

ASSEMBLY 37th SESSION

Montréal, 28 September–8 October 2010

ECONOMIC COMMISSION

Report



*Approved by the Economic Commission of the Assembly
and published by authority of the Secretary General*

INTERNATIONAL CIVIL AVIATION ORGANIZATION

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INTERNATIONAL CIVIL AVIATION ORGANIZATION

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ASSEMBLY — 37TH SESSION

MONTREAL, 28 SEPTEMBER TO 8 OCTOBER 2010

REPORT OF THE ECONOMIC COMMISSION

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REPORT OF THE ECONOMIC COMMISSION TO THE ASSEMBLY

General

1. The Economic Commission held four meetings between 28 September and 8 October 2010.
2. Ms. Silvia Gehrler (Austria) was elected Chairperson of the Commission at the second Plenary meeting of the Assembly. The Commission, at its first meeting, elected Mr. Saud Ali Reda Hashem (Saudi Arabia) and Ms. Valerie Browne (Barbados) as First and Second Vice-Chairpersons respectively.
3. Representatives from 171 Member States and 33 Observer Delegations attended one or more meetings of the Commission.
4. The Secretary of the Commission was Mrs. F. Odutola, Director of the Air Transport Bureau. The Deputy Secretaries were Mrs. N. Teyssier and Mr. Y.Z. Wang of the Economic Analyses and Policy Section, Air Transport Bureau (ATB). The Assistant Secretaries, all staff of ATB, were Mrs. M. Boulos, Mr. J. de la Camara, Mrs. C. Fischer, Mr. O. Nazarov, Mrs. G. Resiak, Mr. M. Siciliano and Mr. J. Thaker, with Mr. T. Hasegawa as the Liaison Officer.

Agenda and working arrangements

5. Agenda Items 47, 48, 49, 50, 51, 52, 53 and 54 referred to the Commission by the Plenary were considered:
 - Item 47: Annual Reports of the Council to the Assembly for 2007, 2008 and 2009
 - Item 48: Budgets for 2011, 2012 and 2013
 - Item 49: Liberalization of international air transport services
 - Item 50: Economics of airports and air navigation services
 - Item 51: Consolidated statement of continuing ICAO policies in the air transport field
 - Item 52: Facilitation
 - Item 53: Economic analysis
 - Item 54: Other issues to be considered by the Economic Commission
6. The documentation considered by the Commission is available on the ICAO website (<http://www.icao.int/Meetings/AMC/Assembly37/>). The Commission carried out all of its work in full session. The action taken by the Commission in respect of each item is reported on separately in the paragraphs which follow.

Agenda Item 47: Annual Reports of the Council to the Assembly for 2007, 2008 and 2009

47.1 The Economic Commission, at its first meeting, considered relevant sections of the Annual Reports of the Council for 2007, 2008 and 2009 and the supplementary Report covering the first six months of 2010.

47.2 The Commission noted the chapters of the Annual Report relevant to its work. The chapters included “The World of Air Transport”, which deals with the principal trends and developments in the world economy, economic regulation, airlines, airports and air navigation services; a section of the chapter on “Security”, which relates to facilitation; and a section of the chapter on “Efficiency”, which relates to liberalization of air transport regulation and efficiency of infrastructure. The Security and Efficiency chapters both summarize major activities and achievements which were given special attention during each year.

47.3 The Commission also noted that ICAO’s air transport activities include ongoing work on economic policies, infrastructure management, statistics, forecasting, economic analysis, joint financing, facilitation and the administration of the Public Key Directory (PKD). Activities in the field of air transport also include matters being considered by the Executive Committee, specifically with regard to aviation security and environmental protection, and the provision of support to the International Financial Facility for Aviation Safety (IFFAS).

Agenda Item 48: Budgets for 2011, 2012 and 2013

48.1 The Economic Commission, at its first meeting, considered the relevant sections of the Programme Budget for 2011 to 2013.

48.2 The Commission noted that the Budget has a results-based nature. Of direct relevance to the work of the Commission were Programme 21 on Facilitation and Programme 23 on Machine Readable Travel Documents (MRTD) and identity management, both of which are under Strategic Objective B – Security; Programme 32 on Revenue generating self-funding activities; Programme 33 on Enhanced transparency of aviation policies; Programme 34 on Statistics; Programme 35 on Sustainable air transport; and Programme 36 on Airport/ANS cost-effectiveness; all of which are under Strategic Objective C – Environmental Protection and Sustainable Development of Air Transport. The Commission was reminded that discussion might touch on the other programmes under Strategic Objectives B and C.

