

AIR SERVICES POLICY PANEL NATIONAL AIRLINES COUNCIL OF CANADA

INTRODUCTION

NACC is the trade association representing Canada's largest national and international passenger air carriers: Air Canada, Air Transat, Jazz Aviation LP and WestJet. We promote safe, sustainable and competitive air travel through the development of policies, regulations and legislation that foster a world-class transportation system. Collectively, our member airlines carry over 50 million passengers annually and directly employ 43,000 people and create over 260,000 jobs. In 2012, total revenues of the four airlines exceeded \$19 billion and their estimated total economic impact was over \$33 billion. Further, as the airlines that represent the underpinnings of Canada's domestic and international air services network, we are major facilitators of national economic activity and commerce, and are key components of Canada's multi-billion dollar travel and tourism industry.

BLUE SKY POLICY

It is important to take a step back and realize that by and large, Canadians skies are open for business.

Since 2006, the government has concluded new or expanded air transport agreements with close to 70 countries.

For example, we have a comprehensive agreement covering all the 27 member states of the European Union.

Open sky type agreements with Ireland, Iceland, New Zealand, Barbados, the Dominican Republic, Costa Rica, South Korea, El Salvador, Switzerland, Trinidad and Tobago, Jamaica, Brazil, Honduras, Nicaragua, St. Martin and Curaçao.

Expanded agreements with Mexico, Japan, Jordan, Singapore, the Philippines, Morocco, Cuba, Egypt, Algeria, China and India.

We also have agreements with Kuwait, Serbia, Croatia, Panama, Turkey, South Africa, Ethiopia, Tunisia, Qatar, Colombia and Senegal.

It must be noted that the vast majority of our air transport agreements have more rights than Canadian or foreign carriers actually use. Consequently, the storyline of the blue sky policy is not one of constraints, but one of valuable available opportunities.

However, we are not seeing U.S. carriers, namely low-cost carriers come to Canada. Instead, Canadian passengers are crossing the border.

There is significant unused capacity under existing agreements (e.g. China, India).

An air service policy cannot operate in a vacuum. To maximize its benefits, we need to address the following:

- 1) Canada's uncompetitive aviation environment (high taxes and charges are scaring foreign carriers and hurting our Canadian carriers).

- 2) Increase the efficient flow of passenger and cargo traffic within airports. Collaboration between all Canadian government departments, airport authorities, airlines to develop and promote measures that facilitate the **efficient, safe and secure** flow of international passenger and cargo traffic (e.g. visa issuance, staffing of screening and CBSA/US CBP areas, facilitate international to domestic transfers).

CONCLUSION

NACC member airlines support Blue Sky Policy because it provides a balanced approach to air liberalization that ensures a level playing field and provides maximum added-value reciprocal benefits for all stakeholders, including consumers, government, cities, airports, tourism industry and airlines.