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AVIATION VECTOR OF EASTERN PARTNERSHIP: APPROXIMATION OF NATIONAL LEGISLATIONS TO THE EU LAWS

Evaluation of the progress
in Ukraine, Moldova, and Georgia

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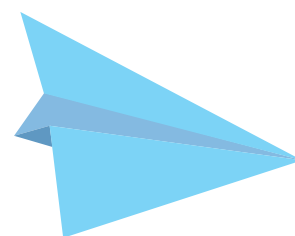
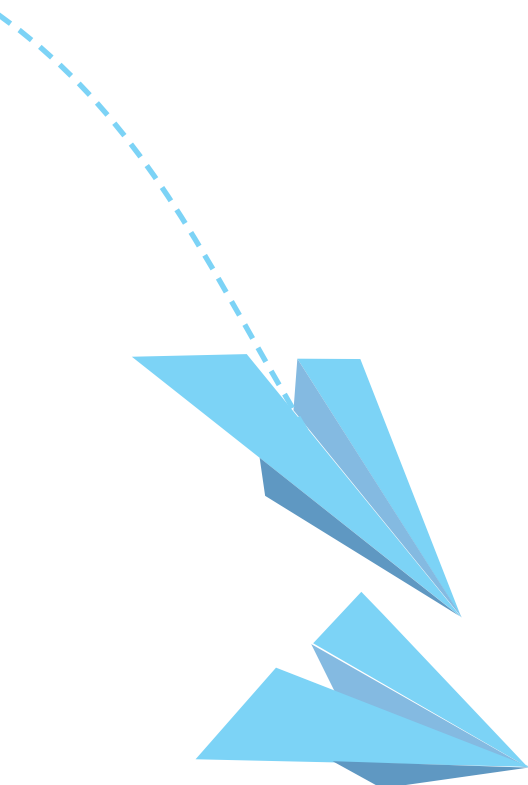
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LIST OF ABBREVIATIONS

EASA - European Aviation Safety Agency

ESSIP - European Single Sky Implementation Plan

LSSIP – Local Single Sky Implementation Plan

SAFA programme – European Community
Safety Assessment of Foreign Aircraft

AAUCA - Association «Airports of Ukraine»
of civil aviation

AMCU – Antimonopoly Committee
of Ukraine Verkhovna Rada –
Parliament of Ukraine

SAAU – State Aviation Administration of Ukraine
EC - European Commission

EUROCONTROL - European Organisation for
the Safety of Air Navigation

EU – European Union

CMU – Cabinet of Ministers of Ukraine

MFA – Ministry of Foreign Affairs of Ukraine

MIU – Ministry of Infrastructure of Ukraine

OSCE – Organization for Security and
Cooperation in Europe

NSDC – National Security and Defense
Council of Ukraine

SES – Single European Sky initiative

CAA Agreement – Common Aviation
Area Agreement between Ukraine and
the European Union

SAS – State Aviation Service of Ukraine



Globalization of the world economy and liberalization of markets, including air transportation, led to the formation of a single European aviation market in the European Union in accordance to the Single European Act. The European Common Aviation Area (CAA) is a bilateral agreement between the EU and third countries, which aims to establish common security standards and liberalize market relations in the field of aviation. The existence of common aviation space allows more efficient and safer usage of airspace, while air traffic control is within the competence of the international organization EUROCONTROL, which coordinates and plans air traffic control in the whole Europe.

Essentially, the CAA is a free trade area for aviation, particularly in issues of flight safety, passenger protection, liability of air carriers for transportation, environmental protection, free market competition and state aid.

The European Commission developed a model agreement on some aspects of air traffic, which was called a “horizontal” type of an agreement.¹ First agreements of this type were concluded with the countries of the Western Balkans and Morocco in 2006. In 2010, similar agreements were signed with Georgia and Jordan. In June 2012, the agreement was signed with Moldova. In general, CAA agreements were concluded between the EU and Albania, Bosnia and Herzegovina, Republic of Macedonia, Montenegro, Serbia, Kosovo, Norway, Iceland, Liechtenstein, Switzerland, Morocco, Georgia, Israel, Jordan and Moldova.

In accordance to the CAA agreement, airlines receive the right to conduct their services within the EU, guided by common rules on such matters as the issue of licenses and access to the market, non-discrimination, flight safety, state aid. Upon signing the agreement, third countries had to incorporate EU rules in the field of air transport management into their national legislation.

The agreement with Ukraine also had been based on a “horizontal” agreement, but it was subsequently expanded due to Ukraine’s large-scale aviation industry. The negotiation process for the signing of the Agreement began in 2007² and continues until now. In accordance with the decision of the EU-Ukraine summit that took place in February 2013 and the order of the Cabinet of Ministers³, the deadline for the completion of negotiations was set to the end of 2013. The text of the Agreement was agreed in October 2013 and initialled on November 28, 2013 during the Ukraine-EU summit in Vilnius. However, the Agreement with Ukraine has not yet been signed due to the renewed territorial dispute between Spain and Great Britain. Therefore, taking into consideration incompleteness of the CAA process for Ukraine, it is necessary to research the experience of signing and implementation of similar agreements in Moldova and Georgia, as the countries that also belong to the Eastern Partnership. The research of the experience of partner countries is relevant for Ukraine and will allow evaluate the extent of necessary changes in legislation, in particular possible consequences for the aviation industry of the country.



¹ Working paper. Agreement between the European Community and [name of the third country] on certain aspects of air services. http://ec.europa.eu/transport/modes/air/international_aviation/doc/draft_horizontal_agreement_en.pdf

² Decree of the President of Ukraine from October 19, 2007 № 981 “On the delegation of Ukraine to take part in negotiations with the European Union about the signing of an Agreement on Common Aviation Area between Ukraine and the European Union”
// Official Journal of the President of Ukraine. – 2007. - №35. – pg. 13.

³ The Order of the Cabinet of Ministers of Ukraine of February 13, 2013 №73-p “On Approval of the Plan of Priority Measures for Ukraine’s Integration into the European Union for 2013

MOLDOVA:

THE STATE OF IMPLEMENTATION OF THE CAA AGREEMENT AND ITS CONSEQUENCES

Moldova signed the CAA agreement with the EU in June 2012. The agreement provides the harmonization of Moldovan legislation with the European Union legislation in the field of aviation safety, air traffic control, electronic booking systems and environmental protection (Annex III), and the sequential full appliance of EU air transport legislation (Annex II). Implementation of the mentioned changes is sequential and its progress is evaluated by the European Commission and approved by a separate decision of the EU-Moldova Joint Committee.⁴ However, the CAA agreement did not give Moldovan carriers full access to the EU market: they were only allowed to fly between Moldova and EU cities and cannot operate within any EU member state (Cabotage rights) or between EU member states without flying to Moldova.

The Moldovan authorities hoped that the agreement would attract low-cost carriers to the airport of Chisinau, because European airlines would now be able to fly to and from Moldova without restrictions. Before signing the agreement, the biggest companies operating from Chisinau International Airport were Romanian company “Carpatair” (charters to Rome, Venice and Milan) and “Air Moldova”, which brought passengers from Moldova to Bucharest, and there they could reach other directions by another Romanian carrier “Blue Air”.

Presently, 15 airlines fly from the capital of Moldova to 42 destinations.⁵ “Air Moldova” and a

private Moldavian airline “FLY ONE” offer the highest number of destinations, 30 and 15 respectively. The rest airlines have the following number of destinations: Italian “Meridiana” (7), Hungarian “Wizz Air” (7), Turkish “Turkish Airlines” (2) and “ATLASGLOBAL” (2), Russian “S7 Airlines” (2). The remaining airlines only fly to their base airport (Austrian “Austrian Airlines”, Israeli “Tandem Aero”, Romanian “Tarom”, German “Lufthansa”, Ukrainian “UIA”, Russian “Aeroflot”, Polish “LOT” and Spanish “VOLOTEA”). Only Wizz Air, which began flying to Moldova in September 2013, can be considered a classic low-cost carrier.