48.3 With respect to Strategic Objective B, the Commission noted that in light of the regular programme budget constraints, MRTD-related events and products would become revenue-generating and cost recovery activities of the Organization.

48.4 With respect to Strategic Objective C, the Commission noted that there were resource constraints associated with Programmes 33 to 36 (i.e. sustainable development of air transport) as a result of the shifting priorities of the Organization. It was determined that the level of resources allocated to activities related to statistics, forecasting and economic analysis would necessitate the adoption of a cost-recovery, revenue-generating approach.

Agenda Item 49: Liberalization of international air transport services

49.1 The Commission considered this agenda under the following two topics: Report by the Council and future work, and other regulatory issues.

Report of the Council and future work

49.2 In WP/5, the Council reported to the Assembly on the major work accomplished by ICAO since the last Assembly under its economic policy programme, and provided a brief overview of significant industry and regulatory developments in the field of economic regulation and liberalization of international air transport. In addition, the paper identified the challenges faced by ICAO in this field, and presented the Organization's plan of action for the next triennium. The plan included, inter alia, cooperation with States, international organizations and other aviation stakeholders to address issues of common interest, consideration of convening of a worldwide air transport conference, continued provision of the ICAO Air Services Negotiation Conference (ICAN) facility, and assistance to States in air transport regulation matters. The Assembly was invited to endorse the plan.

49.3 In WP/242, 53 African States, Members of the African Civil Aviation Commission (AFCAC), reported on their efforts and the achievements being made in liberalizing air transport services in Africa. The paper also presented the African position on liberalization worldwide and discussed some barriers that could unduly disadvantage developing countries. African States therefore urged States and regional blocs to refrain from taking unilateral measures that could negatively affect international air transport and supported ICAO as the only final determinant for all issues of air transport, including liberalization. They called on the Council to assist African States in the implementation of the Yamoussoukro Decision, as appropriate, and suggested that ICAO develop guidelines on liberalization for worldwide uniformity and applicability, including those related to dispute settlement mechanisms.

49.4 In WP/190, the United States expressed the view that ICAO should continue to foster consideration of options for facilitating airlines' access to international capital markets as a means of increasing the contributions of international air transport to trade, tourism, job creation, and economic growth. It provided a draft convention for a multilateral instrument on this subject by which ICAO members, if they so choose, may enter into reciprocal obligations to lift barriers to cross-border investment by pledging to forgo recourse to the nationality clause. The United States proposed that the Council add the topic "Facilitating Airline Access to International Capital Markets" to the work programmes of the Organization and consider the development of a legally binding multilateral agreement or instrument open to accession by States.

49.5 In WP/303, Venezuela outlined the objectives of the Chicago Convention as they constitute the conceptual and legal framework on the basis of which ICAO continues to maintain its leadership role in the field of air transport and, in particular, provides guidance material on the regulation of air transport policies. It drew attention to the need for ICAO to provide States with the necessary tools to gradually implement liberalization of international air transport and to progressively move from a bilateral to a multilateral negotiation system in accordance with States' interests. Venezuela supported ICAO's activities in the field of air transport and proposed the convening of an ICAO international air transport conference.

49.6 In WP/129, the World Tourism Organization (UNWTO) drew attention to the need to foster liberalization of international air transport regulation, particularly on air carrier ownership and control rules. It believed that ICAO could play a role to provide the necessary stimulus to liberalization,

and suggested some possible approaches, including using the ICAN facility to promote plurilateral or multilateral liberalization. The UNWTO considered that there would be substantial value in the convening of an ICAO worldwide air transport conference focussed on implementation of ICAO policy guidance on liberalization and on air carrier designation beyond national or regional ownership and control.

49.7 In its information paper WP/172, India highlighted the initiatives it has taken in recent years to enhance air connectivity to various international destinations by following a liberal policy in the bilateral air services negotiations, easing the requirements for operation of tourist charter flights and deregulation of legal regime on filing and approval of tariffs.

49.8 Through its information paper WP/211, South Africa provided an overview of the progress made in relation to the liberalization of air services, supporting the common African position on liberalization and the implementation of the Yamoussoukro Decision. It encouraged African States to strengthen the Regional Economic Commissions in order to establish the single African aviation market. It also urged them to liberalize air services through regional cooperation and to take the lead in the development of the aviation industry.

49.9 In an information paper WP/261, 22 member States of the Latin American Civil Aviation Commission (LACAC) provided an overview of the progress made in air transport liberalization in the Latin-American Region within the framework of LACAC, including work undertaken for the development of a draft Regional Multilateral Free Skies Agreement, in line with the ICAO multilateral Template Air Services Agreement.

