

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

**Montreal, 24 to 29 March 2003**

**DRAFT REPORT ON INTRODUCTION**

## INTRODUCTION

### Site and duration of the Conference

1. The Fifth Worldwide Air Transport Conference: Challenges and Opportunities of Liberalization (ATConf/5) was convened in the Assembly Hall of the Headquarters of the International Civil Aviation Organization in Montreal on 24 March 2003. Dr. Assad Kotaite, President of the Council, opened the Conference, which was also addressed by Ms. A. McGinley, Chairman of the Air Transport Committee. Mr. R.C. Costa Pereira, the Secretary General, welcomed the participants and introduced the Conference Secretariat. Addresses made at the opening meeting appear at Appendix A. The Conference completed its work on 29 March 2003.

### Agenda

2. The Conference adopted the following agenda which had been approved by the Council and presented in ATConf/5-WP/1:

#### 1. PREVIEW

- 1.1 **Background to and experience of liberalization:** Basic concept and approaches; issues in regulation and commercialization of air carriers, airports and air navigation service providers; benefits and drawbacks; influence of broader regulatory environment including trade, fiscal, competition, social and labour policies.
- 1.2 **Safety and security aspects of liberalization:** Safety and security implications of commercialization, outsourcing and transnational commercial arrangements.

#### 2. EXAMINATION OF KEY REGULATORY ISSUES IN LIBERALIZATION

- 2.1 **Air carrier ownership and control:** Alternative criteria for designation and authorization; inward (foreign) investment; right of establishment; nationality of aircraft.
- 2.2 **Market access:** Traffic rights (primarily beyond third and fourth freedoms but including, for example, routing and operational flexibility); capacity/frequency; airport access and slot allocation; airline alliances, codesharing and franchising; leasing; specific aspects relating to air cargo and express services and to intermodal transport.
- 2.3 **Fair competition and safeguards:** Safeguards against anti-competitive practices (such as in pricing, capacity provision, sales and marketing); application of competition laws/policies (including implications for multilateral cooperative arrangements amongst air carriers); sustainability of air carriers and assurance of service (including provision of State aid); preferential measures for, and effective participation of, developing countries.

- 2.4 **Consumer interests:** Consumer rights and obligations (including conditions of carriage); measures to safeguard consumer interests.
- 2.5 **Product distribution:** Commercial presence; electronic business to customer (B2C) commerce (including computer reservation systems and the Internet).
- 2.6 **Dispute resolution:** Alternative dispute settlement mechanisms and their inter-relationship (in the context of bilateral, regional or multilateral arrangements).
- 2.7 **Transparency:** Registration of agreements/arrangements (including obligations under Article 83 of the Convention on International Civil Aviation) and access to information.

### 3. REVIEW OF TEMPLATE AIR SERVICES AGREEMENT

- 3.1 Comprehensive template air services agreement containing alternative approaches for discretionary use by States (selectively or in full) in a bilateral, regional or multilateral context.

### 4. CONSIDERATION OF GLOBAL FRAMEWORK FOR ONGOING LIBERALIZATION

- 4.1 **Mechanisms to facilitate further liberalization:** Role and future work programme of ICAO; relations with other international organizations (multilateral and regional, governmental and non-governmental).
- 4.2 **Declaration of global principles for international air transport:** Adoption of a declaration based on a draft text prepared in advance, but taking into account discussions on all above Agenda items.

#### Structure and rules of procedure

3. The Conference met as a single body and held .... meetings. Formal consideration of the agenda was preceded on Saturday, 22 March and Sunday, 23 March by a seminar focussing on some key issues to be addressed by the Conference in an informal setting, with the Conference *per se* commencing on Monday, 24 March.

4. The rules of procedure were the *Standing Rules of Procedure for Meetings in the Air Transport Field* (Doc 8683-AT/721). Rule 26, which calls for the preparation of summary minutes, had been suspended by the Council.

### **Attendance**

5. The following .... Contracting States of ICAO were represented at the Conference:

[names to be inserted]

6. The following ....Observer Delegations attended the Conference:

[names to be inserted]

7. A list of participants in the Conference appears at Appendix B.

### **Officers of the Conference**

8. The following officers were elected:

Chairman of the Conference:	Mr. A. Faletau (Tonga)
First Vice-Chairman:	Brig. G. Donadille (Argentina)
Second Vice-Chairman:	Mr. N. Kavadas (Greece)

### **Secretariat**

9. Mr. M. Elamiri, Director of the Air Transport Bureau, served as Secretary of the Conference, and Mr. J.D. Gunther, Chief, Economic Policy Section, served as Deputy Secretary. Assistant Secretaries were Mr. Y.W. Wang, Mrs. M. Boulos, Mr. T. Hasegawa and Mr. C.H. Dudley. Conference Administration and Liaison for the Air Transport Bureau was carried out by Mr. R.I.R. Abeyratne, Conference Bulletin by Mr. L. Fonseca, documentation coordination and general supervision by Mrs. A. Fuchs-Ledingham, credentials coordination by Mr. Z. Anwar, web-page coordination by Mrs. S. Joseph, and secretarial supervision by Mrs. S. Brain and Mrs. J. Nounou. Mr. C.B. Lyle, Deputy Director of the Air Transport Bureau, acted as Adviser to the Conference.

10. Administrative services were provided under the supervision of Mr. A.P. Singh, Director, Bureau of Administration and Services, by Mr. M. Blanch, Chief, Conference and Office Services Section, Miss A. Craig, Document Control Officer and Mr. S. Gauthier, Supervisor, Internal Distribution Unit. Language services were provided under the supervision of Mr. Y.N. Beliaev, Chief, Language and Publications Branch, assisted by Mrs. R.J. Ezrati, Chief, Interpretation Section.

### **Documentation**

11. A list of the documentation associated with the work of the Conference is presented in Appendix C.