



Increasing trade opportunities through open skies aviation policy

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Opening Canada's skies to more foreign competition would increase tourism and trade opportunities and ultimately benefit consumers, said a panel of aviation experts hosted by the Calgary Chamber of Commerce in February.

David Gillen, Director of the Centre for Transportation Studies at the University of British Columbia, released findings that showed countries with liberalized air agreements experience reduced fares and a four-fold increase in air traffic. He contended that air transportation access is an economic growth enabler.

Representatives from the Calgary and Edmonton airports agreed that a lack of open skies agreements is impeding cargo and passenger development. They also expressed concern with the current secrecy of negotiations.

After a joint cabinet meeting in October 2008, Alberta and B.C. called on the federal government to allow international air carriers to serve both the provinces' airports without market restrictions. The two provinces proposed that they be designated as an 'open skies region' for all existing air service agreements.

Open skies agreements allow air market access with no limits on the number of airlines permitted to operate, destinations, or frequency of service.

In 2006, the federal government adopted a new policy dubbed 'Blue Sky' to proactively pursue liberalized air transport agreements where it is in the nation's best interests. Previously, air agreements were restrictive and featured pricing and service constraints, while reflecting the priorities of domestic carriers.

The Blue Sky policy acknowledges the benefits of air transport liberalization to travelers, shippers and the tourism and business sectors, and considers a wider array of stakeholder views in negotiations.

Since Blue Sky was enacted, Canada has signed five open skies agreements, while the United States has nearly 90 with every continent except Antarctica.

Rob Ready, Canada's Chief Air Negotiator, cautioned the audience to compare the progress of Canada and the U.S. as the policy change has been recent.

Lorne Mackenzie, Director of Regulatory and Government Affairs with WestJet, offered support for open skies agreements provided that there was a level playing field on issues such as private ownership of airlines, adequate airport gate access, and fuel surcharges and taxation. Canada's largest carrier, Air Canada, was invited to participate on the panel, but was unable to attend.

"With governments looking to stimulate a struggling economy, liberalized air policy allows us to increase trade and tourism opportunities with little to no expenditure of public funds," said Geoff Pradella, Vice-President of Public & Government Affairs with the Calgary Chamber of Commerce.



"We will continue to raise awareness of both the opportunity and issue, because of the enormous benefits that open skies expansion represents for the business community, and our members."