49.10 In consideration of the report of the Council in WP/5, the Commission expressed its appreciation for the work undertaken and accomplished by ICAO since the last Assembly. In reviewing the trends and developments, the Commission noted that considerable progress had been made by States in liberalization, and many States had used the policy and guidance material developed by ICAO, such as the Template Air Services Agreements. However, some felt that many challenges remain and that ICAO's work needs to be continued and strengthened where appropriate.

49.11 With respect to future work of the Organization, there was strong support for ICAO to continue to play a leadership role in liberalization, as mandated by Assembly Resolution A36-15. Support was also expressed to the view that liberalization of air transport should be made as one of the strategic objectives of the Organization, and that ICAO should remain the sole global body dealing with air transport matters.

49.12 There was also broad support for the Council's plan to consider the convening of another air transport conference during the next triennium. It was suggested that unlike the conference held in 2003 which had a comprehensive coverage, this conference should focus more on new or key issues, such as liberalization of market access and air carrier ownership and control. Some believed that the conference should review the current situation and address issues of global importance, taking into account the changes taken place, the needs of States and the basic principles laid down by the Chicago Convention for the development of international air transport.

49.13 There was broad support for the proposal in WP/190 that the Council should add the topic of facilitating airline access to international capital markets to the work programme of the Organization and consider the possibility of developing a binding legal instrument on the subject. However, a view was expressed that it might be premature at this stage for a binding legal instrument.

The Commission agreed that Council should further consider this proposal as well as that in WP/129, in the context of its consideration of future work and the convening of the air transport conference.

49.14 Some concern was expressed regarding the implications of liberalization, particularly for developing countries, given the disparity in development stages and the competitive strength of their airlines. It was suggested that ICAO should continue to provide guidance and assistance to these States in the liberalization process. It was also suggested that ICAO should consider undertaking further work to develop additional indicators that could help measure the range and progress of liberalization worldwide, for example, an indicator of air traffic freedoms on a country-by-country basis.

49.15 In concluding its discussion, the Commission endorsed the future work of the Organization in this field, and requested that the Council give due consideration to the proposals made and the views expressed for the implementation of its work programme. The Commission noted the information contained in WPs 172, 211 and 261.

Other regulatory issues

49.16 In WP/151, Brazil drew attention to a pricing transparency problem where airline practices differ in showing their airfares, surcharges and taxes. It believed that such practices may create distortions which hamper consumer welfare and economic efficiency. Brazil has adopted a regulation to address this problem and suggested that similar regulation be adopted by other States.

49.17 In the ensuing discussion of this paper, there was general agreement on the importance of transparency, and the need for its improvement, including on airline pricing, for the benefit of the travelling public. It was accordingly suggested that ICAO should assist States in promoting transparency. The Commission agreed that the Council should consider this issue in its future work, noting that there exist regulations in the European Union and the United States comparable to that in Brazil.

Agenda Item 50: Economics of airports and air navigation services

50.1 At its first meeting, the Commission considered economic and management aspects of airports and air navigation services on the basis of a report by the Council (WP/6). In addition, one working paper was presented by the International Transport Workers Federation (ITF) (WP/260) and an information paper was presented by India (WP/171).

50.2 In WP/6, the Council reported on major work accomplished by ICAO since the last Assembly in assisting States to operate airports and provide air navigation services in an efficient and cost-effective manner. It also provided a brief overview of developments in the economic aspects of airports and air navigation services' and presented the Organization's plan of action for the next triennium.

50.3 The most important event since the 36th Session of the Assembly was the convening of the Conference on the Economics of Airports and Air Navigation Services (CEANS), held in September 2008. The Conference adopted 15 Recommendations, 10 of which were made to strengthen ICAO's *Policies on Charges for Airports and Air Navigation Services* (Doc 9082). The Conference recommendations were endorsed by the Council on 17 November 2008 (C-DEC 185/11), and the revised Doc 9082 was published in January 2009 as its eighth edition. State letter SD 38/1-09/2 dated 30 January 2009 was circulated to Member States informing them of the outcome of the Conference.

50.4 Based on the Conference recommendations, the Secretariat is in the process of updating relevant ICAO guidance material (i.e. *Airport Economics Manual* (Doc 9562), *Manual on Air Navigation Services Economics* (Doc 9161)) with the assistance of the Airport Economics Panel (AEP) and the Air Navigation Services Economics Panel (ANSEP).

