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**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY  
DIVISION OF TRANSPORT**

**DSTI/DOT/M(2002)1  
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**OECD WORKSHOP ON LIBERALISATION OF AIR CARGO TRANSPORT  
PARIS, 21-22 JANUARY 2002**

**SUMMARY RECORD**

*This document contains the summary record of the OECD Workshop on Liberalisation of Air Cargo Transport held in Paris on 21-22 January 2002.*

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**English - Or. English**

**OECD WORKSHOP ON LIBERALISATION OF AIR CARGO TRANSPORT  
PARIS, 21-22 JANUARY 2002**

**Summary**

1. The Workshop on Liberalisation of Air Cargo Transport, which was held in Paris on 21-22 January 2002, was convened by the OECD Secretariat to consider the current outlook for air cargo transport and finalise deliberations on revised approaches developed by the Secretariat to the liberalisation and regulatory reform of international air cargo transportation. It was the third Workshop on air cargo transport held with the involvement of government and industry representatives, who participated in their personal capacity.

2. Industry presentations confirmed that the outlook for air cargo traffic appears to be improving, after a weakening that began in autumn 2000 and was exacerbated by the events of 11 September 2001. Air cargo demand is expected to increase in 2002 with stronger growth expected in 2003. Air cargo representatives also put forward strong arguments for removal of a range of existing economic and operational restrictions on international air cargo operations.

3. The Workshop focussed on some key policy issues identified at the 2000 Workshop (traffic rights, ownership and control, leasing, competition, safety and security, and customs) that have proven a barrier to such air cargo liberalisation. Participants also addressed in detail the proposed treatment of these issues in the documentation prepared by the Secretariat (which included a multilateral air cargo agreement and a bilateral protocol to existing air service agreements). The Workshop provided broad support for the proposed treatment of key policy issues, although there was not complete consensus.

4. In the light of the discussions, the Secretariat will revise and update the document, circulate it to participants and transmit it to Member governments for further consideration. It is also envisaged to forward the document to ICAO to be used as background documentation for the forthcoming ICAO 2003 World Air Transport Conference on "Challenges and Opportunities for Liberalization". The Secretariat advised its intention to publish the documentation on completion.

**Related documents**

DSTI/DOT/A(2002)1      Draft Annotated Agenda

DSTI/DOT(2002)1      Liberalisation of Air Cargo Transport

**OECD WORKSHOP ON LIBERALISATION OF AIR CARGO TRANSPORT  
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**SUMMARY RECORD**

**Participation**

1. The Workshop was chaired by Mr. H. de Jong (Head, International Affairs, Ministry of Transport, The Netherlands). Participation included representatives from many Member countries plus representatives from Singapore and Chile, airlines, general and express air cargo operators, the International Civil Aviation Organisation (ICAO) and the International Air Transport Association (IATA), as well as other international organisations and associations. Participants were invited to speak in their personal capacity.

**Purpose**

2. The January 2002 Air Cargo Workshop was convened by the OECD Secretariat to consider the current outlook for air cargo transport and review the revised approaches developed to liberalise air cargo services. The purpose of such liberalisation is to allow more efficient air cargo services, better able to meet the needs of air cargo users. The meeting aimed to establish the workability of a liberalisation package which had been prepared by the Secretariat with Member country and industry input in reforming the existing regulatory framework for air cargo services. This package included a Bilateral Protocol and a draft Multilateral Agreement. Such reform would require an appropriate balance between the objectives of Member countries and the interests of operators (and their workforces), users and all other parties involved.

**Opening of the Workshop**

3. The Secretariat welcomed participants and outlined the objectives and the wider context as well as the importance and expected outcomes of the Workshop. The Secretariat noted that the final stages of the work had been undertaken during a period of extraordinary difficulty for international aviation, following the events of 11 September 2001. The Workshop provided an important opportunity for critical review of current arrangements and possible improvements. It also provided a timely opportunity, given the forthcoming ICAO World Air Transport Conference in 2003, which is aimed at developing a framework for the progressive liberalisation of international air transport. The Secretariat advised its intention to publish the documentation on completion. The Secretariat also re-affirmed that, while the OECD has strong interests in regulatory reform, it is of course Member countries that are responsible for final decisions on approaches and implementation.

