

# **WORLD TRADE ORGANIZATION**

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**Council for Trade in Services**

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## **COMMUNICATION FROM THE INTERNATIONAL CIVIL AVIATION ORGANIZATION**

### Cooperation between the International Civil Aviation Organization (ICAO) and the World Trade Organization (WTO-OMC)

The following communication is circulated at the request of the International Civil Aviation Organization to Members of the Council for Trade in Services, in relation to Agenda item 2.(F) of WTO/AIR/1635 at the Council's meeting of 4 October 2001.



27/09/01

## **COOPERATION BETWEEN THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) AND THE WORLD TRADE ORGANIZATION (WTO-OMC)**

(Presented by the ICAO Secretariat)

### **1. INTRODUCTION**

1.1 The Secretary General of ICAO, in a letter addressed to the Director-General of the WTO-OMC on 12 February 2001, made a proposal to develop a memorandum of understanding (MOU) or an agreement between ICAO and the WTO-OMC.

1.2 This paper addresses the need for such an agreement between our two organizations and identifies some of the potential elements to be included in the proposed MOU that should help define their respective roles.

### **2. COOPERATION BETWEEN ICAO AND THE WTO-OMC**

2.1 In June 1997, ICAO applied formally to the WTO-OMC for observer status in meetings dealing with air transport and, in July 1998, the Council for Trade in Services (CTS) agreed to grant ICAO this status on an ad hoc basis. It should be emphasized that there exists full cooperation between the ICAO and WTO-OMC Secretariats on a working level. The need for a more formalized set of working arrangements stems not from any existing difficulties but from the fact that the respective roles need to be recognized within the mandates of each organization.

2.2 ICAO is recognized by the United Nations as the specialized agency in civil aviation and has an all-embracing mandate in civil aviation matters. ICAO has primary responsibility in matters of safety and security which it considers has strong linkage with the economic regulation of air transport. Issues of liberalization in air transport frequently have a direct relationship with safety and security and therefore should be dealt with in the appropriate forum. This is particularly necessary when sudden and important developments take place in the areas of security and safety that have a direct or indirect bearing on operations of international air transport; an agreement between the WTO-OMC and ICAO would facilitate a timely response to such developments.

2.3 The Agreement between the two organizations would also clarify potential areas of overlap in air transport matters and ensure that there is no duplication of efforts. ICAO has used such an approach and methodology to formalize relations with other organizations that cooperate with it, for example, the International Mobile Satellite Organization (IMSO), the International Criminal Police Organization (INTERPOL) and the Interstate Aviation Committee (IAC).

### **3. POTENTIAL ELEMENTS FOR INCLUSION IN THE PROPOSED MOU**

3.1 The ICAO Secretariat has identified some potential elements for the proposed MOU that should lay some common grounds for cooperation acceptable to both organizations. Should an agreement be developed between the two Secretariats, the draft would be circulated to the Representatives of the Council of ICAO for their comments, in accordance with the established procedure. Potential elements for inclusion in an MOU include the following:

- (a) ICAO's mandate given by the Chicago Convention in ensuring the safe and orderly development of international civil aviation throughout the world;
- (b) cognizance by both organizations of the legal responsibilities of provision of services under the Chicago Convention;
- (c) ICAO's role and responsibilities in safety and security, and its advisory role on air transport economic matters which is used and relied on by many States, especially developing countries;
- (d) ICAO's discharging of international responsibility for environmental protection activities;
- (e) the interlinkage in a globalized, competitive and liberalized world between regulation of safety, security and economics of air transport, as well as ICAO's role and expertise in economic matters that should be taken into account when any changes to existing regulatory arrangements are being contemplated;
- (f) ICAO's active support to, and promotion of, regulatory liberalization within a context of safe and orderly development (the MOU would regularize this relationship so that the two organizations would work in close harmony);
- (g) the commitment by both organizations to encourage actively, at the national level, coordination between the aviation sector and authorities responsible for trade in services on matters concerning any proposed regulatory change as well as the harmonization of regulatory obligations;
- (h) the mutual extension of invitations to attend as Observers, in accordance with respective rules of procedure, any suitable meetings dealing with trade in air transport services, in order to further cooperation on matters of common interest, and on making related meeting documentation available; and
- (i) the exchange of necessary information and documentation between the two Secretariats.

### **4. CONCLUSION**

4.1 ICAO will continue to play an active role in its pursuit of safeguarded liberalization of international air transport, with particular emphasis in addressing the growing convergence of economic, safety, security, liability and environmental issues. ICAO believes that a more formalized cooperation between our two organizations will ensure that the process of liberalization is pursued in an orderly and safe manner to the benefit of all parties in the aviation community.

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