WORLDWIDE AIR TRANSPORT CONFERENCE: CHALLENGES AND OPPORTUNITIES OF LIBERALIZATION

Montreal, 24 to 29 March 2003

- **Agenda Item 2:** Examination of key regulatory issues in liberalization
 - 2.2: Market access

GEORGIA'S VIEW ON CERTAIN ASPECTS OF LIBERALIZATION (THE TERM "CARRIAGE" AND THE SIXTH, SEVENTH, EIGHTH AND NINTH FREEDOMS OF THE AIR)

(Presented by Georgia)

SUMMARY

This paper contains Georgia's view on the term "carriage", on its influence on market access (and particularly on the right of carriage) and on the so-called Sixth, Seventh, Eighth and Ninth Freedoms of the air.

Action by the ATConf is in paragraph 2.

REFERENCES

Doc 9626, Manual on the Regulation of International Air Transport
Doc 9587, Policy and Guidance Material on the Economic Regulation of
International Air Transport

Georgia's own experience in market regulation

1. **INTRODUCTION**

1.1 The most important element of the market access right is the right of carriage which in turn is expressed by five official freedoms and four "so-called freedoms" (Sixth, Seventh, Eighth and Ninth). The most "scandalous" of these is known to be the Sixth Freedom. This is because it contains practically unlimited opportunities for developing the aviation market of other States through the "homeland bridge". This leads

to the process of developing the market with unequal opportunities, as a result of which, "as a rule", it is the developing States that suffer.

- 1.2 We believe that the main "culprit" for this is the vagueness of the concept of "carriage" at the international level and the ambiguous approach to it.
- 1.3 Some States consider that "carriage" is the transportation of the passenger from the point of origin to the point of destination using documents of carriage. Others consider that it is transportation from the point of origin to the first point where disembarkation takes place. From this is also derived the unofficial theory of the use of the Sixth Freedom as the sum of the Fourth and Third Freedoms of the air and in the end, the carriage of passengers takes place through a "homeland bridge" to a third country, with the resulting financial consequences for "weak" States which are at the same time the original (or final) points of the air services.
- 1.4 Our position is that it should be clearly defined that for a foreign carrier, the granting of rights to land in order to load passengers and the **carriage** thereof means one of the following:
 - a) delivering the passenger from the initial point of embarkation to the country that designated this carrier; or
 - b) delivering the passenger through the "homeland bridge" to a third country.
- 1.5 In addition to these thoughts, it can be noted that in considering a given commercial matter concerning market access, the concepts of the so-called Sixth, Seventh, Eighth and Ninth Freedoms of the air have become so established in practice that we consider it useful to consider the question of giving those freedoms of the air the status of official terms (although we do take into account the fact that it is theoretically possible to "think up" a Tenth, Eleventh or other freedoms of the air).

2. **ACTION BY THE CONFERENCE**

- 2.1 The Conference is invited to:
 - a) note Georgia's view on the term "**carriage**" and on the status of the so-called Sixth, Seventh, Eighth and Ninth Freedoms of the air;
 - b) instruct the Secretary General of ICAO to establish a working group for the study of the matters raised in this working paper and for their consideration by the Council of ICAO.