



Open Skies Air Service Agreements

Issue

Air Service Agreements (ASA) are negotiated trade agreements that set out terms for scheduled commercial air services between countries. ASAs can include restrictions on the airports that can be served, airfares, flight frequencies, seat capacity and the designation of air carriers. Open Skies Air Service Agreements have no restrictions, allowing market forces to determine the commercial decisions of air carriers. They permit airlines to transport passengers and cargo to and from Canadian airports of their choice.

Currently, there are 88 bilateral air service agreements signed by Canada; however, only eight classify as open skies (Barbados, Dominican Republic, Iceland, Ireland, New Zealand, United Kingdom, United States and most recently South Korea). The remaining agreements have restrictions that do not allow airports in Western Canada to compete with airports in the U.S. and central Canada for international air travel. Encouragingly, a recent ASA with the 27 member European Union has the potential to become an Open Skies agreement if both signatories take specific regulatory steps.

Since 2006, eight Open Skies agreements have been signed by the federal government. The United States has signed more than 90 during this time.

Calgary Chamber of Commerce Position

Open skies air service agreements are vital to encouraging tourism, trade development and competitive fares for Canadian consumers. With governments looking to stimulate a struggling economy, liberalized air policy presents an opportunity to increase trade and tourism opportunities with little to no expenditure of public funds.

Policy Recommendations

The Chamber encourages the Government of Canada to recognize the importance of open skies air service agreements to the country's trade and tourism goals. The Chamber recommends:

1. Focus open skies negotiating mandates on commercially (tourism, investment and trade) significant markets that are clearly underserved by air transportation.
2. Implement the proposal from the Governments of British Columbia, Alberta and Saskatchewan to expand existing Air Service Agreements by granting foreign carriers landing rights in airports in Western Canada, where market assessments and traffic volumes warrant such action.