



**WORKING PAPER**

**ASSEMBLY — 39TH SESSION**

**ECONOMIC COMMISSION**

**Agenda Item 42: Economic Development of Air Transport**

**CONSOLIDATED STATEMENT OF CONTINUING ICAO POLICIES IN  
THE AIR TRANSPORT FIELD**

(Presented by the Council of ICAO)

**EXECUTIVE SUMMARY**

Resolution A38-14, *Consolidated statement of continuing ICAO policies in the air transport field*, requires that the Council keep this statement under review and advise the Assembly when changes are needed. The revisions to the consolidated statement, which are presented in the Appendix to this paper, are designed to streamline the presentation, remove outdated contents, and incorporate developments since the last Assembly. In addition to the proposed revisions to the resolution, the paper also presents ICAO's plan for future work related to the development of the Global Air Transport Plan, which will serve as planning and implementation guidance for States and provide the strategic direction for the technical work programmes of ICAO.

**Action:** The Assembly is invited to:

- a) adopt the revised Assembly Resolution on the Consolidated statement of continuing ICAO policies in the air transport field, presented in the Appendix; and
- b) take note of ICAO's future work on the development of the Global Air Transport Plan, as presented in paragraph 2.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective D – <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	The activities referred to in this paper will be undertaken subject to the resources available in the 2017 – 2019 Regular Programme Budget and/or from extra budgetary contributions.
<i>References:</i>	Doc 10022, <i>Assembly Resolutions in Force</i> (as of 4 October 2013) Doc 10027, <i>Report of the Economic Commission of the 38th Session of the Assembly</i> Resolution A38-14, Consolidated statement of continuing ICAO policies in the air transport field

## 1. REVISED CONSOLIDATED STATEMENT

1.1 Resolution A38-14, *Consolidated statement of continuing ICAO policies in the air transport field*, requires that the Council of ICAO keep this statement under review and advise the Assembly when changes are required. Accordingly, a substantive review of Resolution A38-14 has been undertaken and a revised version of the resolution is presented in the Appendix.

1.2 The revised consolidated statement has been restructured with a view to aligning it with related work programmes.

1.3 The former Appendix F — Air carrier economics, and Appendix G — Air mail have been incorporated into Appendix E — Forecasting, planning and economic analyses. The revised resolution consists of the following five appendices:

Introduction

Appendix A – Economic regulation of international air transport

Appendix B – Taxation

Appendix C – Airports and air navigation services

Appendix D – Aviation data/statistics

Appendix E – Forecasting, planning and economic analyses

1.4 Considerable changes, substantive and editorial, have also been proposed to the consolidated statement in order to: a) streamline and improve the presentation; b) remove clauses that have become outdated or redundant, or for actions that have been completed; and c) introduce new clauses to reflect developments or decisions taken since the last Assembly. Major changes are as follows:

- a) the introduction section reflects the restructured appendices and incorporates some additional clauses that are pertinent to all appendices, for example, the clauses requesting the Council to keep ICAO's policies and guidance in the air transport field current and responsive to changes and needs of States;
- b) in Appendix A, the former five sections are reduced to four, and the titles modified to align with their content. Some *whereas* and operative clauses are revised with a view to reflecting actions completed and decisions made since the last Assembly. The former section on Airline product distribution is removed as it is no longer valid, while a section has been created to cover the subject of competition as a standalone Section;
- c) Appendices B and C, which now cover taxation and airports and air navigation services, have been updated and include editorial changes.
- d) Appendices D and E reflect actions completed since the last Assembly and highlight the current focus of ICAO's work programme in the areas of aviation data and analysis.

## 2. FUTURE WORK ON A GLOBAL AIR TRANSPORT PLAN

2.1 The implementation of the consolidated statement, as well as other Assembly decisions, may benefit from a mid- to long-term planning horizon for States and strategic direction for ICAO. For this purpose, the availability of a new Global Air Transport Plan would be desirable, as demonstrated by

the experiences learned from the Global Aviation Safety Plan (GASP) and the Global Air Navigation Plan (GANP) in the area of safety and air navigation capacity and efficiency.

2.2 The proposed Global Air Transport Plan will serve as planning and implementation guidance for States to improve air connectivity. At the same time, the Global Air Transport Plan aims to provide strategic direction for the technical work programmes of ICAO under the Strategic Objective – Economic Development of Air Transport according to long-term priorities and deliverables.

2.3 The Council will initiate the examination of a proposal on the framework of a Global Air Transport Plan during 2017 with assistance from the panels in the air transport field as required. After the examination of the Council, the draft Plan and related information will be circulated to Member States for consultation.

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## APPENDIX

### DRAFT RESOLUTION FOR ADOPTION BY THE 39TH SESSION OF THE ASSEMBLY

#### RESOLUTION ~~XX~~

#### Consolidated statement of continuing policies in the air transport field

#### AIR TRANSPORT CONTINUING POLICIES

<b>A39-XX: Consolidated statement of continuing ICAO policies in the air transport field</b>
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#### Introduction

*Whereas* the *Convention on International Civil Aviation* establishes the basic principles to be followed by governments to ensure that international air transport services may be developed in an orderly, regular, efficient, economical, harmonious and sustainable manner and it is therefore one of the purposes of ICAO to support principles and arrangements in order that international air transport services may be established on the basis of equality of opportunity, sound and economic operation, mutual respect of the rights of States and taking into account the general interest;

*Whereas* air transport is a major factor in promoting and fostering sustainable economic development at national as well as international levels;

