

Save us the shame FAA action against CAAB and Biman

I refuse to believe that an airline cannot run profitably being state-owned. There are airlines in the Middle East and Southeast Asia that are completely state-owned and are performing exceptionally well, not because they have plenty of funds at their disposal, but because they are run by management which has experience in the industry and which is free from all unnecessary government intervention.

IMRAN ASIF

APRIL 8: Biman Bangladesh Airlines inaugurates, amidst great fanfare, its new route to New York replacing Brussels with Manchester as the en-route stop-over. The State Minister for Civil Aviation & Tourism and the Managing Director of the state-owned airline, along with other senior officials from CAAB and Biman flew on the inaugural flight to New York. The information released to the press said the revised route would minimise losses of operating the New York-bound flight, and enjoy greater load factors, thanks to the large number of Bangladeshi expatriates living in and around Manchester.

April 21: The International Aviation Safety Assessment (IASA) Program carried out by the United States Federal Aviation Administration (FAA) lists the Civil Aviation Authority of Bangladesh (CAAB) in Category 2 (I will go into the details of this later; in short it means that the CAAB does not meet the International Civil Aviation Organization's minimum safety standards).

April 22: Biman reverts back to its New York flights through Brussels. The State Minister says to the local media that the unexpected regulatory intervention by the FAA has forced Biman to revert to its previous routing, and if the FAA does not

allow Biman to operate the flight through Manchester, he would have no choice but to stop the New York service since he finds no point in operating the flight through Brussels incurring huge losses.

It is not new for Biman to put its passengers in trouble. If you can recall the not-so-distant instances of how it handled the 2005-2006 Hajj operations, or how it left over 200 people stranded at Brussels airport with no food for about 2 days, you would know what I am trying to say.

The airline had launched the new service through Manchester, inconveniencing the expatriate Bangladeshis living in the US because now they would have had to obtain the transit-visa for UK to come to Bangladesh by Biman, which was not required when the flight operated through Brussels.

And now, following the FAA restrictions, they have reverted back to Brussels, but the State Minister is saying he would rather drop the service than operate it through Brussels. Well, with the prices of fuel skyrocketing and the DC-10-30 costing well over \$10,000 to fly every hour, coupled with the long-overdue debt of over Tk 1,000 crore with the Bangladesh Petroleum Corporation for jet fuel, the Minister perhaps had no option but to issue the pre-emptive message.

But that is not all. Let me shed some light on what the Civil Aviation

Authority of Bangladesh (CAAB) is up against. The US Federal Aviation Administration (FAA) lists the CAAB in Category 2 of the International Aviation Safety Assessment (IASA) Program.

The IASA Program, established in August 1992 by the FAA, focuses on a country's ability, not the individual air carrier, to adhere to international standards and recommended practices for aircraft operations and maintenance established by the United Nation's technical agency for aviation, the International Civil Aviation Organization (ICAO). The assessment has two ratings: Category 1 that complies with the ICAO standards, and Category 2 that does not comply with the ICAO standards.

Being listed as Category 2, it means that the FAA has assessed the CAAB and determined that it does not provide safety oversight of its air carrier operators in accordance with the minimum safety oversight standards established by the International Civil Aviation Organization (ICAO). The rating is applied if one or more of the following deficiencies are identified:

1. The country lacks laws or regulations necessary to support the certification and oversight of air carriers in accordance with minimum international standards.

2. The CAA lacks the technical expertise, resources, and organization to license or oversee air carrier

operations.

3. The CAA does not have adequately trained and qualified technical personnel.

4. The CAA does not provide adequate inspector guidance to ensure enforcement of, and compliance with, minimum international standards.

5. The CAA has insufficient documentation and records of certification and inadequate continuing oversight and surveillance of air carrier operations.

Category 2 includes two groups of countries: one whose air carriers have existing operations to the US, and one whose air carriers does not. CAAB of course belongs to the former group, thanks to Biman's "prestigious" New York service.