4. The Chairman's Opening Statement noted the considerable work and energy that had been devoted since the October 2000 Workshop to the development of the Secretariat's air cargo liberalisation documentation. This had been done with support and valuable contributions from many individuals, including those who attended the Workshops and participated in the electronic discussion groups. The Chairman noted that the private sector participants in the Workshops had made it clear that they genuinely believe in further liberalisation that goes beyond the present bilateral system, with all its imperfections.

## **FIRST SESSION: CURRENT OUTLOOK**

### **Developments in the WTO**

5. At the outset, there was an interactive presentation and discussion on the latest developments in relation to aviation under World Trade Organisation processes. As part of the WTO's review of the air transport Annex, consideration had been given to the possible extension of the WTO's coverage and GATS' discipline to the air transport sector. At present, the aspects explicitly covered in the Annex were selling and marketing of air services, aircraft maintenance and computer reservation services. No consensus had been reached, however, to extend the GATS coverage to include traffic rights. There is also uncertainty about whether a number of ancillary services relevant to air cargo (*e.g.* airport services, ground handling and wetleasing) are covered by the scope of the GATS. Liberalising countries may take advantage of the ambiguities to include such additional services in the negotiating process, but they would only be pursued if there were a critical mass of support for their inclusion. Following the Doha meeting, there was now agreement for the launching of a more global WTO round, called the Doha Development Agenda, encompassing negotiations on matters such as market access for goods and WTO rules and initial discussions on investment and competition. Air transport like other sectors could be involved in WTO processes by request. However, to date there had been only five proposals covering air transport (from the EC, Norway, Chile, New Zealand and Colombia) - none had specifically mentioned air cargo. As a result, it seems likely that the review of air transport would not continue, the ambiguity over GATS coverage of aviation services would remain and air transport would probably not be back on the WTO agenda before at least 2006.

### **Industry Outlook**

6. Industry presentations addressed the current outlook for air cargo demand and air cargo services. In discussing the current outlook, separate industry presentations confirmed that the downturn in air cargo demand, evident since autumn 2000 but exacerbated by the events of 11 September 2001, is bottoming out. While the circumstances of individual carriers differ, they generally expect that air cargo demand will increase slowly in the first half of 2002 (plus 1%) and accelerate in the second half (plus 3%). Stronger growth of up to 9% is expected in 2003, on the basis of projected increases in levels of economic activity around the world.

7. Air cargo representatives also put forward strong arguments for removal of a range of existing economic and operational restrictions on international air cargo operations. Studies had shown that, where implemented, aviation deregulation had generated widespread positive benefits, which included improved services and lower costs to users. Another positive outcome had been to allow the development of innovative business models (*e.g.* express freight services). The industry supported changes to existing air cargo restrictions particularly in the areas of air carrier ownership, operations and leasing. Industry commented that there was much to be done to bring down the barriers and allow industry to provide services without government intervention. There was also general industry support for the framework of liberalisation outlined for the future, including ground handling services and facilitation.

### **General Statements**

8. A number of general statements were made by representatives from Member countries. On economic aspects, they recognised the rapidly advancing processes of globalisation, liberalisation and deregulation in all branches of the economy. Opening up market access would enable the air cargo industry to better satisfy the needs of the market than in the past. A number of participants emphasised there should

be simultaneous consideration of economic, safety and security and other aspects, recognising particularly the increased importance of aviation safety and security, and the concern with other matters such as congestion of airports. There was support for progress on air cargo liberalisation at bilateral or plurilateral levels as intermediate steps towards a multilateral air cargo agreement. Some comments drew attention to problems that might arise in establishing separate arrangements for all-cargo services and the need for caution in implementing arrangements that would apply to air cargo transport but not air transport generally. There was also support for forums such as this one which brought regulators and industry together to address such issues.