*Whereas* it is ~~becoming~~ increasingly difficult, particularly for developing countries, to secure the necessary resources required to optimize the opportunities and meet the challenges inherent in the development of air transport, and to keep pace with the challenges posed by demands on air transport;

*Whereas* the Organization prepares guidance, studies and statistics on the development of air transport for Member States on a continuing basis and these should be kept current, focused and relevant and should be disseminated to Member States through the most effective means;

*Whereas* Member States are required to provide accurate and factual statistical data and other information in order that the Organization may prepare ~~this~~ relevant guidance and studies;

*Whereas* the Organization is moving toward management by objective with more focus on implementation ~~over standard setting~~ of standards and policies, in line with the No Country Left Behind (NCLB) initiative;

*Whereas* guidance developed by the Organization, and action taken by the Organization in implementing its Strategic Objectives, should assist Member States in developing policies and practices that facilitate the ~~globalization, commercialization and liberalization~~ creation of a favourable environment for the

sustainable development of international air transport; and

Whereas it is important for Member States to participate in the work of the Organization in the air transport field;

The Assembly:

1. Resolves that the Appendices attached to this resolution and listed below constitute the consolidated statement of continuing ICAO policies in the air transport field, as these policies exist at the close of the 38<sup>39</sup>th Session of the Assembly:

Appendix A — Economic regulation of international air transport

Appendix B — Taxation

Appendix C — Airports and air navigation services

Appendix ~~BD~~ — Aviation data~~S~~ and statistics

Appendix ~~CE~~ — Forecasting, planning and economic analyses

~~Appendix D — Taxation~~

~~Appendix E — Airports and air navigation services~~

~~Appendix F — Air carrier economics~~

~~Appendix G — Air mail~~

2. Urges Member States to have regard to these policies and their continuing elaboration by the Council ~~in documents identified in this consolidated statement~~ and by the Secretary General in the relevant ICAO documents ~~manuals and circulars~~;

3. Urges Member States to make every effort to fulfil their obligations, arising ~~out of~~ from the Convention and Assembly resolutions, to support the work of the Organization in the air transport field, and, in particular, to provide ~~as completely~~ and promptly ~~as possible~~ the statistical and other information ~~asked for~~ requested by the Organization for its air transport work;

4. Requests the Council to attach particular importance to the problem of financing the development of the human and technical resources necessary to ensure the best possible contribution of air transport to the economic and social well-being of Member States, especially developing countries;

5. Requests the Council, when it considers ~~that it would be~~ of benefit ~~in assisting its~~ to the work on any air transport issues, to consult expert representatives from Member States by the most appropriate means, including the establishment of panels ~~of such qualified experts, reporting to the Air Transport Committee~~ or ~~of~~ Secretariat study groups of such qualified experts, who would meet or work by correspondence and subsequently report to the Air Transport Committee; ~~and working by correspondence or by meetings~~;

6. Requests the Council to convene Conferences or Divisional meetings, in which all Member States may participate, as the principal means of progressing the resolution of issues of worldwide

importance in the air transport field, when such meetings are justified by the number and importance of the issues to be dealt with and where there is the likelihood of constructive action upon them;

7. *Requests* the Council ~~to~~ and the Secretary General ~~provide for workshops, seminars and other such meetings as may be required~~ to disseminate and promote ICAO's air transport policies and associated guidance to and amongst Member States;

8. *Requests* the Council and the Secretary General to take necessary action to implement Assembly resolutions and decisions concerning the Organization's air transport activities, and to monitor and assist the implementation by States of ICAO's policies in the air transport field;

~~8~~9. *Requests* the Council to keep the consolidated statement of ICAO's air transport policies under review and advise the Assembly ~~as appropriate~~ when changes are ~~needed~~ required to the statement; ~~and~~

10. *Request* the Council to keep ICAO's policies and guidance material in the air transport field current and responsive to changes and the needs of Member States; and

~~9~~11. *Declares* that this resolution supersedes Resolution A~~37-20~~38-14.

## APPENDIX A

## Economic regulation of international air transport

**Section I. ~~Agreements and arrangements~~ Basic principles and long-term vision**

*Whereas* the basic principles of sovereignty, fair and equal opportunity, non-discrimination, interdependence, harmonization and cooperation set out in the Convention have served international air transport well and continue to provide the basis for its future development;

*Whereas* multilateralism in commercial rights to the greatest possible extent continues to be an objective of the Organization;

*Whereas* within the framework of the Convention, Member States have many differing regulatory goals and policies but share a fundamental objective of participation through reliable and sustained involvement in the international air transport system;

*Whereas* there is a need to adapt to the changing regulatory and operating environment in the air transport field and the Organization has accordingly developed policy guidance for the regulation of international air transport;

*Whereas* the Organization has adopted the long-term vision for international air transport liberalization which states: *We, the Member States of the International Civil Aviation Organization, resolve to actively pursue the continuous liberalization of international air transport to the benefit of all stakeholders and the economy at large. We will be guided by the need to ensure respect for the highest levels of safety and security and the principle of fair and equal opportunity for all States and their stakeholders; and*

*Whereas* ~~one of the objectives of the Convention is that international air transport services may be operated soundly and economically and in that regard~~ the compliance of Member States with provisions of the Convention and the universal adherence to the *International Air Services Transit Agreement* (IASTA) and other ICAO instruments governing international carriage by air can facilitate and contribute to the achievement of the objectives of the Organization ~~the Convention for the Unification of Certain Rules for International Carriage by Air (Montreal Convention of 1999) facilitates the achievement of that objective for the Member States who are already parties to it;~~