The mass arrival of low-cost carriers to Moldova did not happen. However, passenger traffic has grown by 80% from 2013 and now amounts to 2.2 million passengers in 2016 (Diagram 1). The most popular destinations are Moscow and Istanbul.

Overall, the number of offered destinations has increased more than two times from 19 in 2013 to 42 in 2017. Prices have significantly dropped as the competition on the market has increased. **Thus, according to the Civil Aviation Authority of Moldova, a ticket for direct flight to London, which used to cost 210 euros in April 2010, costs 45 euros as of April 2017 (almost 80% less). Ticket prices to Milan decreased during this period by 75% from 141 to 35 euros, tickets to Lisbon dropped by 34% from 222 to 146 euros.** It is now cheaper to fly from the airport of Chisinau than from the nearest major airport in Bucharest to some destinations (Moscow, Vienna).

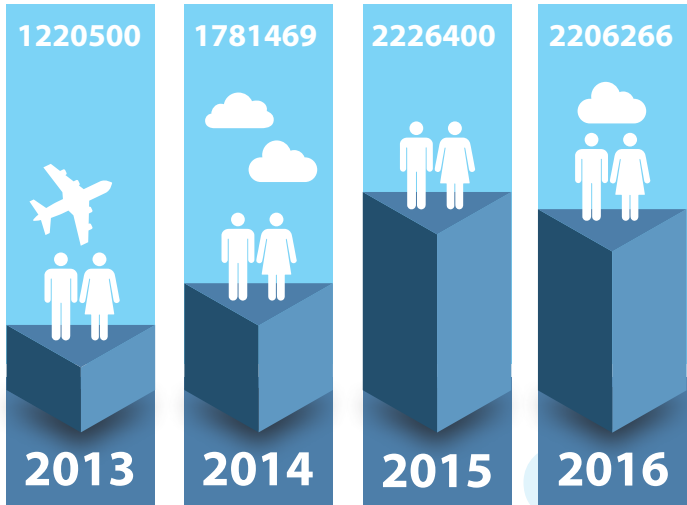


DIAGRAM 1
Passenger flow to/from Chisinau International Airport 2013-2016

⁴ Emerson M., Cenușă D. Deepening EU-Moldovan relations. What, why and how? <https://www.ceps.eu/system/files/Moldova%20e-version%20with%20covers.pdf>
⁵ Chisinau airport website. <http://www.airport.md/airlines-en/>
⁶ EU-Moldova Association Committee. Ministry of Transport and Road Infrastructure of the Republic of Moldova. http://mtid.gov.md/sites/default/files/Brux%2023.11.2016%20_2.pdf

⁷ National Action Plan for the Implementation of the Association Agreement between the Republic of Moldova and the European Union for 2014-2016. http://lex.justice.md/UserFiles/File/2015/mo281-290ru/plan_713.doc
⁸ National Action Plan for the Implementation of the Association Agreement between the Republic of Moldova and the European Union for 2017-2019. http://lex.justice.md/UserFiles/File/2017/mo103-108ru/planul_1472.doc
⁹ On July 13, 2016, Chisinau-Moldova became part of the European Civil Aviation Assistance Project in 8 countries. <http://www.caa.md/rus/news/item146/>



Within the framework of the CAA agreement, Moldova was required to incorporate 86⁶ EU norms into the new law - the Civil Aviation Code, as well as other laws and regulations. **As of November 2016, all European norms were translated and adapted to Moldovan conditions and the tasks for their implementation were planned and agreed between the Civil Aviation Authority and the Ministry of Transport and Road Infrastructure of Moldova.** The Civil Aviation Code was approved by the government in October 2016, its adoption by the Parliament is expected in 2018, and three other major aviation industry laws (aviation safety, insurance and accident investigations) have been developed and are in the process of approval.

By the end of 2017, the Government of Moldova and the Civil Aviation Service have approved a number of legal acts in accordance with the CAA agreement. In particular, the Government of Moldova has approved:

- ✈ Provisions on statistical reporting of air transportation of passengers, cargo and mail, and the structure of the transfer of statistical data (No. 868 dated December 18, 2015), which were required by the National Action Plan for the Implementation of the Association Agreement with the EU for 2014-2016⁷ (EU Regulations No. 437/2013 and No. 1358/2003),
- ✈ Methodology of calculating and approving tariffs for airport services and air navigation services (No. 836 dated November 8, 2016),
- ✈ Provisions on access to the market of ground handling services (No. 971 dated November 15, 2017).

The Civil Aviation Service of Moldova has approved the following legal acts in accordance with the CAA agreement:

- ✈ Technical requirements to avoid aircraft collisions (No. 24/GEN November 19, 2015),
- ✈ Provisions on the methods of operating while conducting EASA Standardization Inspections for the Civil Aviation Authority (No. 25/GEN dated November 19, 2015),
- ✈ Order to recognize maintenance organizations, which were certified according to Annex II (Part 145) of the European Commission Regulation (EC) No. 1321/2014 of November 26, 2014 (No. 04/GEN of January 25, 2017),
- ✈ Order on introduction of the ESARR 6 requirements "Software in ATM Systems" (No. 68/GEN dated July 17, 2017),
- ✈ Order on introduction of ESARR 4 requirements "Risk Assessment and Mitigation in ATM" (No. 71/GEN dated July 25, 2017).

As of November 2016, Moldova had yet to analyse the regulatory impact of more than 50 EU norms (in 2016-2018), and the government and parliament have to adopt more than 70 acts (in 2016-2020). **The goals are set in the new National Action Plan for the Implementation of the Association Agreement with the EU for 2017-2020 and they include⁸:**

- ✈ Implementation of the EU Directive 2003/88 on the organization of working time for civil aviation workers in the first quarter of 2019,
- ✈ Creation of Civil Aviation Fund in the second quarter of 2018,
- ✈ Joining the Aircraft Protocol, approved in Cape Town on November 16, 2001,
- ✈ Development of a new law on aviation safety, which would include the provisions of EU Regulations No. 300/2008, 18/2010, 1254/2009 and 72/2010,
- ✈ Approving a new National Civil Aviation Security Programme,
- ✈ Approving a regulation on the establishment of rules and procedures for the introduction of operating restrictions related to noise at airports (EU Regulation No. 598/2014) by the end of 2018,
- ✈ Approving the regulations on administrative procedures for airfields (EU Regulation No. 139/2014) by the end of 2017,
- ✈ Adopting the law that will include the EU Regulation No.996/2010 on the prevention of civil aviation accident during investigations of accidents and incidents in the third quarter of 2017,
- ✈ Adopting the law on the rules for the application of airworthiness and environmental certification of aircraft, taking into account EU Regulation No. 078/2012 in the first quarter of 2019,
- ✈ Adopting of the regulation on issuing the slots at the airports of the Republic of Moldova (EU Regulation No. 95/93) in the third quarter of 2017,
- ✈ Approving a governmental decree on the establishment of a list of Community carriers that are subject to the prohibition on operating on the territory of the Community and on informing air passengers about the identity of such carrier (EC Regulations No. 768/2006, 2111/2005, 473/2006, 474/2006) in the first quarter of 2018,
- ✈ Approving a new air code that will include the provisions of EU Regulations No. 216/2008 and No. 965/2012 in the first quarter of 2018.

The experience of Moldova shows that the implementation of European norms into the national legislation is a long-lasting process. During the 5 years since the CAA agreement was signed, Moldova has approved only a part of the legislative acts that are introduced in the agreement, and prepared a new law of the industry - the Civil Aviation Code, which is expected to be adopted in 2018. European Commission monitors the progress of Moldova in this area and provides advisory assistance in reforming the air transport sector. According to the Moldovan high officials, the signing of the CAA agreement with the EU contributed to the increase in the number of direct flights from Moldova, low-cost operators were able to enter the market and the prices for the flights decreased.⁹ Given the long process of implementing the EU legislation in Moldova, the Ukrainian aviation authorities should start implementing the EU rules now, to accelerate this process without waiting for the actual signing of the agreement.

