

EC/Canada agreement: air transport

2009/0018(NLE) - 12/07/2018 - Committee final report tabled for plenary, reconsultation

The Committee on Transport and Tourism adopted the report by Francisco ASSIS (S&D, PT) on the draft Council decision on the conclusion, on behalf of the Union, of the Air Transport Agreement between the European Community and its Member States, of the one part, and Canada, of the other part.

The committee recommended that the European Parliament **approve the conclusion** of the agreement.

The Agreement was signed on 17 and 18 December 2009, subject to its conclusion at a later date, in accordance with Council Decision 2010/417/EC. All Member States, except for Croatia, have ratified it. It has been provisionally applied since its signature.

On 10 January 2018, the Commission presented an amended proposal for a Council decision on the conclusion of the Agreement, to take into account the entry into force of the Treaty of Lisbon and the legal modifications required by the European Court of Justice in its judgment of 28 April 2015 in case C-28/12.

The European Parliament is being **consulted again** for approval on the draft decision to conclude the agreement on behalf of the Union.

The Agreement includes a gradual phasing-in of traffic rights and investment opportunities, as well as far reaching cooperation on a number of issues including safety, security, social matters, consumer interests, environment, air traffic management, state aids and competition.

As indicated in the explanatory memorandum accompanying the recommendation, all EU airlines will be able to operate direct flights to Canada from anywhere in Europe. The Agreement removes all restrictions on routes, prices, or the number of weekly flights between Canada and the EU. Airlines will be free to enter into commercial arrangements such as code-share agreements, and to establish their tariffs in line with competition law. The Agreement contains provisions for the phased market opening (in four phases) linked to the granting of greater investment freedoms by both sides. It provides for:

- the agreement of both sides to cooperate closely in order to mitigate the effects of aviation on climate change;
- mutual recognition of standards and "one-stop security" (i.e. transfer passengers, luggage and cargo would be exempted from any additional security measures);
- specific provisions to improve consumer interests including a commitment to consult on issues such as compensation for denied boarding, accessibility measures and passenger refunds;
- a strong mechanism to ensure that airlines cannot face discrimination in terms of access to infrastructure or state subsidies.

According to a study launched by the Commission, an open agreement with Canada would generate an additional half million passengers in its first year and, within a few years, **3.5 million extra passengers** might be expected to take advantage of the opportunities offered by the Agreement. The Agreement could generate consumer benefits of at least EUR 72 million through lower fares and would also create new jobs.