

**Applying for Code-Share and Blocked-Space Approval**

Application Guide

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**Part 1 – Purpose of the Guide**

Under section 60 of the *Canada Transportation Act* (CTA), the Canadian Transportation Agency (Agency) is responsible for approving services operated pursuant to code-share and blocked-space arrangements. This responsibility applies to all licensed international air services to or from Canada for the transportation of passengers or goods, separately or in combination.

This Guide details the Agency’s process for dealing with code-share and blocked-space applications, and outlines the instances where formal approval by the Agency is not required.

The Agency’s consideration of an application is governed by the CTA and the [*Air Transportation Regulations*](http://laws-lois.justice.gc.ca/eng/regulations/SOR-88-58/page-8.html) (ATR). If there is a discrepancy between the content of this Guide and any Canadian law or regulation, the legislation prevails.

**Part 2 – The application**

Subsection 8.2(2) of the ATR requires that both the marketing carrier and the operating carrier file the application. In practice, one party files the application on behalf of all the parties.

**2.1 Filing deadline and service standard**

Subsection 8.2(2) of the ATR also requires that an application be filed with the Agency **at least 45 days** before the first planned flight. If an application is filed less than 45 days before the first planned flight, the applicant should explain why the filing deadline was not met.

The Agency considers an application to be complete once all of the required information and documentation has been filed (see section 2.2).

The Agency acknowledges that in certain situations it may not be possible for the applicant to provide all of the required documents at the time of the application; however, no decision will be made until all documents are received and the application is deemed complete. Further, any application filed with the Agency that remains incomplete for an undue period of time may be returned by Agency staff to the applicant.

The Agency’s service standard for code-share and blocked-space applications is to process 85 percent of these applications within 15 business days of receiving complete applications meeting the requirements set out in section 2.2 below.

See [Filing an application](#_Part_6_–) for details, including contact information.

**2.2 Application content**

Applications must meet the requirements set out in [section 8.2 of the ATR](http://laws-lois.justice.gc.ca/eng/regulations/SOR-88-58/page-5.html#h-9) and must include the following:

1. the name of the **marketing** carrier
2. the name of the **operating** carrier
3. for the proposed air service, evidence that:
   1. the appropriate licence authority is in effect. The marketing carrier is the party responsible for holding the appropriate licence authority for the service to be offered.
   2. the operating carrier operating flights to or from Canada has a Canadian aviation document in effect. Where the operating carrier is operating only between points outside Canada, it would not be required to have a Canadian aviation document; and,
   3. the prescribed insurance coverage is in effect (further details in section 2.2.1 below.)
4. a description of the air service to be offered, specifically:
5. the aircraft type(s) to be provided;
6. the maximum number of seats and the cargo capacity of the aircraft to be provided for use by the marketing carrier;
7. the points to be served;
8. the frequency of service; and
9. the period covered by the proposed service;
10. an explanation of why the use of a code-share or blocked-space arrangement by the marketing carrier is necessary.

2.2.1 Liability insurance coverage

The marketing carrier must maintain passenger and third party liability insurance coverage (in at least the amounts set out in section 7 of the ATR) for a service offered by means of a code-share or blocked-space arrangement, either:

1. through its own policy; or
2. by being named as an additional insured under the policy of the operating carrier.

For detailed information on insurance requirements, see [Air carrier liability insurance requirements for wet-leasing, block space and code-sharing arrangements](http://www.otc-cta.gc.ca/eng/air-carrier-liability-insurance-requirements).

**Part 3 – Agency process for approving code-share and blocked-space arrangements**

**3.1 Agency considerations**

In approving code-share and blocked-space applications, the Agency will consider whether:

* all air carriers involved in the arrangement hold the appropriate economic authority;
* the insurance coverage extends to the services provided under the arrangements;
* consumers are fully informed of the identity of the operating carrier.

The Agency may also consider any relevant requirements set out in Canada’s applicable air transport agreements or arrangements.

**3.2 Conditions and duration of approval**

Approvals granted by the Agency under section 8.2 of the ATR for code-share and blocked-space arrangements are subject to the following standard conditions which highlight key regulatory requirements that apply for the duration of the approval:

1. The marketing carrier must continue to hold the valid licence authority.
2. The marketing carrier must apply its published tariffs, in effect, to the carriage of its traffic. Nothing in any commercial agreement between the air carriers relating to limits of liability can diminish the rights of passengers as stated in such tariffs.
3. The air services approved will only be provided as long as a commercial agreement or code-share agreement for such services remains in effect.
4. The marketing carrier and operating carrier must continue to comply with the insurance requirements set out in subsections 8.2(4), 8.2(5) and 8.2(6) of the ATR.
5. The marketing carrier must continue to comply with the public disclosure requirements set out in section 8.5 of the ATR (see Part 5 below).
6. The marketing carrier and the operating carrier must provide the Agency with a copy of any new agreement or amendments to their commercial agreement or code-share agreement, including any new or amended annex, without delay.