The result definition of the IASA Program clearly states that: "While in Category 2 status, carriers from these countries will be permitted to continue operations at current levels under heightened FAA surveillance. Expansion or changes in services to the US by such carriers are not permitted while in category 2, although new services will be permitted if operated using aircraft wet-leased from a duly authorised and properly supervised US carrier or a foreign air carrier from a category 1 country that is authorised to serve the United States using its own aircraft."

This means that after CAAB was listed in Category 2, Biman could

have continued the New York service through Brussels. Instead, Biman decided to change the route and began operating the flight through Manchester replacing Brussels, without prior permission from the FAA or complying with the obligatory rules, and now allegedly faces a penalty by FAA amounting between \$400,000 to 800,000. Has the Ministry attempted to find out what the Flight Safety & Operations divisions of both CAAB and Biman were doing while all this was happening?

Traditionally, deputed senior officials from the Bangladesh Air Force (BAF), assuming that they would know best about the commercial aviation industry (!), spearhead CAAB management. Of all the other countries listed in Category 2 of the IASA, Bangladesh has the highest number of international airlines operating into the country, and possibly the highest inbound and outbound air traffic. The other countries in the exact same category and group as Bangladesh are Bulgaria, Cote D'Ivoire, Ecuador, Ghana, Guatemala, Guyana, Nauru, Serbia & Montenegro, and Ukraine.

Now that the CAAB is listed in Category 2 of the IASA, it directly questions the competency and capability of the entire management of CAAB and in particular that of the Chairman, the Director of Flight Safety, and the Director of Operations. What actions, if any, will the Ministry of Civil Aviation & Tourism take against the evidently incompetent management of CAAB that has caused such disgrace for the whole nation?

As for Biman, the organisation has seen about a couple of dozen



Managing Directors in about thirty years of its operation as an airline, most of whom have never had any experience in the industry of commercial aviation. I refuse to believe that an airline cannot run profitably being state-owned. There are airlines in the Middle East and Southeast Asia that are completely state-owned and are performing exceptionally well, not because they have plenty of funds at their disposal, but because they are run by management which has experience in the industry and which is free from all unnecessary government intervention.

For what has happened in this Brussels-Manchester-Brussels debacle for Biman's New York

service, the Managing Director of Biman along with the rest of the management team, in particular the Director of Flight Operations should be held responsible. Only a lapse in coordination between Biman and CAAB, or complete absence thereof, could lead to a situation like this where the national airline is turned into a laughing stock for the rest of the world.

The Ministry of Civil Aviation & Tourism is the governing authority of both CAAB and Biman. While Biman and CAAB can point fingers at each other and make themselves look even more ridiculous than they already are, it is the Ministry who should act wisely. The airline is owned by the state, and not by any

political party, and the CAAB is there to ultimately serve the travelling people of the country. The Ministry, therefore, owes an explanation to the nation.

The author, currently an aviation industry consultant, has previously worked on projects with The Boeing Company, Honeywell Aerospace, and has worked with FAA's Operational Evolution Plan (OEP) in 2004-2005.

MPOs squeezing national cash flow

This is an important market where proper intervention of the government in the larger public interest is justified and necessary. We hope the whole matter of mobile phone business is pragmatically looked into and charges rationalized. In the same spirit, government should provide all financial and logistic support to encourage T&T mobile phone operation to expand rapidly and act as a check and balance to the runaway high profit oriented private mobile phone business.

SA MANSOOR

THE charge reduction announced by the Mobile Phone Operators (MPOs) from time to time is a normal competitive trend in the right direction. However is it enough?

Analyzing one leading MPO's statement when launching their well publicized reduced call charges, their monthly revenue was estimated at probably around Tk 260 crore with over 40 lakh subscribers - before this reduction! Probably half of this was post-paid. The MPO must have been receiving advance cash payment to the tune of about Tk 130 crore per month! The figures are staggering to say the least.

Excluding the leader in the sector, other mobile phone operators together are estimated to serve a further 30 lakh consumers at least. Using the earlier data as a guide line, the total cash inflow of the mobile phone sector could well be around Tk 400 crore per month, half of which could well be cash advances paid by pre-paid mobile phone customers.

If ever one could dream of a cash cow, the reality exists in the mobile phone sector in Bangladesh today! No wonder it is attracting many newcomers who are rapidly entering the fray.

