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Canada's Not-So Friendly Skies

Why Canadian Consumers Pay Sky-High Airfares

By Mark Milke

FRONTIER CENTRE

About the Author

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Table of Contents

Executive summary

When it comes to airline competition and consumers, an oft-overlooked success story exists within the European Union. It is the EU policy on "open skies" or cabotage. This continent-wide policy has been an unqualified success, and it is one that Canada and the United States should emulate. In summary, this study notes the following:

Cost comparisons of *in-country* flights: Europe wins

- On a per-mile basis, in a comparison of the cheapest prices of five *in-country* flights in Canada with five *in-country* flights in the United States and in Europe, Canadian air travel is significantly more expensive than either U.S. or European air travel.

Expressed another way, a traveller could:

- Book all five Canadian flights, travel a total (return) distance of 3,336 miles and pay $1,499.62, all taxes and fees included (which constitute 30 per cent of the cost).
- Book all five U.S. flights, travel a total (return) distance of 3,334 miles and pay $934.72, all taxes and fees included (which constitute 14 per cent of the cost).
- Book all five European flights, travel a total (return) distance of 3,358 miles and pay $525.72, all taxes and fees included (which constitute 52 per cent of the cost).

Taxes and fees do not explain these differences:

- European taxes and fees are higher than Canada's or the United States', but the fares are lower compared with the United States and Canada.
- The total average fare per mile in Canada for the five flights is 45 cents per mile; in the United States, it is 28 cents per mile; in Europe, it is just 16 cents.
- Remove the taxes and fees, and the United States and Europe still come out significantly ahead. The average base fare per mile in Canada for all five flights is 31 cents compared to 24 cents in the United States; in Europe, it is just 8 cents per mile—approximately one-quarter of the Canadian cost.

Cost comparisons of *cross-border* flights: Europe wins

- A similar result is found in a comparison of cross-border flights in Europe vis-à-vis North America.
- In this case, there is little difference in the total cost of five cross-border flights in North America, regardless of whether one's flight originated in Canada or the United States.
- Flights from five Canadian cities to five U.S. destinations with a total (return) distance of 6,004 miles cost $2,034.21 if the return trips originated in Canada and $1,971.99 if those same return flights originated in the United States.
- However, five European cross-border flights (Munich-Rome, Dublin-Berlin, Vienna-Athens, Prague-Barcelona and London-Paris) would generate a total (return) distance of 6,212 miles and are significantly cheaper at $941.93.

Again, taxes and fees in Europe are the highest but fares on cross-border flights are the lowest compared to either the United States or Canada.

How European competition benefits consumers

For consumers

- Despite significantly higher taxes and fees on air travel in Europe, European consumers can find far better deals on airfare than either Canadian or American consumers can.
- The European Union's open skies policy lowers airfare by creating a single aviation market among all member countries, and the increased competition leads to greater choice and lower fares.
- Since the market opened up, the number of cross-border routes more than doubled, and the number of routes with more than two competitors increased by 400 per cent.

For airlines and for jobs

- The single market in airline travel in Europe helped to double traffic growth, creating 1.4-million jobs.
- The European airline sector saw a six per cent growth in employment between 1997 and 2004.
- Wages for pilots increased in line with or in excess of the national average.

The European Commission pointed out that increased liberalization in the European air travel market means airlines have been strengthened.

- The commission also noted that the ability to merge and invest across borders has been critical in strengthening the financial and competitive position of a number of companies such as KLM-Air France and Lufthansa-Swiss.
- As it noted in a briefing note to U.S. President Barack Obama, "cross-border flows of capital have strengthened many airlines and helped others to avoid bankruptcy, to the benefit of airlines, employees, airports and the local regions they serve."

Full competition in North America is prevented by:

- The Canadian government, as foreign airlines still do not have full access to Canada's internal market. The federal government made clear in 2007 that "[u]nder no circumstances will the policy approach include cabotage rights —the right of a foreign airline to carry domestic traffic between points in Canada."
- The U.S. government, as foreign airlines still do not have full access to the U.S. internal market. This is a source of some frustration, given that U.S. carriers have gained full access to the EU internal market.

