



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A35-WP/219
EC/38
23/9/04
English, French
and Spanish
only¹

ASSEMBLY — 35TH SESSION

ECONOMIC COMMISSION

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

AIR TRANSPORT REGULATION

(Presented by the Airports Council International)

SUMMARY

Airports Council International (ACI) supports the progressive liberalization of international air transport. ACI endorses ICAO's global leadership role and its framework for the liberalization process, including safeguards to ensure fair competition and high levels of safety and security.

Liberalization should contribute to the growth of air transport in a stable, efficient and economical manner. Continuity and stability are also vital for airport operators who must finance and operate airport facilities over a long-term planning horizon.

The availability of sufficient airport capacity is critical to liberalization. Airport capacity constraints, including environmental constraints, and long-term infrastructure requirements need to be taken into consideration. Airports should therefore be involved and represented in the process of liberalization and participate in bilateral and multilateral air services negotiations.

Action by the Assembly is in paragraph 9.

¹ English, French and Spanish versions provided by ACI

1. INTRODUCTION

1.1 ACI acknowledges the success achieved by ICAO in moving international air transport towards increased liberalization, as indicated in the report by the Council on the fifth Worldwide Air Transport Conference in 2003 (ATConf/5) in A35-WP/9. Based on considerable preparatory work by ICAO, a strong consensus was achieved at the Conference on a comprehensive framework for progressive liberalization. This framework included safeguards to ensure fair competition, high levels of safety and security, and measures to ensure the effective and sustained participation of developing countries.

2. LIBERALIZATION OF AIR TRANSPORT

2.1 ICAO, in exercising its global leadership role, was successful in reaching a worldwide consensus on liberalization that permits individual States to move at their own pace with appropriate safeguards, based on ICAO's agreed principles, policies and guidance. ACI supports the work carried out by ICAO on air transport regulation in which it has participated; and supports the follow up action taken after the 2003 Conference.

2.2 ACI welcomes further gradual, progressive liberalization in principle, but it is essential that conditions be created that will ensure the development of international air transport in a stable, efficient and economical manner. This requirement is reflected in 4.1 of the Declaration of Global Principles (ATConf/5) and is consistent with the preamble to the *Chicago Convention*. Continuity and stability are essential for airport operators who must plan and finance the expansion of airport capacity on a long-term basis.

2.3 The Conference agreed that in liberalizing air transport, States should consider airport capacity constraints and long-term infrastructure needs. It also agreed that any airport slot allocation systems should be fair, non discriminatory and transparent; and should take into account the interests of all stakeholders (which include airports). Slot allocation should be globally compatible, aimed at maximising effective use of airport capacity, simple, practicable and economically sustainable. Environmental constraints on airport operations and capacity expansion should also be addressed (further highlighted in ACI's A35-WP/153).

2.4 Liberalization presents airports with new challenges for their operation, development and financing. Airports need to have both the flexibility and financial resources to effectively meet these challenges. To enhance their ability to match airport capacity with traffic demand, airports should be involved in the process of liberalization and determination of air services by governments, by being represented in national delegations to bilateral or multilateral air services negotiations.

2.5 Within the framework of liberalization, States are also encouraged to consider cargo, in particular all-cargo services, for accelerated liberalization. A model clause on air cargo services is provided for this purpose and several States have moved forward to liberalize all-cargo services in recent years. Cargo operations can help to optimize the use of airspace and airport capacity, especially at secondary airports, as well as provide trade and economic benefits. ACI continues to support cargo liberalization, whether on a unilateral, bilateral or multilateral basis.

2.6 ACI also supports that general attention be given to market forces determining traffic flows in further liberalization efforts within the framework.

2.7 ACI invites Assembly action in paragraph 9 on several key elements which it considers important to the success of the liberalization process.

3. **ACTION BY THE ASSEMBLY**

3.1 ACI invites the Assembly to take the following action:

- a) note that ACI fully supports ICAO's continuing to exert its global leadership role in facilitating and coordinating the process of economic liberalization of international air transport, while ensuring fair competition, safety, security and environmental protection;
- b) encourage States to give accelerated consideration to the liberalization of all-cargo services, in accordance with the model clause on air cargo services, recognizing the potential trade and economic benefits;
- c) reaffirm that liberalization should proceed in a stable, efficient and economical manner, without compromising safety and security;
- d) note the importance for States, when liberalizing, to consider airport capacity constraints, including environmental constraints, and long-term infrastructure needs; and
- e) urge States to include airports in the process of liberalization and determination of air services, and in air services negotiations.

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