

**WORLDWIDE AIR TRANSPORT CONFERENCE: CHALLENGES AND  
OPPORTUNITIES OF LIBERALIZATION**

**Montreal, 24 to 29 March 2003**

**Agenda Item 4: Consideration of global framework for ongoing liberalization  
4.2: Declaration of global principles for international air transport**

**REVISED DRAFT DECLARATION OF GLOBAL PRINCIPLES**

(Presented by the Secretariat)

**1. INTRODUCTION**

1.1 Pursuant to the procedural arrangements described in paragraph 3 of WP/19, a large number of comments were received on the draft Declaration of global principles. These included proposals for substantive, structural and editorial amendment of the draft in Appendix A of WP/19.

1.2 A revised draft Declaration, developed by the Secretariat in consultation with the Chairman of the Conference and the President of the Council, appears as the Appendix to the present paper.

**2. ACTION BY THE CONFERENCE**

2.1 The Conference is invited to adopt the draft Declaration in the Appendix.

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## APPENDIX

### DRAFT DECLARATION OF GLOBAL PRINCIPLES FOR THE LIBERALIZATION OF INTERNATIONAL AIR TRANSPORT

*Note:* Text in square brackets indicates the original source of Appendix A of WP/19 (prior to any additions or amendments).

The Worldwide Air Transport Conference on Challenges and Opportunities of Liberalization, convened by the International Civil Aviation Organization (ICAO) at its Headquarters in Montreal from 24 to 29 March 2003 and attended by [ ] States and [ ] International organizations:

*Recalling* the noble goals in the *Preamble* to the *Convention on International Civil Aviation* (the Chicago Convention); [new]

*Conscious* of the important role of international air transport and its contribution to national development and the world economy; [second Whereas]

*Emphasizing* the critical importance of safety and security in international air transport; [new]

*Noting* the changes since the fourth Worldwide Air Transport Conference in 1994 in the regulatory and operating environment of international air transport brought about by economic development, globalization, liberalization and privatization; and the desirability for ongoing regulatory evolution to facilitate commercial change in the air transport industry while ensuring the continued safe, secure and orderly growth of civil aviation worldwide; [third Whereas]

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

**DECLARES** that:

#### 1. Overall principles

1.1 ICAO and its Contracting States, together with the air transport industry and other stakeholders in civil aviation, will work to ensure that international air transport continues to develop in a way that:

- a) ensures high and improving levels of safety and security; [para 1.1a)]
- b) promotes the effective and sustainable participation in and benefit from international air transport by all States, respecting national sovereignty and equality of opportunity; [para 1.1 h)]

- c) takes into consideration the differing levels of economic development amongst States through maintenance of the principle of “community of interest” and the fostering of preferential measures for developing countries; [new]
- d) provides adequate supporting infrastructure at reasonable cost; [para 1.1 f)]
- e) facilitates the provision of resources, particularly for developing countries; [new]
- f) allows for growth on a basis that is economically sustainable, supported by adaptation of the regulatory and operating environment; [paras 1.1 b) and 1.1g)]
- g) strives to limit its environmental impact;
- h) meets reasonable expectations of customers and public service needs, particularly for low traffic or otherwise uneconomical routes; [para 1.1 c)]
- i) promotes efficiency and minimizes market distortions; [para 1.1 d)]
- j) safeguards fair competition adequately and effectively; [para 1.1e)]
- k) promotes cooperation and harmonization at the sub-regional, regional and global levels; and [para 1.1 i)]
- l) has due regard for the interests of all stakeholders, including air carriers and other operators, users, airports, communities, labour, and tourism and travel services providers; [para 1.1 j)]

with the ultimate purpose of giving international air transport as much economic freedom as possible while respecting its specific characteristics and in particular the need to ensure high standards of safety, security and environmental protection. [new]

## 2. Safety and security

2.1 Safety and security must remain of paramount importance in the operation and development of international air transport and States must accept their primary responsibility for ensuring regulatory oversight of safety and security, irrespective of any change in the economic regulatory arrangements; [para 2.1]

2.2 States should work in cooperation to ensure safety and security oversight worldwide consistent with their obligations under the Chicago Convention; [para 2.2]

2.3 States should pay particular attention to the safety and security implications of transborder operations involving aircraft leasing, airline code-sharing and similar arrangements; [new]

2.4 Safety and security measures should be implemented in a cost-effective way in order to avoid imposing an undue burden on civil aviation; [para 2.3]

