

News Releases AIR CANADA COMMENTS ON GOVERNMENT OF CANADA'S HANDLING OF RECENT CANADA-UAE BILATERAL AIR NEGOTIATIONS

MONTREAL, Nov. 6 /CNW Telbec/ - Air Canada issued the following statement today in response to criticisms of the Government of Canada's handling of recent Canada-UAE bilateral air negotiations:

"The recent discussions between Canada and the UAE related to bilateral air access rights were conducted on a principled basis entirely consistent with Canada's Blue Sky Policy which has provided a framework for bilateral air negotiations since 2006," said Duncan Dee, Executive Vice-President and Chief Operating Officer. "Over the years, Canada has reached Open Skies-type air agreements covering 35 countries. The process through which these agreements have been reached is based on a balanced exchange of economic benefits resulting from increased market access. The inclusion of considerations unrelated to aviation only serves to distort those important discussions, creating the potential for significant negative consequences on our industry and the economy as a whole. The current agreement strikes the appropriate balance between encouraging competition while at the same time providing opportunities for Canadian airlines to grow and compete successfully in a more liberalized global environment.

"There would be no net benefit to Canada in granting additional capacity between Canada and the UAE at this time as the current bilateral air agreement is sufficient to meet travel demand between the two countries. The Government's actions are in the interests of Canadian commerce, Canadian jobs and encouraging growth in the Canadian economy. We commend the Government for its principled stand on this issue and for its support of a Canadian international air policy that provides for a healthy and viable Canadian air transportation industry creating more than 80,000 jobs in Canada. Air Canada further calls on all parties in the House of Commons to support the Government's approach which ensures the long term economic viability of our industry and safeguards the considerable economic benefits Canada gains from competitive international aviation," concluded Mr. Dee.

Air Canada has welcomed Open Skies agreements where they make sense. The airline was a driving force for a modernized treaty with the U.S. in 1995 and the further liberalization of that treaty in 2007. Today, Air Canada flies over 100 routes to 59 destinations, making Air Canada the largest player in the U.S. transborder market.

Air Canada also supported the recent conclusion of a comprehensive agreement liberalizing air services with the European Union representing 27 countries. Like the U.S., the E.U. is a large, important market with opportunities for aviation and other trade to the benefit of Canadians.

Air Canada provides jobs for 26,000 Canadians and the airline's direct contribution to the national economy exceeds \$12 billion.

Air Canada is Canada's largest domestic and international full-service airline providing scheduled and charter air transportation for passengers and cargo from 60 communities large and small across Canada to more than 170 destinations on five continents. Canada's flag carrier is the 15th largest commercial airline in the world and serves 31 million customers annually. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network serving 1,160 airports in 181 countries.

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