

2. When a Contracting Party approves the application of an airline or airlines to operate such additional services, that Contracting Party shall forward the application(s) to the other Contracting Party for approval to operate such services. Upon receipt of the application and satisfaction of the normal licensing requirements as provided for in Article VI, Paragraph (b) and subject to Article VII of the 1966 Agreement, the other Contracting Party shall expeditiously process the application for the service in question, give favourable consideration as appropriate thereto, and inform the first Contracting Party of its decision. Procedural steps and documentation requirements for such applications shall be minimal. Upon approval by both Contracting Parties, such service may be put into operation.

3. Airlines of both Contracting Parties shall have fair and equal opportunity to operate the services provided for under this Agreement. The Contracting Parties agree to exercise their best efforts to assist airlines in obtaining the necessary access to airports and air terminal facilities. This provision shall not impose any obligation on the Contracting Parties to upgrade or expand facilities or services, including customs and immigration services.

4. An airline or airlines operating a service under this Agreement shall be subject to the obligations and entitled to the privileges of Articles III(d), VIII, IX, X, and XI of the 1966 Agreement.

Automatic Approval

5. Applications received from one Contracting Party shall receive automatic approval by the other Contracting Party if they meet all of the following criteria:

- (a) use of aircraft certified as capable of carrying no more than 60 passengers and having a maximum payload capacity of no more than 18,000 pounds;
- (b) serving city-pairs not named in the 1966 Agreement, except as provided for in Paragraph 7 below;
- (c) serving city-pairs of which at least one city has a metropolitan population of less than 500,000 in Canada or 1,000,000 in the United States; metropolitan populations are to be determined on the basis of the most recent decennial U.S. Department of Commerce Census reported as Standard Metropolitan Statistical Areas and for Canada the most recent decennial Canadian census reported on the basis of the Statistics Canada definition of Census Metropolitan Area;
- (d) a maximum transborder sector length of 400 statute miles to and from points in central Canada (i.e. points east of Thunder Bay and west of Quebec City), and 600 statute miles to and from all other points in Canada, except that these maximum sector lengths shall not apply to services to and from Alaska;