WORLDWIDE AIR TRANSPORT CONFERENCE: CHALLENGES AND OPPORTUNITIES OF LIBERALIZATION

Montreal, 24 to 29 March 2003

Agenda Item 4: Consideration of global framework for ongoing liberalization
4.2: Declaration of global principles for international air transport

DECLARATION OF GLOBAL PRINCIPLES FOR INTERNATIONAL AIR TRANSPORT

(Presented by the Secretariat)

SUMMARY

This paper presents a draft Declaration of global principles for international air transport and explains the objectives of the Declaration and procedural arrangements for consideration of the draft during the Conference.

Action by the Conference is in paragraph 4.1.

1. INTRODUCTION

1.1 Under Agenda Item 4.2, the Conference is expected to consider and adopt a Declaration of global principles for international air transport. This paper presents, at Attachment A, a draft of the Declaration prepared by the Secretariat with the assistance of the Air Transport Regulation Panel, and explains below the objectives of this Declaration and procedural arrangements for its finalization.

2. OBJECTIVES

2.1 In developing the attached draft Declaration, the Secretariat has borne in mind the following considerations:

   a) This Declaration will be a separate outcome of the Conference from the various conclusions and recommendations on specific subjects under the previous Agenda items which are mainly addressed to States or ICAO. It is intended as a cohesive statement from the Conference by the international aviation community regarding ongoing
liberalization addressed to a much wider audience beyond the aviation community. As many of the key issues facing the air transport industry today increasingly impact on interests outside the aviation community and vice versa, adoption by the Conference of such a statement will have particular value in regard to relations with those non-aviation entities (e.g. trade, competition and environmental institutions) and to the world community at large.

b) Instead of listing detailed policies or procedures like those in the Conference conclusions and recommendations, the Declaration should, as its title suggests, set out key principles with worldwide applicability, which will guide the development of civil aviation for many years to come. The Declaration should not only respect existing policies and the principles that have guided aviation up till now (in particular the Chicago Convention), but also demonstrate a vision for the future of international civil aviation.

c) To meet the objectives set out in a) and b), the Declaration should be broadly based, reflecting the interest and concerns of ICAO Contracting States at all stages of economic development; outward-looking, that is meaningful to non-aviation groups, including the general public; and forward-looking, setting out guiding principles for the long-term future of international air transport. The Declaration should be written in language that is general but focussed, easily read and understood. In this regard, brevity is likely to add value to the message.

3. PROCEDURAL ARRANGEMENTS

3.1 While the attached draft text of the Declaration provides the basis for the Conference’s consideration, the Declaration will only be developed in final form during the course of the Conference, taking into account the earlier deliberations and, in particular, the conclusions.

3.2 To facilitate the process of its finalization, Delegations and Observers to the Conference are invited to review the draft Declaration at Attachment A to this paper and submit proposed changes, if any, in specific terms and in writing (using the form provided at Attachment B or other written means) to the Secretary of the Conference as soon as possible, but not later than 1700 hours on Wednesday, 26 March 2003. This will allow the Secretariat to produce a revised version of the Declaration, taking into account the comments received, in time for consideration by the Conference during the afternoon session on Friday, 28 March, and for its adoption in the morning of Saturday, 29 March 2003. The revised version of this draft will be distributed as ATConf/5-WP/24.

4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to:

a) note the objectives of the Declaration and the procedural arrangement for its finalization; and

b) adopt the Declaration of global principles for international air transport, as may be revised, at Attachment A.
APPENDIX A

DRAFT DECLARATION OF GLOBAL PRINCIPLES FOR INTERNATIONAL AIR TRANSPORT

The Worldwide Air Transport Conference on Challenges and Opportunities of Liberalization, convened by the International Civil Aviation Organization (ICAO) at its Headquarters in Montreal from 24 to 29 March 2003 and attended by [ ] States and [ ] International organizations:

Conscious of the important role of international civil aviation and its contribution to national development and the world economy;

Noting the changes in the regulatory and operating environment of international air transport brought about by globalization, liberalization and privatization; and the desirability for regulatory reform to ensure continued safe and orderly growth of civil aviation;

Reaffirming that the basic principles of sovereignty, fair and equal opportunity, non-discrimination, interdependence, harmonization and cooperation set out in the Convention on International Civil Aviation (the Chicago Convention) have served international air transport well and continue to provide the basis for future development of international civil aviation;

DECLARES that:

1. Overall principles

1.1 ICAO and its Contracting States, together with the air transport industry and other stakeholders in civil aviation, will work to ensure that international civil aviation continues to develop in a way that:

   a) ensures high and improving levels of safety and security;
   b) allows for the growth of international air transport on a sound and stable economic basis;
   c) delivers services desired by customers;
   d) promotes efficiency and minimizes market distortions;
   e) provides for adequate and effective safeguards to ensure fair competition;
   f) provides adequate supporting infrastructure at reasonable cost;
   g) strives to reduce its environmental impact;
   h) encourages the involvement of all States, respecting national sovereignty and promoting equality of opportunity and mutual benefit;
   i) promotes cooperation and harmonization at the global level; and
   j) has due regard for the interests of all stakeholders in international air transport, including air carriers and other operators, users, airports, communities, labour, and tourism and travel services providers.
2. **Safety and security**

2.1 Safety and security must remain of paramount importance in the operation and development of international air transport, irrespective of any change in the economic regulatory arrangements.

2.2 States should work in cooperation to ensure consistent safety and security oversight worldwide.

2.3 Safety and security measures should be implemented in a cost-effective way in order to avoid undue burden on civil aviation; in particular, security measures should to the extent possible not disrupt or impede the flow of passengers, freight, mail or aircraft.

3. **Progressive liberalization**

3.1 There should be universal adherence to and implementation of the International Air Services Transit Agreement (IATA).

3.2 The objective of regulatory reform is to create an environment in which air transport may be developed in a stable, efficient and economical manner without compromising safety and security.

3.3 States share a fundamental objective of participation through reliable and sustained involvement in the international air transport system.

3.4 Each State will determine its own path and own pace of change in international air transport regulation, using bilateral, sub-regional, regional, plurilateral or global avenues according to circumstances.

3.5 Economic liberalization in international air transport should proceed in a gradual, progressive and orderly manner, with appropriate safeguards to ensure safety, security and fair competition.

3.6 The interests and needs of developing countries should receive special consideration and, where appropriate, preferential measures may be granted.

3.7 There should be a progressive reduction of economic regulatory barriers on international air transport market access, on air carriers’ access to international capital, and on their freedom to conduct commercial activities.

3.8 The air transport industry should continue to be encouraged to provide and improve services for the customers, and to implement appropriate measures to protect consumer interests.

3.9 There should be a gradual reduction or elimination of taxes (i.e. levies for general revenue purposes rather than earmarked for civil aviation) imposed on air carriers and consumers which could have a negative impact on the development of international air transport.

3.10 Liberalization should be fostered by the worldwide application of a modern uniform air carrier liability regime, namely the Montreal Convention of 1999.

3.11 Transparency is an important element in promoting economic growth, competitiveness and financial stability at the domestic and international levels, and enhances the benefits of liberalization.
4. **Competition and cooperation**

4.1 Cooperation between and among States facilitates liberalization and avoids conflicts, especially in dealing with competition law/policy issues involving international air transport.

4.2 States should avoid adopting unilateral measures which may affect the orderly and harmonious development of international air transport and should ensure that domestic policies and legislation are not applied to international air transport without taking due account of its special characteristics.

4.3 Where State aids continue to be provided for the air transport sector, States should take transparent and effective measures to ensure that such aids do not adversely impact on competition in the marketplace.

4.4 There should be continued availability of a multilateral interlining system that enables States, air carriers, passengers and shippers to access the global air transport network on a non-discriminatory basis.

5. **Infrastructure and environment**

5.1 Adequate infrastructure to support air transport, including airports and air navigation services, should be provided at reasonable cost and on a non-discriminatory basis.

5.2 The global aviation community should work to promote the development of air transport in an environmentally responsible way, with a view to achieving maximum compatibility between the growth of civil aviation and the quality of the environment.

6. **Role of ICAO**

6.1 ICAO should continue to exert a leadership role in facilitating the economic liberalization of international air transport.

6.2 ICAO should continue to promote effective communication and cooperation with other intergovernmental and non-governmental organizations with an interest in civil aviation, to harmonize and avoid duplication of effort at the global level.

6.3 Contracting States should continue to keep ICAO informed of developments in international air transport, including liberalized arrangements introduced at various levels; and to promote, in other fora, a full understanding of the mandate and role of ICAO.
APPENDIX B

COMMENTS ON THE DRAFT DECLARATION OF GLOBAL PRINCIPLES FOR INTERNATIONAL AIR TRANSPORT

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