Institute for Domestic & International Affairs, Inc.

International Civil Aviation Organization

Overflight Rights
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Policy Dilemma

One constant in international travel is overflight fees. In order for an airline to operate over a nation’s sovereign airspace, the airline needs to pay a fee to the nation it is flying over. The concept of taxing those who travel through a nation’s sovereign territory is nothing new. Kingdoms throughout history expanded to encompass major trade routes in order to collect the taxes from traders\(^1\). Rulers like Alexander the Great and Genghis Khan expanded their empire in an attempt to consolidate all of the paths that made up the famous Silk Road into their kingdom\(^2\), and in Africa, the Mali Empire expanded to encompass both the salt fields near the Sahara\(^3\) as well as the gold fields in the south\(^4\). Each nation generally sets the fees for flying over their airspace, and the fees that airlines pay to nations they fly over are generally used to pay for Air Traffic Control services in the regions they cover\(^5\).

While it is normal for nations to charge airlines a fee to fly over their airspace, some nations have taken it too far. The Russian Federation charges airlines high overflight fees and has a history of using overflight permissions as a geopolitical weapon. In 2014, Russia threatened to close their airspace to European Union based airlines in response to European Union sanctions for the Annexation of Crimea, stating that only airlines of “friendly countries” could fly over Russian airspace\(^6\). In 2017, Russia threatened to ban KLM, the former Dutch Flag, from flying over Russian airspace after the Russian freight carrier AirBridgeCargo had their slots reduced from twenty-three to thirteen during the half-yearly reallocation at Amsterdam Schiphol International Airport,

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\(^1\) Frankopan, Peter. "Ancient Silk Road Was Also Founded on Tax and Credit." Financial Times. May 09, 2016. https://www.ft.com/content/e824f0fe-0bd8-11e6-9456-444ab5211a2f.


the third largest airport in Europe\(^7\). Most recently in 2018, Russia threatened to cancel the overflight permissions of the three major U.S carriers – American, Delta, and United – due to U.S intervention in the Syrian Civil War against the Russian backed Assad Regime\(^8\). When Russia does allow an Airline to fly over their territory, Russia charges extraordinarily expensive fees. Although the Russian Federation does not reveal how much they charge airlines to fly over their airspace, a figure from 2002 shows that a Lufthansa flight from Frankfurt to Tokyo results in a gain of $10,000 USD for Russia’s national carrier, Aeroflot\(^9\). In fact, in 2001, Aeroflot posted a net profit of forty-two million USD, while collecting over two-hundred-and-fifty million USD in overflight fees, meaning that Aeroflot’s competitors are keeping the airline solvent\(^10\).

One major problem with this arrangement, and the reason why Russia charges airlines so much to fly over its airspace, is that any flight between Europe and East Asia flies over Siberia. These two regions are two of the largest economic markets, with both regions having collective GDPs of over twenty trillion USD each\(^11\). There is high demand for direct flights from the business hubs in Europe to the business hubs in East Asia, and Russia knows this. The Russian Federation has used its power over collection of overflight fees to make millions of dollars off of the numerous flights between Europe, North America, and Asia. These fees have also stifled the growth of long-haul budget carriers. There is a rule that, with the exception of the United Kingdom, only one airline per European nation can fly over Russian Airspace. While this was not a problem when the rule was implemented, as most European nations had only one transcontinental airline, it has recently become one with the rise of budget carriers. In 2017, Norwegian


\(^11\) "GDP, Current Prices." IMF. https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD/EAQ.
Air, a low-cost carrier that gained prominence operating transatlantic routes from the U.S East Coast to smaller cities in Europe and routes between major European cities, attempted to expand their route network into Asia. The only problem was that there was already a carrier with Russian overflight permissions that was partially registered in Norway, Scandinavian Airlines (SAS), meaning that Norwegian was denied overflight permissions. This has led to Norwegian Air to take an inefficient route on their flights from Europe to Bangkok, Thailand\textsuperscript{12}. The other major problem is that, according to legal experts, this arrangement is a violation of both the 1944 Chicago Convention on International Civil Aviation, which Russia signed in 1970, and the International Air Services Transit Agreement (IASTA) that was drawn up during the 1944 Chicago Convention, which Russia never signed despite becoming a member of the International Civil Aviation Organization (ICAO). Both treaties forbid charging airlines for “the right of transit”\textsuperscript{13}.

