



WORKING PAPER

ASSEMBLY — 38TH SESSION

ECONOMIC COMMISSION

Agenda Item 40: Economic Development of Air Transport — Policy

**IMPACT OF THE UNITED STATES ECONOMIC, COMMERCIAL AND FINANCIAL
BLOCKADE ON THE CUBAN CIVIL AVIATION SECTOR**

(Presented by Cuba)

EXECUTIVE SUMMARY

This working paper provides an update for the international civil aviation community with information on the economic impact of the economic, trade and financial blockade by the United States on the development and sustainability of air transport in the Republic of Cuba, with emphasis on the extraterritoriality of the blockade and its violation of the Chicago Convention. This matter was raised at the Sixth Worldwide Air Transport Conference (ATConf/6).

Action: The Assembly is invited to:

- a) consider that these actions hinder the sustainable development of international air transport, and recognize that unilateral measures taken on an extraterritorial basis by one State Party in respect of another State Party impact the development of aviation and violate the principles and aims of the Chicago Convention, in addition to setting a negative precedent that could affect other States of the international aviation community;
- b) add the following text to draft Resolution 40/X: Consolidated statement of continuing ICAO policies in the air transport field, in WP/55, Appendix A - Economic Regulation of International Air Transport, Section I - Agreements and Arrangements, paragraph (3), after the word unilateral: “and extraterritorial”; and
- c) refer this problem to the President of the Council for the necessary actions to be taken toward its resolution, with periodic progress reports to the Council.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective C – <i>Environmental Protection and the Sustainable Development of Air Transport.</i>
<i>Financial implications:</i>	No financial implications.
<i>References:</i>	The Report by Cuba to the United Nations General Assembly may be accessed on the website: www.cubavsbloqueo.cu/informebloqueo2012/index.html ; Resolution 66/6 of the United Nations General Assembly, 2012; A37-WP/312, A37-WP/330 and A37-WP/379 for the Economic Commission citing evidence and proof of impacts; Doc 9644, <i>Report on the World-wide Air Transport Conference on International Air Transport Regulation: Present and Future (ATConf/4)</i> ; Doc 9819, <i>Report of the Worldwide Air Transport Conference (ATConf/5)</i> ; and Doc 10009, <i>Report of the Sixth Worldwide Air Transport Conference (ATConf/6)</i> ;

¹ Spanish version provided by Cuba

1. INTRODUCTION

1.1 Since 1960, the government of the United States has imposed an economic, commercial and financial blockade against the Republic of Cuba, with all economic sectors of the country sustaining significant impacts, including civil aviation.

1.2 From its 47th Session in 1992 to its 66th Session in 2012, the United Nations (UN) General Assembly voted overwhelmingly to adopt resolutions under the heading *Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba*. At the last General Assembly of the UN in 2012, Resolution 66/6 under the same heading was adopted with 188 votes in favour, three against and two abstentions.

1.3 Participation in international air transport is governed by the *Convention on International Civil Aviation* (the Chicago Convention). Article 44 (f) of the Chicago Convention (Document 7300) says that one of the goals of ICAO is to “ensure that the rights of Contracting States are fully respected and that every Contracting State has a fair opportunity to operate international airlines”.

1.4 The Air Transport Conferences (ATConf/4 of 1994 and ATConf/5 of 2003) recognized that, although Contracting States have many different regulatory policies and goals, they also share the fundamental aim of participating in the international air transport system in a reliable and sustainable fashion (Document 9587, Part I, Section V), and should show special consideration for the needs and interests of developing countries.

1.5 There is a general concern with regard to extraterritorial and unilateral measures by certain States or groups of States that impact air transport services in all areas of civil aviation including the most important ones, safety, aviation security and economic regulation. Unilateral measures are known to cause conflicts and hamper the sustainable development of international civil aviation. This matter was amply discussed at the Sixth Worldwide Air Transport Conference (ATConf/6).

1.6 At that meeting, Cuba submitted Working paper ATConf/6-WP/37 describing the impacts on Cuban civil aviation of these unilateral, discriminatory and extraterritorial actions that violate the Chicago Convention and impede the effective functioning and development of the sector. Our statement signalling the intention to bring the matter before the 38th Session of the ICAO Assembly was included in the Conclusions of the Conference.

2. VIOLATIONS OF THE CHICAGO CONVENTION

2.1 The economic, commercial and financial blockade violates the principles contained in the Preamble to the Chicago Convention, which proclaims that international civil aviation should “be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically”.

2.2 The ban on our airlines from operating in the United States carries a huge economic impact. Airlines are barred from serving that segment, which reduces the volume of operations in our airports and limits passenger flow. Moreover, it is not possible to acquire the latest aircraft technologies, equipment, parts and other accessories.

2.3 The discriminatory measures of the economic, commercial and financial blockade also violate the standards and precepts of the Chicago Convention, in particular those set out in Article 44 (a), (c), (d), (f), (g), (h) and (i) which seek, among other aims and objectives of ICAO, to foster the development of international air transport, meet the needs of the peoples of the world in this respect,

ensure that the rights of Contracting States are fully respected and avoid discrimination, and generally pursue the development of all aspects of international civil aviation. The actions are also in violation of Articles 77 and 79, which state that nothing should prevent two or more Contracting States from constituting joint air transport operations. Cuba has had to cancel joint agreements with airlines in third countries.

3. ECONOMIC, TRADE AND FINANCIAL REPERCUSSIONS OF THE EXTRATERRITORIAL MEASURES SHOW THAT THE BLOCKADE IS NOT A BILATERAL ISSUE

3.1 It has not been possible to upgrade systems for the automated screening and check-in of passengers and baggage at airports. The global aviation ICT firm SITA has indicated that, because of the United States trade embargo, the check-in procedures required under the Cuban Airport and Air Services Enterprise (ECASA) contract cannot be executed. The French company RESA, represented by Global System, was called on to assist, resulting in higher costs and service delays.

3.2 This places Cuba in a very difficult position in that almost all countries where flights to our country originate, and the vast majority of our customers, require us to use these systems. Indeed, it is very hard for Cuban airports to send advance passenger information (API) to a flight destination within fifteen minutes after take-off. This results in fines and increased operating costs for airlines, with the risk that they may lose their license to operate in Cuba.

3.3 Another economic effect of the blockade is higher maintenance costs for ATR type aircraft, namely the supply of parts for repair and large aggregates. Given the present circumstances, the Cuban airline Aerocaribbean has to purchase and repair its aircraft in distant markets, mainly in Europe, which unnecessarily increases expenditures by an annual 40 per cent.

3.4 It is prohibitively expensive for Cuba to purchase state-of-the-art aircraft in other countries. Consequently, aircraft are leased on irregular and unfavourable terms. This situation cost Cuban airlines USD 54,974,017 in 2012 alone.

3.5 The total cost of such measures to Cuban civil aviation from 1960 to 2012 is USD 4,028,987,854.

4. CONCLUSIONS

4.1 The Sixth Worldwide Air Transport Conference (ATConf/6) was an appropriate forum to raise the issue of unilateral, extraterritorial and discriminatory measures that impact the sustainable development of air transport. We believe that this Assembly, which is the supreme decision-making body of ICAO, has the authority as the world inter-governmental organization for international civil aviation to harmonize the regulations and policies relating to the economics of international air transport, and address concerns about unilateral decisions that affect the sector. The Assembly of ICAO has the duty to urge States to refrain from using this type of measure. Unilateral actions are not conducive to the safe, orderly and sustainable development of international civil aviation.