



## ASSEMBLY — 35TH SESSION

### ECONOMIC COMMISSION

#### **Agenda Item 27: Regulation of international air transport services, and outcome of the fifth Worldwide Air Transport Conference**

#### **SUGGESTIONS FROM ALADA**

(Presented by the Latin American Association of Air and Space Law (ALADA))

#### **1. PRELIMINARY CONSIDERATIONS**

1.1 ALADA, in its capacity as Observer, submitted a working paper (WP/71) at the fifth Worldwide Air Transport Conference (Montreal, March 24-28, 2003), where it stated the position of its members, in respect of the key issues to be dealt with by the Conference.

1.2 Such paper, in addition to other matters of regional interest, considered in detail the issues which most affect air transport relations between Latin American States.

#### **2. CRITICAL ELEMENTS**

2.1 The international events which the ICAO Secretariat considered in its work, particularly in WP/9, which assesses the progress made since the last Worldwide Air Transport Conference led, in many cases, to the review or a fresh definition of air transport policy in Latin American countries. The results ranged from positions clearly open to granting access rights to the air transport market to those where there was no significant change in traditionally held positions.

2.2 It should be noted that the economic and financial conditions in which the air transport industry operates in Latin America have not really been favorable to date as a result of a large number of endogenous and exogenous factors seriously compromising it, with a few exceptions.

2.3 ALADA thus reiterates, among other elements already set forth in the working paper, that it would be advisable for States to apply ICAO provisions regarding collection of airport and other taxes, including security charges, to help overcome the current crisis which seriously affects the healthy

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<sup>1</sup> Spanish version provided by ALADA.

development of air transport activities. At the same time, it underscores the need to adopt the new principles resulting from the Fifth Worldwide Conference regarding ownership and control of airlines, duly providing for operational safety and protection of international civil aviation against acts of unlawful interference.

2.4 Healthy competition should be promoted and protected by governments to guarantee free market access and transparency in the exchange of traffic rights while admitting that, in the medium term, it will be impossible to make any radical changes. Accordingly, current regional structures should be consolidated as a transition towards multilateral liberalization.

2.5 An international agreement on the enforcement of commercial anti-trust legislation is required to preserve legal security, given the current scenarios of differing competition regimes and extraterritorial application of domestic laws governing this matter.

2.6 Since the treatment of all these issues is highly complex and given ICAO's long experience in air transport, strong support of ICAO is required, excluding any other body, for it to prepare economic regulation criteria, including the liberalization of international air transport. This will benefit the entire international air transport community.

### 3. ACTION BY THE ASSEMBLY

3.1 The Assembly is invited to note the information provided herein and to support ICAO actions only, particularly in connection with:

- a) following the guidelines set forth in the 1944 Chicago Convention to achieve rational, orderly, safe and secure operation of air transport services, avoiding unfair competition and the squandering of economic resources;
- b) deeper regional integration as an intermediate transition stage towards market access liberalization, bearing in mind the differing levels of economic development of the countries involved;
- c) flexibilization of the traditional notion of ownership and control of airlines, as described under 2.3. above;
- d) preserving legal security through an international agreement on the enforcement of anti-trust legislation applicable to air transport; and
- e) applying consistent and rational criteria to the collection of airport charges, taxes, security charges and other charges provided for in Manuals and in the Council Policies on such charges.