GEORGIA: THE STATE OF IMPLEMENTATION OF THE CAA AGREEMENT AND ITS CONSEQUENCES

06

Georgia had unilaterally liberalized its air traffic with the EU back in the 2000s, but signed the CAA agreement only in 2010. The agreement should sequentially liberalize the air connection between Georgia and the EU in order to attract new airlines and expand the capabilities of Georgian airports. As of mid-2016, all EU member states (except four of them) have ratified the CAA agreement.¹⁰ The progress in the implementation of EU directives and regulations into the Georgian legal system is monitored at the meetings of the EU-Georgia Joint Committee.¹¹

Since 2010, passenger traffic in Georgian airports has increased more than three times, from 918.7 thousand passengers in 2010 to 2 million 840.4 thousand in 2016 (Diagram 2).¹² The figures for 2017 also show significant growth: during the first 9 months, Georgian airports carried out regular and charter flights of 3 million 199 thousand passengers and that is 46.63% more than in the same period in 2016.¹³ High growth rates of passenger traffic were observed at all three international airports of Georgia – Tbilisi, Kutaisi and Batumi. Currently the following airlines fly to the Georgian airports: “Turkish Airlines”, “Georgian Airline”, “Qatar Airlines”, “Azerbaijan Airlines”, “AirArabia”, “YanAir”, “Aeroflot”, “Ural Airlines”, “Belavia”, “Pegasus Airlines”, “Lufthansa”, “FlyDubai”, “LOT”, “Atlasjet Airlines”, “UIA”, “Ozark Air Lines”, “Air Astana”, “Emirates” and other airlines.

Similarly to Moldova, Georgia managed to attract only one major European low-cost carrier – Hungarian company “Wizz Air”. According to aviation experts, the involvement of the company took place after the government provided “extraordinary conditions” for “Wizz Air” to operate from Kutaisi state airport and instituted payment of governmental subsidies for each passenger the company has (media sources reported the amount of a subsidy to be at 35 euros per person).¹⁴ Now, this low-cost carrier operates flights to 15 different destinations in Cyprus, the Czech Republic, France, Germany, Greece, Hungary, Italy and Lithuania.

Georgian civil activists note that the airport in Kutaisi has become open to all airlines due to the CAA agreement and thus no one has the right to set monopoly on prices.¹⁵

The Civil Aviation Service of Georgia is engaged in the implementation of the EU legal acts and regulations in the Georgian legal field, as well as the standards of the International Civil Aviation Organization (ICAO). **Twinning project “Legal approximation of Georgian Civil Aviation Regulations with EU Standards” with a budget of 1.23 million euros was realized in Georgia from**

2015 to 2017.¹⁶ Thanks to the Twinning project, the following work was carried out in order to implement the EU legislation:

- ✦ An analysis of the compliance of Georgian legislation in the field of civil aviation with the EU directives and regulations has been performed and a report on the differences in the legal framework has been published,

- ✦ The European Action Plan for Transfer and Implementation of European Regulation has been developed, in which 80 European rules have been developed for the aviation sector and European experts have been working on the top 20 of them, including the EU Regulations No. 1321/2014, 1178/2011 and 965/2012,

- ✦ Prepared and approved the relevant analysis of the current functional structure of the Civil Aviation Service of Georgia and its obligations, internal processes and procedures. It was also approved by agreement with the Agency,

- ✦ In total, 151 working missions (meetings, seminars, trainings) were conducted as well as training visits of specialists from the Civil Aviation Service at “Austro Control”, Croatian Civil Aviation Authority and the Federal Aviation Office in Germany.

The experience of Georgia, as well as Moldova, confirms the long-term nature of the process of implementation of the European norms into national legislation. Approval of new norms is supported by the consultants of the European Twinning project. The CAA agreement did not have a significant impact on the involvement of European carriers to the airports of Georgia. Despite this, passenger traffic in the country has increased more than three times since 2010.

¹⁰ Emerson M., Kovziridze T. Deepening EU-Georgian relations. What, why and how? <http://www.dcfra.gov.ge/public/filemanager/publications/pub1-Eng.pdf>

¹¹ Third meeting of the EU-Georgia Joint Committee on the CAA Agreement in Tbilisi. <http://www.gcaa.ge/eng/news.php?id=6252>

¹² GCAA Report 2016 official. http://www.gcaa.ge/files/files/law_2/proactive%20information/GCAA%20Report%202016%20official.pdf

¹³ <http://www.gcaa.ge/geo/news.php?id=6368>

¹⁴ Lanetsky O. How will an agreement on the “Open Skies” harm Ukraine? <http://biz.nv.ua/ukr/experts/lanetsky/jak-dogovor-pro-vidkrite-ne-bo-nashkodit-ukrajini.html>

¹⁵ Narousvili L. When will Georgia get a visa-free regime with the EU? <http://apsny.ge/interview/1479532421.php>

¹⁶ <http://www.gcaa.ge/geo/news.php?id=6365>

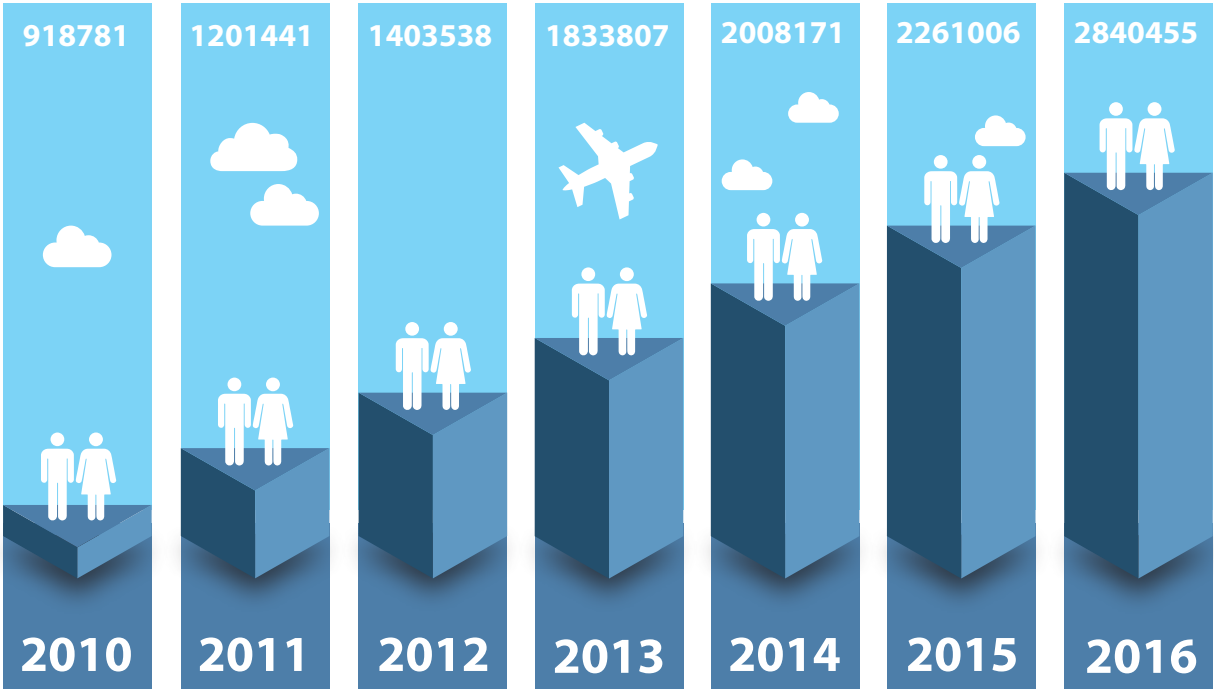


DIAGRAM 2
Passenger flow to/from Georgian airports 2010-2016



UKRAINE: THE STATUS OF SIGNING AND IMPLEMENTATION OF THE CAA AGREEMENT, APPROACHES APPLICABLE TO THE IMPLEMENTATION OF THE DIRECTIVES

