Canada, European Union Reach Air-Travel Agreement

By Alexandre Deslongchamps and Theophilos Argitis

Dec. 9 (Bloomberg) -- Canada and the European Union reached an agreement to deregulate trans-Atlantic air travel, removing all restrictions on flights between the two regions.

The treaty will let European airlines fly to Canada from any airport in the 27-nation EU and invest in Canada's airlines "freely" and establish operations there, according to a press release from the European Union.

Current rules require EU-based carriers to serve Canada from their home country.

The EU is opening international airline markets after its high court struck down aviation agreements between individual European nations and other countries. The European Court of Justice said in 2002 that the nationality-based route restrictions in these accords violated rules making the EU a single market.

Officials from Air Canada, the country's largest carrier, will comment at a press conference scheduled for 2:30 p.m. New York time at Montreal's Dorval airport, said Peter Fitzpatrick, a spokesman for the carrier.

Gillian Bentley, a spokeswoman for Calgary-based WestJet Airlines Ltd., said the company won't comment until they've had a chance to study the agreement in more detail.

Jean-Michel Laberge, a spokesman for transatlantic charter operator Air Transat did not immediately return a call for comment.