



INTERNATIONAL CIVIL AVIATION ORGANIZATION

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ASSEMBLY — 35TH SESSION

**DRAFT TEXT FOR THE REPORT
ON
AGENDA ITEMS 31 AND 32**

The attached material on Agenda Items 31 and 32 is submitted for consideration by the Economic Commission.

Agenda Item 31: Development of an up-to-date consolidated statement of continuing ICAO policies in the air transport field

31:1 At its third meeting, the Commission considered WP/44, a report by the Council on a substantive review of resolutions in the air transport field. A resolution on a Consolidated statement of continuing ICAO policies in the air transport field (A33-19) had been adopted by the 33rd Session of the Assembly. In response to a requirement in Resolution A33-19 that the Council keep the consolidated statement under review, and advise the Assembly as appropriate when changes are needed, a substantive review of Resolution A33-19 had been undertaken and a revised and updated version was presented for consideration and adoption by the Assembly.

31:2 The draft presented by the Council consisted of introductory material and eight appendices which together comprised a draft consolidated statement of continuing policies in the air transport field, structured as follows:

- Introduction
- Appendix A — Economic regulation
- Appendix B — Statistics
- Appendix C — Forecasting and economic planning
- Appendix D — Facilitation
- Appendix E — Taxation
- Appendix F — Airports and air navigation services
- Appendix G — Air carrier economics
- Appendix H — Air mail

31:3 The Commission reviewed the draft consolidated resolution and endorsed the text as presented with minor amendments to resolving Clause 2 of Section II and resolving Clause 6 a) of Section IV of Appendix A. The Commission also noted that the consolidated statement would be comprehensively reviewed prior to each regular session of the Assembly and the need for updating or other change brought to the attention of the Assembly.

31:4 With regard to the proposed amendments by the Council to Appendix A, Section II, relating to airline designation and authorization, Japan made a proposal to further amend the Council's proposed text, drawing on certain elements in the Declaration of the fifth Worldwide Air Transport Conference (ATConf/5). This proposal, which entailed considerable discussion, received support from a number of delegations. However, it was opposed by other delegations who felt that the original text best met the purpose of the consolidated statement and reflected the result of ATConf/5 on this subject.

31:5 Information was provided by the Secretariat on the background and intent of the proposed amendments by the Council. Japan subsequently made a further proposal to delete all the proposed amendments by the Council. In the absence of a consensus on the original proposal and the subsequent proposal by Japan, the Commission decided that the text proposed by the Council be retained without change.

31:6 In conclusion, the Commission agreed to recommend to the Plenary that it adopt the following draft resolution, noting that on its adoption the resolution would supersede Resolution A33-19 which thereby would no longer be in force.

**RESOLUTION FRAMED BY THE ECONOMIC COMMISSION AND
RECOMMENDED FOR ADOPTION BY THE ASSEMBLY**

Resolution 31/1

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

Introduction

Whereas the Convention establishes the basic principles to be followed by governments to ensure that international air transport services may be developed in an orderly and harmonious 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 sustained economic development at national as well as international level;

Whereas it is becoming increasingly difficult, particularly for developing countries, to secure the necessary resources for the development of air transport;

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

Whereas Contracting States are required to provide accurate and factual statistical data and other information in order that the Organization may prepare this guidance and these studies and statistics;

Whereas guidance developed by the Organization should assist Contracting States in developing policies and practices that facilitate the globalization, commercialization and liberalization of international air transport; and

Whereas it is important for Contracting 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, up to date as these policies exist at the close of the 35th Session of the Assembly:

- Appendix A — Economic regulation
- Appendix B — Statistics
- Appendix C — Forecasting and economic planning
- Appendix D — Facilitation
- Appendix E — Taxation
- Appendix F — Airports and air navigation services
- Appendix G — Air carrier economics
- Appendix H — Air mail

2. *Urges* Contracting 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 manuals and circulars;

3. *Urges* Contracting States to make every effort to fulfil their obligations, arising out of 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 by the Organization for its air transport studies;

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 developing countries;

5. *Requests* the Council, when it considers that it would be of benefit in assisting its work on any air transport question, to seek consultation of expert representatives of Contracting States by the most appropriate means, including the establishment of panels of qualified experts reporting to the Air Transport Committee or of Secretariat study groups, and work by correspondence or by meetings;

6. *Requests* the Council to convene Conferences or Divisional meetings, in which all Contracting 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 provide for workshops, seminars and other such meetings as may be required to disseminate ICAO's air transport policies and associated guidance to and amongst Contracting States;

8. *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 to the statement; and

9. *Declares* that this resolution supersedes Resolution A33-19.