In contrast, one has to be really lucky to get a T&T mobile phone, with its reasonable tariff structure. We all look forward to its rapid expansion and consolidation. This vital national endeavour is needed to create the competitive pressure to bring about rational and realistic scenario in mobile phone tariff.

I would earnestly request our government to encourage and rapidly expand the capacity of T&T mobile phone service with more publicity about it. It will greatly benefit our rural population by giving easy telecom access at a reasonable charge. There are rumours that the government may sell off or have private sector control the T&T mobile phone service!

If that happens, then price escalation for the consumers will follow as surely as night follows day.

Hopefully our government will not proceed in this wrong and detrimental direction, from their enlightened effort to provide cheaper telecommunication for the masses. Should the private sector get their hands on it, and I am sure they are salivating for it, T&T's growing mobile service facility with a vast potential scope of expansion and coverage will become the biggest cash inflow service for private profiteers!

In the interest of our large rural

population who are desperately in need of reasonably priced telecommunication, any idea of giving it to private hands may well be considered as a national disaster.

We hope that the government telecommunication regulatory body (BTTB) will become more active and make its power felt in taming the runaway cash profits being harvested by private mobile phone operators.

It should force the various companies to share their resources, particularly antenna towers and other installation facilities, to reduce duplication of investment cost of the private service providers wherever it is technically feasible. Steps like these will force them to reduce their charges.

If needed, an in-depth independent technical audit may be carried out for this, and based on this the mobile rates fixed, providing a reasonable profit margin and return on investment for the private mobile phone companies. Such a positive step will definitely rationalize the mobile phone operator's charges and contain their spiraling profits.

If some form of regulation or control is not put in place soon, possibility is very much there for the few private operators to form an unofficial and discreet cartel with ornamental variation under various

head of charges, to make these appear different, but basically to make hay while the sun shines.

One sometimes wonders if this is not already happening. The regulatory board (BTTB) owes it to the vast numbers of current and potential mobile phone customers to ensure that they are not fleeced and high profit skimmed off from a visible and profitable business to go out of the country as profit repatriation.

Government should carefully examine and assess these potential pitfalls. It must move positively and effectively to contain the call rates in line with what is happening elsewhere. The ultimate aim should be to provide maximum availability, but at a reasonable cost to the consumer.

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In the same spirit, government should provide all financial and logistic support to encourage T&T mobile phone operation to expand rapidly and act as a check and balance to the runaway high profit oriented private mobile phone business.

The writer is Director HR, Partex Group.

Attacking Iran: Are they nuts?

If an attack on Iran provoked full-scale rebellion by the Iraqi Shiites, then an even worse outcome is conceivable. Our forces, along with the tens of thousands of contractors and bureaucrats employed by the occupation, might ultimately be forced to retreat from an Iraq in flames. That would mean horrible casualties and utter humiliation. Think of Saigon in the Green Zone.

JOE CONASON

AS George W. Bush contemplates the prospect of attacking Iran and the regional conflagration that would result, he may be awaiting a heavenly signal that would confirm the doomsday predictions of his allies on the religious right. Here on earth, however, many of the same themes that promoted war on Iraq are beginning to appear again.

While the president arraigned Iran as a rogue state in the "axis of evil" alongside Iraq and North Korea years ago, the rhetoric portraying Tehran as the world's most evil and dangerous regime is increasing in volume and pitch. The story line is simple and scary: Iran is a dictatorial terrorist state on the brink of acquiring a nuclear arsenal, and it is led by a madman who resembles Hitler and threatens neighboring states, especially Israel.

Now that litany, melding truth with exaggeration, must sound familiar to anyone who remembers the arguments for invading Iraq and ousting Saddam Hussein. Like Saddam, Mahmoud Ahmadinejad is an ostentatious villain who sounds all too eager for confrontation, even though his government officially prefers a negotiated solution.

Soon we will hear that Tehran is allied not only with the Palestinian group Hamas but with al-Qaida

(although the latter are Sunnis and the former are Shiites). As with Iraq, suspicion that Iran helped to engineer the 9/11 attacks will be encouraged if not stated explicitly. Indeed, that inflammatory accusation has been floated already in certain precincts on the right and, if the Bush administration decides to wage war, will quickly surface in the mainstream media.