08

The agreement on the Common Aviation Area between Ukraine and the EU (agreement on CAA), introduces the incorporation of 64 EU aviation regulations and directives in Ukrainian legislation. Ukrainian carriers will then have access to unrestricted commercial rights on transporting from Ukraine to the EU and between any EU member states (except domestic air transportation within any EU state). In turn, EU carriers will have unlimited commercial rights for flights to and within Ukraine.¹⁷

It should be noted that the implementation of the CAA agreement introduces two transitional periods. During the first transitional period:

- ✈ European Union carriers and carriers, which are licensed by Ukraine are eligible for unlimited commercial rights between any point in the European Union and any point in Ukraine,

- ✈ Depending on the results of the evaluation of Ukraine's implementation of the relevant requirements and standards of the European Union, Ukraine can be potentially involved as an observer in the work of the committee, responsible for the allocation of slots at EU airports,

- ✈ The provision that any supplier of ground handling services of each Party has the right to provide its services to carriers on the territory of the other Party does not apply.

After Ukraine implements a certain list of EU requirements and standards¹⁸ in national legislation, a second transitional period will begin. **During the second transitional period:**

- ✈ EU Member States start recognizing the certificates issued by Ukraine¹⁹, the provisions on the ground handling service providers do apply,

- ✈ Ukraine is involved as an observer in the work of the committee that determines which carriers are prohibited from flying within the EU.

The parties will move to the full implementation of the CAA agreement only if Ukraine incorporates into the national legislation and implements all the EU requirements from Appendix I of the CAA agreement.

An agreement between Ukraine and the EU on the Common Aviation Area was initialled in November 2013 in order to harmonize civil aviation legislation,

promotion of industrial cooperation and the sequential liberalization of markets.

"Open Skies" involves the unification of the air transport markets of Ukraine and the EU in order to use the resources of the mentioned market more effectively, improve the quality of services, develop the transit potential of Ukraine, integrate Ukraine into European aviation structures and strengthen the credibility of the country in aviation sphere as a European state.²⁰

Despite the delays with the signing of the Agreement, the need to harmonize the aviation legislation of Ukraine and the EU has not lost its importance. The relevant tasks for the implementation of the CAA agreement were prescribed in the Association Agreement activities:

- ✈ The need to liberalize airspace with the EU member states **is stated in Annex 32 to the Association Agreement between Ukraine and the EU.** In particular, it states that regardless of the CAA agreement, it is necessary to ensure the implementation and co-ordinated development of bilateral air services agreements between Ukraine and the member states of the EU, reshaped in accordance with the "horizontal agreement" (the agreement between Ukraine and the European Community on certain aspects of air traffic),²¹

- ✈ The necessity of changing the aviation legislation is stated in the association agenda between Ukraine and the EU and **in the Resolution of the Cabinet of Ministers of Ukraine (dated February 8, 2017), which proposes the Action Plan for introducing the CAA agreement and adapting Ukrainian legislation to the EU rules.**²²

It should be noted that some of the norms of the European law in the field of air transportation have been taken into account in the new edition of the Air Code of Ukraine, adopted in 2011. This concerns, first of all, the rights of passengers (grounds, terms and amounts of compensation for denial of transportation, cancellation of the flight, etc.), distribution of aviation to state and civil aircraft, general aviation (so-called "small aircraft"), streamlining of regulatory and supervisory functions in the field aviation, the responsibilities of airlines to passengers, the safety of aviation (flights, techniques of exploitation) and environmental protection.

THE UNILATERAL APPLICATION OF THE CAA AGREEMENT

09



In April 2017, the Ministry of Infrastructure stated that Ukraine is launching the implementation of the CAA agreement unilaterally, without waiting for solution of the “Gibraltar problem”, which is the official reason of delay in signing of the agreement.²³ In this issue, the Ministry of Infrastructure has taken the public opinion into consideration. The proposition to implement the CAA agreement, particularly technical regulations and directives of the EU, prior to its actual signing and to wait for an appropriate time to renew active negotiations on signing the agreement was proposed in the policy-briefing of the “Europe without Barriers”, entitled “Prospects of Ukraine’s accession to the common aviation space of the EU”. In addition, this proposition was brought up by independent aviation experts at the meetings of the working group established under the Ministry of Infrastructure.²⁴

The NGO representatives believe that it is now worth focusing on the signing of bilateral CAA treaties with each EU country individually, and after the “Gibraltar problem” is resolved with the release of Great Britain and the EU, the CAA agreement will be signed.²⁵ It is now necessary to work towards the introduction of European standards in this area in order the CAA agreement to be maximally beneficial for all stakeholders (airports, airlines, passengers, investors, and the state).²⁶

It should be noted that the Government Action Plan on the implementation of the Association Agreement from 2014 stated the need for the development of bilateral

air services agreements between Ukraine and the EU member states in addition to the “horizontal agreement”²⁷

The signing of renewed bilateral agreements that would liberalize the market with individual member states of the EU should take place without regard to the conclusion of the agreement on the Common Aviation Area.²⁸

However, in the wording of January 18, 2016, this paragraph has disappeared from the Action Plan for the implementation of the Association Agreement.

The state civil aviation policy and the use of airspace in Ukraine are monitored by the State Aviation Service of Ukraine (SAS). Its activities are coordinated by the Cabinet of Ministers of Ukraine through the Minister of Infrastructure. According to experts, nothing prevents SAS to start the implementation of European norms in Ukrainian legislation even today. These norms were introduced in Europe 15-20 years ago, and there is already a significant practice of their application. “The introduced principles should provide the foundation of our aviation legislation. They could erase many “grey zones” in which Ukrainian carriers work”, - says Oleg Bondar, managing partner of “ECOVIS Bondar and Bondar”.²⁹

The Ministry of Infrastructure reports that it is working on the development of a Roadmap in the field of air transport in order to implement European norms. An agreement was reached between the Ministry and the European Commission on the convergence of certification systems and the working arrangements between SAS and EASA on cooperation in the field of civil aviation security.

17

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This list includes EU Regulations No. 216/2008, 748/2012, 2042/2003, 965/2012, 1178/2011, 996/2010, 95/93, 785/2004, 80/2009, 2027/97, 261/2004, 549/2004, 550/2004, 551/2004, 552/2004, 691/2010, 1794/2006, 1034/2011, 2150/2005, 255/2010, Chapter IV of Regulation (EC) No 1008/2008, Directive 2009/12/EC, 96/67/EC, 2000/79/EC, the application of the licensing rules of carriers, essentially equivalent to those specified in Chapter II of Regulation (EC) No 1008/2008, the implementation of Part II of Document ECTS 30 in its latest applicable edition.

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Certificates for pilots, certification of personnel responsible for flying training, certification of crew members, certificates of medical condition of pilots, certification of aviation medicine examiners, conditions for issuing pilots pilot training centers, conditions for issuing certificates for aerodrome centers, certification of training devices for simulating flight conditions.

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Agreement between Ukraine and the EU on certain aspects of air services (“horizontal” agreement) dated 1.12.2005, came into force on 13.10.2006. http://zakon3.rada.gov.ua/laws/show/994_743

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Paragraph 147 of the CMU Order No. 847-r of September 17, 2014

“On the Implementation of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand”

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Ukraine’s prospects in aviation.

<http://yur-gazeta.com/interview/povitryani-perspektivi-ukrayini.html>

The State Aviation Service, referring to European integration in air transport, refers to the European Single Sky Implementation Plan (ESSIP).³⁰ **Since 2004 Ukraine is a full member of Eurocontrol, a European organization for the Safety of Air Navigation that coordinates and manages air traffic in Europe.** Thus, the European Single Sky “Eurocontrol” programmes apply to Ukraine and should be implemented at the national level. In Ukraine, Ukrainian State Air Traffic Services Enterprise (UKSATSE) is responsible for these implementations.