APPENDIX A

Economic regulation

Section I. Agreements and arrangements

Whereas the Assembly is of the opinion that there is no present prospect of achieving a comprehensive and global multilateral agreement, although multilateralism in commercial rights to the greatest possible extent continues to be an objective of the Organization;

Whereas within the framework of the Convention, Contracting 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 one of the objectives of the Convention is that international air transport services may be operated soundly and economically and in that regard the International Air Services Transit Agreement (IATA) strengthens the operation of international scheduled services and facilitates the achievement of that objective for the Contracting States who are already parties to it;

Whereas the Assembly has repeatedly stressed the obligation of each Contracting 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 is not desirable for the accuracy and completeness of regulatory information, and for enhancing transparency;

Whereas the establishment of international air transport fares and rates that are fair and reasonable and designed to promote the satisfactory development of air services is a matter of major importance to the economies of many States;

Whereas the rules and conditions associated with international air transport fares and rates should avoid unnecessary complication, be uniform where possible and reasonably protect user interests; and

Whereas governments have a responsibility in fares and rates matters pursuant to their national legislation and to obligations under bilateral and other air services agreements;

The Assembly:

1. *Reaffirms* the primary role of ICAO in developing policy guidance on the regulation of international air transport and in facilitating safeguarded liberalization;

2. *Urges* Contracting States which have not yet become parties to the International Air Services Transit Agreement (IATA) to give urgent consideration to so doing;

3. *Urges* all Contracting States to register cooperative 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*;

4. *Urges* Contracting States to keep the Council fully informed of important problems arising from the application of bilateral agreements and of any developments achieved or contemplated which tend toward the objective of multilateralism in the exchange of commercial rights;

5. *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 Contracting States for application on a wider basis;

6. *Requests* the Council to continue the comparative and analytical study of the policies and practices of Contracting States and airlines concerning commercial rights and the provisions of air services agreements and to inform all Contracting States of any new developments in international cooperation, including liberalized arrangements, with respect to commercial rights;

7. *Requests* the Council to keep under review the machinery for the establishment of international tariffs as well as the rules and conditions associated with international tariffs;

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

9. *Requests* the Secretary General to remind Contracting States of the importance of registration without undue delay of aeronautical agreements and arrangements and to provide such assistance to Contracting States as they may require in registering their aeronautical agreements and arrangements with the Council; and

10. *Requests* the President of the Council and the Secretary General to promote universal adherence to and implementation of the International Air Services Transit Agreement (IASTA) and to ask Contracting States to inform the Secretariat of their intentions with respect to adherence to the agreement.

Section II. Cooperation in regulatory arrangements

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 many 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 to many developing States a fair and equal opportunity to operate international air services and to optimize the benefits to be derived therefrom;

Whereas air 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;

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 is 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* Contracting States to avoid adopting unilateral measures which 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* Contracting States to accept such designations and allow such airlines to exercise the route rights and other air transport rights of ~~any developing~~ 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;
3. *Urges* Contracting 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;
4. *Urges* Contracting 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;

5. *Invites* Contracting States with experience in various forms of joint operation of international air services to submit to the Council, on a continuing basis, full information concerning their experience, so that the Organization may have in this particular field all information that might be of assistance to Contracting States;

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

7. *Requests* the Council to give assistance, when approached, to Contracting 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 promptly circulate to States information concerning such cooperative arrangements.

Section III. Computer reservation systems

Whereas there is a need to define principles of worldwide applicability for computer reservation systems based on transparency, accessibility and non-discrimination to enhance competition among airlines and among such systems, to afford international air transport users access to the widest possible choice of options to meet their needs, and to avoid abuse of these systems which can lead to harmful practices in the distribution of air carrier products;

The Assembly:

1. *Urges* Contracting States:
 - a) to follow the revised *ICAO Code of Conduct for the Regulation and Operation of Computer Reservation Systems* adopted by the Council on 25 June 1996;
 - b) to use as appropriate the Model Clauses, approved by the Council on the same date, to strengthen and complement the Code; and
 - c) to cooperate at the bilateral, regional and inter-regional levels with a view to reducing difficulties connected with the introduction and operation of computer reservation systems in various parts of the world; and
2. *Requests* the Council to revise the ICAO CRS Code when required.