50.5 The Council also provided a brief overview of the regulatory and industry trends and developments in the management of airports and air navigation services entities, with the identification of certain key issues.

50.6 Based on the Conference recommendations, the assessment of key issues, and the Strategic Objectives and the Business Plan of the Organization, the Council presented the Organization's plan of action for the next triennium in the field of economic aspects of infrastructure management. It would include the following elements: cooperation and engagement by ICAO with Member States, the industry, interested international organizations and other stakeholders on issues of common interest in the field of airport and air navigation services economics; dissemination and promotion of the policies on charges; finalization of the revision of Doc 9082 and the two economics manuals; regional workshops on a cost-recovery basis and training on airport charges on a commercial basis; development of new guidance on emerging issues; monitoring the financial situation of airports and air navigation services and the consequential impact on charges; and development of an online database for ICAO's *Tariffs for Airports and Air Navigation Services* (Doc 7100).

50.7 In WP/260, the International Transport Workers Federation (ITF) proposed that worker and professional representatives be included in the consultation process and that this be included in Doc 9082. ITF also commented on ICAO's policies on charges in Doc 9082 and called for a review of the current charging formula for air navigation services (ANS). The paper expressed the view that while airlines should share in the costs of provision of ANS, the fundamental role of the State needs to be recognized (i.e. financing of the system should come not only from users but also from the State), and that the lack of public support and pressure to reduce staff could have a potentially adverse effect on performance targets for safety, efficiency and regularity. It also proposed the establishment of reserve funds by air navigation service providers (ANSPs), which would require some revision to ICAO's policies in Doc 9082.

50.8 In an information paper (WP/171), India described the steps taken by the government to establish an economic regulator for airports (AERA – Airports Economic Regulatory Authority) and its powers, functions and modus operandi.

50.9 In consideration of the report of the Council, the Commission expressed satisfaction for the work undertaken and accomplished by ICAO since the last Assembly. The Commission also expressed strong support for the future work on the economic aspects of airports and air navigation services as presented by the Council. The work being done by ICAO with industry, in particular concerning the dissemination of ICAO's policies on charges, was noted and it was agreed that any revision or update of Doc 9082 should be consistent with the recommendations of the Conference and should first be reviewed by the AEP and ANSEP. In addition, the Commission agreed that a study on non-economically viable airports should be conducted and that guidance on funding of oversight functions should be developed. This work should be carried out with the assistance of the two economics panels. It was suggested that monitoring the financial situation of airports and air navigation services providers could be accomplished by using existing ICAO data gathering vehicles.

50.10 The Commission noted the views expressed by ITF and advised that ICAO's current charging policies on the use of aircraft weight and distance flown reflect the Conference recommendations and provide sufficient flexibility. Regarding ITF's request that worker and professional representatives be part of the consultation process and that this be included in Doc 9082, the Commission emphasized that any revision of policies and guidance material should be consistent with the Conference recommendations and, therefore, did not endorse the ITF proposal.

50.11 The Commission noted the information contained in WP/171.

Agenda Item 51: Consolidated statement of continuing ICAO policies in the air transport field

51.1 At its second meeting, the Economic Commission considered the subject of the consolidated statement of continuing ICAO policies in the air transport field on the basis of WP/20 which contains a draft resolution for adoption by the Assembly (Resolution 51/1).

51.2 The Commission noted that the draft resolution as contained in the Appendix to WP/20 had been developed in response to Resolution A36-15, which required the Council of ICAO to keep the consolidated statement under review and advise the Assembly as appropriate when changes were needed. Accordingly, a substantive review of Resolution A36-15 had been undertaken and a revised version of the resolution was presented in the Appendix to WP/20.

51.3 The Commission also noted that changes in the resolution were suggested in order to take into account developments in air transport regulation and liberalization, the current work under the statistics, forecasting and economic analysis programmes, and to reflect recent development and focus of ICAO's work relating to facilitation and travel documents, as well as the results of the Conference on the Economics of Airports and Air Navigation Services (CEANS, 2008).

51.4 Having reviewed the resolution with a few minor amendments, the Commission agreed to recommend to the Plenary to adopt the following resolution which would supersede Resolution A36-15.

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

Resolution 51/1* : Consolidated statement of continuing ICAO policies in the air transport field

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

* Renumbered A37-20.

