

BACKGROUND

CANADA-PORTUGAL AIR AGREEMENT

- The new agreement replaces one in force since 1947, which authorized the two designated carriers, Canadian Pacific Air Lines and TAP Air Portugal, to offer flights between Montreal and Lisbon. Canadian Pacific Air Lines is now operating under the name Canadian Airlines International Limited (CAIL).
- The new scheduled air services agreement, negotiated in September, 1986, grants the Portuguese carrier scheduled access to Toronto in addition to Montreal, in exchange for the Canadian carrier being granted scheduled access to one additional point in Portugal besides Lisbon.
- TAP began twice a week scheduled service to Toronto under the agreement on March 20, 1987, by extending its existing service at Montreal. One flight each week also stops at Terceira in the Azores. CAIL plans to continue its existing twice-weekly Toronto-Montreal-Lisbon and return service.
- The new agreement also allows TAP to operate between Montreal and a northeastern United States point of Portugal's choosing. For its part CAIL is allowed to carry traffic between one point in Portugal and up to three points in other countries.
- The new agreement is intended to stimulate tourism and trade in both countries. The traffic rights exchanged between Canada and Portugal should give long-term stability to the market for both carriers, and enable them to further develop services between Lisbon, Terceira in the Azores, Montreal and Toronto.
- Toronto is home to Canada's largest ethnic Portuguese community of approximately 89,000 people, with Montreal having the second-largest community of approximately 23,000.