



Foreign Affairs and
International Trade Canada

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Canada



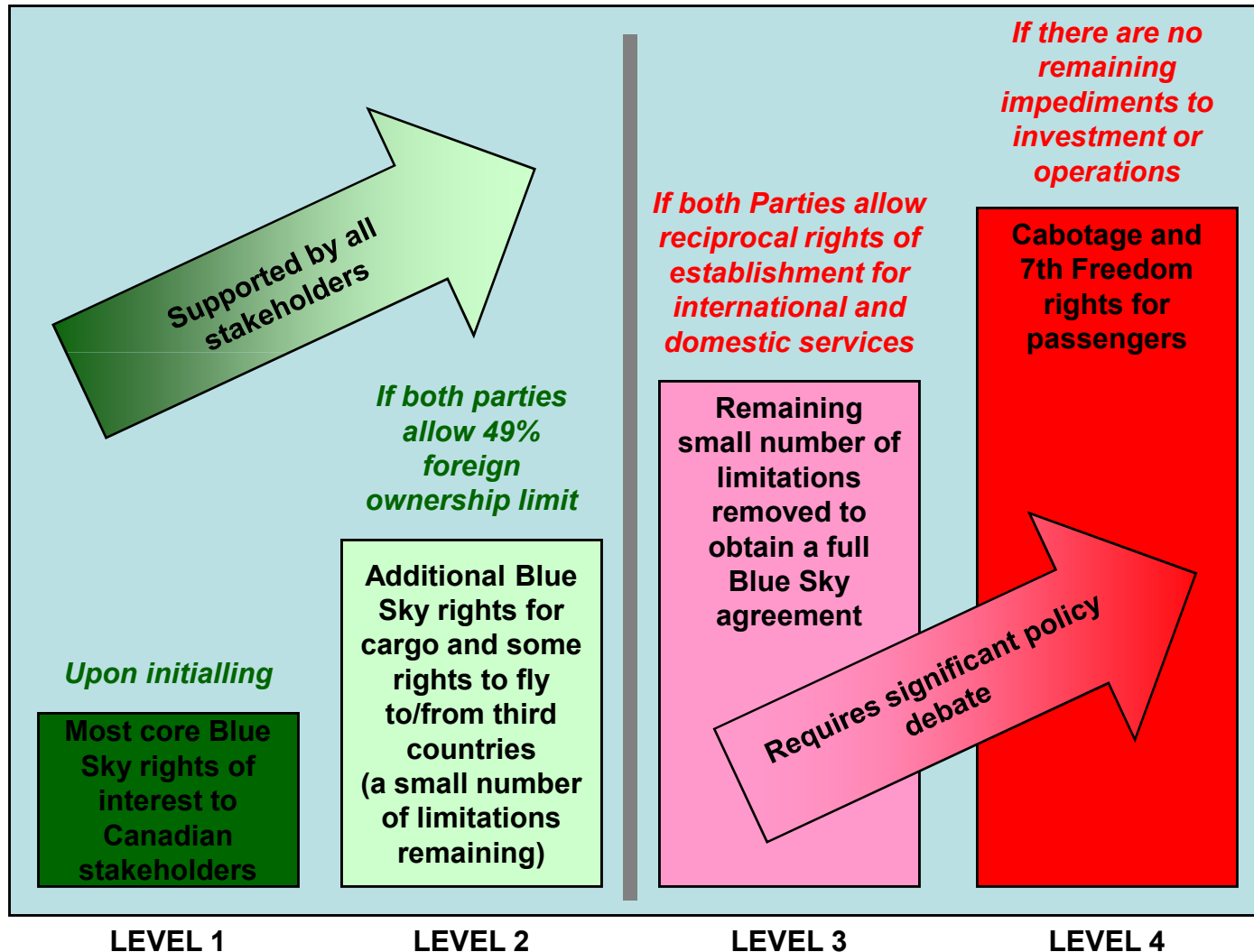
Canada - European Union Comprehensive Air Transport Agreement

*Conference on European Union – Canada Relationship
June 15, 2009
Vancouver, British Columbia*

An Historic Agreement

- Negotiations concluded on November 30, 2008, and publicly announced on December 9, 2008.
- The Agreement:
 - Calls for a phased approach to opening up traffic rights when certain conditions (triggers) are met.
 - Addresses many elements that are not normally found in traditional bilateral air transport agreements.
 - Is comprehensive due to the number of countries involved, the breadth of its components, and the cooperation it calls for.

