



WELCOME
TO IX WALA

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BILATERAL AGREEMENTS – WHAT ROLE FOR AIRPORTS ?

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International Air Transport Agreements

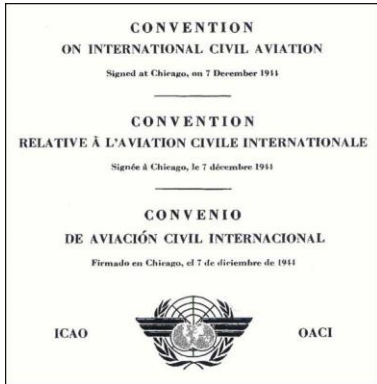
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Sovereignty and bilaterals



“[...] every State has complete and exclusive sovereignty over the airspace above its territory”



9 freedoms of the air



The bilateral system as the *modus operandi*, instead of international global agreements :



Traffic rights & routes



Designation & nationality



Tariff & capacity

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Time for more (limited) freedoms in the sky...



Full air transport liberalization in the US (78) and in the EU (90s')

Within the group, cabotage & no restrictions on routes, tariff, capacity



Open-skies policy with third countries



Traffic rights & routes



Designation & nationality



Tariff & capacity

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SUMMARY BILATERALS / OPEN-SKIES

	BILATERALS	OPEN-SKIES
Traffic Rights	3 rd & 4 th freedoms (limited by capacity clause) 5 th & 6 th freedoms, as agreed by the 2 states. No cabotage	Unrestricted routes and traffic rights. Unlimited 3 rd , 4 th , 5 th & 6 th freedoms. 7 th freedom for all-cargo services. No cabotage
Designation	Reciprocal single/dual/multiple designation, as agreed by the 2 States	Freedom of designation by each country.
Nationality	O&C clause	IDEM
Routes	Defined number of routes, in the territory of each State, and also behind, intermediate and beyond points in other countries	Open entry on all routes
Tariffs	May be subject to governmental control/validation	No governmental interference
Capacity	Fair & equal opportunity/limited	Fair competition/unlimited

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The EU-US Open-Skies Agreements



2007: first-stage agreement

Open-skies “+” deal agreement : an expanded Community designation clause, 7th freedom for cargo-services operated by EU carriers, (modest) easing of “Fly America Program”, no more restrictions on wetleasing, regulatory cooperation (safety, security, competition, environment.



2010: second-stage agreement

Deeper cooperation in safety, security, ATM, competition & environment/noise, some more 7th freedom passenger rights, etc.



Restrictions on foreign ownership remain & no cabotage right
Unlimited entry for US carriers into London Heathrow
European carriers entry into 7th freedom markets

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EU Horizontal Agreements

EU Member–States keep the right to negotiate bilaterals with third countries, with respect to EU Reg. 847/2004

All “**established**” “**EU**” carriers can be designated

More than 1 000 amended bilateral agreements in total!

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Impact & involvement of airports in the traffic right negotiation process

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A changing aviation world

Since air transport liberalization



First, the aviation industry has entered in a market economy, competition has become the rule and new airlines have been set up, LCC taking more than half of the market shares!



Second, legacy carriers and airports have been through a privatization wave, sometimes being bought by foreign interests
E.g. Alitalia, Brussels airlines, Portuguese airports, Nice airport, etc.



Third, the concept of “national carrier” does not exist anymore within the EU



States cannot speak with a single voice

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National & regional general interest



General interest shall be defined by each State, taking into account the interest of all stakeholders, that includes all airlines, international and regional airports, regions and consumers, in order to allow global, national and regional connectivity.



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Airports in the forefront



Airports are more and more privatized, competing, complex businesses, with diversified activities



Airports have a strong expertise in airline route development & in market analysis – a crucial skill to react quickly to market changes (*e.g.* long-haul LCC)



Airports are the key actors to address airport charges, ground-handling, environment/night ban issues



Airports have to be aware and involved in the traffic right negotiation process

... process in progress ...

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Let's now go to the US ...



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