~~*Whereas* the Assembly has repeatedly stressed the obligation of each Member State to comply with Article 83 of the Convention by registering with the Council as soon as possible all arrangements relating to international civil aviation, in accordance with the *Rules for Registration with ICAO of Aeronautical Agreements and Arrangements*;~~

~~*Whereas* undue delays and non-compliance relating to the registration of aeronautical agreements and arrangements are not desirable for the accuracy and completeness of regulatory information and for enhancing transparency;~~

~~*Whereas* the establishment of international air transport fares and rates should be fair, transparent and designed to promote the satisfactory development of air services;~~

~~*Whereas* consumer interest should be given due regard in the development of policy and regulation of international air transport;~~

~~*Whereas* there is a need to adapt to the changing regulatory and operating environment in the air transport field and the Organization has accordingly developed policy guidance for the regulation of~~

~~international air transport, including model clauses and template air services agreements, for optional use by States in bilateral or regional agreements; and~~

~~Noting that the Organization has developed and provided to States an innovative meeting facility, the ICAO Air Services Negotiation (ICAN) event, which facilitates and improves the efficiency of their air services negotiations and consultations;~~

*The Assembly:*

1. ~~Reaffirms the primary role of ICAO in developing policy guidance on the regulation of international air transport and in assisting and facilitating liberalization as necessary;~~ Urges all Member States to give regard to, and apply, the ICAO long-term vision for international air transport liberalization in policy-making and regulatory practices in accordance with national situation;
2. ~~Urges Encourages~~ Member States to pursue liberalization at a pace and in a manner appropriate to needs and circumstances, giving due regard to the interests of all stakeholders, the changing business environment and infrastructure requirements, as well as ~~give due regard, in the liberalization process,~~ to the principles pertaining to safeguard measures designed to ensure the sustained and effective participation of all States, ~~in international air transport,~~ including the principle of giving special consideration to the interests and needs of developing countries;
3. Urges Member States to refrain, in regulatory practices, from taking unilateral action that would negatively affect the common interest of the aviation community and the efficient and sustainable development of air transport;
4. Urges Member States that have not yet become parties to the *International Air Services Transit Agreement (IASTA)*, ~~and the Montréal Convention of 1999,~~ and other ICAO instruments governing international carriage by air to give urgent consideration to so doing;
5. Urges all Member States to register ~~cooperative~~all agreements and arrangements relating to international civil aviation with ICAO in accordance with Article 83 of the Convention and the *Rules for Registration with ICAO of Aeronautical Agreements and Arrangements*, to enhance transparency;
6. Urges Member States to keep the Council fully informed of serious problems arising from the application of air services agreements or arrangements and of any significant developments ~~which tend toward the objective of multilateralism~~ in the ~~exchange of commercial rights~~ liberalization process;
7. ~~Urges Member States to continue to pursue liberalisation of market access at a pace and in a manner appropriate to needs and circumstances, given due regard to interests of all stakeholders, the changing business environment and infrastructure requirements;~~
87. Urges Member States to give due regard to the distinct features of air cargo services when exchanging market access rights in the framework of air service agreements and grant appropriate rights and operational flexibility so as to promote the development of these services;
98. Urges Member States, in dealing with the issues related to slot allocation and night flight restrictions, to give due consideration to the needs and concerns of other States and make every effort to resolve any concerns through consultation between the parties concerned, ~~in a spirit of sympathy, transparency, mutual understanding, and cooperation~~ in a transparent and non-discriminatory manner, and to respect and follow the ICAO Balanced Approach principle in regulatory action on aircraft noise management at airports;

~~10. — Urges Member States, with respect to night flight restrictions, to respect and follow the ICAO Balanced Approach principle in regulatory action on aircraft noise management at airports;~~

9. Urges Member States and concerned stakeholders to give regard to, and apply, the ICAO high-level, non-binding core principles on consumer protection in policy-making and regulatory and operational practices, and to keep ICAO informed of the experiences gained or issues encountered in their application;

~~11. Encourages Member States to make use of and benefit from the ICAO Air Services Negotiation (ICAN) facility, which facilitates and improves the efficiency of their air services negotiations and consultations;~~

~~12. — Requests the Council to develop a compendium of competition policies and practices in force nationally or regionally;~~

~~13. Requests the Council to complete the examination of develop and adopt a long-term vision for international air transport liberalization, including examination of an international agreement by which States could liberalize market access, and continue the development of an international agreement to liberalize air carrier ownership and control and a specific international agreement to facilitate further liberalization of air cargo services, taking into account the goals of the ICAO long-term vision for international air transport liberalization, and the past experience and achievements of States, including existing market access liberalization agreements concluded at bilateral, regional and multilateral levels, as well as the various proposals presented during the Sixth Worldwide Air Transport Conference (ATConf/6);~~

~~14. — Requests the Council to develop a specific international agreement to facilitate further liberalization of air cargo services, taking into account past achievements, States' views on existing arrangements and suggestions made during ATConf/6;~~

~~15. Requests the Council to continue to cooperate with regional and subregional bodies in their examination and development of measures of cooperation, including liberalized arrangements, and the results of these measures, in order to see whether similar or other measures should at the appropriate time be recommended to Member States for application on a wider basis;~~

~~16. Requests the Council to continue the comparative and analytical study of the policies and practices of Member States and airlines concerning commercial rights and in the regulation of international air transport, including the provisions of air services agreements, and to share such information with to inform all Member States of any new developments in international cooperation, including liberalized arrangements, with respect to commercial rights;~~

~~17. — Requests the Council to keep under review the machinery for establishing the Organization's policy guidance on the regulation of international air transport, and to revise or update it as required;~~