Architecture of Traffic Rights



Level 1: Upon Signing

Traffic rights	Passenger and cargo	Cargo only
Third and fourth freedom	Open	Open
Fifth freedom intermediate points	Grandfathered	Open
Intra-EU fifth freedom	Grandfathered	Open
Fifth freedom beyond	Grandfathered	Open
Sixth freedom	Open	Open
Seventh freedom	No	No
Eight and ninth freedoms	No	No
Bilateral codesharing	Open	Open
Third country codesharing	Open	Open

The bulk of benefits important to Canadian stakeholders are available under Level 1.

Level 2: 49% Foreign Ownership of Voting Interest in Canadian Carriers

Traffic rights	Passenger and cargo	Cargo only
Third and fourth freedom	Open	Open
Fifth freedom intermediate points	Open	Open
Intra-EU fifth freedom	Open	Open
Fifth freedom beyond	Expanded	Open
Sixth freedom	Open	Open
Seventh freedom	No	Open
Eight and ninth freedoms	No	No
Bilateral codesharing	Open	Open
Third country codesharing	Open	Open

Expanded fifth freedom beyond points include Morocco, Switzerland, the European Economic Area, and the European Common Aviation Area. ⁵

Level 3: Right of Establishment for International and Domestic Services

Traffic rights	Passenger and cargo	Cargo only
Third and fourth freedom	Open	Open
Fifth freedom intermediate points	Open	Open
Intra-EU fifth freedom	Open	Open
Fifth freedom beyond	Open	Open
Sixth freedom	Open	Open
Seventh freedom	No	Open
Eight and ninth freedoms	No	No
Bilateral codesharing	Open	Open
Third country codesharing	Open	Open

Level 4: Lifting of All restrictions

Traffic rights	Passenger and cargo	Cargo only
Third and fourth freedom	Open	Open
Fifth freedom intermediate points	Open	Open
Intra-EU fifth freedom	Open	Open
Fifth freedom beyond	Open	Open
Sixth freedom	Open	Open
Seventh freedom	Open	Open
Eight and ninth freedom	Open	Open
Bilateral codesharing	Open	Open
Third country codesharing	Open	Open

Agreement Includes Number of Non-Traditional Elements (1)

- Community designation clause for EU carriers.
- Enhanced aviation safety and security
 - Mutual recognition of safety standards.
 - Commitment to work towards “one-stop security”.
- Consumer interests
 - Agree to promote high consumer interests.
- Availability of airports
 - Commitment to effectively and transparently apply, on a non-discriminatory basis, one’s own slot management rules.

Agreement Includes

Number of Non-Traditional Elements (2)

- Commercial framework
 - Computer Reservation Systems
 - National laws apply.
 - Franchising and branding
 - Subject to domestic laws and regulations and approval of aeronautical authorities.
 - Wet leasing
 - Subject to domestic laws and regulations and approval of aeronautical authorities.
- Competitive environment
 - Agree to uphold a fair and competitive level-playing field.
 - Strong provisions against state aid and possibility of taking unilateral action if necessary.

Agreement Includes

Number of Non-Traditional Elements (3)

- Air traffic management
 - Commitment to cooperate and collaborate.
- Joint Committee
 - Permanent body that oversees the implementation, operation, and application of the agreement, and addresses any concerns that may arise.
 - Meets at least once a year.
 - Any subject in the Agreement can be discussed within the Joint Committee and all decisions are made by consensus.

Agreement Includes

Number of Non-Traditional Elements (4)

- Environment
 - Recognize the right to take measures within own sovereign jurisdiction on a non-discriminatory basis.
 - Costs and benefits of environmental protection must be weighed when developing international aviation policy.
 - Commit to work together in multilateral forums and consult on planned measures.
- Labour matters
 - Recognize the importance of the Agreement's effect on labour conditions.
- International cooperation
 - Agree to coordinate positions on proposed international arrangements whenever possible.



Next Steps

- Legal scrub of English and French texts completed.
- Verification of translated texts (21 languages).
- Signing the Agreement at the earliest date possible to permit administrative application of agreement.
- Possible to administratively apply agreement with specific EU Member States before the agreement is signed.