2.5 Security measures should to the extent possible not disrupt or impede the flow of passengers, freight, mail or aircraft; and [para 2.3]

2.6 Further economic liberalization must be implemented in a way so as to ensure that there is a clear point of responsibility for each of safety and security in a clearly identified State or other regulatory authority designated by that State for any given aircraft operation. [new]

### 3. **Participation and sustainability**

3.1 All States share a fundamental objective of effective and sustained participation in and benefit from international air transportation, respecting national sovereignty and equality of opportunity; [para 3.3]

3.2 States should develop and maintain safeguards to ensure safety, security, economic stability and fair competition; [para 3.5]

3.3 States should ensure that the necessary infrastructure of airports and air navigation services is provided worldwide at reasonable cost and on a non-discriminatory basis; [para 5.1]

3.4 Airport and air navigation services charges should only be applied towards defraying the costs of providing facilities and services for civil aviation; [para 3.9]

3.5 The interests and needs of developing countries should receive special consideration, and preferential measures and financial support may be granted; and [para 3.6]

3.6 The global aviation community should work to promote the development of air transport in an environmentally responsible way, limiting the impact of air transport so as to achieve maximum compatibility between safe, economically effective and orderly advancement of civil aviation and the quality of the environment. [para 5.2]

### 4. **Liberalization**

4.1 The objective of ongoing regulatory evolution is to create an environment in which international air transport may develop and flourish in a stable, efficient and economical manner without compromising safety and security and while respecting social and labour standards; [para 3.2]

4.2 There should be universal adherence to and implementation of the International Air Services Transit Agreement (IASTA); [para 3.1]

4.3 Liberalization should be underpinned by the worldwide application of a modern uniform air carrier liability regime, namely the Montreal Convention of 1999; [para 3.10]

4.4 Each State will determine its own path and own pace of change in international air transport regulation, in a flexible way and using bilateral, sub-regional, regional, plurilateral or global avenues according to circumstances; [para 3.4]

4.5 States should to the extent feasible liberalize international air transport market access, air carrier access to international capital and air carrier freedom to conduct commercial activities.; [para 3.7]

4.6 States should give serious consideration to accommodating other States in their efforts to move towards expanded transborder ownership and control of air carriers, and/or towards designation of air carriers based on principal place of business, provided that clear responsibility and control of regulatory safety and security oversight is maintained; [new]

4.7 States should give serious consideration to liberalizing the regulatory treatment of international air cargo services on an accelerated basis, provided that clear responsibility and control of regulatory safety and security oversight is maintained; [new]

4.8 Transparency is an important element in promoting economic growth, competitiveness and financial stability at the domestic, regional and international levels, and enhances the benefits of liberalization; and [para 3.11]

4.9 The air transport industry should continue to be encouraged to improve services to passenger and freight customers, and to develop and implement appropriate measures to protect consumer interests. [para 3.8]

## 5. **Competition and cooperation**

5.1 The establishment and application of competition law represents an important safeguard of fair competition as States progress towards a liberalized marketplace; [new]

5.2 Cooperation between and among States facilitates liberalization and avoids conflicts, especially in dealing with competition law/policy issues and labour conditions involving international air transport; [para 4.1]

5.3 States should avoid adopting unilateral measures which may affect the orderly and harmonious development of international air transport and should ensure that domestic policies and legislation are not applied to international air transport without taking due account of its special characteristics; [para 4.2]

5.4 Where State aids provided for the air transport sector are justified, States should take transparent and effective measures to ensure that such aids do not adversely impact on competition in the marketplace or lead to unsustainable outcomes, and that they are to the extent possible temporary; and [para 4.3]

5.5 Subject to compliance with applicable competition law, States should continue to accept the availability of multilateral interlining systems that enable States, air carriers, passengers and shippers to access the global air transport network on a non-discriminatory basis. [para 4.4]

## 6. **Role of ICAO**

6.1 ICAO should continue to exert the global leadership role in facilitating and coordinating the process of economic liberalization and ensuring the safety and security of international air transport; [para 6.1]

6.2 ICAO should continue to promote effective communication and cooperation with other intergovernmental and non-governmental organizations with an interest in international air transport, to harmonize and avoid duplication of effort at the global level; [para 6.2]

6.3 States should consider using the regulatory options provided through ICAO for the liberalization of international air transport; and [new]

6.4 States should continue to keep ICAO informed of developments in international air transport, including liberalized arrangements introduced at various levels; and to promote, in other fora, a full understanding of the mandate and role of ICAO. [para 6.3]

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