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), 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 be based on the general goal of gradual, progressive, orderly and safeguarded change towards market access, and the interests of all Contracting States in ensuring 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* Contracting States which 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 Chicago Convention, 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 ICAO Member States which are not members of the 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 progressive liberalization taking place at the bilateral, sub-regional 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 ~~the~~ 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 which might impinge on international air transport and inform Contracting States accordingly; and
 - c) promote continued effective communication, cooperation and coordination among ICAO, the World Trade Organization, and other intergovernmental and non-governmental organizations dealing with trade in services.

Section V. Elaboration of policy guidance

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

Whereas the Organization has addressed many of the regulatory issues concerned and compiled the resulting recommendations and other guidance material;

The Assembly:

1. *Urges* Contracting States in their regulatory functions to have regard to the advice contained in Doc 9587, *Policy and Guidance Material on the Regulation of International Air Transport*; and
2. *Requests* the Council to ensure that the advice contained in Doc 9587 is current and responsive to the requirements of Contracting States.

APPENDIX B

Statistics

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

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

Whereas ICAO has developed an integrated statistical database in order to provide to Contracting States and other users an efficient online system for the validation, storage and retrieval of statistical data;

Whereas a number of Contracting States have still not filed, or have not filed completely, the statistics requested by the Council; and

Whereas cooperation amongst international organizations active in the area of collection and distribution of aviation statistics may enable reduction in the burden of filing statistics;

The Assembly:

1. *Urges* Contracting States to make every effort to provide the statistics required on time, and to submit them electronically whenever possible;

2. *Requests* the Council, calling on statistical and accounting experts as required, to examine the statistical problems of Contracting States and ICAO in order to meet more effectively the needs of the Organization and to improve the uniformity of the statistics, the completeness and timeliness of reporting by Contracting States, the form and content of analyses and publications, and the speed of dissemination by the Organization; and

3. *Requests* the Council to:

- a) continue to explore ways of closer co-operation with other international organizations active in the collection and distribution of aviation statistics; and
- b) make arrangements, on an appropriate basis, for assistance to be given upon request to Contracting States by personnel of the Secretariat for the improvement of their civil aviation statistics and their statistical reporting to the Organization.

APPENDIX C

Forecasting and economic planning

Whereas Contracting States require global and regional forecasts of future civil aviation developments for various purposes;

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

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

The Assembly:

1. *Requests* the Council to prepare and maintain, as necessary, long-term and medium-term forecasts of future trends and developments in civil aviation of both a general and a specific kind, including, where possible, regional as well as global data, and to make these available to Contracting States;
2. *Requests* the Council to develop methodologies and procedures for the preparation of forecasts, the analysis of cost-benefit or cost-effectiveness, and the development of business cases, to meet the needs of the regional air navigation planning groups and, as required, other systems or environmental planning bodies of the Organization; and
3. *Requests* the Council to make arrangements to collect and develop material on current forecasting methods both for the purposes described in clauses 1 and 2 and for dissemination to Contracting States from time to time as guidance in their own forecasting and economic planning.

APPENDIX D

Facilitation

Section I. Development of facilitation provisions

Whereas Annex 9, *Facilitation*, was developed as a means of articulating the obligations of Contracting States under Articles 22, 23 and 24 of the Convention and standardizing procedures for meeting the legal requirements referred to in Articles 10, 13, 14, 29 and 35;

Whereas it is essential that Contracting States continue to pursue the objective of maximum efficiency in air transport while at the same time safeguarding international civil aviation operations against acts of unlawful interference;

Whereas the development of specifications for machine readable travel documents by the Organization has proved effective in the development of systems which accelerate the movement of international passengers and crew members through clearance control at airports while enhancing security and immigration compliance programmes; and

Whereas the development of a set of standard signs to facilitate the efficient use of airport terminals by travellers and other users has proved effective and beneficial;

The Assembly:

1. *Requests* the Council to ensure that Annex 9, *Facilitation* is current and addresses to the contemporary requirements of Contracting States with respect to administration of border controls;
2. *Requests* the Council to ensure that the provisions of Annex 9, *Facilitation* and Annex 17, *Security* are compatible with and complementary to each other;

3. *Requests* the Council to ensure that its specifications and guidance material in Doc 9303, *Machine Readable Travel Documents*, remain up to date in the light of technological advances, and to continue to explore technological solutions aimed at improving clearance procedures; and

4. *Requests* the Council to ensure that Doc 9636, *International Signs to Provide Guidance to Persons at Airports and Marine Terminals*, is current and responsive to the requirements of Contracting States.