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 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 Contracting States on a continuing basis and these 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;

Whereas the Organization is moving toward management by objective with more focus on implementation over standard setting;

Whereas guidance developed by the Organization, and action taken by the Organization in implementing its Strategic Objectives, 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, as these policies exist at the close of the 37th Session of the Assembly:

Appendix A — Economic regulation of international air transport

Appendix B — Statistics

Appendix C — Forecasting, planning and economic analyses

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 issues, to consult expert representatives from Contracting 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, and working 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 A36-15.

APPENDIX A

Economic regulation of international air transport

Section I. Agreements and arrangements

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, 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 (IASTA) 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 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 Conference (ICAN), 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;
2. *Urges* Contracting States that have not yet become parties to the International Air Services Transit Agreement (IASTA) 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 serious problems arising from the application of air services agreements or arrangements and of any developments which tend toward the objective of multilateralism in the exchange of commercial rights;
5. *Encourages* Contracting States to make use of and benefit from the ICAO Air Services Negotiation Conference facility;

6. *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;

7. *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;

8. *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;

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

10. *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

11. *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 urge 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 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 to many 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, without prejudice to States' obligations for aviation safety and security;

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* Contracting 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* Contracting 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;

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 to promptly circulate to States information concerning such cooperative arrangements.

Section III. Airline product distribution

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 Contracting 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.

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 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 Contracting 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* Contracting 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 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 Contracting States accordingly; and
- c) promote continued effective communication, cooperation and coordination between 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 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* Contracting 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*; and
2. *Requests* the Council to ensure that these policies and guidance material are current and responsive to the requirements of Contracting States, and to develop guidance on emerging issues of general interest where required.

APPENDIX B

Statistics

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

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

Whereas there is a need for the Organization to collect data from States on annual aviation fuel consumption to be used to address emerging challenges of sustainable development of air transport;

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 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 Contracting States and other users with an efficient online system for the retrieval of statistical data;

Whereas a number of Contracting States are still not filing, or have not been filing 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 nominate focal points for aviation statistics, and to make every effort to provide the statistics required by ICAO on time and to submit them electronically whenever possible;
2. *Requests* the Council, calling on national experts in the relevant disciplines as required, to examine on a regular basis the 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 statistics, the completeness and timeliness of reporting by Contracting States, and the form and content of analyses; and
3. *Requests* the Council to:
 - a) continue to explore ways of closer cooperation 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, planning and economic analyses

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 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;

Whereas the Organization has to regularly assess its performance against its Strategic Objectives with particular focus on safety, security, environmental protection and sustainable development of air transport; 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 and maintain, as necessary, forecasts of future trends and developments in civil aviation of both a general and a specific kind, including, where possible, local and

regional as well as global data, and to make these available to Contracting States and support data needs of safety, security, environment and efficiency;

2. *Requests* the Council to develop methodologies and procedures for the preparation of forecasts, 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, 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, planning and economic analyses.

APPENDIX D

Facilitation

Section I. Development and implementation 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 implementation of the Standards and Recommended Practices in Annex 9 is essential to facilitate the clearance of aircraft, passengers and their baggage, cargo and mail and manage challenges in border controls and airport processes so as to maintain the efficiency of air transport operations;

Whereas it is essential that Contracting States continue to pursue the objective of maximizing efficiency and security in such clearance operations;

Whereas the Convention on the Rights of Persons with Disabilities and its Optional Protocol, that had been adopted in December 2006 by the United Nations General Assembly, entered into force on 3 May 2008;

Whereas the development of specifications for machine readable travel documents by the Organization has proved effective in the development of systems that expedite the movement of international passengers and crew members through clearance control at airports while enhancing 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. *Urges* Contracting States to give special attention to increasing their efforts to implement Annex 9 Standards and Recommended Practices;
2. *Requests* the Council to ensure that Annex 9 — *Facilitation*, is current and addresses the contemporary requirements of Contracting States with respect to administration of border controls, cargo and passengers, the protection of passenger and crew health and the accessibility to air transport by persons with disabilities;
3. *Requests* the Council to ensure that the provisions of Annex 9 — *Facilitation*, and Annex 17 — *Security*, are compatible with and complementary to each other;
4. *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
5. *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. International cooperation in protecting the security and integrity of passports

Whereas the passport is the basic official document that denotes a person's identity and citizenship and is intended to inform 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 essential to the functioning of the international travel system;

Whereas the veracity and validity of machine readable travel documents (MRTDs) depends on the documentation used to establish identity, confirm citizenship or nationality and assess entitlement of the passport applicant (i.e. "breeder" documentation);

Whereas Member States of the United Nations have resolved, under the Global Counter-Terrorism Strategy adopted on 8 September 2006, to step up efforts and cooperation at every level, as appropriate, to improve the security of manufacturing and issuing identity and travel documents and to prevent and detect their alteration or fraudulent use;