9. Statements by representatives from industry, organisations and associations also supported reform of air cargo services. Experience had shown that liberalisation of trade helps economies develop, creating new opportunities and driving market growth. Traffic tends to flow to and through more liberalised markets. Any measures that constrain capacity also restrain economic growth of the country itself. It is therefore important to liberalise the entire transport chain, including air cargo transport. Cargo should not be seen as a product but rather as a part of world trade processes. Liberalisation meant improving facilitation of air cargo services as well as reforming economic regulation. Some participants flagged concerns about changing controls (such as on 'ownership and control') because they could impact on workforces while others supported such changes for the possibilities for re-structuring they would allow. Industry representatives re-affirmed the industry's focus on safety and security, recognising the importance of adequate aviation safety and security not only generally but also for their own workforces.

## **SECOND SESSION: CONSIDERATION OF THE MULTILATERAL AGREEMENT**

### **General Introduction**

10. The Secretariat introduced the discussion of the draft Multilateral Agreement. The Secretariat recalled that deregulation and multiple designation in many markets had shifted the focus from "command and control" economic regulation to competitive entry and pro-competition regulatory approaches. However, the aviation industry is still subject to more regulatory restrictions than most other industries operating in international environments. There is tension between remaining elements of traditional economic regulatory arrangements — on the one hand — and the needs of users and the industry for more flexible air cargo services — on the other. In developing the liberalisation framework, the Secretariat and those involved in working group processes gave particular consideration to:

- Maintaining the integrity of aviation safety and security controls at all stages of economic liberalisation.
- Whether to remove regulatory controls on "ownership and control" of air cargo carriers.
- Any special measures required to protect against "flags of convenience" and "free riders".
- Removal of aviation-specific controls over capacity, prices and competition.
- The possibility of consistent regimes for scheduled, non-scheduled and charter operations.
- The scope of the air cargo reforms outlined, noting that the focus had shifted from air cargo transport generally to all-cargo services (i.e. excluding passenger/cargo 'combination services').

The main task for the Workshop was not to decide whether a Multilateral Agreement would be the preferred approach. This was a matter for consideration by the governments concerned. Rather, the main task was to review the draft Multilateral Agreement and consider whether the approaches proposed for liberalising services and for dealing with key issues were appropriate and workable.

### **Consideration of Key Proposals**

11. There was detailed discussion of the scope of the Agreement and key Articles of the Multilateral Agreement – Articles 2, 3, 4 and 5. These related principally to grants of rights, ownership and control of air carriers and leasing. Many of these issues are relatively complex and the approaches proposed in the documentation was in some cases quite new. The Workshop allowed comprehensive and in-depth discussion of these issues, which have previously been seen as a barrier to liberalisation of air transport generally and air cargo services in particular. Summary comments are set out in the following paragraphs. More detailed notes on the discussion are at **Attachment A**.

#### ***Scope***

12. Discussion focussed initially on the scope of the draft Agreement, which focussed on all-cargo services to achieve substantial reform and minimise the prospect for regulatory conflict between the regimes for international air passenger and cargo transport. After some considerable discussion, there was wide support for the Secretariat expanding the scope of the liberalisation in the draft Multilateral Agreement (and Bilateral Protocol). The proposal accepted in principle was to widen the focus from ‘all-cargo services’ to the broader focus of ‘air cargo services’, applying the liberalisation provisions where possible to encompass air cargo on ‘combination’ services. This needed to be done in ways that ensured that the provisions (such as ones granting market access and removing existing regulatory controls on ‘ownership and control’ of air cargo carriers) did not override the restrictions on these matters imposed on ‘combination’ carriers by international air passenger transport regulatory regimes.

#### ***Traffic Rights***

13. The discussion of traffic rights focussed on the desirable extent of liberalisation in Article 2 of grants of rights in a multilateral context. Some different viewpoints were expressed over the inclusion of external ‘fifth’ and ‘seventh’ freedom rights in the proposed liberalisation, with more support for their inclusion. There was no support for inclusion of cabotage provisions in an initial granting of rights. At the end of the discussion, there was general support for leaving the proposed traffic rights provisions in Article 2 unchanged and retaining the footnotes, which explained the scope of the provisions.