Section II. Implementation of Annex 9

Whereas implementation of the Standards and Recommended Practices in Annex 9 aimed at improving procedures at border-control points to facilitate the clearance of aircraft, passengers and their baggage, cargo and mail is essential to the efficiency of air transport;

The Assembly:

1. *Urges* Contracting States to give special attention to their obligations arising from Articles 22, 23 and 24 of the Convention and increase their efforts to implement Annex 9 Standards and Recommended Practices;

2. *Urges* Contracting States to examine critically, at least once a year, any differences that exist in their territory between their national regulations and practices and the provisions of the current edition of Annex 9, and make special efforts to modify their policies in order to eliminate such differences;

3. *Urges* each Contracting State to notify the Organization of the status of implementation of Annex 9 in its territory in accordance with Article 38 of the Convention; and

4. *Requests* the Council to review, whenever necessary or at least once every three years, the status of implementation of Annex 9 and indicate those aspects which require intensified implementation efforts by Contracting States.

Section III. International cooperation in protecting the security and integrity of passports

Whereas the passport is the basic official document which denotes a person's identity and citizenship and provides an assurance for the State of transit or destination that the bearer can return to the State which issued the passport;

Whereas international confidence in the integrity of the passport is the very essence of the functioning of the international travel system;

Whereas the United Nations General Assembly has requested ICAO to consider ways and means to enhance international cooperation to combat the smuggling of aliens, while emphasizing that such efforts should not undercut the protection provided by international law to refugees;

Whereas the United Nations General Assembly and the Economic and Social Council have requested member States to establish or improve procedures to permit the ready discovery of false travel documents, to cooperate bilaterally and on a multilateral basis to prevent the use of fraudulent documents, and to take measures to provide penalties for the production and distribution of false travel documents and the misuse of international commercial aviation; and

Whereas high level cooperation among States is required in order to strengthen resistance to passport fraud, including the forgery or counterfeiting of passports, the use of forged or counterfeit passports, the use of valid passports by imposters, the misuse of authentic passports by rightful holders in furtherance of the commission of an offence, the use of expired or revoked passports, and the use of fraudulently obtained passports;

The Assembly:

1. *Urges* Contracting States to intensify their efforts to safeguard the security and integrity of their passports, to protect their passports against passport fraud, and to assist one another in these matters; and

2. *Requests* the Council to continue the work being undertaken to enhance the effectiveness of controls on passport fraud, including the possible preparation of necessary SARPs and guidance material, to assist Contracting States in maintaining the integrity and security of their passports and other travel documents.

Section IV. National and international action and cooperation on facilitation matters

Whereas there is a need for continuing action by Contracting States to improve the effectiveness and efficiency of clearance control formalities;

Whereas the establishment and active operation of national facilitation committees is a proven means of effecting needed improvements; and

Whereas cooperation on facilitation matters amongst Contracting States and with the various national and international parties interested in facilitation matters has brought benefits to all concerned;

The Assembly:

1. *Urges* Contracting States to establish and utilize national facilitation committees and adopt policies of cooperation on a regional basis among neighbouring States;

2. *Urges* Contracting States to participate in regional and subregional facilitation programmes of other intergovernmental aviation organizations;

3. *Urges* Contracting States to take all necessary steps, through national facilitation committees or other appropriate means, for:

- a) regularly calling the attention of all interested departments of its government to the need for:
 - 1) making the national regulations and practices conform to the provisions and intent of Annex 9; and
 - 2) working out satisfactory solutions for day-to-day problems in the facilitation field; and
 - b) taking the initiative in any follow-up action required;
4. *Urges* Contracting States to encourage the study of facilitation problems by their national and other facilitation committees, and to coordinate the findings of their committees on facilitation problems with those of other Contracting States with which they have air links;
5. *Urges* neighbouring and bordering States to consult one another about common problems that they may have in the facilitation field whenever it appears that these consultations may lead to a uniform solution of such problems;
6. *Urges* Contracting States to encourage their aircraft operators to continue to cooperate intensively with their governments as regards:
- a) identification and solution of facilitation problems; and
 - b) developing cooperative arrangements for the prevention of illicit narcotics trafficking, illegal immigration and other threats to national interests;
7. *Urges* Contracting States to call upon international operators and their associations, to participate to the extent possible in electronic data interchange systems in order to achieve maximum efficiency levels in the processing of passenger and cargo traffic at international terminals; and
8. *Urges* States and operators, in cooperation with interested international organizations, to make all possible efforts to speed the handling and clearance of air cargo.

