

MAXIMUM VELOCITY

Unleashing the Power of Aviation

The Forum agenda included breakout sessions on four specific topics. The discussion was recorded and reported back in plenary, with opportunity provided for additional comment. Although the breakout session comments here do not form part of the final strategic consensus, they are provided to assist in understanding specific issues raised.

- **Air Service Policy – Promoting Expanded Air Service and Capacity**

- The Government of Canada should take steps to enhance the effective implementation of the existing Blue Sky Policy by:
 - Negotiating Open Skies agreements with more countries, especially as it relates to restrictive air transport agreements, which are only appropriate in “limited situations”;
 - Ending the practice of negotiating confidential MOU’s as part of air transport agreements and making public all commercial text concluded at the negotiations;
 - Making public the reasons where it has decided that an Open Skies-type of agreement is not in Canada’s best interest;
 - Including representatives of Canadian airports in air transport negotiations;
 - Pursuing with interested countries bilateral and multilateral Open Skies-type agreements for cargo services; and
 - Requiring Transport Canada to provide detailed data, including;
 - Market data permitting communities access to information critical to the attraction of new services,
 - Information on available air transport agreement capacity entitlements.
- The Blue Sky Policy should:
 - Provide Canadian consumers the benefit of competitive aviation markets, and
 - Facilitate new international non-stop service to communities with limited international service.
 - For services to specific communities, a “use it or lose it” policy should apply, permitting new service by any carrier requesting access to communities currently not served by a Canadian carrier.

- **Improving the Competitive Position of Canada’s Aviation Industry –Taxes, Fees & Charges**

- The Government of Canada should revise the application of the Air Transport Security Charge as currently applied solely to air travelers. Given: (a) the risk of terrorism is an externality, (b) terrorism is fungible (“if they’re not terrorizing the aviation sector, they’re targeting something else”), costs should be a charge on general revenue, as they are for all other forms of transport within Canada, rather than through passenger fees.
- Eliminate the Crown rents the federal government collects annually from airports,
 - In the interim, the AIF should be excluded from the ground lease rent calculation.

- Reduce foreign ownership restrictions to ensure that Canada's airline industry is adequately capitalized
 - An industry-wide advocacy group should be established to educate both government and the general public that aviation is more than a source of general revenue and is, in fact, a contributor to economic growth.
- **Airport Policy – Improving the Viability of Canada's Airports**
 - The Government of Canada should maintain the current airport authority model but update the policy, to reflect the needs of different sizes and types of airports:
 - Leases should provide a payment for capital assets (inflation adjusted book value) at end of lease, to allow airport authorities to extinguish debt. Current leases require that at lease end, all debt be extinguished and all assets be turned over to the Crown, without debt.
 - Leases should provide a process that will ensure airports have at least 40 years remaining for the establishment of long term subleases.
 - Transport Canada should provide an option for smaller National Airport System airports to acquire the land similar to the process by which regional/local airports of similar size acquired their land.
 - The ACAP (small airport capital access program) should be modified by expanding criteria and increasing funding levels.
 - Each province should enact property valuation legislation that creates a unique land class for airports (versus highest and best use valuations) under which airport property valuation is restricted to ensure airport viability.
- **Seamless and Efficient Borders – Customs, Borders & Security**
 - The Government of Canada should expand and promote multi-year visas for frequent business travelers.
 - The "transit without visa" program should be expanded to include South America to Asia transit.
 - A cross-border private sector advisory council should be established for Nexus.
 - The Canadian Standards Association (CSA) should be encouraged to take a lead in establishing international RFID standards frequency for aviation use.
 - A working group be established to review best practices with respect to border facilitation at major international airports.
 - The Beyond Borders initiative should be expanded to include common standards for screening of both passenger and freight, using technology to eliminate border wait times.