#### ***Ownership and Control***

14. There was general support for some relaxation of existing controls on ownership and control of air carriers but not complete consensus as to the changes required. No major difficulties were foreseen with removal of controls on ‘substantial ownership’, recognising air carriers from smaller countries often have the greatest need for liberalised inward investment rules. There was less agreement on the appropriateness and consequences of excluding regulatory controls requiring ‘effective control’ to be in the hands of the designating Party and/ or its nationals. Further consideration needed to be given to the provisions of Articles 3 and 4 relating to Designation and Authorisation, to ensure the integrity of safety and security regimes is fully protected, particularly in circumstances where designated air carriers use leased aircraft to undertake air cargo services. In relation to provisions to protect against the development of ‘flags of

convenience' and 'free riders', participants supported the importance of such provisions and agreed there was a need for some clarification in the drafting of the provisions.

### *Leasing*

15. Participants recognised the importance of more consistent regimes that allowed the leasing of aircraft (including wet-leasing) from operators of other Contracting Parties. Participants generally supported the thrust of the approach proposed in Article 8 of the draft Multilateral Agreement, which aims to set out clear and consistent provisions and restrictions that could be widely adopted for the leasing of aircraft by air cargo operators. However, there was not consensus recognising the potential for conflict with domestic legislation or aviation policy in some Member countries. It appeared that some of the concerns could be clarified by changes in terminology and some minor re-drafting of Article 8 provisions. The changes made would need to take fully into account the responsibilities of the respective authorities involved in leasing arrangements and limitations on arrangements between such authorities.

## **THIRD SESSION – THE WAY FORWARD**

### **Overall Findings**

16. A principal outcome of the Workshop in relation to liberalisation was that participants re-confirmed the need for reform of the regulatory framework for international air cargo services. Participants broadly agreed, although there was not complete consensus, that the two instruments developed by the Secretariat would facilitate bilateral and multilateral approaches to the regulatory reforms required. Following their finalisation, they will provide optional approaches for interested/like minded countries wishing to progress air cargo market liberalisation more broadly, or alternatively allow use of selected provisions aimed at liberalising certain aspects of air cargo services.

### **Action**

17. As the extended discussion of key regulatory issues did not allow Workshop participants to address all aspects of the documentation, it was agreed to clarify any remaining issues via the written procedure. On the basis of such clarification, it will be decided whether to convene a small expert meeting to finalise the treatment of any issues in the draft or whether this can be done by the Secretariat on its own. Once finalised, the document will be forwarded to Member countries for consideration and possible use and also transmitted directly to the ICAO in preparation for their 2003 World Air Transport Conference.

## ATTACHMENT A

### NOTES ON THE DISCUSSION

#### Scope of the Agreement

Participants initially concentrated on the scope of the draft Multilateral Agreement. While supporting air cargo liberalisation, some participants favoured a wider focus than ‘all-cargo services’. Reasons included that:

- Liberalisation of all-cargo services alone could lead to operational and market advantage for carriers offering such services and discrimination between the treatment of air cargo on ‘all-cargo’ services and on passenger/cargo (‘combination’) services.
- Two different regimes would apply to the handling of air cargo (the Multilateral Agreement for all-cargo services and bilateral agreements for services by combination carriers).
- All parts of the industry — not just all-cargo services — would benefit from the liberalised arrangements for facilitation set out in the Agreement.
- In respect of ‘combination’ carriers, only the provisions relating to air cargo need be liberalised and this could be achieved without liberalisation on the passenger side.
- The arrangements proposed could impact on the structure of the industry and the ownership structure of businesses operating both combination and all-cargo services.

A number of participants including cargo operators supported the current scope, noting that:

- Many existing bilateral agreements now include separate arrangements for all-cargo services, which treated matters such as frequency / capacity and routes for all-cargo services differently from combination services. Separate arrangements for all-cargo had operated without any difficulties in the market place.
- Traditional end-to-end bilateral air services arrangements under which combination carriers operate do not always meet the needs of the market or the operating flexibility required (*e.g.* for triangular services).
- Expanding the scope would result in separate regimes (a passenger and a cargo regime) applying to the services of ‘combination’ carriers.
- Regulatory arrangements for passenger services would prevent some of the air cargo reforms outlined (such as removal of restrictions on ‘ownership and control’) being applied to ‘combination services’.

Several participants supported liberalising not only air cargo transport but also regulatory controls on air passenger transport generally. While supporting wider reform, the Workshop noted that:

- There are already very open regimes for international air cargo services in many markets, whereas the regimes for air passenger transport are generally more restrictive.
- There was greater complexity and there would be more resistance to liberalising the air passenger transport regulatory regime.
- There were valid reasons for pursuing regulatory reform of international air cargo services separately from air passenger transport services, in order to achieve early progress from liberalisation initiatives.