**Chronology**

**1944: Chicago Convention on International Civil Aviation and the International Air Services Transit Agreement**

In the first half of the 20th Century, civil aviation was a niche hobby for the rich. Commercial aviation was extraordinarily limited during this era, with the majority of fares sold being seats on air mail routes. During the Second World War, aviation technology advanced rapidly. The bombers of the war showed how large aircraft could be, cabin pressurization allowed for humans to fly at high altitudes without oxygen masks, and the jet engine showed how fast aircraft could go. While this technology was currently giving nations advantages in combatting the enemy during the Second World War, it dawned on the major nations and the aircraft manufacturing companies that these technologies could be applied to civil aviation and grow the commercial aviation sector.


Anticipating this rise in civil aviation in 1944, the United States invited 55 nations to attend a conference on international civil aviation in Chicago. On 7 December 1944, 54 nations signed the *Convention on International Civil Aviation*, which created a framework for how commercial aviation would work\(^\text{14}\).

The Chicago Convention, in addition to setting the framework for civil aviation, it also established a Provisional International Civil Aviation Organization (PICA0) to serve as an interim advising and coordinating body. It was not until 4 April 1947 that the Chicago Convention was ratified by all nations, dissolving the PICA0 and established the International Civil Aviation Organization (ICAO). In October of that year, the ICAO became a specialized agency of the United Nations Economic and Social Council (ECOSOC). Since the Chicago Convention, there have been nineteen annexes (or amendments) to the original text, the most recent of which was added in 2013. These nineteen annexes include over 12,000 Standards and Recommended Practices (SARPs). In addition to creating the ICAO, the Chicago Convention also drafted the International Air Services Transit Agreement (IASTA), a document that laid out the freedoms of the air. Among these freedoms are the right to fly over a nation’s airspace without landing in that nation. This freedom is the backbone of modern commercial aviation, allowing for long haul international flights to operate.

**1991: Fall of the Soviet Union and Opening of Russian Airspace**

Despite being one of the Allied Powers during the Second World War, the Soviet Union did not attend the Chicago Convention and, as a result, did not join the ICAO or sign the IASTA. In 1970, however, the Soviet Union joined the ICAO. When the Soviet Union joined the ICAO, however, they refused to sign the IASTA, meaning that the Soviet Union had not acknowledged the freedoms of the air. As a result, the Soviet Union restricted access to Siberian Airspace despite being a member of the ICAO. While this was not a problem in the mid-twentieth century, this gradually became more and more of

\(^{14}\) *The History of ICAO and the Chicago Convention*. www.icao.int/about-icao/History/Pages/default.aspx.
a concern. As a result, most airlines operating routes between the Europe and Asia and the U.S West Coast made stopovers in Anchorage while flying over the Arctic. In 1991, the Soviet Union collapsed, giving way to the modern Russian Federation. The Russian Government began to allow airlines to fly over Russian airspace, but there were a few restrictions. Only one airline from each European nation was allowed to fly over Russian airspace with the exception of the United Kingdom. In addition, Russia began to charge exorbitant amounts to fly over their airspace. The Russian government has not released any figures on how much they charge airlines for overflight permissions. This action is a violation of the IASTA, which Russia intentionally did not sign, but it is also a violation of the Chicago Convention and the Charter of the ICAO, of which Russia is a signatory.

2000: Economic Growth of East Asia

For the past two-hundred years, most of the world’s largest economic powers were in the Western Hemisphere. This began to change at the turn of the twenty-first century. The twenty-first century saw the rise of the “Asian Century,” which will feature the rise of economic powers like India, China, South Korea, Singapore, and Japan\textsuperscript{15}. As a result, there has been an increase in demand for routes liking East Asia to Europe and the United States, with all of these regions having collective GDPs of over twenty trillion USD each\textsuperscript{16}. These routes are among the most profitable in the world, and the Russian Government knows this. The Russian Government has taken more and more control over what nations and what airlines are allowed to fly over their airspace.