~~18. — Requests the Council to review periodically the rules for registration of aeronautical agreements and arrangements with a view to simplifying the process of registration;~~

~~19. — Requests the Council to develop, in the short term, a set of high-level, non-binding, non-prescriptive core principles on consumer protection, for use as policy guidance, which strike an appropriate balance between protection of consumers and industry competitiveness and which take into account the needs of States for flexibility, given different State social, political and economic characteristics; these core principles should be consistent with existing instruments, in particular that of the Convention for the Unification of Certain Rules for International Carriage by Air, adopted in~~

Montréal on 28 May 1999;

~~20. — Requests the Secretary General to remind Member States of the importance of registration without undue delay, of aeronautical agreements and arrangements and to provide such assistance to Member States as they may require in registering their aeronautical agreements and arrangements with the Council; and~~

~~21. — Requests the President of the Council and the Secretary General to promote universal adherence to and implementation of international conventions and agreements, including the International Air Services Transit Agreement (IASTA) and the Montréal Convention of 1999, and to urge Member States to inform the Secretariat of their intentions with respect to adherence.~~

## Section II. ~~Cooperation in regulatory arrangements~~ **Air carrier ownership and control**

~~Whereas certain economic, financial and operational constraints unilaterally introduced at the national level affect the stability of, and tend to create unfair discriminatory trading practices in, international air transport and might be incompatible with the basic principles of the Convention and the orderly and harmonious development of international air transport;~~

~~Whereas the provision of regular and reliable air transport services is of fundamental importance to the development of the economies of States, especially the developing States, including those dependent on tourism;~~

Whereas the strict application of the criterion of substantial ownership and effective control for the authorization of an airline to exercise route and other air transport rights could deny many States a fair and equal opportunity to operate international air services and to optimize the benefits to be derived therefrom;

Whereas airline ~~carrier~~ designation and authorization for market access should be liberalized at each State's pace and discretion progressively, flexibly and with effective regulatory control in particular regarding safety and security;

Whereas the broadening or the flexible application of the criteria for airline designation and authorization could help create an operating environment in which international air transport may develop and flourish in a stable, efficient and economical manner, and contribute to the participation objectives of States in the liberalization process, without prejudice to States' obligations for aviation safety and security; ~~and~~

Whereas the realization of developmental objectives among ~~such~~ States is increasingly being promoted by cooperative arrangements in the form of regional economic groupings and functional cooperation symbolic of the affinity and community of interest ~~which are particularly shared among developing States belonging to such regional economic integration movements]; and~~

~~Whereas the exercise of route and other air transport rights of a developing State having such community of interest by an airline substantially owned and effectively controlled by another developing State or States or its or their nationals sharing the same community of interests will serve to promote the foregoing interests of developing States;~~

*The Assembly:*

~~1. Urges Member States to avoid adopting unilateral measures that may affect the orderly and harmonious development of international air transport and to ensure that domestic policies and legislation are not applied to international air transport without taking due account of its special characteristics;~~

~~2. Urges Member States to take into consideration that fair competition is an important general principle in the operation of international air services;~~

3. Urges Member States to continue to liberalize air carrier ownership and control, according to needs and circumstances, through various existing measures such as waivers of ownership and control restrictions in bilateral air services agreements or designation provisions recognizing the concept of community of interest within regional or subregional economic groupings, and those recommended by ICAO;

4. Urges Member States to accept such designations and allow such airlines to exercise the route rights and other air transport rights of a State or States, in particular developing States, within the same grouping, under mutually acceptable terms and conditions including air transport agreements negotiated or to be negotiated by the parties concerned;

5. Urges Member States to recognize the concept of community of interest within regional or subregional economic groupings as a valid basis for the designation by one developing State or States of an airline of another developing State or States within the same regional economic grouping where such airline is substantially owned and effectively controlled by such other developing State or States or its or their nationals;

6. Urges Member States to give consideration to the use of alternative criteria for airline designation and authorization, including those developed by ICAO, and to adopt a flexible and positive approach to accommodate other States in their efforts to liberalize air carrier ownership and control without compromising safety and security;

7. Invites Member States with experience in various forms of joint operation of international air services to submit to the Council, on a continuing basis, information concerning their experience, so that the Organization may have information that might be of assistance to Member States;

~~7. Urges Member States to develop competition laws and policies that apply to air transport, taking into account national sovereignty and to consider ICAO guidance on competition;~~

~~8. Urges Member States to encourage cooperation among regional and/or national competition authorities, including in the context of approval of alliances and mergers;~~

~~9. Invites Member States with experience in various forms of joint operation of international air services to submit to the Council, on a continuing basis, information concerning their experience, so that the Organization may have information that might be of assistance to Member States;~~

~~10. Requests the Council to initiate work on the development of an international agreement to~~

~~liberalize air carrier ownership and control, taking into consideration safety and security concerns, the principle of reciprocity, the need to allow a gradual and progressive adaptation with safeguards, the need to take account of regional experiences, the requirements of various States' domestic laws, and the effects on all stakeholders including labour;~~

~~11. — Requests the Council to develop tools such as an exchange forum to enhance cooperation, dialogue and exchange of information on fair competition between States with a view to promoting compatible regulatory approaches towards international air transport;~~

~~12. — Requests the Council to continue to monitor developments in the area of competition in international air transport and update, as necessary, its policies and guidance on fair competition;~~

~~136. Requests the Council, when approached, to render all feasible assistance to Member States wishing to enter regional or subregional economic groupings with respect to the operation of international air services; and~~

~~147. Requests the Council to give assistance, when approached, to Member States that take the initiative in developing cooperative arrangements for the joint ownership and operation of international air services, directly among themselves or whose airlines develop such arrangements, and to promptly circulate to States information concerning such cooperative arrangements.;~~