There were differing views on the current focus on major policy reforms in the document, noting:

- The Agreement could focus more narrowly on the generally supported facilitation proposals, leaving contentious matters such as rights for resolution in bilateral negotiations.
- Some reforms, such as to ‘ownership and control’ provisions, realistically could not be undertaken bilaterally and it was therefore important for them to be included in the Agreement.

Following the discussion, there was more support for the Secretariat expanding the scope of the draft Multilateral Agreement. The proposal accepted in principle was to widen the focus from ‘all-cargo services’ to the broader focus of ‘air cargo services’, applying the liberalisation provisions where possible to encompass air cargo transport on ‘combination’ services.

## **Article 2: Grants of Rights**

The presentation on traffic rights initially outlined the deliberations during working group stages that had led to the provisions in Article 2. In reviewing traffic rights liberalisation, the views received had been divided between those that supported ‘internal’ liberalisation and those that supported ‘external’ liberalisation. The former had favoured liberalisation between participating States, involving third and fourth freedoms and internal fifth freedoms where the third country is also a contracting Party to the Agreement. The latter group had favoured grant of rights encompassing third and fourth freedoms and internal and external fifth and seventh freedoms. The provisions finally proposed and included in Article 2 would deregulate market access by allowing designated air carriers to operate air cargo services ‘between the territory of the Contracting Party granting the rights and any point or points elsewhere’.

The Workshop discussion also focussed on the proposed inclusion of grants of rights for internal and external fifth and seventh freedoms and the extent of reciprocity with third countries. Participants noted many agreements already include seventh freedom rights for air cargo. Not all participants considered a multilateral exchange of external rights would be feasible. However, there was more support for including external fifth and seventh rights, noting this was especially the right answer for cargo. Of course, this may involve rights between participating States and third countries that may be difficult to use – because the third countries are not party to the Agreement. However, for the benefit of the industry, the best thing to do would be to include them in the Agreement. Participants agreed that it would not be possible to get close to consensus on a multilateral exchange of cabotage rights in the foreseeable future. Some comments noted the considerable progress on liberalisation that had been made under regional initiatives, which offered support for harmonised approaches. There was also some questioning of the footnotes to the traffic rights, which did not treat regional fifth freedoms in the same way as cabotage.

At the end of the discussion, there was general support for leaving the proposed traffic rights provisions in Article 2 unchanged and retaining the footnotes, which explained the scope of the provisions. If cabotage were to be included, this could be considered at a later stage.

### **Articles 3 and 4: Ownership and Control**

The Workshop considered the proposed reforms of regulatory controls on ‘ownership and control’, focussing on the provisions of Article 3 (Designation and Authorisation) and Article 4 (Refusal, Revocation and Suspension).

The presentation noted that traditional ‘ownership and control’ provisions present a barrier to increasing investment opportunities. The new provisions were intended to encourage cross-border / inward investment. At the previous workshop, there had been no support for retaining ‘ownership’ requirements. Provisions included as a result required the air carrier to be incorporated and have its principal place of business in the designating Party. A requirement for licensing by the designating Party was also added. Article 3 as proposed does not contain provisions requiring an air carrier to be ‘effectively controlled’ by the designating Party and/or its nationals. In relation to ‘flags of convenience’ (FOCs) and ‘free riders’, two broad approaches are possible: firstly, retain a requirement for ‘effective control’ in the designating Party (or in Parties to the Agreement); or secondly, remove the provisions on ‘effective control’ and deal with the ‘FOC’ and ‘free rider’ issues directly. The provisions in Article 4 are intended to deal with ‘FOC’ and ‘free rider’ issues if ‘effective control’ provisions are omitted. The footnote deals with circumstances where removal of the requirement for ‘effective control’ is not acceptable.

In discussion, there was again widespread support for removal of controls on ‘substantial ownership’, recognising that air carriers from smaller countries often have the greatest need for liberalised inward investment rules. However, some comments questioned how there could be different ownership and control rules for all-cargo and combination carriers and also noted the possibility of some opposition to governments making such a change.

