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MANUAL ON THE REGULATION OF INTERNATIONAL AIR TRANSPORT

CORRIGENDUM

To incorporate this corrigendum:

- a) replace existing page 2.2-3 of Part 2, Chapter 2.2, with the attached new page dated 12 August 2005;
 - b) record the entry of this amendment on page (ii).
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Manual on the Regulation of International Air Transport

**Approved by the Secretary General
and published under his authority**

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AMENDMENTS

The issue of amendments is announced regularly in the *ICAO Journal* and in the monthly *Supplement to the Catalogue of ICAO Publications and Audio-visual Training Aids*, which holders of this publication should consult. The space below is provided to keep a record of such amendments.

RECORD OF AMENDMENTS AND CORRIGENDA

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FOREWORD

The main purpose of this *Manual on the Regulation of International Air Transport* is to meet an ever-increasing need for a comprehensive and objective source of information about the many facets of this dynamic activity. This need was foreseen by the ICAO Assembly which, by Resolution A24-11, directed the preparation and publication of this manual.

The need for and expected usefulness of this manual is not confined to any particular State or category of States, whether small or large, whether least developed, developing, or having developed economies. Rather, it was prepared to meet the needs of all ICAO Contracting States.

The air transport authorities of these States may well become the most frequent users of this manual. Yet many others in these States may also find it very useful. International air transport evokes considerable interest of many people: those associated with airlines; airports and communities seeking new air services; users of air transport; air carrier labour; aircraft manufacturers; certain international organizations; people involved with aviation financing, tourism development and trade; people in academia and the communications media; and, at times, members of the general public as well. This manual is intended to also meet the needs of and be useful to these broader constituencies within ICAO Contracting States and, in so doing, to increase its value to air transport authorities who interact with such constituencies.

BASIC COMPOSITION OF THE MANUAL

As international air transport developed and became more complex over the past half century, so too has its regulation. Also, much new terminology evolved, often without widely accepted definitions (or with conflicting ones) and sometimes with more than one term applied to the same subject. Thus the approach taken in the preparation of this manual has been to provide clear and adequate explanations and guidance in a well ordered context. Each relatively short chapter is, in effect, a narrative composed largely of a series

of definitions and explanations in a logical order of presentation derived from the topic itself.

*Regulation is the giving of authoritative direction to bring about and maintain a desired degree of order. All regulation involves **regulatory process**, various patterns of activity by people interacting to establish and maintain some desired result for the subject or entities being regulated. Similarly, all regulation involves **regulatory structure**, i.e. the organizations or other entities involved and the legal framework (such as licences, regulations and agreements). Finally, all regulation involves **regulatory content**, the particular subjects being regulated (such as market access, pricing and capacity).*

The process and structure of international air transport regulation have three distinct venues — national, bilateral and multilateral; therefore, each venue has been assigned a separate part in this manual, i.e. Parts 1, 2, and 3, respectively. Regulatory content topics, which States deal with in all three venues, are in Part 4. General terminology, i.e. that which is common or supplemental to all parts of this manual, forms Part 5. Appendices contain certain reference materials.

FUNCTIONS AND SCOPE OF THE MANUAL

This manual is designed to be “user friendly” and to serve three distinct functions. First, it can be used as a dictionary of international air transport terms: each term listed in the **Index** has a definition or an explanation on the page indicated. On that page, the term is highlighted in bold italic and its definition or explanation is presented in italics.

Second, it can be used as an encyclopedia. Each broad regulatory topic has its own chapter or section of a chapter in the manual, written to compress essential facts into one or a few pages. The **Table of Contents** assists the reader to determine the location of material on broader topics (e.g. the bilateral regulatory process, traffic rights, etc., each of which may involve many related definitions and explanations).

(iii)

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Third, this manual as a whole can be useful as a textbook for academic or other educational and training purposes.

The **scope of the manual** is limited to the economic aspects of international air transport regulation as distinguished from the technical aspects thereof such as those involving navigation, safety and security. Nevertheless, these other areas of regulation are not totally separable from economic regulation and can affect such matters as airline licensing, airport access and the structure of agreed routes. Although air transport regulators sometimes also regulate commercial non-transport operations, such as aerial crop dusting and surveying, as well as non-commercial flying, such as overflight and landing by private, military and State aircraft, both topics are outside the scope of this manual. The term “aviation” is often used incorrectly in lieu of the term “air transport”. While *air transport* is more specific, referring to those aspects related to the carriage by air (usually commercial air transport), *aviation* is generic and includes far more topics such as military, state and private flying, aircraft manufacturing, air navigation, non-commercial transport and specialty air services.

**WHAT IS NEW IN
THE SECOND EDITION**

Along with the trend of globalization and liberalization, international air transport has also undergone significant

changes in the last ten years. This second edition has been updated and expanded to take account of the developments in international air transport and its regulation since 1996 when the manual was first published.

This edition includes many new topics (e.g. State aids, competition laws, airline alliances, franchising, aircraft leasing, passenger rights, and privatization of airports), which are emerging issues drawing increasing regulatory attention. A number of new air transport terms and definitions have been added, including many that were non-existent when the first edition was published (e.g. mega-alliance, e-commerce, B2B, etc.). Additionally, new websites and e-mail addresses (primarily of air transport-related international organizations and entities) have been added, enabling computer-equipped readers to vastly expand their knowledge base.

The updating of established topics, as well as the addition of new information, adds significantly to the manual's value as a user-friendly tool for those who are interested in knowing more about the regulatory aspects of international air transport.

This manual both complements and supplements ICAO Doc 9587 — *Policy and Guidance Material on the Economic Regulation of International Air Transport*, which is a compendium of all the formal policies and guidance adopted by ICAO in this field (such as Assembly resolutions, Council decisions, and conclusions and recommendations of air transport conferences).

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Part 1

NATIONAL REGULATION