### **Section III. ~~Airline product distribution~~ Competition**

~~Whereas the advancement of information and electronic technologies have had a significant impact on the way the airline industry is doing business, particularly on its product distribution; and~~

~~Whereas ICAO has developed a Code of Conduct for the Regulation and Operation of Computer Reservation Systems (CRSs) for States to follow, and two related Model Clauses for optional use by States in their air services agreements;~~

*The Assembly:*

~~1. — Requests the Council to monitor developments in airline product distribution and related regulatory practices, and disseminate information to Member States on significant developments; and~~

~~2. — Requests the Council to review whether there is a continued need for the ICAO CRS Code and Model Clauses in light of the industry and regulatory changes.~~

~~Whereas the Organization has developed policy guidance for States to foster harmonization and compatibility of regulatory approaches and practices for international air transport, including on competition matters;~~

*The Assembly:*

~~1. Urges Member States to take into consideration that fair competition is an important general principle in the operation of international air transport services;~~

~~2. Urges Member States to take a harmonized approach when developing and applying national competition laws and policies to air transport, taking into ICAO's guidance on competition;~~

~~3. Urges Member States to encourage cooperation among regional and/or national competition~~

authorities when dealing with matters relating to international air transport, including in the context of approval of alliances and mergers;

4. *Requests* the Council to provide tools such as an exchange forum to enhance cooperation, dialogue and exchange of information on competition between States with a view to promoting compatible regulatory approaches towards international air transport; and

5. *Requests* the Council to continue to monitor developments in the area of competition in international air transport and update, as necessary, relevant ICAO policies and guidance material.

#### Section IV. Trade in services

*Whereas* ~~on the issue of including aspects of international air transport under~~ the General Agreement on Trade in Services (GATS) adopted by the World Trade Organization (WTO) has included certain aspects of international air transport; and

*Whereas* ICAO has actively promoted an understanding by all parties concerned of the provisions of the *Convention on International Civil Aviation* and of the particular mandate and role of ICAO in international air transport;

*The Assembly:*

1. *Reaffirms* the need for ICAO to continue to explore future regulatory arrangements and develop recommendations and proposals to meet the challenges facing international air transport, responding to the internal and external changes affecting it;

2. *Recognizes* that such arrangements should create an environment in which international air transport may develop and continue to flourish in an orderly, efficient and economical manner without compromising safety and security, while ensuring the interests of all Member States and their effective and sustained participation in international air transport;

3. *Reaffirms* the primary role of ICAO in developing policy guidance on the regulation of international air transport;

4. *Urges* Member States that participate in trade negotiations, agreements and arrangements relating to international air transport to:

- a) ensure internal coordination in ~~their~~ national administrations and, in particular, the direct involvement of aeronautical authorities and the aviation industry in the negotiations;
- b) ensure that ~~their~~ representatives are fully aware of the provisions of the *Convention on International Civil Aviation*, the particular characteristics of international air transport and its regulatory structures, agreements and arrangements;
- c) take into account ~~their~~ rights and obligations vis-à-vis those of ICAO Member States which are not members of the ~~WTO~~ *World Trade Organization*;
- d) examine carefully the implications of any proposed inclusion of an additional air transport service or activity in the GATS bearing in mind, in particular, the close linkage between economic, environmental, safety and security aspects of international air transport;

- e) promote a full understanding of the role and mandate of ICAO in developing policy guidance on economic regulation, including liberalization of international air transport, and consider using this guidance; and
  - f) file with ICAO under Article 83 of the Convention copies of any exemptions and specific commitments pertaining to international air transport made under the GATS;
5. *Requests* the World Trade Organization, its Member States and Observers to accord due consideration to:
- a) the particular regulatory structures and arrangements of international air transport and the liberalization taking place at the bilateral, subregional and regional levels;
  - b) ICAO's constitutional responsibility for international air transport and, in particular, for its safety and security; and
  - c) ICAO's existing policy and guidance material on the economic regulation of international air transport and its continued work in the field; and
6. *Requests* the Council to:
- a) continue to exert a global leadership role in facilitating and coordinating the process of economic liberalization while ensuring safety, security and environmental protection in international air transport;
  - b) pursue in a proactive manner developments in trade in services that might impinge on international air transport and inform Member States accordingly; and
  - c) promote continued effective communication, cooperation and coordination between ICAO, the ~~WTO~~World Trade Organization, and other intergovernmental and non-governmental organizations dealing with trade in services.

## **Section V. Elaboration of policy guidance**

~~Whereas governments have international obligations and responsibilities in the economic regulation of international air transport;~~

~~Whereas economic liberalization and the evolution of air transport industry will continue to bring about opportunities, challenges and issues with respect to the regulation of international air transport; and~~

~~Whereas the Organization has addressed many of the regulatory issues and compiled related policies and guidance material;~~

~~The Assembly:~~

~~1. — Urges Member States in their regulatory functions to have regard to the policies and guidance material developed by ICAO on economic regulation of international air transport, such as those contained in Doc 9587, Policy and Guidance Material on the Economic Regulation of International Air Transport;~~

~~2. — Encourages Member States to incorporate the basic principles of fair and equal opportunity to~~

~~competes, non-discrimination, transparency, harmonization, compatibility and cooperation set out in the Convention and embodied in ICAO's policies and guidance in national legislation, rules and regulations, and in air services agreements;~~

~~3. — Requests the Council to ensure that these policies and guidance material related to economic regulation remain relevant, current, and responsive to changing situations and requirements of States; and~~