ESSIP provides a comprehensive view on the intentions and fulfilment of certain unified European Community objectives and is a mechanism for planning, monitoring, reporting and periodic renewal of existing norms with more than twenty years of experience. An integral part of this document is the one that describes the implementation of the European Single Sky in Ukraine (LSSIP), which is a list of declared commitments of national civilian and military aviation authorities, providers of air navigation service, and airport operators for the implementation of the European ATM Master Plan. In fact, it is a strategic plan for the development of Ukraine’s air navigation system.

The document consists of 6 parts and contains national structure of air traffic organization, air traffic

and throughput, recommendations for the preparation of the ESSIP report, description of national projects, national coordination procedures and the state of implementation of the ESSIP tasks in Ukraine.³¹

In the latest report for 2016, it was noted that Ukraine fulfilled 27% of the target tasks, 46% are in the process of fulfilment and with the completion of 23% of the tasks Ukraine lags behind.

Tasks with which Ukraine does not adhere to the schedule include the implementation of the first level of the Advanced Surface Movement Guidance and Control System, as well as establishing airport collaborative decision making system, common flight message transfer protocol, surveillance performance and interoperability, approach procedure with vertical guidance and others.

Starting from October 2016, new rules establishing the regime for the exchange of aeronautical information of air traffic control services and airlines (the Order of the State Aviation Service dated April 11, 2016, No. 258)³² are applied, and from January 2017 - new Air Traffic Management Rules (Order No. 567 dated July 20, 2016).³³ SAS has signed an Agreement with EASA on participation in the EU SAFA Program and the collection and exchange of information on the safety of aircraft flights.³⁴

30

European Single Sky. <http://new.avia.gov.ua/pro-nas/mizhnarodna-diyalnist/yevrointegratsiya/yedine-yevropejske-nebo/>

31

Eurocontrol website. <http://www.eurocontrol.int/node/1676>

32

Order of State Aviation Service dated April 11, 2016 No. 258 “On Approval of Aircraft “Rules of Ukraine Maintenance /Management of Air Navigation Information”. <https://ips.ligazakon.net/document/view/RE28817>

33

Order of State Aviation Service dated July 20, 2016 No. 567 “On Approval of the Air Law of Ukraine “Rules for the Organization of Air Traffic Flows” <https://ips.ligazakon.net/document/view/RE29484>

34

Concerning the implementation of the Association Agreement. <http://mtu.gov.ua/content/shchodo-stanu-implementacii-ugodi-pro-asociaciyu.html>

35

Decision of the National Security and Defense Council of July 20, 2015 “On Measures to Protect Ukraine’s National Interest in the Field of Aviation” <http://zakon2.rada.gov.ua/laws/show/n0013525-15/paran2#n2>

36

An expert group was created in November 2016 at the initiative of the “Europe without Barriers” within the framework of the “Open Skies” project. <http://europewb.org.ua/initiativa-vidkrite-nebo/>

37

The Cabinet approved the plan of measures for a common aviation space, developed with the participation of the EWB. <http://europewb.org.ua/kab->

min-shvalyv-rozroblenyj-za-uchasti-yebb-plan-zahodiv-shhodo-spilnogo-aviatsijnogo-prostoru-z-yes/

38

Resolution of the Cabinet of Ministers of Ukraine dated February 8, 2017 No. 88-r “On Approval of the Preparatory Action Plan before the introduction of a common aviation space between Ukraine and the European Union and its member states” <https://www.kmu.gov.ua/ua/npas/249729547>

39

Chernetska S. Eurostandards VS GOST: why harmonization of technical standards is important for business? https://reforms.censor.net.ua/columns/3019565/vrostandarti_vs_gost_chomu_garmonizatsiya_tekhnichnih_standartiv_vajliiva_dlya_bznesu

40

Translations of *acquis communautaire* acts into Ukrainian. Transport. https://minjust.gov.ua/m/str_45893

41

Translations of *acquis communautaire* acts into Ukrainian. https://minjust.gov.ua/azu_es_4_3

42

2017 projects for regulatory acts. <http://new.avia.gov.ua/plan-pidgotovki-proektiv-regulyatornih-aktiv-na-2017-rik/>

43

Recommendations of “Europe without Barriers” to the procedure for the development, adoption and implementation of aviation rules of Ukraine. <https://europewb.org.ua/rekomendatsiyi-go-yevropa-bez-bar-yeriv-do-poryadku-rozroblennya-pryinyattya-ta-vprovadzhennya-aviatsijnyh-pravyl-ukrayiny/>



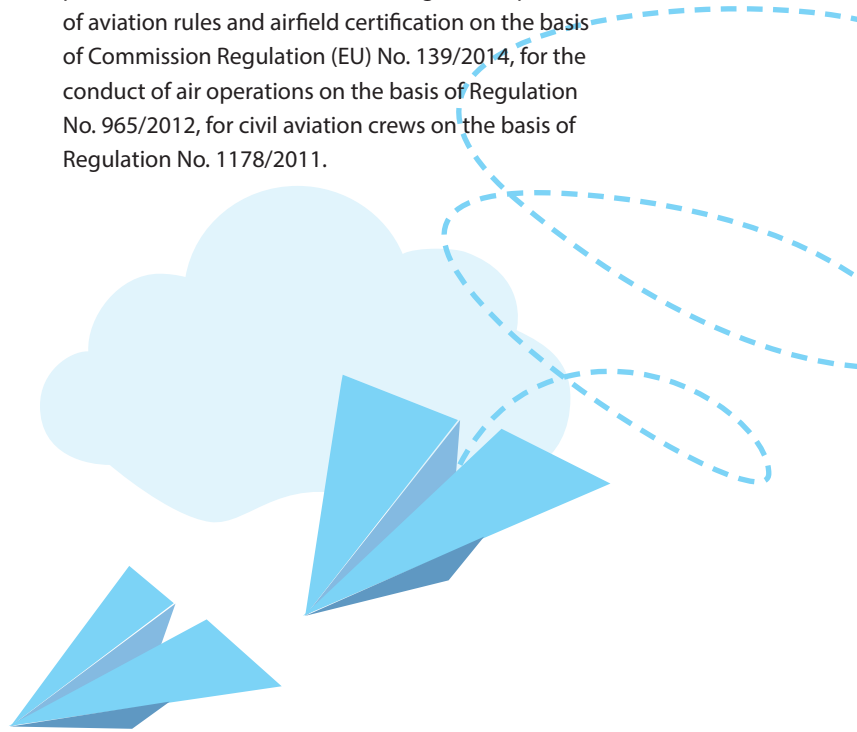
The obstacles that stand on way of the implementation of the CAA agreement are the lack of an integrated plan for the incorporation of EU technical regulations and a number of other aviation laws, including the economic regulation of service markets and the lack of a plan for bilateral negotiations with EU countries on “Open Skies”.

Among the issues, which require the fastest action, are the following: review of the system of state regulation of airport charges, adoption of new rules for air traffic, the introduction of regulation of distribution systems, introduction of the rules to access the market for ground handling services at airports, etc.

