight is critical.

“Air connectivity enriches the world: materially, socially, culturally.”

EDITOR: Another issue for the traveling public is what is perceived to be not only increasing layers of security but more intrusive measures at airports. What initiatives is IATA driving to streamline passenger processing while enhancing safety against emerging threats?

TONY TYLER: IATA is all about global standards and that applies to our approach to security as well. What I think passengers find disconcerting is that standards differ so much from one place to another. There should be more standardization and there should also be more mutual recognition of each other's security standards so passengers making connecting flights don't have to go through the rigmarole several times on one itinerary. In the long run, the answer to the security problem and the problem of facilitation is risk-based security. The system can just about cope with volumes at the moment and certainly we're not going to be able to cope with the volumes of the future unless we take a new approach. So the idea of combining a more risk-based approach with new technology that enables screening without all this disrobing and unpacking is the way forward. Just a recognition

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that not all passengers pose the same risk and that if we're looking for a needle in a haystack – and that's what we're doing – it's a lot easier to find the needle if the haystack's a lot smaller.

Security is essentially a State problem. When there is an attack on an airline they're not attacking because it's that airline; they're attacking that airline because they want to get at the State; they want to get at the people, they want to get at the country involved. I think this brings home the important point that it's a government responsibility to ensure the safety of its citizens and its facilities, and governments need to recognize that of course the airlines will do all they possibly can to assist and cooperate. When it comes to paying for all this, governments need to step up to the mark.

EDITOR: Last year the industry celebrated the 70th anniversary of the Chicago Convention. Certainly ICAO's role in civil aviation and collaboration with regulatory authorities and independent organizations such as IATA have evolved. How do you see ICAO's role in the coming years?

TONY TYLER: We've been partners since the beginning, or almost the beginning. We're celebrating our 70th anniversary this year. I think our work is very complementary – for example we have IOSA, ICAO has USOAP [Universal Safety Oversight Audit Programme]. We're tackling the environment issue very much together. And ICAO represents the governments that have regulatory authority over our industry, and our role is to support them in their efforts. I think we share a very common vision, common goals. Both ICAO and IATA focus on safe, efficient, sustainable development of air connectivity because it is such a critical component of the global economy and because connectivity enriches the world – it enriches it materially and it enriches it socially and culturally. And I think all the people in ICAO and people in IATA and the whole industry understand and do share a common vision, I think, of a globally interconnected world. I think it's partnership that's taken us this far. We have to continue that.

IATA has access to enormous expertise on the operational side, and that can help ICAO fulfill its role, which is to guide governments in the regulation of this activity. Of course, we're committed to making that expertise available whenever it's helpful or required, and do so through direct participation in ICAO technical and governance bodies. I must say we do have an excellent relationship with ICAO. The fact that we're across the

street from one another in Montréal is hugely beneficial to both organizations and to the industry as a whole. The IATA people who need to work with their ICAO counterparts have excellent relationships and an open-door access to them, which works all the way from the getting-things-done level working experts right up to the top.

Their hearts are in the right place and they seem to be pragmatic. When I arrived in this job, I'd seen ICAO from quite a distance. I was told ICAO can't work as fast as some would like. It's an inter-governmental organization, and that's only to be expected, but it's not a problem. One has to have a sense of expectations in how quickly ICAO can deliver things, and certainly the Secretariat and the Council members, I think, are always motivated to doing things well and doing things fast, but you recognize it's a big organization. We've got 250 or so members in IATA and sometimes getting everybody to sing from the same hymnbook is a challenge. I've only got commercial companies to deal with; they've got governments, and whenever governments are concerned, politics comes into it. I think the Secretariat and the Council together do a pretty good job of handling these issues.

EDITOR: The Chicago Convention established a fine balance between the sovereignty of States over their skies and the access airlines needed to realize a global industry. Is that balance still appropriate seven decades later or is it becoming an impediment to a more profitable and sustainable airline sector?

TONY TYLER: If you look at how the industry's structured, the Chicago Convention has served the industry well for some 70 years. The Chicago Convention is here to stay and nobody's suggesting it should be changed. But the industry is changing all the time. We've got very different structures in 2015. In 1944 most airlines outside North America, although not all, were extensions of government in one way or another. It's now a very commercial business. There's a lot of private capital in it. And then we've got things like alliances and joint ventures and franchises and operating leases – all these things are very different from the world that the Convention and ICAO were set up to manage. But despite that, they're both still relevant in that changing environment, and ICAO has adapted to it.

When it comes down to economic arrangements, traffic rights in particular, those are decided bilaterally as a consequence of the

way the system is set up and the governments have the capability to find solutions to most problems within those bilateral negotiations.

If we look at Europe, the creation of the Single Market for air transport was visionary and has been hugely successful. And it's encouraging a focus on opening markets in various parts of the world. The ASEAN nations are taking a staged approach to liberalizing their skies. We're also seeing it within Africa, but we've heard that before. We hope very much this time there will be some follow-through on the Yamoussoukro intentions. And within Latin America we're seeing strong regional cross-border brands and networks already developing. These are helping airlines to adjust to modern commercial realities and exploit modern commercial opportunities. Things are always evolving but within the framework of Chicago. The most important element of the Chicago Convention is the whole idea of sovereignty, and I don't see that changing.

What industry needs is clear rules and have those rules applied fairly. Look at where we've come from; you can see enormous progress and the way forward is inevitably in the direction of more competition, more open markets, because that's what drives benefits to consumers in the end and it's consumers who vote with their wallets as well as at the ballot box.

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EDITOR: Airport expansion and development faces complex issues of air traffic congestion, noise, CO₂ emissions, funding, and market competition. The process sometimes seems haphazard around the world.

TONY TYLER: I think impediments to growth are more infrastructure based. Sitting here in the middle of Europe, one is particularly aware of the political difficulty of building runways, and the unnecessary airspace congestion and high costs. The Single European Sky moves forward at a snail's pace due to vested political interests and expanding or building an airport could take decades. There are similar issues in other parts of the world, but there's more political will to do things about it.

One example is Bogota airport in Colombia. The airport is one of the fastest growing in Latin America in recent years. The authorities recognize if they want to keep that growth going – and it's hugely important for development of the local economy – then they need to improve airspace management. And IATA is leading a project to improve significantly the airspace management. It would be nice to see that frame of mind have more practical application in Europe too.



EDITOR: Next year is critical for aviation and the environment with the anticipated ICAO market-based measures (MBM) proposal. How do you see prospects for global general agreement and implementation of a common framework?

TONY TYLER: We're playing a very active role in supporting the work of the Environment Advisory Group (EAG) and are pleased with its progress. We're working hard within that group to do all we can to support a positive outcome and try to develop a global market-based measure that's appropriate, effective, and workable, and one that will help us meet our commitment to carbon neutral growth from 2020.

Ultimately it's up to governments to decide through the ICAO process. I think we've been successful up to now in clearly demonstrating that our industry is committed to improving its environmental performance, based on an impressive track record of fuel efficiency improvements. No other global industry has committed to the ambitious goals and targets that we've laid out as a sector. I'm confident that with the efforts of ICAO and of course the Member States of ICAO we can maintain a leadership position for aviation in the environment debate.

There are going to be challenges along the way. As far as the Assembly in 2016, what we in the industry want to see coming out of it is a global agreement to a well-designed market-based measure, based on carbon offsetting, simple to administer and minimizing the risk of competitive distortion. ■

More information on IATA can be found at:
<http://www.iata.org>