Presumably all those assertions will be treated with the appropriate skepticism, now that we understand the deceptions that landed us in the Iraqi quagmire. Congressional leaders of both parties and journalists of all persuasions must ask hard questions about the intelligence concerning Iran's nuclear program, its ambitions and its responsibility for terrorism.

Politicians and reporters should likewise question any rosy predictions about the outcome of hostilities with Iran. We now know, for instance, that oil prices will go up, not down, in the event of a war, and that the costs in life and treasure will be much greater than any prewar estimate.

Bombing and invasion will be even less welcome in Iran than "shock and awe" was in Iraq. Despicable as he is, Ahmadinejad enjoys considerably more popular support and legitimacy than Saddam did. His armed forces, wielding long-range ballistic mis-

siles and other advanced weaponry, are in far stronger shape than Saddam's enfeebled military.

So war with Iran would be no "cakewalk," to put it mildly. To suppose that the United States, or Israel, could simply drop a few dozen "bunker busters" on Iranian nuclear sites without serious consequence would be exceptionally reckless.

Aside from the obvious impact on America's international reputation and alliances, which have suffered a precipitous decline under Bush, there could be immediate and severe retaliation inflicted on coalition troops in Iraq. For anyone who cares about the well-being of our soldiers, any strike across Iraq's eastern border should be approached with extreme caution. That's why high-ranking American military officers are reportedly urging the president to avoid war with Iran.

Should Bush ignore their advice and order air-strikes, it is possible to imagine a disaster ensuing. At present, the coalition forces in Iraq depend heavily on supply lines that extend for 300 miles along highways from Kuwait and the southern Iraqi port at Basra. Mechanized units of the Iranian military, which currently boasts 800,000 men under arms, would not have far to go to cut those lines as soon as the United States started bombing. And their

way into southern Iraq, cutting off the Al-Faw peninsula, would be paved by an uprising of the Shiite militia.

Faced with an Iranian invasion, the British might well be forced to flee. Our strained forces would have to move rapidly southward in large numbers to repel the Iranians -- using equipment that is in poor shape after three years of constant use -- or risk being cut off from their supplies for months. Airlifts are unlikely to suffice, and they would arrive under constant threat from shoulder-fired missiles. As one savvy observer put it, referring to the French debacle in Indochina: "Think of Dien Bien Phu in the desert."

If an attack on Iran provoked full-scale rebellion by the Iraqi Shiites, then an even worse outcome is conceivable. Our forces, along with the tens of thousands of contractors and bureaucrats employed by the occupation, might ultimately be forced to retreat from an Iraq in flames. That would mean horrible casualties and utter humiliation. Think of Saigon in the Green Zone.

And that imagined scene doesn't begin to delineate the costs to humanity of war sweeping across that volatile and essential region. War with the Iranian mullahs may be inevitable someday, though we should hope not. Perhaps we could try talking to them first.

Joe Conason is a columnist for Salon magazine.

Budget allocation to reduce corruption

It is not enough to constitute an independent anti-corruption commission. There must be expressed policy guidelines so that no corruption takes place. The political will and strong commitment to eradicate corruption should be made known to the people through budgetary provisions with specific allocations supported by a declared strategy to combat corruption.

DHIRAJ KUMAR NATH

THE World Bank has decided to open a special unit in its Dhaka office to take appropriate action to combat corruption in Bangladesh. This was appreciated by many since corruption has reached an unbearable stage, with no visible and committed initiative to reduce the same in the near future.

But knowledgeable quarters and the public in general also expressed their anxiety regarding such a step. They have observed that the Bank should attach greater priority to the reduction of corruption within its own organization.

Persons conversant with the Bank's operations felt it necessary to reduce the scope of corruption

created by it in the name of distribution of wisdom and expertise. Corruption, in fact, has its roots in donor-assisted financing.

Witnesses testified before US Sen Richard G. Lugar (R-Ind), Chairman of the Senate Foreign Relations Committee, in 2004 that as much as \$100 billion might have been lost to corruption in World Bank lending projects.