An attempt to apply a comprehensive approach to the introduction of EU technical regulations was made on September 4, 2015, when a presidential decree introduced the NSDC decision of July 20, 2015 “On Measures to Protect Ukraine’s National Interest in the Field of Aviation”.³⁵ The Ministry of Infrastructure together with the State Aviation Service and the direct participation of experts of the NGO “Europe without Barriers” have created a working group to prepare for the development of a common aviation space with the EU and this group has developed a plan that includes all the necessary measures.^{36 37} On February 8, 2017, the Cabinet of Ministers of Ukraine approved the Action Plan for the preparation of the introduction of the CAA and the

adaptation of Ukrainian legislation to the EU rules.³⁸

The relevant Action Plan contains a number of top priority directives and regulations of the EU. These regulations should be translated into Ukrainian by introducing the necessary technical terms, which are not yet available in the Ukrainian legal and regulatory framework. In addition, the Preparatory Action Plan for the introduction of the CAA presupposes the implementation of amendments to the Air Code in the period from 2017 to 2018 concerning the adoption of aviation rules and airfield certification on the basis of Commission Regulation (EU) No. 139/2014, for the conduct of air operations on the basis of Regulation No. 965/2012, for civil aviation crews on the basis of Regulation No. 1178/2011.



THE TRANSLATIONS

A significant part of the costs necessary for the implementation of the European certification system in Ukraine will be needed to translate the necessary regulations. Usually European regulations are accepted in Ukraine by simply confirming them, that is, only the cover is translated into Ukrainian, and the whole text is adopted in original language (i.e. English) in its unchanged form. This is due to the fact that the length of such documents is substantial and there are very few highly specialized, professional translators, thus mistakes in translation can have very serious consequences.³⁹ Translated EU regulations can be found on the special web page of the Ministry of Justice⁴⁰, as well as the tentative translation plan.⁴¹

Given that most of the European aviation regulatory acts are highly specialized and contain specific terms, SAS has prepared a draft of the Procedure for the development, adoption and

implementation of aviation rules of Ukraine in accordance with the Preparatory Action Plan for the implementation of the CAA and the adaptation of Ukrainian legislation to the EU rules.

In the corresponding project, SAS suggests that if the aviation rules are adapted to the regulations of the EU, the European Aviation Safety Agency (EASA), the European Organization for the Safety of Air Navigation (Eurocontrol) and the International Civil Aviation Organization (ICAO) and if the original contains a significant amount of English text with the use of special technical terms and intended for limited use, such documents are allowed to be accepted in the original language.⁴² **It should be noted that the State Aviation Project needs improvement, the relevant recommendations were sent by the NGO “Europe without Barriers” to the State Aviation Service and the Ministry of Infrastructure.⁴³**

Aircraft Certification is a procedure that is used by a recognized body to establish a documented procedure in order to verify whether the specifications of aviation equipment are in accordance with the requirements of airworthiness and environmental protection established by law. A civil aircraft must be certified in accordance with applicable airworthiness codes in Ukraine and have a "type certificate" issued by the authorized state aircraft registration authority (in Ukraine it's - SAAU) to the aircraft designer to certify its airworthiness.

Negotiations with the EU on the convergence of certification systems began in 2007, when the parties agreed to hold working meetings on the continued operation of aircraft designed by the Antonov ASTC that are currently registered in the EU member states. **As a result of these meetings the Working agreement was signed in 2009 regarding cooperation between the State Aviation Administration of Ukraine (SAAU) and the European Aviation Safety Agency (EASA).**

The appendices to the SAP Agreement introduce Ukraine's accountability for conducting EASA standardization, but the certificates, licenses and other technical documents themselves should be issued by the national authorities of Ukraine, and not by EASA, as is the case in the EU member states. At the same time, Ukraine should provide mechanisms for carrying out inspections and audits on standardization from EASA.

On January 16, 2017, the State Aviation Administration and the EC signed a Working Agreement on the Approximation of Certification Systems, which sets out a five-year plan to improve flight safety and enhance co-operation to harmonize certification systems in the areas of initial airworthiness, maintenance of

airworthiness and aircraft and their components.

The implementation of these measures would allow concluding the agreement on flight safety with the EU. This agreement will not be applicable to the Ukrainian industrial standards for the manufacturing of aircraft and their components that are not covered by the CAA Agreement. **Thus, the certificates issued by Ukraine for the products of Antonov Aeronautical Scientific-Technical Complex will remain valid and recognized by the EU. This, in turn, will allow Ukrainian airlines to continue to use all available fleet of civil aircraft for flights to the EU.** "The working arrangement will not hurt the current industrial standards of Ukraine in the production of aircraft and their components that are not covered by the provisions of the Agreement on CAA", said Oleksandr Bilchuk, Head of the State Aviation Administration of Ukraine. ⁴⁴

The Ukrainian Agreement on CAA differs from the similar agreements signed with Georgia and Moldova, and among other things there is a fact that Ukraine demanded to recognize its system of aircraft certification. Among the reasons for such requirements were the following: in case of transition to a European certification system, obtaining a certificate would become more expensive; profile experts from the EU are not familiar with the Ukrainian certification system; they mostly do not know how to recognize certificates for AN airplanes, especially on older models that do not meet the European standards; Antonov ASTC has the right to intellectual property on its aircraft and the duty to collect data on the state of its aircraft, refusals, etc., due to the aircraft being used in more than 70 countries of the world.



The CAA agreement defines the schedule for the adoption of appropriate technical regulations on airport certification. In 2016, 19 airports and airfields were carrying out commercial air services in Ukraine.⁴⁵ All of them are obliged to comply with European standards for certification.

According to Eugene Dyhne, First Deputy Director General of the Boryspil Airport, "regional airports can face serious problems due to the obsolete infrastructure and higher requirements for runways and staff training".⁴⁶ Airports may have difficulty servicing a large number of flights per day, providing the proper level of safety, quality navigation equipment, aircraft maintenance, etc. However, an opinion by Rodrigue Merhej, an owner of the Bravo Airways, proves the opposite since airports of Kryvyi Rih and Rivne are already servicing aircraft full-time, including flights abroad.⁴⁷

One of the main problems of Ukrainian regional airports are runways. For example, in September 2017, the Prime Minister of Ukraine and the mayor of Odesa laid a symbolic capsule to begin construction of a new runway at the Odesa airport. About 1.7 billion UAH were allocated to the construction of the strip.⁴⁸ Runways of Ivano-Frankivsk, Uzhgorod and Ternopil airports are also in need of repairs. At present, the State Aviation Administration and EASA are conducting technical consultations on the restoration of instrumental flights to Uzhgorod airport.⁴⁹

The government's ideas for the transfer of municipal airports to state ownership may hinder the development of regional airports. Such provision is among those contained in the medium-term plan of government action.⁵⁰ According to the plan, airports (runways) will be united into one state-owned enterprise⁵¹, and terminals will be left as separate enterprises in order to attract investors. However, such a division may, on the contrary, hinder the attraction of investments, since investors are mostly interested in leasing holistic property complexes.

44

Alexander Bilchuk signed an agreement on the convergence of certification systems with the European Commission.

<http://new.avia.gov.ua/oleksandr-bilchuk-pidpisav-domovlenist-pro-zbizh-nist-sistem-sertifikatsiyi-z-yevrokomiisyyu/>

45

The results of the aviation industry's activity in Ukraine for 2016.<http://new.avia.gov.ua/wp-content/uploads/2017/04/Pidsumky-roboty-2016.pdf>

46

Chernetska S. "Open Skies": the expected revolution or the necessary evolution? <http://tyzhden.ua/Economics/186261>

47

Aviation in Ukraine: who controls the market? <http://aviation.org.ua/aviaciya-v-ukraini/>

48

Volodymyr Groysman and Gennady Trukhanov gave the start of construction of the long-awaited runway in Odesa. <https://www.048.ua/news/1788334>

49

The State Aviation Service and EASA conducted technical consultations on the restoration of instrumental flights to Uzhgorod Airport. <http://new.avia.gov.ua/derzhaviasluzhba-ta-easa-provely-tehnichni-konsultatsiyi-z-pytan-vidnovlennya-vykonannya-instrumentalnih-polotiv-do-aeroportu-uzhgorod/>

50

Midterm Plan for Priority Actions of the Government by 2020 <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249935442>

51

Although the Minister of Infrastructure Vladimir Omelyan says that the implementation of this idea has been suspended due to lack of funds <https://daily.rbc.ua/ukr/show/vladimir-omelyan-vosstanovim-aviasoobshchenie-1494244918.html>



In 2014-2015, Ukraine tried to introduce the "open skies" regime at individual airports. In 2015, the "open skies" was announced at the airports of Lviv and Odesa, but full liberalization of the airspace did not occur, no restrictions were lifted on the number of routes for air transportations to Turkey and France. In addition, no official document on "open skies" was issued to individual airports.