APPENDIX E

Taxation

Whereas international air transport plays a major role in the development and expansion of international trade and travel and the imposition of taxes on aircraft, fuel, and consumable technical supplies used for international air transport, taxes on the income of international air transport enterprises and on aircraft and other movable property associated with the operation of aircraft in international air transport, and taxes on its sale or use, may have an adverse economic and competitive impact on international air transport operations;

Whereas ICAO policies 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 Contracting States in respect of certain aspects of international air transport and that charges 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 A35-..., *Consolidated statement of continuing ICAO policies and practices related to environmental protection*;

Whereas the resolution in Doc 8632, *ICAO’s Policies on Taxation in the Field of International Air Transport*, supplements Article 24 of the Convention and is designed to recognize the 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* Contracting States to follow the resolution of the Council as contained in Doc 8632, *ICAO’s Policies on Taxation in the Field of International Air Transport*; and
2. *Requests* the Council to ensure that the guidance and advice contained in Doc 8632 is current and responsive to the requirements of Contracting States.

APPENDIX F

Airports and air navigation services

Section I. Charging policy

Whereas ICAO policies 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 is addressed separately in Assembly Resolution A35-..., *Consolidated statement of continuing ICAO policies and practices related to environmental protection*;

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 Contracting 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 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* Contracting States to ensure that Article 15 of the Convention is fully respected;
2. *Urges* Contracting 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* Contracting States to ensure that airport and air navigation services charges only be applied towards defraying the costs of providing facilities and services for civil aviation;
4. *Urges* Contracting 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 Contracting State for the use of air navigation facilities and airports by the aircraft of any other Contracting State; and
5. *Requests* the Council to ensure that the guidance and advice contained in Doc 9082 is current and responsive to the requirements of Contracting States.

Section II. Economics and management

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

Whereas Contracting States are placing increased emphasis on improving financial efficiency 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 one hand and air carriers and other users on the other;

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

Whereas Contracting States are to an increasing extent assigning the operation of airports and air navigation services to autonomous entities and using multinational air navigation facilities and services to meet the commitments they have assumed under Article 28 of the Convention;

The Assembly:

1. *Reminds* Contracting 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. *Urges* Contracting States to cooperate actively in the recovery of costs of multinational air navigation facilities and services;

3. *Requests* the Council to provide economic, organizational and managerial advice to Contracting States on the provision of airports and air navigation services;

4. *Requests* the Council to keep the economic situation of airports and air navigation services under review and make reports thereon to Contracting States at appropriate intervals; and

5. *Urges* Contracting States to make every effort to provide with the least possible delay the financial data relating to their airports and air navigation services to enable Council to provide such advice and prepare such reports.

APPENDIX G

Air carrier economics

Whereas there is a continuing interest among users, tourist, aviation and trade interests and their international organizations about the level of international air carrier costs of operation, fares, rates and appropriate revenue yields;

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

Whereas ICAO requires air carrier revenue and cost data for environmental planning, investment studies and other purposes;

The Assembly:

1. *Requests* the Council to instruct the Secretary General to issue periodically a study on regional differences on 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* Contracting 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.

APPENDIX H

Air mail

Whereas the Assembly has given ongoing directions with regard to ICAO's work in the field of international air mail;

The Assembly:

1. *Urges* Contracting 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 the UPU, on request, information of a factual character which may be readily available.

Agenda Item 32: Assembly resolutions to be consolidated or to be declared no longer in force

32:1 The Plenary had referred Appendix C of WP/33 on Assembly resolutions to be consolidated or to be declared no longer in force to the Economic Commission, which agreed with the Council's recommendation that following action under Agenda Item 31 none of the resolutions in Part III of the Assembly Resolutions in force (as of 5 October 2001) (Doc 9790) be declared no longer in force.

— END —