



LIBERALISATION BEST PRACTICES

UNITED STATES OF AMERICA

Introduction

Open Skies agreements provide a pro-competitive underpinning for expanded demand for international aviation service and create new business opportunities for international air carriers. In addition, Open Skies agreements can promote increased travel and trade, productivity, high-quality job opportunities and economic growth. They do this by reducing government interference in the commercial decisions of air carriers, freeing them to provide affordable, convenient, and efficient air service for consumers.

Best Practices

The United States' Open Skies air transport agreements include unlimited designations and frequencies, open route rights (including unlimited First through Sixth Freedoms), market-based pricing, extensive doing business protections, and robust safety and security articles. In addition, many agreements include all-cargo Seventh Freedom and intermodal codesharing. It is the desire of the United States to include these rights in all of its Open Skies air transport agreements.

The United States has also widely circulated a [“discussion draft”](#) of a multilateral convention on expanding airline investment opportunities. The draft is focused on stimulating reconsideration of the traditional nationality clause in bilateral air services agreements, because that clause impedes cross-border investment in, and cooperation in the management of, airlines. Although the United States is still considering the merits of this approach, the initial response to the discussion draft has been positive.

Examples

The 2007 **U.S.-E.U. Air Transport Agreement** broke new ground, enshrining the “Community airline” concept, which eliminates nationality-based restrictions for EU airlines, allowing all EU-based carriers to fly to the United States from any point within the European Union. The agreement also allows EU airlines to fly between the United States and non-EU countries in the European Common Aviation Area (ECAA) without serving a point in the EU. It also provides enhanced opportunities for EU investment in carriers from almost 30 non-EU countries, without putting at risk the third-country carriers' rights to continue flying to the United States.

The recently-negotiated **Open Skies agreements with Croatia and Switzerland** include provisions that mirror this aspect of the U.S.-EU Agreement; the U.S. commits not to object to control of Croatian and Swiss airlines by EU nationals.

In May 2001, the United States, New Zealand, Singapore, Brunei, and Chile signed the [Multilateral Agreement on the Liberalization of International Air Transportation](#) (MALIAT) to replace the bilateral agreements between them. Parties to the MALIAT enjoy the benefits of Open Skies with all the other parties without having to negotiate individual bilateral agreements. In addition, the MALIAT relaxes traditional airline ownership restrictions. The MALIAT is open for accession by any country that agrees to be bound by



four key aviation security conventions. Samoa, Tonga, and the Cook Islands have acceded to the MALIAT and Mongolia has acceded with respect to cargo.

In total, the United States has achieved Open Skies with over 90 partners from every region of the world and at every level of economic development. The United States welcomes the opportunity to negotiate Open Skies agreements with additional countries

A list of all of the United States' Open Skies partners is available to the public on the [U.S. Department of State website](#), along with a model Open Skies air transport agreement and the texts of many Open Skies agreements.

N.B. This information has been compiled by IATA based on information received from the government of the United States.