A year later representatives of the Lviv Regional State Administration acknowledged that the project did not bring rapid success, as only one airline was invited in 2015.⁵² The representatives of the LRSA also noted that the main reason for this was high tariffs for airport services. In addition, the announcement of the "open skies" was made at the peak of summer activity, when all of the plans were already laid down by the airlines.

However, over time, low-cost airlines started to pay attention to Lviv due to the activation of the new airport management. Summer activity of 2016 showed a significant increase in passenger traffic. Currently, Wizz Air and Pegasus Airlines are flying from Lviv, making a total of 15 airlines.

The situation is complicated by the common problems for the whole of Ukraine: the imposition of VAT on airline tickets, which significantly affects their price and the absence of a signed Agreement on CAA. Director

of the Lviv Danylo Halytskyi International Airport, Tetyana Romanovska, explains the problematic aspects: "It seems like we have "open skies" from Lviv, but the absence of "open skies" with European countries does not allow us to fully use their capabilities."⁵³

In the Odesa airport, the "Open skies" mode also showed results over time. The quick effect was not achieved because the announcement of the "open skies" regime appeared just 2.5 months before the end of the summer activity, and due to the fact that the new terminal at the Odesa airport became operational only from September 2017. It all began in 2015 with the return of old seasonal flights (Odesa-Batumi, Prague, Munich) to the market, which has become a positive signal for other airlines. A new direction of Odesa-Minsk was opened due to the closure of direct flights to Moscow. **The passenger flow at the Odesa airport increased in 2016, despite all the difficulties and loss of the Russian direction that used to amount to 20% of the overall volume. Currently, Pegasus Airlines is the only lowcost among 15 airlines to fly from Odesa.**

Both airports have plans for a further increase in passenger traffic and attracting new airlines through the introduction of visa-free travel with the EU and the final signing of the CAA Agreement.



52

The "Open sky" mode at Lviv airport: there is nothing to boast. http://zik.ua/news/2016/01/28/rezhym_vidkrytogo_neba_v_aeroportu_lviv_pohvalytsya_nema_chym_666979

53

USA and low-costs. The director of the Lviv airport shared the strategy.

http://tvoemisto.tv/news/ssha_ta_loukostery_dyrektorka_lvivskogo_aeroportu_podilylasy_strategiieyu_83598.html

54

Draft Order of the State Aviation Service "On approval of aviation rules of Ukraine "Access to the market for ground handling services at airports".

<http://avia.gov.ua/documents/Regulyatorna-diyalnist/Proekti-regulyatornih-aktiv/25471.html>

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Kulchytska K. Ukraine's prospects of joining the EU Common

Aviation Area.

<http://europewb.org.ua/analychnyj-zvit-perspektyvy-pryednannya-ukrayiny-do-spilnogo-aviatsijnogo-prostoru-yes/>

56

Report on the activities of the government-public initiative "Unity against corruption".

http://www.kmu.gov.ua/document/249837627/Antikor_report_march_2017.pdf

57

Chernetska S. Gibraltar to anything.

Is Ukraine ready to open the sky with the EU?

<http://www.eurointegration.com.ua/articles/2017/03/3/7062450/>

58

Professional discussion and exchange of experience of various departments for ground handling at airports.

<http://aauc.org.ua/ua/news/post/275>

Traditionally, airports are natural monopolists in the ground-handling market. They also have an administrative function to regulate and coordinate the access of other service providers and airlines to ground handling. Since 2014, Ukraine is developing the draft aviation rules on the “Access to the market of ground handling services”. There is a problem of the overvalued price of these services in Ukraine because of an uncertain way on how to access the market, as well as the lack of proper market itself and low volumes. On September 29, 2015, the Antimonopoly Committee of Ukraine (AMCU) provided the State Aviation Administration with mandatory recommendations for the development of a regulatory act, which should establish objective criteria for the access of economic entities to the markets for ground handling services at airports on a competitive basis. **In accordance with the CAA Agreement, the new legal act must comply with the EU Directive 96/97, which regulates access to the ground handling services market.** The State Aviation Administration has since developed an appropriate draft of aviation rules.⁵⁴

However, experts believe that it does not comply with EU Directive 96/67. The differences are in the approach to form the Airline Committee. The EU directive requires the participation of all airport users in the committee or the right to be represented therein. In the Ukrainian version, the committee may consist only out of permanent representatives of airlines who perform regular flights or charter international transportation from/to Ukraine or within Ukraine at least one flight per week or at least three flights per month to the airport. Thus, the new small airlines are excluded from participating in the work of the committee, and a decisive role will be played by large airlines, which contradicts the principle of equal access to management.

In addition, the project uses a different approach to control authorized providers of airport ground handling services. The directive requires that any authorized service provider should not be managed by the airport, by the airport management authority or the airport managing body. The draft of aviation rules does

not contain these norms, which creates preconditions for the conflicts of interests and limits the competitive and transparent conditions for ground handling.

EU Directive 96/67 stipulates that Member States shall undertake the necessary measures to ensure the freedom of independent land-based services. Instead, the draft of aviation rules stipulates that the implementation of an independent ground handling service can lead to the creation of prerequisites for the threat to the safety of flights and affect the capacity of airports.⁵⁵

The alternative to the draft aviation rules developed by the State Aviation Administration are the aviation rules presented by the government-public initiative “Together Against Corruption”, which, with the assistance of the Cabinet of Ministers of Ukraine, ensures systematic cooperation between experts and ministries in order to overcome corruption in jointly defined directions.⁵⁶ Among the public experts of the initiative were “Europe without Barriers”, Association “Airports of Ukraine” of civil aviation (AAUCA), and All-Ukrainian Centre for Transport Infrastructure Reforms, Eidos, Reanimation Package of Reforms, and Ukrainian Air Transport Association. Another draft of the aviation rules was developed by the Aviation Committee of the Ukrainian Chamber of Commerce and Industry.⁵⁷

In addition, Association “Airports of Ukraine” of civil aviation insists on the approval of the CMU Resolution on access to the market for ground handling, rather than aviation rules, as market regulation issues do not fall within the competence of the State Aviation Administration. It should be noted that in Moldova, the regulation of the ground-handling market was also approved at the level of the Government, and not the Civil Aviation Administration. **At present, the adoption of the regulatory act “Access to the market for ground handling services” is still ongoing.** According to AAUCA experts, the delay in implementing the EU Directive 96/97 does not allow planning the costs and resources of airports, airlines, and handling companies to organize airport ground handling.⁵⁸



According to Article 92 of the Air Code of Ukraine, an airline that carries passengers or cargo for payment or employment is required to have a license to conduct such activity, which is issued by an authorized body on civil aviation in accordance with the legislation of Ukraine. **In March 2017, “Licensing conditions for carrying out economic activities for the carriage of passengers, dangerous goods and hazardous waste by air” were approved, which established the list of documents needed to obtain a license for the right to transport passengers and cargo by air, as well as a list of requirements needed while conducting such activities.**

The airline is required to hold a valid operator certificate, own or lease at least one aircraft, air transportation is the main activity, operating specifications must comply with the declared activity, more than 50% of the authorized capital of the carrier must be owned by Ukraine, legal or natural persons

- Residents of Ukraine, aviation personnel must meet qualification requirements and labor relations should be

executed according to the Labor Code of Ukraine.

