General theme: Government regulation, bilaterals and the liberalization of air transport.

Specific topic:

**FROM OPEN SKIES AGREEMENTS TO A SINGLE WORDLWIDE AIR SERVICES / TRANSPORT AGREEMENT**

**Abstract**

by

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Ever since the year 1944, when the Chicago Convention on International Civil Aviation was conceived, the international aviation community has attempted to create a single air services / transport agreement to govern all international air services in the world, at least the scheduled ones. In 1947, the new International Civil Aviation Organization (ICAO) concluded that such an agreement would, for the foreseeable future, not be realistic. Since that time, (scheduled) international air services in the world have depended on bilateral air services / transport agreements.

The system has worked well but is now breaking at the seams. To mention but a few elements: governments are no longer particularly interested in exercising economic control over their often privatized airlines and prefer that airlines -network / legacy carriers, regional carriers, low cost carriers- compete on the basis of market forces; the negotiation and conclusion of bilateral agreements carry high transaction costs with them; airline alliances and in the future major, multinational airlines transcend national boundaries and are thus at variance with the bipolar, nation-to-nation system of bilateral agreements; the European Union and the United States have set in motion a system of open skies agreements; the European Union is slowly moving towards a situation where the Union negotiates bilateral agreements on behalf of all members states; and the United States, in cooperation with a number of Asian-Pacific States, has initiated a multilateral, liberal air services agreements; finally, competition law becomes increasingly important in international air transport relations, so that all carriers can operate in a worldwide level playing field.

It is therefore time to begin to put together some kind of worldwide air transport agreement, also in order to avoid open skies agreements, especially the regional, multilateral ones, from creating economic bloc forming in international air transport. Such agreement would have to borrow from amongst: the 1944 Air Transport Agreement, supplemented by safety / security provisions; the General Agreement on Trade in Services, including competition provisions; ICAO bilateral / multilateral model clauses; open skies agreements; safeguard clauses; opt-in-and-out clauses; and phasing in clauses.