The European market contrasts sharply with the airline market in North America. Presently, Air France can fly a passenger from Paris and drop her off in New York City or Los Angeles (or any other U.S. destination to which the airline flies), but Air France cannot pick up a New York passenger and fly him to Los Angeles. The same is true in Canada. Air France, for example, can pick up OR drop off passengers in Vancouver, Calgary, Toronto, Ottawa and Montreal, but it is not allowed to ferry passengers between those cities. Because of this restrictive and anti-competitive policy in Canada and the United States, both the airline industry (which might otherwise expand) and North American consumers suffer.

Introduction

North America's anti-competition airline policy

Europe is often seen as a high regulation jurisdiction with many barriers to entry for entrepreneurs. However, there is a notable exception: airline competition. Specifically, there is an oft-overlooked success story on the regulatory side of the European Union: the EU policy on open skies or "cabotage". This continent-wide policy is an unqualified success, and it is one that the United States and Canada should emulate.

Merriam-Webster notes the original French definition of "cabotage" was "to sail along the coast." Over time, "cabotage" has also come to mean the right to engage in transport as well as the set of regulations that restrict it.

Cabotage regulations control transportation within and between countries, generally for the sake of protecting a domestic transportation sector from foreign competition. For example, while a Canadian airline can take you anywhere within Canada and to and from other countries, it cannot pick you up within the United States and drop you off elsewhere in the States. The same is true of U.S. airlines: They can take you to or from the United States, but if you want to fly Continental Airlines or United or American Airlines from Vancouver to Toronto, you are out of luck.

Some background on Europe's open skies

This restrictive North American model, however, does not exist in Europe. The restriction on consumer transportation choices began to weaken in 1987, when the European Union began to liberalize airline-competition policy, a move that fully blossomed in 1997, when any airline within a member EU state was given the right to full cabotage—the right to pick up and drop off passengers within another member country.[1]

The EU department responsible for overseeing the open market in airline competition, the European Commission—Mobility and Transport notes that subsequent developments included a 120 per cent increase in intra-EU routes between 1992 (before full liberalization) and 2008; a 400 per cent increase in the number of routes with more than two competitors on it between 1992 and 2008;[2] the emergence of low-cost carriers, which now constitute one-third of all intra-EU scheduled capacity; and, not surprisingly, because of the above, lower fares.[3]

The European Commission attributes the expansion in the number of airlines, increased travel, higher employment levels in aviation, more cities served (and competed for) and low fares to the removal of barriers to competition.

> This is largely due to the creation of a single market for aviation in the 1990s. Air transport had been traditionally a highly regulated industry, dominated by national flag carriers and state-owned airports. The internal market has removed all commercial restrictions for airlines flying within the EU, such as restrictions on the routes, the number of flights or the setting of fares. All EU airlines may operate air services on any route within the EU.[4]

On prices, the European Commission makes clear that its open-skies policy has benefited a wide swath of European society: consumers, airlines, employees of aviation-related businesses and airports. Moreover, as the European Commission noted, choices and quality are up and prices are down.

> Prices have fallen dramatically, in particular on the most popular routes. But it is especially in terms of choice of routes that progress is impressive. European policy has profoundly transformed the air transport industry by creating the conditions for competitiveness and ensuring both quality of service and the highest level of safety. Consumers, airlines, airports and employees have all benefited as this policy has led to more activity, new routes and airports, greater choice, low prices and an increased overall quality of service.[5]

The European market contrasts sharply with the airline market in North America. Presently, Air France can fly a passenger from Paris and drop her off in New York City or Los Angeles (or any other U.S. destination to which the airline flies), but Air France cannot pick up a New York passenger and fly him to Los Angeles. The same is true in Canada. Air France, for example, can pick up OR drop off passengers in Vancouver, Calgary, Toronto, Ottawa and Montreal, but it is not allowed to ferry passengers between those cities. Because of this restrictive and anti-competitive policy in Canada and the United States, both the airline industry (which might otherwise expand) and North American consumers suffer.

Canada-U.S.A.-EU airfare price comparisons

Canadian and U.S. prices are higher than European prices

There is no question as to which continent's passengers are better served. In Europe, as the following examples demonstrate, consumers can find a far better deal than Canadian or American consumers can find in North America.