The Bank itself, Lugar said, has identified corruption as the single greatest obstacle to improving the lives of the world's poor, one billion of whom live on less than one dollar a day.

The reality is that corruption thwarts development initiatives in different ways. Bribes can influence important decisions of the govern-

ment on the selection of projects and contractors. Misuse of funds can inflate project costs and cause projects to fail. Stolen money may prop up dictatorship, encourage terrorists, and finance human rights abuses.

Besides, when developing countries lose bank funds through corruption, the tax-payers remain obligated to repay the bank loan. So, not only are the impoverished cheated out of development benefits, they are left to repay the resulting debts to the banks.

Political will appears as the most important means to fight corruption. But political will is not simply the will of the politicians. There are leaders throughout the society: professional groups, private sector, trade unions,

religious institutions, and other civil society groups who can be energized in the cause of containing corruption and furthering integrity.

The task of building political will can begin at the grass-roots and does not end with the government embarking on reforms. Reforms in Tanzania and Nigeria have experienced acute difficulties as leaders were virtually alone in their endeavors. But the leaders succeeded in Hong Kong and Singapore with their statesmanship, firm commitment, and support from their constituencies.

It should be remembered that electing an honest head of state or government does not necessarily guarantee the implementation of an effective reform program; support

from the broad section of society is vital to the reform's success or failure. Reform must also muster commitment from a wide cross-section of the people and build a cross-party political consensus in support of the reform program and to make it really sustainable.

The most appropriate reform and best preventive measure is to develop policy and provide necessary budget allocation to implement the reforms programs to combat corruption. Budget speech must indicate the commitment to reduce corruption and there must be specific allocation to implement those initiatives.

The expansion of the size of the budget should not be considered sufficient to combat the corruption. The total size of the budget in 1972-73 was Tk 735 crores which was raised to Tk 64,000 crores in 2005-2006. The allocation in the budget may have been increased by 87 times, but corruption has increased by more than a hundred times.

Obviously, the ensuing budget for the year 2006-2007 will provide

allocation for the achievement of the targets of poverty reduction, achievement of MDGs, and ensuring good governance, but there must be some specific and area-based allocation to reduce corruption.

It is not enough to constitute an independent anti-corruption commission. There must be expressed policy guidelines so that no corruption takes place. The political will and strong commitment to eradicate corruption should be made known to the people through budgetary provisions with specific allocations supported by a declared strategy to combat corruption.

During the current fiscal year, there was provision to provide 25% subsidy on the import of MOP, DAP, and TSP fertilizer for the first time. Unfortunately, the nation has observed a crisis in fertilizer shortage, farmer unrest, and quality deterioration of fertilizer.

Similarly, there was also subsidy of 20% on rural electricity by REB for irrigation purposes. But the whole nation was surprised to see the

Kansat revolution and the compromise by the authority against the prescribed rules.

Is it that rules were framed without the understanding of the people's needs? Bangladesh Bank has introduced Equity and Entrepreneurship Fund and allocated about Tk 900 crore without bearing interest, but no impact on the economy is visible as yet.

Almost every year, an allocation of around Tk 500 crore is earmarked as the block allocation to meet emergency requirements. Every year, questions are raised on the disbursement of such block allocation. Senior officials of the Ministry of Health and Family Welfare and Finance Division, along with thirty two civil surgeons were proceeded against in 2000 for the misuse of procurement of MSR from such block allocation.

Very recently crisis developed due to the scarcity and price hike of sugar and fuel although there was sufficient allocation and stock, as stated. The allocation and the system of expenditure and the

lapses need to be examined.

It is unfortunate and humiliating when we learn that the World Bank is planning to set up offices to control corruption in the country. It does not in any way conform to the dignity of a nation like ours that bears a long heritage and history of civilization.

We must get rid of corruption and terrorism with courage and vision. There must be necessary budget allocations to implement these national priorities. The public in general expects national leadership should take initiatives to build up a corruption-free society. It may take some time, but we have to start somewhere.

Dhiraj Kumar Nath is a freelance contributor of The daily star.