



WORKING PAPER

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

Montréal, HQ, 16 to 20 November 2026

**Agenda Item 4: Emerging technologies, new business models and other associated aspects
4.1: Economic regulatory frameworks on emerging technologies**

**INTERNATIONAL ADVANCED AIR MOBILITY OPERATIONS: MARKET ACCESS AND
THE FUTURE OF AIR SERVICES AGREEMENTS**

(Presented by Brazil, and supported by 18 LACAC Member States¹)

EXECUTIVE SUMMARY

Advanced Air Mobility (AAM) is expected to introduce new aircraft, operators, infrastructure and business models into the air transport ecosystem. While regulatory attention has largely focused on safety, certification and airspace integration, the development of commercial and potentially international AAM operations also raises economic regulatory questions concerning market access, authorization models, infrastructure access and the application of Air Services Agreements (ASAs). This working paper proposes that the International Civil Aviation Organization (ICAO) assess whether existing economic regulatory frameworks, which remain largely based on a patchwork of bilateral agreements, are sufficiently flexible to accommodate future international AAM services or may limit opportunities and increase costs in this new industry.

Action: The conference is invited to:

- a) recommend that the ICAO Council (through the Air Transport Regulation Panel (ATRP) and in coordination with the AAM Study Group (SG) and other relevant bodies) conduct a dedicated assessment of the economic regulatory implications of future international AAM services, including market access, authorization models, infrastructure access, user charges, competition, consumer protection and whether existing multilateral and bilateral agreements may limit the development of international AAM services;
- b) recommend that ICAO assess whether the existing economic regulatory framework is sufficiently flexible to accommodate the development of future international AAM services in a global perspective;
- c) recommend that ICAO collect and disseminate information on national AAM market access, authorization and regulatory sandbox models, with a view to considering future non-binding guidance; and
- d) invite ICAO to report back, through the appropriate bodies, on possible policy options to support the coherent and progressive development of international AAM markets.

<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
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¹ Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

<i>Financial implications:</i>	
<i>References:</i>	

1. INTRODUCTION

1.1 Building upon ATConf/7-WP/8, Brazil supports the need for responsive, internationally harmonized and enabling economic regulatory frameworks for emerging technologies. In this context, international Advanced Air Mobility (AAM) services deserve focused analysis, particularly regarding market access, authorization models, infrastructure access and the future application of Air Services Agreements (ASAs).

1.2 AAM should remain anchored in the international civil aviation framework but should not be treated merely as another aircraft category nor automatically accommodated within existing regulatory models without further assessment. Its economic regulation requires a dedicated and ecosystem-based analysis, particularly to avoid the risk that divergent national approaches create barriers to market access, investment and future cross-border operations.

1.3 Existing international air transport regulation is largely structured around bilateral and, in some cases, multilateral instruments negotiated for conventional air services. This framework was not designed with new forms of aircraft, high-frequency short-stage services, digitally mediated operations, or vertiport-based networks in mind.

1.4 As a result, future international AAM operations may face uncertainty regarding the applicable authorization model, the extent to which existing traffic rights can accommodate such services, the treatment of non-traditional operators, and the regulatory status of supporting digital and infrastructure providers. These questions are especially relevant if the international community wishes to avoid fragmented national approaches that could increase transaction costs, reduce contestability and slow innovation.

1.5 This working paper aims to identify the principal economic regulatory issues associated with future international AAM services and to propose that the International Civil Aviation Organization (ICAO) undertake structured analytical work on the adequacy of the present framework, including ASAs and the Template Air Services Agreements (TASA). It also aims to frame the issue in a manner consistent with the Seventh Worldwide Air Transport Conference's (ATConf/7) broader focus on resilience, growth, innovation and adaptive economic governance. For the purposes of this paper, "international AAM services" refers to commercial AAM activities with a cross-border or other international market-access dimension. The analysis also considers supporting infrastructure, digital platforms and related service providers insofar as they enable or affect such international operations.

2. DISCUSSION

2.1 Why AAM requires economic-regulatory attention

2.1.1 AAM is expected to introduce new operating concepts, new entrants, new infrastructure requirements and new layers of digital intermediation into the air transport ecosystem. Even where safety and airworthiness pathways are developed, the commercial viability of international AAM will also depend

on whether States can authorize operations under transparent, proportionate and predictable market access arrangements.