For these comparisons, I used the following assumptions for all flights:

- A 27-day advance booking and a six-day round-trip airfare beginning on Tuesday, June 29th and returning on Monday, July 5th.
- Total similar distances (for the five flights added together) were chosen. In the case of cross-border flights in North America, the same routes were used for the Canadian and the U.S. comparisons. For example, the Canadian Calgary-Denver flight was reversed to be a U.S. Denver-Calgary flight to see if the return fares in both instances were similar.
- All fares came from Kayak.com, a web site that tracks cheap airfares.
- The cheapest airfare on a particular route was chosen.
- Travelmath.com was used to calculate the flight distances between cities, doubling them to reflect the return-ticket nature of the fare, a total distance then used to calculate both the base fare per mile (before taxes and fees) and the total fare per mile (including all taxes and fees).

Cost comparisons of in-country flights: Europe wins

Table 1. Canada in-country

Canada (in-country) Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
Calgary	Victoria	906	270.62	82.63	353.25	0.30	0.39	Air Canada
Toronto	Ottawa	440	156.29	93.75	250.04	0.36	0.57	WestJet
Halifax	Montreal	984	162.58	125.77	288.35	0.17	0.29	WestJet
Vancouver	Kelowna	340	165.73	68.90	234.63	0.49	0.69	WestJet
Winnipeg	Regina	666	292.65	80.70	373.35	0.44	0.56	Air Canada
Total		**3,336**	**1,047.87**	**451.75**	**1,499.62**	**0.31**	**0.45**	
Ratios			70%	30%				

Sources: Flying distance between cities: Travelmath.com. Airlines fares calculated from Kayak.com on June 2, 2010 with 27-day advance booking, leaving June 29 and returning July 5. Cheapest airfare selected. All fares in Canadian $.

Table 2. United States in-country

U.S.A. (in-country) Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
San Diego	Sacramento	944	191.95	33.30	225.25	0.20	0.24	United
New York	Washington DC	408	144.75	22.45	167.20	0.35	0.41	Delta
Buffalo	Chicago	908	176.22	33.67	209.89	0.19	0.23	U.S. Airways
Seattle	Spokane	458	102.80	22.44	125.24	0.22	0.27	Alaska Airlines
Milwaukee	Des Moines	616	186.27	20.87	207.14	0.30	0.34	Midwest
Total		**3,334**	**801.99**	**132.73**	**934.72**	**0.24**	**0.28**	
Ratios			86%	14%				

Table 3. Europe in-country

Europe (in-country) Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
London	Edinburgh	666	16.83	7.65	24.48	0.03	0.04	RyanAir
Paris	Toulon	866	147.90	66.49	214.39	0.17	0.25	Air France
Milan	Rome	592	28.95	18.29	47.24	0.05	0.08	RyanAir
Dusseldorf	Munich	604	38.00	103.00	141.00	0.06	0.23	Air Berlin
Barcelona	Madrid	630	23.09	75.52	98.61	0.04	0.16	Iberia
Total		**3,358**	**254.77**	**270.95**	**525.72**	**0.08**	**0.16**	
Ratios			48%	52%				

As Table 1 shows, a passenger in Canada could book a Winnipeg-Regina flight (666 total return miles) and pay $373.35 on Air Canada. In contrast, a similar distance flight between similar mid-Western cities, Milwaukee and Des Moines, at 616 return miles would cost $207.14 (see Table 2). In the United Kingdom, an in-country U.K. flight between London and Edinburgh can be found for as little as $24.48 on RyanAir (see Table 3) with a total return flight distance of 666 miles, the same distance as the Winnipeg-Regina trip.

The difference is not due to taxes and fees. For the London-Edinburgh fare, taxes and fees make up 31 per cent of the ticket cost compared with 22 per cent of the ticket cost for the Winnipeg-Regina flight. Taxes are proportionately less on the Milwaukee-Des Moines flight, at 10 per cent, but even if an extra $60 in taxes and fees were tacked on to that ticket, the flight would still be $100 less than the Winnipeg-Regina flight.

Similar-distance flights in other parts of Canada—Calgary-Victoria, Toronto-Ottawa, Halifax-Montreal and Vancouver-Kelowna —are also higher priced than similar U.S. flights (San Diego-Sacramento, New York-Washington D.C., Buffalo-Chicago and Seattle-Spokane). In addition, there is no comparison to Europe: the five flights in Europe of similar distances are a bargain.