There was less agreement on dropping regulatory provisions requiring ‘effective control’ to be in the hands of the designating Party and/ or its nationals. Comments made included that:

- Removal of these provisions may dilute the link between the designating country and the air carrier.
- Retention of these provisions would help ensure that the Party designating the air carrier could exercise economic and social regulatory control over the air carrier.
- There was a need for explicit consideration and resolution of social issues including the need for harmonised conditions under which the workforce would be employed before the removal of provisions on the ‘ownership and control’ of an air carrier.
- ‘Effective control’ provisions were discriminatory on the basis of nationality and should be removed.
- In the context of the European single market liberalisation changes, harmonised investment, safety and social regimes had removed the need for designation and revocation provisions completely. Market access was then available to all carriers on the basis of a licence to operate services.

There was some discussion of the link between the designation provisions in Article 3. 2(a) and the leasing provisions in Article 8. Concerns were raised over the discretionary provisions in the former.

The discussion focussed on provisions intended to protect against the development of ‘flags of convenience’ (FOCs). There was strong support for the need to avoid ‘FOCs’ (also a concern in the maritime industry). Additional comments in relation to FOCs included:

- ICAO safety provisions apply on the basis of clearly defined responsibilities of the State of registry and State of the operator.
- The scope for ‘FOCs’ is countered by the link to requirements for an AOC issued by the designating Party.
- There is a need for ‘principal place of business’ to be defined more comprehensively, so as to reflect ICAO suggestions and encompass a broader range of activities of the operator.

Additional comments provided in relation to ‘free riders’, included:

- The aim should be to protect against ‘free riders’ without unnecessary restrictions on inward investment.
- The discretion in the provisions should achieve this aim without adverse consequences for investment.
- The reference to ‘open skies (or equivalent)’ is somewhat ambiguous and needs to be revised.

At the conclusion of the consideration, the Chairman noted:

- There was support for removal of controls on ‘substantial ownership’.
- There was still no consensus on the removal of controls on ‘effective control’. But there was support for retaining reference to the options available - either with footnote 7 retained or, if it is not, the views it includes elaborated in paragraph 57 of Part II: Market Access.
- Further attention to the definition of principal place of business would be useful.
- The provisions in Article 3. 2. a) relating to Designation and Authorisation needed further consideration, to ensure the integrity of safety and security regimes is fully protected, in circumstances where designated air carriers use leased aircraft to undertake air cargo services.
- The reference to ‘open skies (or equivalent) agreement’ in Article 4. 1. A. 4) b) could be clarified to create more certainty.

## **Article 8: Leasing**

The Workshop also devoted considerable attention to the proposed provisions on leasing of aircraft. The air cargo industry strongly supported the liberalisation of restrictions on leasing of aircraft, particularly ‘wet-leasing’. The documentation noted proposed provisions were intended to simplify and clarify the circumstances in which both dry and wet leasing of aircraft would be acceptable.

The presentation focussed on the different circumstances in which leasing of aircraft might be proposed, the current concerns with leasing arrangements and the potential for consistent approaches. The concerns included policy inconsistencies on wet-leasing that restrict industry access to less than the wet-leased aircraft they believe they need. In some cases, different approaches were taken by authorities to wet-leasing 'in' and wet-leasing 'out'. Differences in leasing arrangements allowed by different States also led to inconsistent treatment of national and foreign carriers operating similar services. The provisions in Article 8 of the Multilateral Agreement offered a new and consistent approach to the treatment of dry- and wet-leasing issues. They were intended to mesh with the provisions of Article 83 *bis* of the Chicago Convention which were developed to deal with leasing arrangements.

General discussion identified the need for more equality and fairness in addition to assuring adequate safety in leasing arrangements. Allowing wet leasing of aircraft by foreign operators for international services to and from a country while preventing national carriers from utilising wet-leased aircraft for the operation of comparable international services did not seem to be fair. Strong support was offered for the importance of reciprocity between countries on both the wet and dry leasing of aircraft.

