



ASSEMBLY — 40TH SESSION

ECONOMIC COMMISSION

Agenda Item 32: Economic Regulation of International Air Transport — Policy

ECONOMIC REGULATORY CONSIDERATION FOR UNMANNED AIRCRAFT

(Presented by Japan)

EXECUTIVE SUMMARY

Delivery services by drones have already started in several Member States and unmanned scheduled international air services are expected to commence in the near future. While technical considerations of unmanned aircraft have already been initiated by ICAO as well as security, environment and legal aspects, economic considerations of unmanned aircraft have not been on the table yet. In order to accommodate and harmonize promising unmanned aircraft with the current manned aircraft based aviation system, matters relating to the economic area need to be considered as well.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective – <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	Not applicable
<i>References:</i>	A39-WP/8 – <i>Consolidated statement of continuing ICAO policies in the air transport field</i> Doc 9587 – <i>Policy and Guidance Material on the Economic Regulation of International Air Transport</i>

1. INTRODUCTION

1.1 Regarding unmanned aircraft, the development of remotely piloted aircraft systems (RPAS) and drones have been proceeded in many Member States. Under the leadership of the International Civil Aviation Organization (ICAO), a dedicated expert Panel group was established and it has been developing international standards and recommended practices (SARPs) and guidance material for RPAS and collecting best practices for drones from Member States.

1.2 In addition to these technical considerations, other aspects such as security, environment and legal areas have been considered by the relevant expert Panels and committees. On the other hand, economic considerations for unmanned aircraft have not been on the table yet. In order to accommodate and harmonize promising unmanned aircraft with the current manned aircraft based aviation system,

matters relating to the economic area such as an understanding of the Chicago Convention and other Protocols, a collection of best practices from Member States and updating of the existing guidance material may also need to be considered.

2. DISCUSSION

2.1 Relationship with Article 7 of the Chicago Convention

2.1.1 Article 7 of the Chicago Convention allows each Member State to have the right to refuse permission to the aircraft of other Member States to take on in its territory passengers and cargo destined for another point within its territory (so called “cabotage”). On the other hand, delivery services by drones have recently been launched in some Member States, and there is a case where a foreign company operates domestic air services in the territory of other Member States, such as a US company, which delivers vaccines and blood for transfusion by drones in some African States.

2.1.2 It is expected that more foreign companies with advanced technology may start delivery services by drones in the territory of other Member States where there are market demands in the future. Therefore, first, it is necessary to clarify whether delivery services by drones will be applicable to the Article 7 of the Chicago Convention or not. Second, it is also necessary to collect information of how other Member States have applied or will apply Article 7 to delivery services by drones and their best practices, and to develop guidance material which Member States can utilize for their consideration.

2.2 Relationship with Article 8 of the Chicago Convention and the International Air Services Transit Agreement

2.2.1 Article 8 of the Chicago Convention describes that no aircraft capable of being flown without a pilot shall be flown without a pilot over the territory of a Member State without special authorization by that State and being in accordance with the terms of such authorization. On the other hand, the International Air Services Transit Agreement describes that each Member State grants to the other Member States the privilege to fly across its territory without landing.

2.2.2 Therefore, it is necessary to clarify whether a special authorization required by Article 8 of the Chicago Convention is needed when scheduled international air services are conducted by RPAS and the State of the Operator ratified the International Air Services Transit Agreement. In this case, it is necessary to collect information from Member States as to whether each Member State treats unmanned aircraft differently from manned aircraft or similarly, best practices of Member States, and to develop guidance material which Member States can utilize for their consideration.

2.3 Relationship with Bilateral and Multilateral Air Services Agreements

2.3.1 The ICAO has developed and continuously updated the ICAO Template Air Services Agreements (TASA), which collect model provisions for bilateral and multilateral air services agreements. The TASA includes several provisions for designation of airlines, traffic rights, aviation safety and security requirements, tariff, customs, lease, route schedules for traditional, transitional and full liberalization respectively. On the other hand, the current TASA has been developed under the assumption of scheduled international air services by manned aircraft. Therefore, it is necessary to review and update the TASA if appropriate based on best practices from Member States for scheduled international air services by unmanned aircraft.

3. CONCLUSION

3.1 Considering that delivery services by drones have already started in several Member States and that unmanned scheduled international air services are expected to commence in the near future, it is recommended that:

- a) ICAO clarify the relationship with Article 7 of the Chicago Convention when foreign companies operate domestic air services utilizing drones in the territory of other Member States, collect best practices from Member States, and develop guidance material.
- b) ICAO clarify whether special authorization required by Article 8 of the Chicago Convention is needed when scheduled international air services are conducted by RPAS and the State of the Operator ratified the International Air Services Transit Agreement, collect best practices from Member States, and develop guidance material.
- c) ICAO review and update the TASA if appropriate based on best practices from Member States for scheduled international air services by unmanned aircraft.

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