Whereas Resolution 1373 adopted by the United Nations Security Council on 28 September 2001, decided that all States shall prevent the movement of terrorists or terrorist groups by effective border controls and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents;

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 impostors, the use of expired or revoked passports, and the use of fraudulently obtained passports;

Whereas the use of stolen blank passports, by those attempting to enter a country under a false identity, is increasing worldwide; and

Whereas ICAO provides assistance to States in all matters related to MRTDs including project planning, implementation, education, training and system evaluation services, and has set up the Public Key Directory (PKD) to strengthen the security of biometrically-enhanced MRPs (ePassports);

The Assembly:

1. *Urges* Contracting States to intensify their efforts to safeguard the security and integrity of the breeder documentation;
2. *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;
3. *Urges* those Contracting States that have not already done so, to issue machine readable passports in accordance with the specifications of Doc 9303, Part 1;
4. *Urges* Contracting States to ensure that the expiration date of non-machine readable passports falls before 24 November 2015;
5. *Urges* those Contracting States requiring assistance in implementing MRTD standards and specifications to contact ICAO without delay;
6. *Requests* the Council to take appropriate measures to establish guidance on breeder documentation;
7. *Requests* the Council to continue the work on enhancing the effectiveness of controls on passport fraud by implementing the related SARPs of Annex 9 and developing guidance material to assist Contracting States in maintaining the integrity and security of their passports and other travel documents;
8. *Urges* those States issuing ePassports to join the ICAO PKD; and all receiving States to verify the digital signatures associated with the passports; and
9. *Urges* those Contracting States that are not already doing so, to provide routine and timely submissions of lost and stolen passport data to Interpol's Automated Search Facility/Stolen and Lost Travel Document Database.

Section III. 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;

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; and

Whereas such cooperation has become vital in the light of the proliferation of non-uniform passenger data exchange systems that adversely affect the viability of the air transport industry.

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 their governments 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;

8. *Urges* Contracting States, in their use of electronic data interchange systems, to ensure that their passenger data requirements conform to international standards adopted by relevant United Nations agencies for this purpose; and

9. *Urges* States and operators, in cooperation with interested international organizations, to make all possible efforts to speed up the handling and clearance of air cargo, while ensuring the security of the international supply chain.

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 in Doc 8632, *ICAO's Policies on Taxation in the Field of International Air Transport*, 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 A37-18, *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 in Doc 8632 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 are current and responsive to the requirements of Contracting States.

APPENDIX F

Airports and air navigation services

Section I. Charging policy

Whereas ICAO policies in Doc 9082, *ICAO's Policies on Charges for Airports and Air Navigation Services* 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 A37-18, *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 A37-19, *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 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 are 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;
5. *Encourages* Contracting States to adopt the principles of non-discrimination, cost-relatedness, transparency and consultation with users, as espoused in Doc 9082, in their national legislation, regulation or policies, as well as in air services agreements, to ensure compliance by airports and air navigation services providers; and
6. *Requests* the Council to ensure that the guidance and advice contained in Doc 9082 are 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 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 Contracting States have called on the Organization to provide advice and guidance aimed at promoting equitable recovery of airport and air navigation services costs;

Whereas Contracting 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* 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 in the recovery of costs of multinational air navigation facilities and services and to consider the use of the provisional Council policy guidance on the allocation of GNSS costs;

3. *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;

4. *Requests* the Council to continue 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;

5. *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 these among States and commercialized and privatized airports and air navigation services entities;

6. *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

7. *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, including international organizations with interests in tourism, aviation and trade, in the level of international air carrier costs of operation 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, have promoted neutrality and have resulted in a more equitable system of revenue sharing; and

Whereas ICAO requires air carrier revenue, cost and operational data 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 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* 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 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.

Agenda Item 52: Facilitation

52.1 At its second meeting, the Commission considered developments in the Facilitation (FAL) and Machine Readable Travel Document (MRTD) Programmes since the last Assembly on the basis of a report by the Council presented in WP/72. In addition, six papers were submitted by States and Observers: WPs/136, 253, 254, 257, 286 and 287.

52.2 WP/72 described the work accomplished by the Facilitation Panel (FALP) and its working groups during the 2008-2010 triennium. It also described the activities undertaken under the MRTD Programme, and the continuing need to provide additional assistance to States. The paper presented a plan addressed at assisting Member States in implementing the provisions of Annex 9 — *Facilitation*, and proposed additional means by which these States might continue to enhance travel document security.