~~4. — Requests the Council to consider additional ways and means by which to enhance the status of its policies for the sustainable economic development of the air transport system.~~

## APPENDIX DB

### Taxation

~~Whereas international air transport plays a major role in the development and expansion of international trade and travel and~~

Whereas the imposition of taxes on international air transport, such as on aircraft, fuel, and consumable technical supplies, ~~used for international air transport, taxes on~~ the income of international air transport enterprises, ~~on aircraft and other movable property associated with the operation of aircraft in international air transport, and taxes~~ and on the sale or use of such services, may have an adverse economic and competitive impact on international air transport operations;

Whereas ~~ICAO policies in Doc 8632, ICAO's Policies on Taxation in the Field of International Air Transport;~~ as contained in Doc 8632 make a conceptual distinction between a charge and a tax in that “a charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues which are generally not applied to civil aviation in their entirety or on a cost-specific basis”;

Whereas it is a matter of great concern that taxes are increasingly being imposed by some Member States in respect of certain aspects of international air transport and that ~~levies~~ charges imposed on air traffic, several of which can be categorized as taxes on the sale or use of international air transport, are proliferating;

Whereas the matter of aircraft engine emission-related levies is addressed in Assembly Resolution ~~A38-17~~39-XX, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — General provisions, noise and local air quality* (Appendix H, *Aviation impact on local air quality*); and

Whereas the ~~resolution~~ ICAO policies on taxation in Doc 8632 supplements Article 24 of the Convention and ~~is~~ are designed to recognize the ~~nature~~ uniqueness of international civil aviation and the need to accord tax-exempt status to certain aspects of the operations of international air transport;

*The Assembly:*

1. Urges Member States to follow the ~~resolution of the Council~~ ICAO's *Policies on Taxation in the Field of International Air Transport* as contained in Doc 8632, ~~ICAO's Policies on Taxation in the Field of International Air Transport so as~~ and to avoid imposing discriminatory taxes on international aviation;

2. Urges Member States to avoid double taxation in the field of air transport; and
3. Requests the Council to continue to promote ICAO's ~~ensure that the~~ policies on taxation, monitor developments, and update its policies as required ~~guidance and advice contained in Doc 8632 are current and responsive to the requirements of Member States and to continue to promote their application more vigorously.~~

## APPENDIX EC

### Airports and air navigation services

#### Section I. Charging policy

*Whereas* Article 15 of the Convention establishes the basis for the application and disclosure of charges for airports and air navigation services;

*Whereas* ~~ICAO policies in Doc 9082, ICAO's Policies on Charges for Airports and Air Navigation Services as contained in Doc 9082~~ make a conceptual distinction between a charge and a tax in that "a charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues which are generally not applied to civil aviation in their entirety or on a cost-specific basis";

*Whereas* the matter of aircraft engine emission-related levies and market-based measures is addressed separately in Assembly Resolution A38-17, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — General provisions, noise and local air quality* (Appendix H, *Aviation impact on local air quality*), and in Assembly Resolution A38-18, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — Climate change*;

~~*Whereas* Article 15 of the Convention establishes the basis for the application and disclosure of charges for airports and air navigation services;~~

*Whereas* the Council has been directed to formulate recommendations for the guidance of Member States with regard to the principles on which providers of airports and air navigation services for international civil aviation may charge to recover the costs of their provision and derive other revenue therefrom, and with regard to the methods that may be employed to that effect; and

*Whereas* the development of air transport infrastructure and the global plan for aviation system block upgrades (ASBUs) requires necessary business case justification to secure funding and financing to support ~~their~~ implementation; and

~~*Whereas* the Council has adopted and revised, as necessary, and published in Doc 9082, ICAO's Policies on Charges for Airports and Air Navigation Services;~~

*The Assembly:*

1. Urges Member States to ensure that Article 15 of the Convention is fully respected;
2. Urges Member States to base the recovery of the costs of the airports and air navigation services they provide or share in providing for international civil aviation on the principles set forth in Article 15 of the Convention and ~~additionally~~ in Doc 9082, *ICAO's Policies on Charges for Airports and Air Navigation Services*, regardless of the organizational structure under which the airports and air navigation

services are operated;

3. *Urges* Member States to ensure that airport and air navigation services charges are applied towards defraying the costs of providing facilities and services for civil aviation;

4. *Urges* Member States to make every effort pursuant to Article 15 of the Convention to publish and communicate to the Organization any charges that may be imposed or permitted to be imposed by a Member State for the use of air navigation facilities and airports by the aircraft of any other Member State;

5. *Encourages* Member States to adopt the principles of non-discrimination, cost-relatedness, transparency and consultation, as ~~endorsed~~ set out in Doc 9082, in national legislation, regulation or policies, as well as in air services agreements, to ensure compliance by airports and air navigation services providers;

6. *Encourages* Member States to ensure that the current ICAO policies for cost recovery of security measures and functions at airports and by air navigation services providers, as endorsed in Doc 9082, are implemented so that security user charges are reasonable, cost-effective and foster harmonization worldwide; ~~and~~

7. *Requests* the Council to ~~continue to develop or refine, as required,~~ guidance on funding of air transport infrastructure, appropriate oversight functions and financing of the air transport system, including mechanisms to support operational improvements as described in the aviation system block upgrade modules (ASBUs); ~~and~~

~~8. *Requests* the Council to ensure that its policies and guidance related to funding contained in Doc 9082 and other documents are current and responsive to the requirements of Member States.~~

## **Section II. Economics and management of aviation infrastructure**

*Whereas* ~~in handling growing volumes of traffic~~ the global costs of providing airports and air navigation services ~~may continue to rise in order to handle growing volumes of traffic;~~