2014: Russian Federation and Western Airlines

In the 2010s, the world saw the Russian Federation become more and more aggressive in international geopolitics, beginning military operations in Syria in defense of the Bashar Al-Assad Regime and annexing Crimea in 2014 in response to the gradual


\textsuperscript{16} "GDP, Current Prices." IMF. https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD/EAQ.
rise of pro-European views in Ukrainian Politics. Naturally, these actions lead to international condemnation\(^\text{17}\), and the Russian Federation began to become more and more belligerent. While it had been done on several occasions during the twenty-first century, Russia began to flex their muscle when it came to their airspace. In response to sanctions placed on Russia by the European Union, the Russian Federation threatened to ban European airlines from flying over Siberian airspace, stating that only airlines of “friendly countries” could fly over Russian airspace\(^\text{18}\). In 2018, the Russian Federation threatened to cancel the overflight permissions of the three major U.S carriers – American, Delta, and United – due to U.S intervention in the Syrian Civil War against the Russian backed Assad Regime\(^\text{19}\). The Russian Government has also retaliated against airlines for more petty reasons. During a half-year reallocation of slots at Amsterdam Schiphol International Airport in 2014, Russian freight carrier AirBridgeCargo had their slots reduced from twenty-three to thirteen. In response, the Russian Federation threatened to ban the overflight rights of KLM, the Dutch Flag Carrier\(^\text{20}\).

**2017: Norwegian Air Requests Russian Overflight Rights**

The twenty-first century saw the rise of budget airlines, especially long-haul budget airlines. Traditionally, intercontinental routes were only operated by “legacy carriers” like British Airways or Lufthansa, and most nations had only one. Recently, with the reduction in fuel prices and the production of ultra-efficient aircraft like the Boeing 787 Dreamliner, there has been a rise in long-haul low-cost carriers. While some of these carriers have been operating within Europe for a few decades, they have recently set their eyes on the Asian markets. Norwegian Air, a low-cost carrier from Norway that

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gained prominence on European and Transatlantic routes, began planning routes to destinations like Bangkok. The only issue, however, is that a route to Bangkok from Europe crosses over Russian airspace. Norwegian attempted to gain overflight permissions but were denied by the Russian government. One factor in the rejection of Norwegian Air is the rule the Russian Federation has is only one airline from any European nation can fly over Russia. While Norway itself has no flag carrier, the airline Scandinavian Airlines (SAS) is partially registered in Norway. Norwegian Air has claimed this rule should not apply, as SAS serves no routes between Norway and Asia, but the ruling stood. Norwegian Air operated their planned Oslo to Bangkok flight by flying around Russian airspace, but their inability to overfly Russian airspace has hindered the airline’s plans to expand further into Asia. While the Russian Government has not commented on the criteria used to grant or deny overflight permissions, a pattern has emerged that shows low-cost carriers will not be allowed to gain overflight permissions. In addition to Norwegian Air, budget carriers WOW Air and Icelandair applied for and were denied overflight permissions for their routes to India and South Korea respectively the next year despite the fact that they would both be the only airline from Iceland with overflight rights.

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Actors and Interests

Europe, East Asia, and North America

The regions of Europe, East Asia, and North America are home to the most powerful economies in the world, with all three regions having collective GDPs of over twenty-trillion USD\textsuperscript{26}. The largest cities of these regions, like New York, London, Hong Kong, and Singapore are widely considered the world’s largest financial hubs. Due to the interconnectedness of these cities, the demand for non-stop routes between these financial hubs is extraordinarily high. The cost of operating these routes, however, continue to be expensive to operate due to the cost of Russian overflight permissions, as any route from Asia to either Europe or North America must fly over Russian airspace. The Russian Federation has often used its power of collecting overflight fees to profit off of foreign airlines. A figure from 2002 shows that a Lufthansa flight from Frankfurt to Tokyo results in a gain of $10,000 USD for Russia’s national carrier, Aeroflot\textsuperscript{27}. The revenue Aeroflot gains from its competitors is what is keeping the airline solvent as, in that year, Aeroflot posted a net profit of forty-two million USD after collecting over two-hundred-and-fifty million USD in overflight fees. The Russian Federation has also utilized its power to issue overflight permissions as a geopolitical weapon, retaliating against nations that oppose them in other political issues like in 2014, when Russia threatened to close their airspace to European Union based airlines after the European Union imposed sanctions on Russia for the Annexation of Crimea\textsuperscript{28}, in 2017 when Russia threatened to ban KLM from flying over Russian airspace after a Russian freight carrier had a reduction in slots at Amsterdam Schiphol International Airport\textsuperscript{29}, and in 2018, when

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\textsuperscript{26}"GDP, Current Prices." IMF. https://www.imf.org/external/datamapper/NGDPD@WEO/OECD/ADVEC/WEOWORLD/EAQ.


