

*February 16, 2015*

## **Canadian Airports Council remarks to the House of Commons Standing Committee on International Trade**

Ladies and gentlemen of the Committee. Thank you for the opportunity to address you today on the subject of Canada's international air bilaterals.

I understand you already have heard from the Vancouver Airport Authority, which is one of our members. My comments will be presented on behalf of our broader membership, which includes 45 members operating more than 100 airports around the country, including all of Canada's major international gateways.

As we detailed in our recent submission to the Honourable David Emerson on the Canada Transportation Act Review, international air travel has been an area of strong growth for Canada's airports, particularly over the last decade. Over the past few years, it surpassed U.S. trans-border traffic as the second-biggest component of traffic in much of the country.

Airports are trade-enabling infrastructure and bilateral air agreements are the rules by which aviation is able to support Canada's free trade agenda. Indeed the addition of just one new daily overseas route into a Canadian airport supports hundreds of direct jobs, and an even greater impact to the local economy by improving trade and business links.

Over the past decade, we have seen the opening up of air access between Canada and many of our most important partners for trade and tourism. Landmark agreements with the United States and the EU punctuate this period, but there have been new and improved agreements also with important markets like Brazil, South Korea, Turkey, Japan and China.

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These agreements open significant opportunities for trade and tourism for Canada and the communities our members serve. This is why in our CTA Review submission the CAC has called for Canada to seek Open Skies agreements with Canada's free trade partners.

Our members compete with each other as well as with destinations in other countries for the air services offered by domestic and foreign air carriers that can develop when an agreement is opened up. As a result, specific views on this topic can vary significantly from community to community and on a case-by-case basis by country. Our members communicate their views directly with the federal government on priorities for new negotiations and on specific air access issues to be tackled by Canada's negotiating team. Accordingly, it is often inappropriate for the CAC to weigh in on the merits of liberalization with individual markets.

Broadly, however, Canada's airports generally agree on several points. First, that the Blue Sky Policy serves as an effective policy framework for Canada, endorsing the principle that liberalization of air regimes is generally very good for Canada. There has been concern that sometimes the policy is not pursued in a manner consistent with the spirit of its intent, but in general Canada has done well by this policy.

Canada's airports represent the communities they serve. Airports are locally oriented non-share capital corporations with a business development mandate to support their communities. This is why it has been a long-standing request of the CAC that airports with a commercial stake in the outcome of talks be afforded observer status at them—as Canadian carriers have long been afforded. We were pleased to see this request partially

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granted late last year, when the CAC was notified that we would be able to send a single representative to future air bilateral negotiations.

We have yet to participate at any talks as none have been scheduled since we were notified of the change in policy, but we are confident that this opportunity will over time be a positive addition to the discussions by providing a vehicle for community-level concerns and by improving transparency and accountability.

Nevertheless, our members each have their own commercial interests at stake and we see this is an important step, but a first step to individual airports eventually being able to directly observe talks with markets of particular commercial interest -- in the same way that any Canadian carrier today can.

My final comment would be that while international air agreements are important to opening up trade, they are not the only important factor. There remains, for example, significant opportunity for new services in many of the existing bilaterals in place today.

Just as important are areas of visa policy. This is why we have been working with Citizenship and Immigration Minister Chris Alexander on expanding and improving the Transit without Visa program to expand Canada's share of connecting passengers that support new and existing and international air routes. Canada has a tremendous opportunity to grow this market and take advantage of big growth expected in markets like Asia to Latin America.

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Other important competitive factors are growing concerns with wait times at security screening and Canada's cost competitiveness environment. Both are areas under direct control of the federal government and equally important to address if Canada is to take full advantage of the significant opportunities for trade and tourism that can be afforded by growing international air travel to, from and through Canada.

Ladies and gentlemen of the Committee, being mindful of time, I will end my comments here and look forward to any questions you may have.

Thank you.