52.3 The Commission expressed its support of the proposals set out in the working paper and agreed that:

- a) the FAL Programme should enhance the worldwide implementation of Annex 9 Standards and Recommended Practices (SARPs) relating to advance passenger information (API) and passenger name record (PNR) data exchange programmes, inadmissible persons and deportees, as well as the work of national and airport FAL programmes;
- b) the MRTD Programme should expand its work to cover relevant identity management issues, including the development of guidance material on breeder documents, and continue to assist States on MRTD-related issues, particularly with regard to the issuance of biometric passports (ePassports); and

- c) the Secretariat should carry out the activities described in a) and b) above, depending on available resources, primarily through regional seminars, symposia and workshops conducted on a cost-recovery basis, as well as increased cooperation with relevant international organizations and the publication of theme-specific guidance material.

52.4 The Commission also agreed that the Council and Member States should continue their work in protecting the integrity of passports as a matter of high priority. It strongly supported ICAO's role as the global leader in developing travel document standards.

52.5 In WP/136, the United Nations World Tourism Organization (UNWTO) informed the Commission that, under the umbrella of its Security and Facilitation Enhancement (S.A.F.E.) strategy, the Organization had been examining the case for eVisas. The eVisa system has demonstrated considerable advantages from the perspectives of both security and facilitation. The concept, already being implemented by a few States and under consideration by an increasing number of others, was in danger of fragmentation and security gaps because of the absence of global standards and specifications.

52.6 The Commission supported UNWTO's proposal that ICAO should explore with international partners the development of global standards and specifications for eVisas as a matter of priority. It also supported a suggestion that this work be undertaken through the establishment of a public/private partnership.

52.7 Malaysia presented an information paper on the implementation of the Secure Freight Programme Pilot Project (WP/257), an initiative it has undertaken together with the International Air Transport Association (IATA), Malaysia Airports (KLIA) and a number of other participants involved in shipping air cargo. The trial stage commenced in May 2010, with the goal of implementing a National Secure Freight Programme.

52.8 China, in information paper WP/254, described the progress that the State has made since the 36th Assembly in implementing ICAO-compliant electronic MRTDs, including its participation in the ICAO Public Key Directory (PKD), in accordance with the relevant SARPs of Annex 9 — *Facilitation*.

52.9 The Republic of Korea, in information paper WP/287, introduced its Congestion Relief System and the automatic immigration service, "u-Immigration System," that it has developed to enhance the facilitation of passengers at airports. These systems have greatly contributed to reducing the time required for relevant departure/entry formalities and procedures, as well as ensuring smooth and stable operations at Incheon International Airport.

52.10 WP/253 (information paper), presented by IATA, reported on progress made by IATA's Passenger Facilitation Working Group (PFWG) in developing an International Traveller Scheme (ITS) that aims to bring national, bilateral and multilateral registered traveller schemes together under one overall programme.

52.11 In an information paper (WP/286), IATA described the approach that has been adopted by its PFWG to harmonize passenger data through the adoption of a common or universal passenger data set. The standardization of data collection and transmission would improve the quality of data that governments receive for security and other law enforcement purposes.

Agenda Item 53: Economic analysis

53.1 At its first meeting, the Commission considered developments in the statistics, forecasting and economic analysis programmes on the basis of a report of the Council (WP/7, Corrigenda Nos. 1, 2 and 3). In addition, three working papers were presented by Venezuela WP/300, WP/301 and WP/302 and one Information paper was presented by India (WP/170).

53.2 In WP/7, the Council reported to the Assembly on the key outputs and adjustments to the Organization's work programmes relating to statistics, forecasting and economic analysis. The paper also presented the plan of action for the next triennium in these fields. The future tasks include the implementation of the recommendations of the Tenth Session of the Statistics Division (STA/10), held in November 2009, as well as the development of various sets of forecasts and economic studies. In addition, support would be provided to the Traffic Forecasting Groups (TFGs) and manuals on forecasting and the statistics programme would be revised. The future work programme also calls for workshops and training sessions to be held on a cost-recovery basis.

53.3 Venezuela, in WP/300, proposed that a single chart of accounts be developed by the Organization. Such a chart would serve to harmonize and standardize the accounting systems of all companies in the aviation sector. It would decrease the disparity between and rationalize the delivery of information collected by the aviation authorities as well as provide a source of information for the development of necessary financial indicators for decision making.

