



Government of Bermuda
Ministry of Economic Development

Ministerial Statement
To the House of Assembly
By
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Minister of Economic Development

Aviation Policy Consultative Conference

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Mr. Speaker, I wish to inform this Honourable House of an aviation conference that I attended with the Permanent Secretary of the Ministry of Economic Development. His Excellency the Governor also attended as part of his responsibility for oversight of the Department of Civil Aviation.

We were invited by the Rt. Hon. Simon Burns, MP; the Minister of State for the Department for Transport (DfT) in the UK to attend the inaugural Aviation Policy Consultative Conference or APCC. The conference was held on Thursday, May 16th at the DfT headquarters in London.

Mr. Speaker, the UK prepared a White Paper in 2012 which highlighted the importance of a safe and prosperous aviation industry to the growth and economic development of the Overseas Territories. Air Safety Support International (ASSI), is a subsidiary of the UK Civil Aviation Authority which supports the development of air safety regulation and provides safety assurance. Last year the ASSI Board commissioned an independent review of ASSI's governance arrangements.

Mr. Speaker, one of the results of the review was the establishment of two new forums. The first forum, the OT Safety and Performance Council, is a working level group involving the regulators which will focus on technical issues. Our Director of Civil Aviation, Mr. Thomas Dunstan, will be attending these meetings.

Mr. Speaker, the second forum, is the Aviation Policy Consultative Conference. This is the conference we attended. This comprised a strategic group to consider high level aviation policy issues. This brought together several OT and Crown Dependency Ministers, Governors and high level Civil Servants.

The Governors of Bermuda, Anguilla, BVI, Falkland Islands, Montserrat and Turks & Caicos were in attendance as well as Ministers from each of those islands as well as Guernsey and the Isle of Mann. There were also senior representatives of Cayman, Gibraltar and Jersey.

The UK was represented by Rt. Hon. Simon Burns, MP; the Minister of State for the Department for Transport and a large delegation from the DfT International Aviation, Safety & Environment Division (IASSED). Mr. Adam Simmons is the Chair of that Division and he was the moderator of the forum.

Mr. Speaker, the conference covered a wide variety of aviation related topics, including, Aviation Emissions Trading, ASSI Governance, UK Policy on Offshore Aircraft Registers, the Provision of Accident Investigation Services by the Air Accidents Investigations Branch (AAIB), and Local Charging Schemes for Regulatory Services. However, the most pertinent topic that we advocated for was the ratification of the Cape Town Convention by the UK and its extension to the Overseas Territories.

Mr. Speaker, the Cape Town Convention is a treaty establishing international rules covering property rights of mobile equipment, such as aircraft and aircraft engines. The UK signed the Cape Town Convention in 2001, but needs to ratify the Convention for it to take force.

UK Department for Business Innovation and Skills (BIS) is leading on work to ratify the Convention and the associated Aircraft Protocol. BIS issued a Call for Evidence which closed in October 2010, to which Bermuda, along with the Cayman Islands and Falkland Islands responded.

Without ratification, the UK cannot extend the benefits of the treaty to Bermuda and other OT's. Other countries, including the Netherlands, have ratified the treaty and extended it to their territories. Consequently we are at a strategic disadvantage to the Netherlands Antilles, such as Aruba, which openly markets ascension to the Cape Town Convention as a sales pitch for their registry.

Mr. Speaker, put simply the intent behind the Convention is to facilitate the acquisition and financing of aircraft. It provides mechanisms that clarify priority and security interests over international assets. The Convention also seeks to provide creditors with a range of remedies for enforcement of their rights or interests including means for swift interim relief, at times without the necessity of judicial intervention. The Convention seeks to provide financiers, lessors and creditors in the aviation market greater confidence when granting credit. In practice it has also had the benefit of lowering cost of financing due to decreased credit risk.

Mr. Speaker, as mentioned in the Throne Speech, the development of our Aircraft Registry is an important component in our economic mix. We will continue to advocate for favourable treatment and work to get our registry back on a strong footing.

Thank you, **Mr. Speaker**.