In May 2017, a law “On the specifics of state regulation of airlines, activity related to the carriage of passengers and/or cargo by air”⁵⁹ was drafted, which provided for the principles specified in European law, in particular, in regulation No. 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community to be introduced in Ukraine. Many criticisms and remarks were made during the public discussion of this draft law. The experts noted that “regulator significantly expanded the amount of grounds for deprivation of the license – from 2 that were stipulated in the regulation to almost 10. It demands airlines to provide a significant amount of information and documents, some of which are open source, and a part that does not exist at all, while the regulator will in fact not be able to adequately process, due to the complexity and volume.”⁶¹ Public discussion of the draft law continues.

59

CMU Resolution No. 134 of March 10, 2017 “On Approval of Licensing Conditions for Conducting Economic Activity for the Carriage of Passengers, Dangerous Goods and Hazardous Wastes by Air”

<http://zakon2.rada.gov.ua/laws/show/134-2017-%D0%BF>

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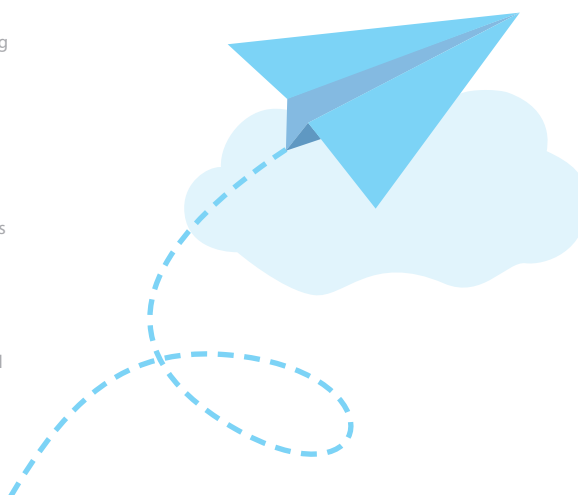
Draft Law of Ukraine “On peculiarities of state regulation of aviation carriers’ activity connected with the carriage of passengers and/or cargo by air”

<http://mtu.gov.ua/projects/121/>

61

Ukraine’s prospects in aviation.

<http://yur-gazeta.com/interview/povitryani-perspektivi-ukrayini.html>



CONCLUSIONS AND RECOMMENDATIONS 17

The experience of Moldova and Georgia as EU partner countries shows that signing of the CAA agreement begins a long process of adapting national legislation to EU norms. In the case of Ukraine, this process will be even longer and more complicated due to Ukraine having a quite developed aviation industry already, as well as a network of international and regional airports, a significant number of national airlines, handling services and other players in the air transport market.

Ukraine has clearly taken the path towards EU integration and signing the CAA agreement with the EU, it is a matter of time, taking into account the political processes within the EU (the UK's exit from the EU), which will allow to eliminate the "Gibraltar question". On the other hand, according to unofficial data, the mandate of the European Commission for 28 countries to sign the CAA agreement will expire due to the UK's exit from the EU, which may also delay the process of signing the agreement. Therefore, for Ukraine, it seems quite logical not to wait for the signing of the CAA agreement, but to begin implementation of its provisions and to intensify bilateral negotiations with the EU countries on liberalization of the airspace. This position is also followed by the key state body responsible for transport policy development in the Ministry of Infrastructure.

However, the only changes in the approved plan of preparation for the introduction of the CAA agreement are for the Air Code of Ukraine regarding the adoption of aviation rules (for the certification of airfields, the operation of air operations, and flight crews of civil aviation). Implementations of the remaining EU legislation, which will be carried out during the transitional period (Annex III of the CAA agreement) are scheduled to take place only after the agreement enters into force. Among these EU regulations and directives are such as Directive 96/67 on access to the ground handling market, Regulation 95/93 on common rules for the allocation of slots, licensing rules for carriers referred to in Chapter II of Regulation 1008/2008 on common rules for the conduct of air transportation.

TAKING THIS INTO ACCOUNT, THE FOLLOWING RECOMMENDATIONS ARE GIVEN TO THE REPRESENTATIVES OF THE MINISTRY OF INFRASTRUCTURE, SAS AND THE MINISTRY OF FOREIGN AFFAIRS:

1.

The Ministry of Infrastructure and SAS should ensure the compliance with provisions of the Preparatory Action Plan for the introduction of the CAA agreement. In particular, they should make changes to the project and rethink the procedure for the development, adoption and implementation of aviation rules of Ukraine. They should also finalize and submit a new Preparatory Action Plan for adoption by the Cabinet of Ministers, which shall specify the procedure for the incorporation of all EU directives and norms specified in Annex I of the draft CAA agreement. For each of the EU legislations, identify the responsible person, the type of regulatory act and the period for which approval is planned.

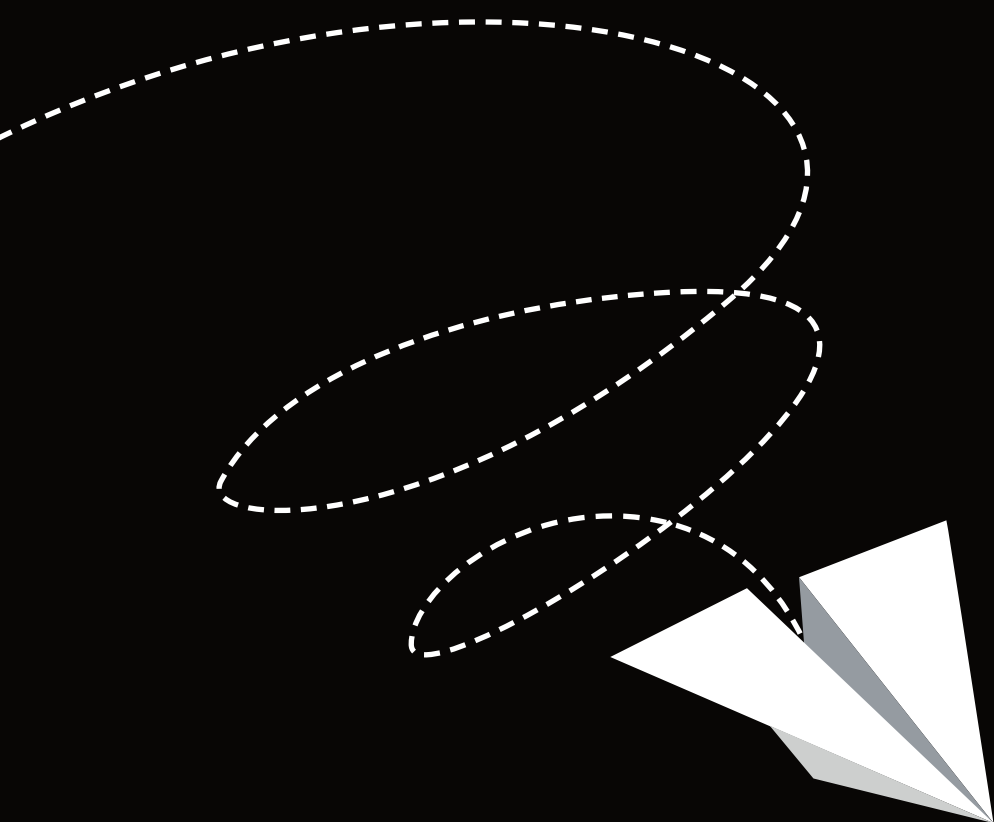
2.

The Ministry of Foreign Affairs, the Ministry of Infrastructure and SAS are to intensify the negotiations between Ukraine and individual member states of the EU, precisely Italy, France, Spain, Germany and Belgium, with the aim of signing bilateral agreements on the liberalization of airspace. They should involve independent experts, representatives of civil society of Ukraine and EU member states in negotiations.

3.

The Ministry of Infrastructure and SAS should finalize and approve a normative act entitled "Access to the market for ground handling services at airports" in full compliance with Directive 96/67/EC, which will allow establishment of clear, transparent, relevant and objective criteria for companies on access to the markets of ground handling services at airports on competitive basis.





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