Russia threatened to cancel the overflight permissions of the three major U.S carriers due to U.S intervention in the Syrian Civil War against the Russian backed Assad Regime\textsuperscript{30}.

This issue does not particularly affect leisure traveler, as they often opt to take layovers for more affordable fares. Businesses and business travelers are the ones that suffer from these restrictions on flights, as most non-stop routes are created to serve the demand of business travelers. Routes like London to Hong Kong serve over 150,000 passengers a month\textsuperscript{31} and almost ten flights per day\textsuperscript{32}. The fact that only Russia lays between these regions means that the Russian Federation can disrupt access between Asia and Europe or North America. Any restrictions in travel can cripple some of the largest economies in the world. For nations in Europe, North America, and Asia, this issue needs to be addressed by the international community. Russia has repeatedly claimed that any action taken against this policy is an encroachment upon national sovereignty. For these nations, however, this claim is not valid as these policies affect business growth and economic development, making it an international issue.

**Russian Federation**

It is no secret that the Russian Federation has been belligerent to other nations in the past decade, especially when it comes to their airspace. They have weaponized their overflight permissions and have used it to make a profit. While the international community may see it as an illegal action, Russia believes they have the right to determine which airlines are allowed to fly over its airspace. The policy Russia has taken can be traced back through history. The Soviet Union did not attend the 1944 Chicago Convention, and did not join the ICAO until 1970\textsuperscript{33}. When the Soviet Union did join,

\textsuperscript{31}United Kingdom. Civil Aviation Authority. International Air Passenger Traffic To and From Reporting Airports for January 2019 Comparison with January 2018.
\textsuperscript{33}“STATUS OF THE RUSSIAN FEDERATION WITH REGARD TO INTERNATIONAL AIR LAW INSTRUMENTS.” Montréal, n.d.
they refused to sign the IASTA\textsuperscript{34}. This was a strategic move, as the IASTA is the document that lays out the freedoms of the air, the first of which allows for any airline to fly over a nation’s airspace without landing in that nation. Despite becoming a member of the ICAO, Russian airspace was closed off to most non-Russian airlines, forcing any route between Europe or the U.S East Coast and Asia to fly around Russian airspace. In 1991, when the Soviet Union finally collapsed, the Russian Air Traffic Control system was Westernized, and non-Russian airlines were finally granted overflight permissions. Much like its predecessor, the Russian Federation did not sign the IASTA, and so it continued to impose restrictions on which airlines could fly over Russian airspace. For the Russian Federation, it is a matter of national sovereignty. Russia believe that the ICAO and the larger international community has no right to control how they administer their own airspace. Russia shows no signs of stopping this practice. Civil Aviation has been growing exponentially throughout the twenty-first century, with more and more flights being scheduled between Asia and the West. These regions are also primed to keep growing, as Asia is home to some of the fastest growing economies in the world. As demand increases, Russia stands to gain more and more off of these economically powerful nations and continuing to exercise its power over its airspace.

\textbf{Airlines}

The group that is impacted directly by the high overflight costs are the airlines operating these routes. The routes that are affected by these high overflight costs have traditionally been operated by legacy carriers – established airline carriers and national flag carriers. When Russia opened its airspace in 1991, the Russian government allowed certain airlines overflight permissions at high rates. One of the stipulations for this rule was that only one airline from each European nation was allowed to overfly Russian airspace\textsuperscript{35} with the exception of the United Kingdom, as both British Airways and Virgin

\textsuperscript{34} “STATUS OF THE RUSSIAN FEDERATION WITH REGARD TO INTERNATIONAL AIR LAW INSTRUMENTS.” Montréal, n.d.

Atlantic were granted overflight permissions by the Russian government. These restrictions initially benefitted these carriers, as there was little competition on their routes to Asia and they could profit more. Recently, however, these restrictions have hurt the legacy carriers. As tensions have grown between Russia and the international community, especially with the European Union, European carriers have often feared for the loss of these profitable routes. In recent years, this uncertainty has started to affect American carriers, as demonstrated by the 2018 threats after American intervention in Syria.