As regards Article 83 *bis* of the Chicago Convention, while ICAO has indicated that Article 83 *bis* applies particularly for dry-leases, comments and the text of Article 83 *bis* confirmed there is no exclusion of wet-leasing. The provisions of Article 83 *bis* also specifically encompass 'charter', which is not a dry-lease; charter involves aircraft with crew. The provisions of Article 83 *bis* also include 'or any similar arrangement'. So wet-leasing is included in the scope of Article 83 *bis*. The regulatory concerns with dry- and wet-leasing in connection with Article 83 *bis* were discussed along the following lines:

- Article 83 *bis* of the Convention is useful particularly for dry-leases as it helps strengthen and maintain a desirable safety oversight structure.
- However, in the case of wet-leasing, Article 83 *bis* arrangements could split the responsibility of safety regulatory authorities. While the responsibilities of the State of registry can be transferred under Article 83 *bis*, it could be more difficult to transfer the oversight responsibilities of the State of the operator.
- Different views may be taken depending on whether the wet-leasing 'in' was from a State with the same or similar safety operations and standards. For example, in the case of the EU, the response may depend on whether the lease involved wet-leasing 'internal' or 'external' to the harmonised EU market.

In relation to Article 8, the discussions and comments included:

- There needs to be clarification of responsibilities between the State of registry and the State of the operator.
- Paragraph 1 focusses on where the aircraft is registered but it may be preferable to focus on the AOC of the operator.
- Paragraph 2 could allow an airline to build its aircraft operations on the basis of aircraft wet-leased from other countries, without any limitation in terms of quantity or time. Aircraft could be operated under the AOC (or AOCs) issued, controlled and supervised by the authorities of other States. Some or all of this could be governed, if appropriate, by Article 83 *bis* agreements.

- There needed to be some re-wording of Article 8 to include ‘for the conduct of international air transportation’ in paragraphs 1 and 2, and delete ‘over its routes’.

The Chairman summarised the outcomes and noted that if authorities allow wet-leasing ‘out’ but not wet-leasing ‘in’, the arrangements are rather one-sided. The difficulty of achieving consistent and predictable conditions for the leasing of aircraft has been an important issue for the industry for a number of years. The Chairman made a strong plea for this work to be continued and discussed in appropriate fora.

**PARTICIPANTS LIST FOR AVIATION WORKSHOP ON  
LIBERALISATION OF AIR CARGO TRANSPORTATION**

21-22 January 2002

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Mr. Hans DE JONG

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M. Erik URIBARRI	<i>Senior Adviser Civil Aviation Authority</i>
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### **Nouvelle-Zélande / New Zealand**

Ms. Sonya VAN DE GEER	<i>Senior Adviser Infrastructure &amp; Services Ministry of Transport</i>
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### **Pays-Bas / Netherlands**

Mr. Henk-Erik SIERINK	<i>Senior Policy Adviser, Air Transport Policy Division Ministry of Transport, Public Works and Water Management</i>
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### **Portugal**

Mr. Paulo Jorge NASCIMENTO

*Counsellor  
Permanent Delegation of Portugal to the OECD*

### **Royaume-Uni/United Kingdom**

Ms. Jo NEWSTEAD

*First Secretary  
Permanent Delegation of the United Kingdom to the OECD*

### **Suède / Sweden**

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*Head, Air Transport Policy Section  
Aviation and Public Sector Department  
Swedish Civil Aviation Administration*

Ms. Ingrid CHERFILS

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Swedish Civil Aviation Administration*

