

Canadian cities to be able to access much of the total traffic. In contrast, a Canadian carrier would need to serve scores of U.S. cities in order to have a similar access. A U.S. carrier can bring large portions of the U.S. market to its hub and then on to Canada. The Canadian carrier has no equivalent access to this vast U.S. market. In contrast, the U.S. carrier can access much of the total Canadian traffic from a handful of Canada's concentrated points.

A similar type of entry barrier involves *access to public infrastructure: airports and airways*. In some nations, airport facilities might not be available to new carriers, and takeoff/landing slots may be restricted. A hypothetical example could involve negotiating the ability for a Canadian carrier to fly to a new Japanese city, in exchange for the Japanese right to operate to a new Canadian city. The Japanese carrier might launch service immediately, while its rival Canadian carrier, although authorized, finds itself unable to obtain ticketing, gate or office space in the Japanese airport, and/or unable to obtain takeoff/landing authorization at the desired time. The Japanese carrier, due to its large presence at the Japanese airport, has no similar trouble. It already has gate, office and ticketing space. It may be able to get an additional slot, or in the worst case, simply reallocate a slot from a low profit route.

While not exhaustive, this list of entry barriers is illustrative of the problems a Canadian carrier could face when entering a new foreign market.⁹⁴ Individually, each of these can be quite serious. What is more important, however, is the cumulative height of the entry barriers. When designing a new bilateral negotiating policy, care must be given to negotiating the conditions under which our carriers will operate. This section

⁹⁴It also may apply to a new carrier attempting to enter domestic Canadian markets.