53.4 In WP/301, Venezuela proposed that a method be developed to measure price variation in the aeronautical sector and to allow for a global diagnosis that would take into account the factors affecting activities in the sector to enable the authorities concerned to develop strategy and take timely action to mitigate the adverse impact of economic fluctuations on the sector.

53.5 In WP/302, Venezuela, underscoring the importance of verifiable statistics and economic aviation indicators for planning and decision making by various aviation stakeholders, stressed the need for the Organization to promote and implement a continuous and systematic training programme for States in order to improve the quality and timeliness of aviation statistics submitted under the ICAO Statistics Programme.

53.6 In an information paper (WP/170), India described aviation data collections maintained by major civil aviation stakeholders in India, data dissemination as well as new initiatives, including an IT-led solution for the Directorate General of Civil Aviation. It also informed about the establishment of a Committee of Experts on Air Transport Forecasting/Planning to develop quality and reliable forecasts and to act as a think tank for the civil aviation industry.

53.7 The Commission noted the activities undertaken by the Organization in the fields of statistics, forecasting and economic analysis. It recognized that there was no duplication of forecasting activities with those carried out by the Committee on Aviation Environmental Protection (CAEP), as the development of forecasts to support the airports and air navigation systems planning and environmental planning as well as to monitor the implementation of the Strategic Objectives was the mandatory function of the Organization. It endorsed the future tasks planned by the Organization in these fields.

53.8 Some States expressed concerns regarding the cost recovery principle to be applied to future training and workshops while others felt that the additional training activities proposed in WP/302

would require extra resources which the Organization lacks. In view of the resource constraints that the Organization will be facing in the next triennium, particularly in the air transport field, the Commission did not endorse the waiving of this cost recovery principle or additional training activities.

53.9 The Commission recognized the substantial work and resources that would be required for the future tasks proposed in WPs 300 and 301. Furthermore, it noted difficulties experienced by some States and organizations in attempting to conduct similar studies, including collecting and managing data and information, as well as the resource implication of these tasks for the Organization. Consequently, the Commission did not endorse the proposed tasks. The Commission noted the information contained in WP/170.

Agenda Item 54: Other issues to be considered by the Economic Commission

54.1 The Commission considered this item based on two papers: WP/312 by Cuba and an information paper WP/215 by Malaysia.

54.2 In WP/312, Cuba provided updated information on and evidence of the economic, commercial and financial blockade imposed on it by the United States of America, and the impacts of such blockade on all of its economic sectors, including civil aviation. Cuba invited the Assembly to acknowledge that such unilateral measures negatively affecting the development of civil aviation, constituted a violation of the principles and objectives of the Chicago Convention; and to request the Secretary General to inform Secretary General of the United Nations of the impacts of these measures on Cuban civil aviation and for an annual report to be made to the Council by the President of the Council, for as long as these impacts remain in effect.

54.3 In the discussion that followed, a number of delegations stated their support for the position taken by Cuba, and for the actions proposed in the paper. In their view, the US embargoes on some States had an adverse impact on civil aviation of the countries concerned, especially on economic development of air transport. Such unilateral measures affected their participation in international air transport activities, causing additional expenses in order to fulfil safety obligations under the Chicago Convention due to their denial of access to aircraft, spare parts and aviation equipment, as well as technical support. Although recognizing that the issue was a political one, it also had an economic impact on civil aviation. They felt that this was not just a bilateral matter but one that could have wider effects on third parties. They considered ICAO the appropriate forum to examine this matter because the principles and provisions of the Chicago Convention were at issue. Highlighting the lack of progress in resolving the issue in ICAO, they called for more effective action by the Assembly and the Council to address this matter.

54.4 The United States expressed the view that the matter was a bilateral political issue not appropriate for discussion at this forum dealing with technical matters. It requested that the matter be handled appropriately, and suggested that it be referred to the President of the Council. A delegation expressed the view that this was not an issue for the Economic Commission but one of political nature that should be dealt with by the Council.

54.5 The Commission noted the information contained in WP/312 and recognized that this was a complex, delicate and sensitive issue which had generated strong views on each side but one which the Economic Commission could not resolve. It was therefore decided that the Chairperson of the Commission would bring this matter, including the views expressed in the Commission and the concerns

expressed by Cuba and others over the lack of progress, to the attention of the President of the Council, whose “good offices” had been involved in this issue on previous occasions.

54.6 Through an information paper WP/215, Malaysia explained the need and benefit of introducing a State aviation planning approach, spearheaded by aviation authorities, which it believed could help eliminate wastage of resources and achieve economic efficiency of the aviation sector. The Commission noted the information contained in the paper.

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