On a per-mile basis, a comparison of the cheapest prices for five in-country flights in Canada with five in-country flights of a similar total distance in the United States and Europe finds Canadian air travel is significantly more expensive than either U.S. or European air travel (see Tables 1, 2 and 3).

The total average fare per mile in Canada for the five flights is 45 cents per mile. In the United States, it is 28 cents per mile, and in Europe, it is just 16 cents. Remove the taxes and fees and the U.S. and European flights still come out significantly ahead.

The average base fare per mile in Canada for all five flights is 31 cents compared with 24 cents in the United States. In Europe, it is just eight cents per mile—about one-quarter of the Canadian cost.

Expressed another way, a traveller could:

- Book all five Canadian flights, travel a total (return) distance of 3,336 miles and pay $1,499.62, all taxes and fees included (which constitute 30 per cent of the cost).
- Book all five U.S. flights, travel a total (return) distance of 3,334 miles and pay $934.72, all taxes and fees included (which constitute 14 per cent of the cost).
- Book all five European flights, travel a total (return) distance of 3,358 miles and pay just $525.72, all taxes and fees included (which constitute 52 per cent of the cost).

Cost comparisons of cross-border flights: Europe wins

Table 4. Depart Canada to United States

Canada to U.S.A. Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
Toronto	Chicago	874	228.64	76.78	303.42	0.26	0.35	Air Canada
Vancouver	San Fran.	1,586	199.61	65.14	264.75	0.13	0.17	United
Calgary	Denver	1,796	466.77	151.33	618.10	0.26	0.34	Alaska
Winnipeg	Minneapolis	770	413.82	80.24	494.06	0.54	0.64	Delta
Montreal	New York	978	272.91	80.97	353.88	0.28	0.36	Air Canada
Total		**6,004**	**1,579.75**	**454.46**	**2,034.21**	**0.26**	**0.34**	
Ratios			78%	22%				

Sources: Flying distance between cities: Travelmath.com. Airlines fares calculated from Kayak.com on June 2, 2010 with 27-day advance booking, leaving June 29 and returning July 5. Cheapest airfare selected. All fares in Canadian $.

Table 5. Depart United States to Canada

U.S.A. to Canada Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
Chicago	Toronto	874	212.93	84.26	297.19	0.24	0.34	American A.
San Fran.	Vancouver	1,586	207.69	75.26	282.95	0.13	0.19	WestJet
Denver	Calgary	1,796	416.42	117.67	534.09	0.23	0.30	U.S. Airways
Minneapolis	Winnipeg	770	438.63	61.05	499.68	0.57	0.65	Delta
New York	Montreal	978	289.80	68.28	358.08	0.30	0.37	Air Canada
Total		**6,004**	**1,565.47**	**406.52**	**1,971.99**	**0.26**	**0.33**	
Ratios			79%	21%				

Table 6. Europe between countries

Europe (between countries) Departure City	Destination	Total Return Miles	Base Fare $	Taxes & Fees $	Total Fare $	Base Fare $ per mile	Total Fare $ per mile	Airline
Munich	Rome	868	56.65	90.10	146.75	0.03	0.09	Alitalia
Dublin	Berlin	1,640	66.87	12.83	79.70	0.08	0.09	RyanAir
Vienna	Athens	1,594	228.67	84.33	313.00	0.14	0.20	Olympic Air
Prague	Barcelona	1,686	100.70	179.14	279.84	0.06	0.17	Lufthansa/Brussels
London	Paris	424	99.40	23.24	122.64	0.23	0.29	EasyJet
Total		**6,212**	**552.29**	**389.64**	**941.93**	**0.09**	**0.15**	
Ratios			59%	41%				

Despite the fact that taxes make up a significantly higher percentage of the five European flights compared with Canada, the Canadian tickets cost roughly three times ($1,499.62) the European airfares ($525.72). In the Canada-U.S. comparison, Canadians pay 60 per cent more ($1,499.62) than Americans do ($934.72).

A similar result is found in a comparison of cross-border flights in Europe vis-à-vis North America. For example, as Table 4 shows, the cheapest airfare between Toronto and Chicago is $303.42 on Air Canada at 874 total (return) miles.

The U.S.-based return flight was slightly cheaper: Chicago-Toronto costs $297.19.