Low-cost carriers have a less complicated relationship with Russia in regard to overflight permissions. The Russian government has refused to allow any budget airline to gain permission to fly over Russian airspace, as they view this as antithetical to the point of the overflight fees they impose. The most notable case of a budget airline attempting to overflight rights is that of Norwegian Air. Norwegian Air, a low-cost carrier from Norway that gained prominence on European and Transatlantic routes, began planning routes to destinations like Bangkok. The only issue, however, is that a route to Bangkok from Europe crosses over Russian airspace. Norwegian attempted to gain overflight permissions but were denied by the Russian government. One factor in the rejection of Norwegian Air is the rule the Russian Federation has is only one airline from any European nation can fly over Russia. While Norway itself has no flag carrier, the airline Scandinavian Airlines (SAS) is partially registered in Norway. Norwegian has claimed this rule should not apply, as SAS serves no routes between Norway and Asia.

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but the ruling stood. Norwegian Air also attempted to try to get overflight rights through a subsidy in Ireland, but SAS also has a subsidy in Ireland. While Norwegian Air was the most notable case, they were not the only case as, later that year, both budget carriers WOW Air and Icelandic Air applied for overflight rights for their routes to India\textsuperscript{41}, and both were denied despite the fact that they would both be the only airline from Iceland with overflight rights\textsuperscript{42}.

**Possible Causes**

*Civil Aviation in the Soviet Union*

When looking at any policy of the Russian Federation, it is important to understand the stance the Soviet Union took on the same issue. This is especially true for Russia’s position on overflight rights. Despite being an allied power during the Second World War, the Soviet Union did not attend the 1944 Chicago Convention. As a result, the Soviet Union was not a member of the ICAO, and they did not recognize the various freedoms of the air established by the IASTA. As the Cold War era began, the Soviet Union refused overflight permissions to airlines from nations closely allied with the United States. This was not a problem at the time, as the technology of aircraft at the time forced airlines to operate routes with multiple stopovers and were able to circumnavigate the Soviet Union. In 1950, flight BA 906 operated by the British Overseas Airways Corporation (BOAC) from London to Tokyo would take off from London on a Friday and stop in Rome, Cairo, Basra, Karachi, Calcutta, Rangoon, Bangkok, and Hong Kong before finally landing in Tokyo the following Tuesday\textsuperscript{43}. In the 1960s, the Jet Age – the introduction of aircraft powered by jet turbine engines instead of propeller-driven piston engine - allowed for long-range, point-to-point commercial flights between far away destinations. For flights from Europe or the U.S East Coast to Asia, this required flying over Soviet airspace, which many of the airlines


\textsuperscript{43} British Overseas Airways Corporation. BOAC Timetable. 1950.
from Europe, North America, or Asia did not have permission to do. The Soviet Union joined the ICAO in 1970 but refused to sign any of the documents drafted during the 1944 Chicago Convention\textsuperscript{44}. The Soviet Union continued to deny access to airlines from Europe, North America, and Asia despite being a member of the ICAO and, as a result, these airlines were forced to fly just outside Soviet airspace or, more commonly, make a stopover in Anchorage, Alaska.

The Soviet Union fell in 1991, and airlines from non-Communist nations were allowed to fly over Russian airspace. Much like its predecessor, the new Russian Federation refused to sign any of the documents drafted during the Chicago Convention, despite taking the place of the Soviet Union in the ICAO\textsuperscript{45}. Instead of blocking access to the airlines that were traditionally banned over Russian airspace, they began to select which nations and which airlines could overfly their airspace and charge for “Right of Transit” even though it was against all of the founding documents of the ICAO.

\textbf{Economic Development in East Asia}

The issue of Siberian overflights has become more of an issue in recent years, as East Asia has developed into one of the most dominant economic regions on the globe. East Asian Nations and some Southeast Asian nations like Singapore are growing at much higher rates than their counterparts in Europe and North America\textsuperscript{46}. Cities like Hong Kong, Shanghai, Singapore, and Tokyo are some of the largest business hubs in the world\textsuperscript{47}, and so there is high demand for non-stop travel to these cities from other business hubs like New York and London. This rise in demand between these financial hubs has fueled the rise of ultra-long-haul flights. In recent years, there has been an increase in flights longer than fifteen hours connecting Europe and the U.S East Coast to