2.1.2 From the perspective of economic regulation, at least four policy dimensions deserve attention. First, States may need to determine how market access should be granted to AAM operators and whether existing air carrier authorization models are sufficient. Second, access to scarce infrastructure, especially vertiports and associated urban interfaces, may require transparent allocation and non-discriminatory conditions. Third, consumer protection frameworks may need adaptation to address service disruptions, multimodal journeys and platform-mediated purchasing. Fourth, the increasing dependence on digital, data and automation service providers raises questions about pricing power and interoperability.

2.2 **Market access and authorization models**

2.2.1 One of the central questions for future international AAM services is whether existing bilateral air services instruments can naturally accommodate such operations or whether interpretive and policy gaps will arise. Traditional ASAs were negotiated in a context defined by conventional aircraft operations, designated airlines, route schedules and established airport infrastructure.

2.2.2 Future AAM services may not map neatly onto these assumptions. Depending on how States classify electric vertical take-off and landing (eVTOL) or similar operations, questions may arise regarding designation, licensing thresholds, route rights, capacity regulation, tariff filing practices and the applicability of nationality and ownership criteria embedded in conventional air services arrangements.

2.2.3 For this reason, ICAO could usefully examine whether the current framework based on bilateral agreements is flexible enough to allow a global AAM industry development or if there are other pathways to be taken. This would include questioning existing bilateral instruments. Such an approach would be consistent with a gradual and non-binding policy course, preserving State discretion while reducing avoidable legal uncertainty.

2.3 **Infrastructure access, capacity and competition**

2.3.1 International AAM will depend not only on aircraft and operators, but also on access to physical and digital infrastructure. In dense metropolitan settings, vertiports may become economically strategic facilities whose access conditions can shape market entry, service quality and competitive neutrality.

2.3.2 If capacity is constrained, States may need to consider principles for transparent access, objective allocation criteria and safeguards against discriminatory treatment. Similar issues may arise in relation to charging structures, ground handling equivalents, energy supply, data exchange systems and traffic management interfaces specific to low-altitude or urban operations.

2.3.3 These issues are not wholly new to international aviation, but AAM may compress them into a more digitally integrated and infrastructure-dependent operating model. This suggests that ICAO's analytical work should not be limited to bilateral traffic rights alone but should also consider the competitive consequences of infrastructure governance in future international AAM markets.

2.4 **Consumer protection and service quality**

2.4.1 In the AAM context, consumer protection may become more complex because the passenger experience could depend on a chain of interconnected providers, including the operator, vertiport manager, digital platform and other third-party service providers.

2.4.2 This creates practical questions about transparency, disruption management, refund and rebooking obligations, accessibility, complaint handling and the allocation of responsibility when service failure is caused by infrastructure or digital system interruptions rather than by the air operator alone. A forward-looking ICAO discussion would therefore help States anticipate regulatory design challenges before market fragmentation and divergent national rules become entrenched.

2.5 **Regulatory fragmentation and international coordination**

2.5.1 One of the risks identified is regulatory fragmentation, in which different jurisdictions adopt isolated and potentially incompatible economic approaches to AAM market access. If that occurs, operators and investors may face higher compliance costs, States may negotiate from divergent baselines, and the emergence of scalable international services may be delayed.

2.5.2 The aviation sector is entering a period of uncertainty, innovation and institutional stress that requires coordinated reflection and policy preparation. Early ICAO work on economic aspects of AAM could therefore have a preventive function by improving transparency, organizing experience, identifying common questions and offering non-binding options for States at an early stage of market formation.

2.6 **Suggested analytical pathway for ICAO**

2.6.1 A pragmatic path forward would be responsive rather than prescriptive. ICAO could begin by compiling available State practices on AAM market access, authorization pathways, regulatory sandboxes and the treatment of international operations under existing air services instruments.

2.6.2 On that basis, ICAO could assess whether common patterns are emerging and whether guidance material or optional TASA language would be useful. Coordination between the Air Transport Regulation Panel (ATRP), the AAM Study Group and other relevant ICAO bodies would be important so that economic analysis develops in parallel with technical, operational and legal workstreams.

3. **CONCLUSION**

3.1 Advanced Air Mobility is often discussed primarily through the lenses of certification, safety and airspace integration, yet its long-term development will also depend on the suitability of the international economic regulatory environment. As AAM evolves toward commercial and potentially international operations, questions concerning market access, infrastructure access, consumer protection and the adaptability of ASAs and the TASA become increasingly material.

3.2 ATConf/7 is an appropriate forum for initiating this discussion because its purpose is to reflect on major developments in international air transport and to prepare policy responses to emerging challenges. A measured ICAO assessment, grounded in State practice and focused on non-binding guidance and optional regulatory tools, would help support innovation while preserving legal clarity, competitive fairness and consumer interests.