A slightly shorter return flight in Europe, from Munich to Rome, of 868 miles, costs just $146.75 on Alitalia (with taxes and fees accounting for much more than they do in Canada—61 per cent of the cost in this example). Despite the significantly higher taxes and fees in Europe compared with the cross-border flight in North America, the European flight is still considerably cheaper.

There is little difference in the total cost of five cross-border flights in North America, regardless of whether one's flight originated in Canada or the United States. Flights from five Canadian cities to destinations in the United States were chosen (Toronto-Chicago, Vancouver-San Francisco, Calgary-Denver, Winnipeg-Minneapolis, Montreal-New York) with a total (return) distance of 6,004 miles. The cost is $2,034.21, with taxes accounting for 22 per cent (see Table 4). U.S.-originating flights on the same routes cost $1,971.99, with taxes accounting for 21 per cent (see Table 5).

The five European cross-border flights (Munich-Rome, Dublin-Berlin, Vienna-Athens, Prague-Barcelona and London-Paris) would generate a total return distance of 6,212 miles and cost just $941.93, less than half the U.S. or Canadian cross-border flights, with taxes accounting for a much higher proportion of the ticket at an average of 41 per cent (see Table 6).

In summary, the results are as follows for cross-border flights in Canada, the United States and the EU (see Tables 4, 5 and 6):

- Book all five Canadian cross-border flights, travel a total (return) distance of 6,004 miles and pay $2,034.21, all taxes and fees included (which constitute 22 per cent of the cost).
- Book all five U.S. cross-border flights, travel a total (return) distance of 6,004 miles and pay $1,971,99, all taxes and fees included (which constitute 21 per cent of the cost).
- Book all five European flights, travel a total (return) distance of 6,212 miles and pay just $941.93, all taxes and fees included (which constitute 41 per cent of the cost).

Despite the fact that Europe's taxes are the highest in these cross-border examples, the five European trips are the cheapest. Canada's are the most expensive.

On a per-mile basis, the total average fare was 34 cents per mile for the five Canadian cross-border flights, 33 cents per mile for U.S.-based cross-border flights and 15 cents in Europe. The base fares were 26 cents per mile in Canada, 26 cents in the United States and just 9 cents in Europe. Simply put, whether within the country or between countries, European airfares are a bargain for consumers.

Some European fares are likely loss leaders, but their existence highlights the lack of open skies in North America, where such bargains cannot occur. Currently, only "domestic" airlines can pick up and drop off passengers within Canada and the United States; furthermore, there are restrictions on what counts as a domestic airline. This prevents competition, cheaper airfares, more travel and, thus, it ultimately prevents more demand for airline tickets, the services of airlines and a healthier airline industry.

Who should consumers blame?

The Canadian federal government

In November 2006, the federal government announced its Blue Sky Policy to liberalize air transport between Canada and other countries, but it is thin gruel. The Blue Sky Policy *sounds good in theory only*. The document touts basic freedoms such as lifting llimits on the number of airlines permitted to operate in Canada and in the frequency of service. One of the Blue Sky principles is that "[m]arket forces should determine the price, quality, frequency and range of air services options."

However, that principle is undercut by other qualifications in the policy that gut the aim of liberalization including how *the Conservative government pointedly rejects EU-style open competition*. Transport Canada, the agency responsible for airline policy in Canada, states bluntly and clearly what is *not* included in its policy approach to air transportation negotiations: "Under no circumstances will the policy approach include cabotage rights—the right for a foreign airline to carry domestic traffic between points in Canada."[6]

In other words, the Canadian government is preventing full and open EU-style competition within Canada, despite proven benefits in Europe.

A protectionist U.S. Congress

Similarly, talks between the United States and Europe in 2006 about bringing European-style open skies policy to the United States temporarily stalled when the Bush administration stuck to the existing rules for what makes an airline "U.S. controlled." The rules required that U.S. citizens own or control at least 75 per cent of the shareholders' voting interest and that the president and two-thirds of the directors and managing officers are U.S. citizens.