\textsuperscript{44} STATUS OF THE RUSSIAN FEDERATION WITH REGARD TO INTERNATIONAL AIR LAW INSTRUMENTS. PDF. Montréal: International Civil Aviation Organization. https://www.icao.int/secretariat/legal/Status of individual States/russian_federation_en.pdf


\textsuperscript{46} "World Development Indicators." DataBank. https://databank.worldbank.org/data/indicator/NY.GDP.MKTP.KD.ZG/1ff4a498/Popular-Indicators.

destinations in East Asia and Australasia, especially in the last decade. This culminated in 2018 when Qantas launched a non-stop route between London and Perth, and Singapore Airlines launched their Newark to Singapore route a few months later.

**Advances in Technology**

The issue of Russian overflight rights has become a more recent issue especially because of new advancements in aviation technology. In the early days of commercial aviation, aircraft had very short ranges. In 1950, the BOAC route BA 906 between London and Tokyo was operated using a Canadair C-4 Argonaut, a variant of the Douglas DC-4, which had a range of 2000 miles. Today, British Airways operates two non-stop flights between London and Tokyo using a Boeing 777-300ER and a Boeing 787-9, with a maximum range of 8481 miles and 8786 miles respectively. This advancement in technology has made air travel different from train travel, as passengers can fly non-stop between destination instead of having to fly to various destinations before arriving at their final destination. In order to fly point-to-point between Europe and Asia, however, airlines needed to fly over Russian airspace. In the final days of the Soviet Union, when airlines were operating aircraft that could fly non-stop between these opposite ends of the globe like the Boeing 747 or McDonnell Douglas DC-10, Soviet airspace was not open to them. After the fall of the Soviet Union, the Russian Federation allowed airlines to fly over their airspace for a hefty price. It was not ideal for airlines, but they saw it as worth it to be able to fly their routes efficiently.

The advancement of aviation technology did not only allow airlines to fly farther but also allowed airlines to fly routes cheaper as well. To make these easy to understand, the iconic Boeing 747-400 and the newer Boeing 787-9 will be used to explain the economics of air travel. The Boeing 747 held a maximum of 57,285 gallons of jet fuel, had a maximum range of 8,384 miles, and could hold 416 in a standard three-class configuration (23 First Class Passengers, 78 Business Class Passengers, and 315 Economy Class Passengers). If operated today, where jet fuel costs $1.83 per gallon\(^\text{48}\), it

would cost $104,832 to fill the tank of the 747. With fuel costs being twenty-five per cent of operating costs\(^\text{49}\), it would cost an airline $419,328 to operate the Boeing 747 on a route. Divided by the 416 potential passengers, it would cost $252 per passenger to fill the tank, meaning that, with fuel costs making up twenty-five per cent of an airline’s operating costs, airlines would have to earn $1,008 per passenger for an airline to break even on a route, variations in ticket price between classes notwithstanding. The newer and more efficient Boeing 787, on the other hand, can hold 33,384 gallons of jet fuel\(^\text{50}\), has a range of 8,665 miles, and holds 290 passengers in a typical two-class configuration\(^\text{51}\). To operate the 787, with jet fuel costing $1.83 per gallon\(^\text{52}\), it would cost $61,093 to fill the tank of the 787, and $244,372 to operate it. This means that tickets would be more affordable. Divided by the 290 potential passengers, it would cost $211 per passenger to fill the plane and making the break-even revenue $843 per passenger, variations in ticket price between classes notwithstanding - over $150 cheaper than a flight on an older Boeing 747. The Boeing 787 also has fewer seats to fill than a Boeing 747, but has a longer range. Aircraft like the Boeing 787 have allowed for the rise of long-haul budget airlines to operate routes previously only operated by flag-carriers and other legacy airlines. The one place long-haul budget airlines have not been able to operate to is Asia, due to Russian overflight permissions. Besides the rule of one airline per nation rule enforced by the Russian Federation, the Russian government has blocked the attempts of budget carriers to gain overflight permission, most notably rejecting the overflight permissions of Norwegian Air in 2017. This is because the Russian government utilizes these fees to make a profit and fund their national airline, Aeroflot. Until budget airlines are able to operate these routes, flights from Asia and Oceania to Europe and the U.S East Coast will remain extraordinarily expensive.