### **Suisse / Switzerland**

M. Georges PANCHARD

*Responsable des relations multilatérales  
Office fédéral de l'aviation civile*

M. François MAYOR

*First Secretary (Embassy)  
Délégation Permanente*

### **Turquie / Turkey**

Mr. Volkan ISIKCI

*Second Secretary  
Permanent Delegation of Turkey to the OECD*

### **CE / EC**

M. Manuel SANCHIS I MARCO

*Principal Administrator  
Employment Promotion in Other Community Policies*

M. Ludolf Wilhelmy VAN HASSELT

*Head of Unit  
DG Energie et transport*

## **II. PAYS NON MEMBRES/NON-MEMBER COUNTRIES**

### **Chili / Chile**

Mr. Mathias FRANCKE

*Permanent Mission of Chile to the WTO*

**Singapour / Singapore**

Ms. Bee-Kay NG

*Assistant Air Transport Manager  
Singapore Civil Aviation Authority*

**III. ORGANISATIONS INTERNATIONALES/INTERNATIONAL ORGANISATIONS**

***Business and Industry Advisory Committee (BIAC)***

Mr. Deniz ERÖCAL

*Policy Manager*

***International Chamber of Commerce (ICC)***

Ms. Viviane SCHIAVI

*Policy Manager for Transport*

***International Transport Workers' Federation (ITF)***

Mr. Stuart HOWARD

*Assistant General Secretary*

***Organisation de l'aviation civile internationale (OACI) /  
International Civil Aviation Organization (ICAO)***

Mr. Vijay S. MADAN

*Chief, Economic Policy Section  
Air Transport Bureau*

***Joint Aviation Authorities***

Mr. Frank MANUHUTU

*Legal Co-ordinator*

**IV. INDUSTRIE/INDUSTRY**

***Air France***

Mme Martine LAMANDE

*Directrice des Affaires internationales  
Air France Cargo*

M. Arnard CAMUS

*Chargé du secteur des négociations bilatérales à la Direction  
des affaires internationales d'Air France*

***Air Line Pilots Association, International (ALPA)***

Mr. Jerry ANKER

*Supervisory Attorney, Legal Dept.  
United States*

**Air Transport Association (ATA)**

Mr. Rhett WORKMAN

*Director  
International Programs*

**Asiana Airlines**

M. Yoon-Kyu OH

*Manager  
Cargo Marketing and Sales Team*

**Association of European Airlines (AEA)**

M. Rene FENNES

*General Manager, Public Affairs*

**Atlas Air, Inc.**

Mr. Thomas SCOTT

*Senior Vice President and General Counsel*

Mr. Russ POMMER

*Associate General Counsel*

Mr. Robert van de WEG

*Regional VP Sales & Marketing  
Europe, Middle East, Africa and South Asia*

Mr. Robert ARENDAL

*Advisor to the Chairman,  
CEO and President, Luxembourg*

**Aviatour**

Mr. John KING

*Managing Director  
Aviation and Tourism Management Pty Ltd.*

**Cargolux Airlines International S.A.**

M. Lucien SCHUMMER

*Vice President  
Strategy and Corporate Affairs*

**Coyne Airways Ltd.**

Mr. Larry COYNE

*CEO*

**Emirates Airline**

Mr. Ram C. MENEN

*Director Cargo*

**Federal Express**

Ms. Sarah S. PROSSER

*Managing Director  
Regulatory Affairs*

**Freight Transport Association**

Mr. Neil JOHNSON *Global Logistics Manager*

**International Air Transport Association (IATA)**

Mr. Mark HAWES *Director  
Government and Industry Affairs*

**International Express Carriers Conference (IECC)**

Mr. Julian OLIVER *Director General*

**International Federation of Freight Forwarders Associations (FIATA)**

Mr. Henri KRAINIK *Secretary General  
Air Freight Institute (AFI)*

M. Sandro CONSOLI *Director  
Air Freight Institute (AFI)*

**Korean Air**

Mr. Moon-Ho SONG *General Manager,  
Cargo Marketing Team*

**Lufthansa Cargo AG**

Mrs. Elke SCHÄNZLER *Legal & Industry Affairs*

**Mendelsohn and O'Keefe**

Mr. Allan MENDELSON *Managing Director  
(Formerly Deputy Assistant Secretary of State for  
Transportation Affairs, US Government)*

**The International Air Cargo Association (TIACA)**

M. John RAVEN *Advisor: Facilitation*

**United Parcel Services (UPS)**

Mr. Morgan FOULKES *Manager, Public Affairs, Europe*

**White Eagle Aviation S.A.**

Mr. Pawel DABKOWSKI *President*

## **V. SECRETARIAT DE L'OCDE/OECD SECRETARIAT**

Mr. Paul E. ATKINSON

*Deputy Director  
Directorate for Science, Technology and Industry*

Mr. Wolfgang HÜBNER

*Head of Transport Division  
Directorate for Science, Technology and Industry*

Mr. John WHITE

*Consultant  
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Ms. Linda HAIE-FAYLE

*Principal Assistant  
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