To be fair to the previous administration, then-transportation secretary Mary E. Peters withdrew a set of proposed reforms that would have liberalized air travel only after the 2006 mid-term elections and after Democratic senators Frank Lautenberg and Daniel K. Inouye moved to block the administration's proposed more-liberal rules. At the time, Lautenberg was quoted as follows in one media report: "Letting foreign entities control our nation's airlines is a dangerous proposition. The Bush administration saw that the Democratic Congress will not put up with this bad idea and backed off."[7]

An open skies agreement was eventually signed between the EU and the United States in 2007 (effective as of March 30, 2008). However, that agreement, still in force, is far from the type of open-skies agreement that exists between countries within the EU. The agreement[8] does allow non-U.S. investors to own up to 49.9 per cent of non-voting equity in U.S. air carriers—a move the International Air Carrier Association (IACA) characterized as allowing EU airlines to only "mimic access to the U.S. internal market"[9] —but foreign airlines still do not have full access to the U.S. internal market. This is a source of some frustration, given that U.S. carriers have gained full access to the EU internal market, something that the IACA again pointed out in March of this year as progress toward a second open skies agreement dragged on.[10]

How everyone loses—even the airlines

Canadians are worse off than Americans. However, they are in a better position due only to a significantly larger domestic market and thus more domestic airlines that must compete for consumers, something Canadians could share in if a true Blue Skies Policy created a large North American market. However, the lack of an EU-style open skies agreement between all three entities, the United States, Canada and the EU, means all consumers lose, whether they live in Canada, the United States or in the European Union (and who travel in North America). Unsurprisingly, the EU ambassador to the United States, John Bruton, estimated in 2006 that the savings to all consumers under a truly open skies policy would amount to $5-billion annually if truly open skies agreement was fully implemented.[11]

Consumers are not the only ones who lose because of continued protectionism in North America. The airlines take a hit to their bottom lines. As the EU experiment has shown, lower prices lead to a significant increase in passenger traffic that benefits airlines.[12] As the European Commission in a recent briefing note about U.S. policy stated,

> Today, the US retains some of the most restrictive laws on the foreign ownership and operation of airlines in the world, starving its airlines of capital and limiting their options for recovery, growth, and participation in a rapidly globalizing industry.[13]

The negative results of such restrictions, as the European Commission points out, are "higher costs and lower employment for airlines, generating unrecoverable losses for consumers, aviation employees, investors and businesses."[14]

The benefits of open skies competition

As the European Commission pointed out in a recent briefing note to U.S. President Barack Obama, consumers have been the clear beneficiaries of the removal of ownership restrictions and the subsequent improvement in competition in Europe. The commission noted that airlines have been quick to seize the opportunities created by the relaxation of ownership and control restrictions that provide additional choice to passengers and shippers. The commission noted:[15]

For consumers:

- The number of cross-border routes more than doubled, and the number of routes with more than two competitors increased by 400 per cent.

For airlines and for jobs:

- The single market in airline travel helped to double traffic growth and created 1.4-million jobs.
- The European airline sector saw a six per cent growth in employment between 1997 and 2004.
- Wages for pilots increased in line with or in excess of the national average.

The commission pointed out that increased liberalization in the European air travel market means airlines have been strengthened.

> The ability to merge and invest across borders has been critical in strengthening the financial and competitive position of a number of companies (e.g. KLM-Air France and Lufthansa-Swiss). Cross-border flows of capital have strengthened many airlines and

helped others to avoid bankruptcy, to the benefit of airlines, employees, airports and the local regions they serve.[16]

Prospects for reform

The potential benefits of greater access to markets and foreign airlines are significant—for travellers and the airline industry. With a federal Canadian government opposed to liberalization of the sort that matters to Canadian consumers—full landing rights for all airlines—and with a protectionist-minded president in the White House and protectionist sentiment in the U.S. Congress, prospects for airfare liberalization seem slim. On the other hand, it was a left-leaning president from the Democratic Party in the 1970s who first began to deregulate the airline industry. The boom that followed was proof enough of the wisdom and usefulness of competitive markets. There is no reason why, over two decades later, another left-leaning president, Barack Obama, cannot finish the work Jimmy Carter began.

In Canada, there is no barrier to the Canadian government negotiating an EU-style open market in airline travel between Canada and the European Union. It should do so regardless of U.S. inaction on this file.

Endnotes

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Further Reading

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Mark Milke

http://www.fcpp.org/publication.php/1682

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David Seymour

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