The Agency may, at its own discretion, have additional conditions for specific applications.

The Agency considers it appropriate that, in markets where there are constraints in the applicable air transport agreement on market entry for the operation of code-sharing and blocked-space services, including limitations on the number of carriers which may be designated for those services, or in cases where the licence authority is for a specified period, the approval of applications be of a fixed duration. The usual period of approval is up to three (3) years or no longer than the period of validity of the licence.

In all other cases, it is the Agency's practice to consider code-share and blocked-space applications for indefinite periods of approval.

**3.3 Where to find Agency approvals**

Agency determinations on air service applications are listed by year and by month in the [Decisions section of the Agency's Web site](http://www.otc-cta.gc.ca/eng/decisions).

**Part 4 – Exceptions**

Section 8.3 of the ATR outlines the instances where formal approval for code-share and blocked-space arrangements is not required.

At all times, including when exceptions or temporary and unforeseen circumstances apply, the appropriate licence authority, the Canadian aviation document and the required liability insurance coverage must be in effect.

Approval by the Agency of code-share or blocked-space arrangements is **not** required when all of the requirements below are met:

* both the marketing carrier and the operating carrier are Canadian;
* the operating carrier is also a licensee; and
* the air service to be provided is either a domestic service or an air service between Canada and the United States.

**Part 5 – Informing travellers of code-share and blocked-space arrangements**

To ensure that passengers are informed of the carrier they will be travelling with at all stages of the process, from planning to the time of travel, section 8.5 of the ATR requires a marketing carrier to advise the public that it is providing an air service by selling transportation in its name on flights operated by another person.

The marketing carrier is required to inform travelers, both before reservation (or at the time the code-share or blocked-space arrangement is entered into if a reservation has already been made) and at check in, of the identity of the person offering the service as well as the type of aircraft used, and must make this information available:

* on all service schedules, timetables, electronic displays and any other public advertising of the air service; and
* for each segment of the journey, on all travel documents, including itineraries, if issued.

**Part 6 – Filing an application**

When filing an application for code-share or blocked-space approval with the Agency, applicants should use the Code-Share/Blocked-Space Application Form which is available on the Agency’s Web site at <https://www.otc-cta.gc.ca/eng/licensing-charter-permits>.

**6.1 Language of the application**

Written information can be filed with the Agency in either English or French.

If information is filed in another language, it must be accompanied by a translation in English or French and an affidavit attesting to the accuracy of the translation.

**6.2 Confidentiality**

All information provided on the code-share and blocked-space application form is considered public information.

If there are information or documents presented in support of an application that an applicant contends are commercially sensitive or confidential they should be clearly marked as such and should be submitted as separate documents.

**6.3 Withdrawing a filed application**

An application may be withdrawn at any time by the applicant(s) before an Agency determination is issued.

**6.4 How to file an application**

An application, including all supporting documentation, should be filed with the Agency by e-mail at: [licence@otc-cta.gc.ca](mailto:licence@otc-cta.gc.ca). The Agency is committed to moving towards a paperless work environment and will therefore treat this as your official submission and you should not send a paper version.

**6.5 Contact information**

For further information, or if there are any questions with this Guide, please send an e-mail to: [licence@otc-cta.gc.ca](mailto:licence@otc-cta.gc.ca).

**Definitions**

**Blocked space** refers to arrangements in which a specific limited amount of the capacity, expressed in terms of seats in the case of passengers, and volume or weight in respect of cargo, of the operating carrier’s aircraft is reserved for sale under the name of the marketing carrier.

**Canadian aviation document (CAD)** is any licence, permit, accreditation, certificate or other document issued by the Minister of Transport under Part I of the *Aeronautics Act* to or with respect to any person or in respect of any aeronautical product, aerodrome, facility or service.

**Code share** refers to arrangements where a licensed air carrier provides services by selling transportation in its name (code) on flights operated by another air carrier. Each air carrier has commercial control of capacity sold in its name and each air carrier’s tariffs and terms and conditions of carriage apply to traffic carried under its code.

**Marketing carrier** means the licensee selling transportation in its name and that is the holder of a licence issued by the Agency under Part II of the CTA.

**Operating carrier** means the carrier that operates the aircraft.