~~*Whereas* Member States are placing increased emphasis on improving efficiency and cost effectiveness in the provision of airports and air navigation services;~~

*Whereas* a balance should be maintained between the respective financial interests of providers of airports and air navigation services on the one hand and air carriers and other users on the other and which should be based on promoting cooperation between providers and users;

~~*Whereas* Member States have called on the Organization to provide advice and guidance aimed at promoting equitable recovery of airport and air navigation services costs;~~

*Whereas* Member States are increasingly assigning the operation of airports and air navigation services to commercialized and privatized entities, which may have less awareness and knowledge of States' obligations specified in the Convention and its Annexes and of ICAO's policies and guidance material in the economic field, and are using multinational facilities and services to meet the commitments they have assumed under Article 28 of the Convention; and

*Whereas* the Council has adopted ~~provisional~~ policy guidance on the allocation of Global Navigation Satellite System (GNSS) costs to ensure an equitable treatment of all users;

*The Assembly:*

1. *Reminds* Member States that with regard to airports and air navigation services they ~~alone~~ remain responsible for the commitments they have assumed under Article 28 of the Convention, regardless of what entity or entities operate the airports or air navigation services concerned;
2. *Encourages* Member States to consider the establishment of autonomous entities to operate airports and air navigation services providers, taking into account economic viability as well as the interests of the users and other interested parties;
3. *Urges* Member States to promote quality air navigation services performance through good governance;
4. *Urges* Member States to cooperate in the recovery of costs of multinational air navigation facilities and services and to consider the use of the ~~provisional Council~~ ICAO policy guidance on the allocation of GNSS costs;
- ~~5. *Requests* the Council to continue to develop ICAO's policy and guidance material with a view to contributing to increased efficiency and improved cost effectiveness in the provision and operation of airports and air navigation services, including the foundation for a sound cooperation between providers and users;~~
65. *Requests* the Council to continue, as required, ~~its~~ refinement of its policy guidance on the allocation of GNSS costs and the coordination of technical, legal and economic aspects, including cost-efficient interoperability; and
76. *Requests* the Council to promote ICAO's policies on user charges and related guidance material; ~~including organizational and managerial advice,~~ in order to increase the awareness ~~and knowledge~~ of, and implementation by, ~~these among~~ Member States and their ~~commercialized and privatized~~ airports and air navigation services entities.

## APPENDIX **BD**

### Aviation data/ and S statistics

*Whereas* ICAO's Aviation Data and Statistics Programme provides an independent and global foundation for the purpose of fostering the planning and sustainable development of international air transport;

*Whereas* each Member State has undertaken that its international airlines shall file the data and statistics requested by the Council in accordance with Article 67 of the Convention;

*Whereas* the Council has also laid down requirements for data and statistics on domestic airline operations, international airports, and international route facilities, pursuant to Articles 54 and 55 of the Convention;

*Whereas* the Council has laid down requirements for data and statistics collection on civil aircraft on register pursuant to Article 21 of the Convention;

*Whereas* there is a need for the Organization to collect data and statistics from States on annual aviation

fuel consumption ~~to be used to address emerging challenges of sustainable development of air transport,~~ and to monitor and report the potential impact of economic measures linked to the operational aspects of the international aviation services and related infrastructure;

~~Whereas the nomination by States of focal points for aviation statistics will facilitate the timely filing of statistics and data requested by ICAO;~~

Whereas the Council has adopted a policy of management by objective which requires collection of pertinent data, statistics and analysis to measure the performance of the Organization as a whole and of its constituent parts in meeting the Strategic Objectives of the Organization;

~~Whereas the development of ICAO's integrated statistical database for validation and storage of data provides Member States and other users with an efficient online system for the retrieval of statistical data;~~

~~Whereas a number of Member States are still not filing, or have not been filing completely, the statistics requested by the Council;~~

Whereas cooperation amongst international organizations active in the area of collection and distribution of aviation ~~statistics~~ data and statistics may enable expansion of scope, coverage and quality of data, avoidance of duplication of efforts and reduction in the burden ~~of filing statistics~~ on States;

Whereas ICAO's role in processing and disseminating aviation data and statistics allows States to use ~~the data~~ it as a significant tool for the safe and orderly growth of international civil aviation services that are operated soundly and economically; and

Whereas ICAO has continued its effort to make the processes involving aviation data and statistics efficient and effective through the development of a set of electronic tools in order to answer to the evolving needs of Member States;

*The Assembly:*

1. Urges Member States to nominate focal points for aviation data and statistics, and to make every effort to provide ~~the statistics~~ it to ~~required by~~ ICAO on time and electronically whenever possible;

~~2. Urges Member States to use the available electronic tools when accessing ICAO aviation data;~~

~~3. Encourages Member States to use available electronic tools when providing aviation data to ICAO;~~

42. Encourages Member States to use the available electronic tools when providing and accessing aviation data and statistics and actively participate in the development of ~~electronic~~ such tools by providing support ~~and feedback~~ and by sharing relevant knowledge and experience; ~~and~~

53. Requests the Council, calling on national experts in the relevant disciplines as required, to examine on a regular basis the data and statistics ~~statistical data~~ collected by ICAO in order to meet more effectively the needs of the Organization and its Member States, and to establish the necessary metrics to monitor the performance of the Organization in meeting its Strategic Objectives, to improve the uniformity of the data and statistics, the completeness and timeliness of reporting by Member States, and the form and content of analyses; and

64. Requests the Council to:

- a) continue to explore ways of closer cooperation with the United Nations (UN), its agencies and other international organizations ~~active~~ in the collection and distribution of aviation ~~statistics~~ data, statistics and analysis;
- b) make arrangements, on an appropriate basis, for assistance to be given upon request to Member States by ~~personnel of the Secretariat~~ ICAO for the improvement of ~~their civil aviation—statistics~~ data, statistics and analysis and ~~their~~ statistical reporting to the Organization;
- c) develop a process by which to enable harmonization of aviation data and statistics from different sources in order to facilitate the provision of accurate, reliable and consistent data required for informed decision-making by States; and
- d) create, host, and manage a platform where the aviation community can share and promote its data, statistics and electronic tools in accordance with the principles and provisions as contained in the Convention and relevant decisions of the Organization.