Comparison of Causes

When looking at the history of civil aviation in Russia, the increased demand of flights to Asia, and the advances in technology that have brought this issue to the surface, it becomes easier to understand the reason that this issue is so important. It is also easier to understand Russia’s reluctance to abandon this practice. Charging for right of transit has brought the Russian government billions of dollars in revenue since the fall of the Soviet Union and, with the rise of ultra-long-haul flights, Russia will continue to profit. The ICAO is currently facing the same dilemma that all UN agencies face – balancing the greater good with the concept of sovereignty. It is up to the ICAO to decide where to draw the line where sovereignty goes too far.

Projections and Implications

As its stands today, the future of air travel, especially flights over Russia, will continue to be expensive. There is currently nothing preventing the Russian Federation from charging for right of transit other than laws established by documents that Russia did not sign. There is also no reason for Russia to stop, as these routes will continue to grow as demand for these routes continues to increase. Airlines serving these routes have seen continuous growth, with Asia-Pacific carriers reporting an 8% increase in traffic, European carriers reporting a 6.2% rise, and North American Carriers seeing a 4.9% increase in traffic\(^53\) in 2017. There is high demand for direct flights from the business hubs in Europe to the business hubs in East Asia, and Russia knows this. these two regions are two of the largest economic markets, with both regions having collective GDPs of over twenty trillion USD each\(^54\), and East Asian Nations and some Southeast Asian nations like Singapore are growing at much higher rates than their counterparts in Europe and North America\(^55\). In 2018 alone, nearly four and a half billion people flew

\(^54\) "GDP, Current Prices." IMF. https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD/EAQ.
globally, and that figure is expected to increase in 2019\textsuperscript{56}. This is especially true in the case of flights over Russian airspace, as Cities like Hong Kong, Shanghai, Singapore, and Tokyo are some of the largest business hubs in the world\textsuperscript{57}. As long as there is any demand for flights that overfly Russian airspace, the Russian Federation will continue to capitalize off it.

The implications of the actions currently being taken by the Russian government are tremendous. If there is no change in the actions of Russia, flights overflying these routes will continue to be extraordinarily expensive. While this is not really a problem for the business traveler, who does not pay for their own flight, this does stifle the development of civil aviation in the region as a whole. An important step in making aviation more widespread and affordable is the introduction of budget carriers in a route market. Budget carriers allow for more affordable flights, making aviation accessible to those who previously could not afford it. The most prominent example occurred in 2017, when low-cost carrier Norwegian Air attempted to expand their route network into Asia. The only problem was that there was already a carrier with Russian overflight permissions that was partially registered in Norway, Scandinavian Airlines (SAS), meaning that Norwegian was denied overflight permissions. This has led to Norwegian Air to take an inefficient route on their flights from Europe to Bangkok, Thailand\textsuperscript{58}. Russia also denied overflight permissions to Icelandair and WOW Air, both budget carriers from Iceland, for routes from Reykjavik to Delhi, India, even though there was no previous Icelandic airline with Russian overflight permissions.


Conclusion

The issue of Russian overflight permissions is the story of the modern world. It forces those involved to weigh the concept of national sovereignty with the effects of an action the interconnected world we now live in. This debate has affected many International Organizations, but the ICAO is especially affected by this debate. International civil aviation is supposed to transcend national borders, allowing for the world to be easily and affordably connected. Yet despite this, every nation’s airspace is sovereign territory, and their laws hold sway. The issue of Russian overflight rights and “Right of Transit” poses an important question not only to the ICAO, but the global community in general – where can the line be drawn between national sovereignty and the jurisdiction of the various International Organizations created to regulate the many essential aspects of the interconnected world? The actions taken by an International Organization like the ICAO will set an important precedent for any future international issue that plagues the international community.
Discussion Questions

- To what extent should national sovereignty take precedence over international interests?

- What should be the minimum requirements for a nation to be a member of an International Organization?

- How enforceable are treaties drafted by International Organizations?

- Can private entities be targeted as a part of a political conflict that their nation is in?
Bibliography

For Further Reading


*This is the original document establishing the role and jurisdiction of the International Civil Aviation Organization. It also shows the initial priorities of the ICAO when the organization was first established.*


*This document establishes the basic freedoms of the air – the backbone of modern commercial aviation. It defines what nations can and cannot do in regards to dealing with air travel, and what rights are to be given to airlines and other commercial aircraft.*
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