



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

Agenda Item 3: Strengthening regulatory and institutional frameworks

3.2: Enhancing air connectivity through progressive economic and regulatory aviation frameworks for international air transport

**THE LACAC EXPERIENCE LIBERALIZING COMBINED
PASSENGER-CARGO-MAIL SERVICES UP TO THE SIXTH FREEDOM
OF THE AIR**

(Presented by Uruguay and supported by 19 LACAC Member States²)

EXECUTIVE SUMMARY

This paper describes the Latin American Civil Aviation Commission (LACAC) experience liberalizing combined passenger–cargo–mail services up to the Sixth Freedom Right via a Memorandum of Understanding (MoU) signed in Punta Cana, Dominican Republic, in November 2025 and currently adhered to by nine States. The experience demonstrates that a regional liberalization approach – one that is voluntary, supplements existing agreements and is implemented progressively – can expand connectivity and strengthen air network resilience in the face of crises affecting service capacity and prices. Based on this experience, it is proposed that the Conference endorse the development by the International Civil Aviation Organization (ICAO) of a global model instrument for the voluntary liberalization of combined passenger–cargo–mail services.

Action: The conference is invited to:

- a) note the LACAC experience liberalizing combined passenger–cargo–mail services up to the Sixth Freedom Right, which evidences the legal and operational viability of such regional, voluntary and progressively implemented instruments; and
- b) recommend that the Council task the Air Transport Regulation Panel (ATRP) with the development of a model instrument that is voluntary in nature and supplements existing agreements for the liberalization of combined passenger–cargo–mail services, taking into account the experience of LACAC and other relevant regional initiatives, for subsequent use, as appropriate, by States that so decide.

*Strategic
Goal:*

This working paper relates to Strategic Goal: *The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.*

¹ Spanish version provided by Uruguay.

² Argentina, Belize, Bolivia (Plurinational State of), Brazil, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru and Venezuela (Bolivarian Republic of).

<i>Financial implications:</i>	None.
<i>References:</i>	Memorandum of Understanding on the Liberalization of Combined Passenger–Cargo–Mail Services between the Civil Aviation Authorities of the Member States of the Latin American Civil Aviation Commission (LACAC), Punta Cana, Dominican Republic, 9 November 2025. World Bank, <i>World Development Indicators</i> : total population (SP.POP.TOTL), gross domestic product at current prices in United States dollars (NY.GDP.MKTP.CD) and land area (AG.LND.TOTL.K2), 2023 data.

1. INTRODUCTION

1.1 The liberalization of international air transport is a relevant means of expanding connectivity, facilitating market access and promoting greater competition for the benefit of users. In Latin America and the Caribbean, vast distances, disparities in market size and the limited availability of direct services between many city pairs make it particularly important to move forward, slowly but surely, with solutions that enable better utilization of existing networks and strengthen regional integration while respecting the sovereignty of States and their respective legal frameworks.

1.2 In this context, the Latin American Civil Aviation Commission (LACAC), drawing on the regional experience gained with the Memorandum of Understanding (MoU) on the Liberalization of Exclusive Air Cargo Services up to the Seventh Freedom Right, decided to extend the approach to combined passenger– cargo— mail air services. To that end, it drafted and opened for signature by its Member States a new MoU that allows signatory States voluntarily to exercise reciprocal traffic rights up to the Sixth Freedom Right, supplementing existing bilateral and multilateral agreements.

1.3 Many of the multilateral liberalization frameworks adopted globally provide for traffic rights up to the Fifth Freedom of the Air. The Sixth Freedom of the Air, for its part, is not always regarded as a distinct freedom; in some instances, it is viewed as the practical outcome of combining the exercise of the Third Freedom (to transport traffic from the carrier's State to another State) and the Fourth Freedom (to transport traffic back) Rights via the territory of the airline's State. Nevertheless, its use as a reference term is widespread in commercial practice and in LACAC instruments; it is therefore used in that sense in this paper.

1.4 To date, the Memorandum has been signed by Argentina, Bolivia (Plurinational State of), Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, Paraguay and Uruguay. Together, these nine States have approximately 333.2 million inhabitants, an aggregate gross domestic product of USD 3.68 trillion, and a land area of nearly 13.84 million sq.km., according to 2023 World Bank data. These figures denote a significant market in demographic, territorial and economic terms for the exercise of the traffic rights recognized in the Memorandum.

1.5 This paper describes the Memorandum's features and potential benefits. It proposes that the Conference consider the advisability of promoting, within the International Civil Aviation Organization (ICAO) framework, the development of a similar global instrument that is voluntary in nature and supplements existing agreements, in order to facilitate the gradual expansion of traffic rights for combined passenger–cargo–mail air services.

2. DISCUSSION

2.1 The MoU is pragmatic and straightforward. First, it supplements existing bilateral or multilateral agreements between the States that voluntarily sign it, without replacing those agreements or limiting rights previously recognized between the parties and enables the reciprocal exercise of traffic rights up to the Sixth Freedom for scheduled and non-scheduled combined passenger–cargo–mail services, with no time, geographical or capacity restrictions. Second, it establishes a simplified accession procedure that remains permanently open to LACAC Member States and merely requires the submission of an official communication to the Secretariat. Lastly, it provides for an equally simple withdrawal mechanism, allowing any signatory State to terminate its participation on written notice, effective after six months. This combination of voluntary participation, simplified accession and an expedited exit process reduces the institutional costs and diplomatic strain associated with successive bilateral negotiations.

2.2 The fact that efforts to move towards a broad multilateral regime for the liberalization of traffic rights span several decades shows that it is no easy matter to obtain consensus among a large number of States with diverse realities and interests. In this regard, regional mechanisms that are voluntary and implemented progressively offer a complementary and pragmatic means of making progress, in line with the experience of more integrated aviation markets. This approach is particularly relevant in Latin America and the Caribbean, where economic, health, geopolitical and operational crises can reduce capacity, drive up operating costs and result in higher prices for users; maintaining an environment of free competition, at least at the regional level, can help expand connectivity options and mitigate those effects.

2.3 However, the existence of multiple regional instruments with differing provisions could lead to regulatory fragmentation and greater complexity for States and operators. It would be better to employ reasonably uniform principles, definitions and mechanisms; this would require, in an initial phase, broad support from States for ICAO to develop a uniform framework that is technically sound and legally adaptable to diverse national contexts. In a second phase, it would be up to each State to decide freely whether to sign or adhere to such a framework.

2.4 In this regard, the Conference could recommend that the Council task the Air Transport Regulation Panel (ATRP) with the development of a model instrument that takes into account the experience of LACAC and other relevant regional initiatives, for subsequent voluntary use by States.

3. CONCLUSION

3.1 The LACAC experience demonstrates that the voluntary expansion of traffic rights up to the Sixth Freedom Right can help strengthen regional connectivity, expand travel and transport options, and preserve competitive conditions in the face of crises that reduce service capacity or drive up air service costs. The development of a model instrument by ICAO would provide States with a uniform reference for advancing the liberalization of combined passenger–cargo–mail services, while States would be completely free to decide whether sign or adhere to it.