competition between global carrier families will increase. There will also be increased *competition between gateways*. Because of the increase in gateway competition, it will no longer be possible to protect or insulate carriers from competition. This is especially true for Canada where diversion to U.S. airports is easy for a large proportion of our population.

It should be noted that while the airline industry will increasingly become competitive in the 1990s, that competition might or might not be fair. While efforts were made during U.S. deregulation to maintain an even playing field for its domestic carriers, carriers were nevertheless innovative in erecting new entry barriers. Computer reservation system bias, frequent flyer programs, and control of slots and gates at airports are just a few of the elements that these carriers used to gain competitive advantage and exclude competitors whenever possible. This can be expected to continue but government competition authorities may look more closely at ensuring maintenance of fair competition.

Fourth, related to an increasingly competitive industry, consumers will gain more and more power of decisions regarding air transport. Their buying power, when coupled with a wider range of choices between gateways, carriers, fare offerings, etc., will empower them to choose which carriers will survive and which will not. Again, because of the increase in gateway competition, it will not be possible for a nation to protect its carriers from the competitive demands of consumers.

Fifth, the international air transport industry in the 1990s is likely to be more integrated than it is at present. Carrier alliances are one way in which this will take place. Services within alliances will be timed and coordinated to provide the consumer with more direct and better routings. Should governments move toward more liberal international regimes and a reduction of domestic ownership and control requirements, then the integration of the global system will be further increased.

Finally, it should be pointed out that there will be limited windows of opportunity in the 1990s with respect to infrastructure. Airport congestion is not a phenomenon unique to North America. Many European airports are severely congested, such as Frankfurt and London's Heathrow. Japan faces particularly severe capacity problems, as does Hong Kong. During the decade, some expansion of airport facilities will take place, but even these expansions will rapidly become congested again as air transport continues to grow at rates which outpace the economy. The implications are clear. Waiting until the capacity becomes available and demand starts to increase may result in coming to the market too late. Negotiating or trading for capacity rights before the capacity becomes available could be a very important strategy to pursue.