

The Committee heard from representatives of the aerial photography and survey sector. They were enthusiastic about an open skies regime. However, there was one major caveat. They said that it was more costly for Canadian operators to comply with the more onerous regulatory regime in Canada than for their U.S. counterparts in the United States. Most emphasized that they would only accept open skies if there was some harmonization of Canadian and American regulatory requirements. Moreover, they urged that negotiations on specialty services be separate from the main negotiations; some even suggested that they should be done on a specialty-by-specialty basis.

The Committee also heard from another specialty service — aerial firefighting. The witness favoured the status quo for two main reasons. The first was the higher costs involved in complying with Canadian regulations and the second was that American operators had access to cheap surplus military aircraft.

We would have liked to hear more representatives of the specialty services industry. It was brought to the Committee's attention that Transport Canada was in the process of completing an analysis and report on how this sector feels about an open skies regime for all specialty air services. Under these circumstances, we do not feel we can, at this time, reach any conclusion regarding negotiations concerning specialty services. However, what we can observe is that, if there are negotiations on specialty services, they will have to be separated from the main negotiations. Nevertheless, any new regime would certainly have to be part of the overall package of economic benefits.

## **F. BUSINESS AIRCRAFT**

As with specialty services, the transborder movement of private business aircraft is not governed by any formal bilateral agreement. One representative of this sector told the Committee that Canadian business aircraft have complete cabotage rights in the United States while U.S. aircraft do not in Canada because of Canadian customs' regulations. It was urged upon the Committee that the negotiations should ensure that this anomaly be rectified and that any new agreement should provide for freedom of movement for each other's private business aircraft within each other's country.

The Committee was impressed with the argument of lack of reciprocity regarding transborder flights of business aircraft. We therefore recommend:

- 17. That the government give consideration, during the negotiation of a new bilateral agreement, to a regime which would allow for the unrestricted movement of Canadian and American private business aircraft within each other's country.**