## APPENDIX ~~CE~~

### Forecasting, planning and economic analyses

#### Section I. Forecasting and planning

~~Whereas ICAO's independence in carrying out investigations into trends and in applying economic analyses provides a necessary foundation for fostering the planning and sustainable development of international air transport;~~

Whereas Member States require global and regional forecasts of future civil aviation developments for various ~~planning and implementation~~ purposes;

Whereas the Council, in carrying out its continuing functions in the ~~air transport~~ economic field, must foresee future developments likely to require action by the Organization and must initiate such action in good time;

Whereas the Organization has to regularly assess its performance against its Strategic Objectives with particular focus on safety, air navigation capacity and efficiency, security and facilitation, economic development of air transport and environmental protection; and

Whereas the Organization requires specific forecasts ~~and economic support~~ for airports and air navigation systems planning and environmental monitoring and planning purposes;

*The Assembly:*

1. *Requests* the Council to ~~prepare~~ ~~develop~~ and ~~maintain~~ ~~update~~ forecasts of future trends and developments in civil aviation ~~of both a general and a specific kind, including local and regional as well as global data~~, and to make these available to Member States ~~and support data needs of safety, air navigation capacity and efficiency, security and facilitation, economic development of air transport and environmental protection;~~

2. *Requests* the Council to develop ~~and update~~ one single set of long-term traffic forecast, from

which customized or more detailed forecasts can be produced for various purposes, such as air navigation systems planning and environmental analysis; and

3. *Requests* the Council to ~~develop~~ keep forecasting methodologies and procedures reviewed and improved. ~~for the preparation of forecasts, the assessment of economic impact of new measures, the analyses of cost-benefit or cost-effectiveness, and the development of business cases to meet the needs of the Organization, the regional air navigation planning groups, environmental planning bodies and, as required, other activities of the Organization;~~

~~4. *Requests* the Council to make arrangements to collect and develop material on current forecasting methods both for the purposes described in clauses 1, 2 and 3 and for dissemination to Member States from time to time as guidance in their own forecasting, planning and economic analyses; and~~

~~5. *Requests* the Council to monitor developments, conduct studies on major issues of global importance, and share its analyses with States, international organizations and the industry.~~

## **APPENDIX F**

### **Air-carrier economics**

#### **Section II. Economic analysis**

*Whereas* there is a continuing interest among ~~users, including~~ Member States, international organizations, financial institutions, ~~with interests in~~ as well as aviation, tourism, ~~aviation~~ and trade industries, in the economic analysis of air transport, including aviation's contribution to global, regional and national economies ~~level of international air carrier costs of operation and appropriate revenue yields;~~

*Whereas* there is an acute shortage of information on the increasingly important role of aviation in national economies worldwide;

*Whereas* the ~~objective~~ economic studies conducted by ICAO on international air transport costs and revenues ~~are widely used by Member States and other international organizations,~~ have promoted neutrality and have resulted in a more equitable system of revenue sharing of airlines; and

*Whereas* ICAO requires ~~air-carrier revenue, cost and operational data~~ economic analyses to assist the Council in assessment of the effectiveness of measures proposed for the implementation of the Strategic Objectives of the Organization, and for environmental planning, investment studies and other purposes;

*The Assembly:*

1. *Requests* the Council to instruct the Secretary General to develop a methodological framework for the economic measurement of aviation activity, including aviation's contribution to Gross Domestic Product (GDP), the number of jobs created by aviation, aviation consumption, and the impact of aviation on balance of payments;

~~2.~~ *Requests* the Council to instruct the Secretary General to issue periodically a study on regional differences in the level of international air transport operating costs, analysing how differences in operations and input prices may affect their levels and the impact that changes in costs may have on air

transport tariffs; ~~and~~

~~2. Urges Member States to make every effort to obtain from their international air carriers with the least possible delay the cost, revenue and other data requested by ICAO.~~

3. *Requests* the Council to develop methodologies and procedures for the assessment of economic impact of new measures, the analyses of cost-benefit or cost-effectiveness, and the development of business cases to meet the needs of the Organization, the regional air navigation planning groups, and other activities of the Organization; and

4. *Requests* the Council to monitor developments, conduct studies on major issues of global importance, and share its analyses with States, international organizations and the industry.

## **APPENDIX G**

### **Air mail**

#### **Section III. Air mail**

*Whereas* ~~the Assembly has given ongoing directions with regard to ICAO's work in the field of international~~ air mail is an integral component of international air transport, which is increasingly affected by e-commerce;

*The Assembly:*

1. *Urges* Member States to take into account the effects on international civil aviation whenever policy is being formulated in the field of international air mail, and particularly at meetings of the Universal Postal Union (UPU); and

2. *Directs* the Secretary General to furnish to the UPU, on request and as stipulated in relevant cooperation arrangements between UPU and ICAO, information of a factual character which may be readily available.

— END —