

Code-share arrangements: A Guide



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Alternate formats are available. Une version française est disponible.

1. Introduction

This guide is for all airlines operating in Canada that want to code-share with another airline for a passenger or cargo flight to, from or within Canada. The guide explains:

- what code sharing is;
- when you need to apply to us at the Canadian Transportation Agency (CTA) to code share;
- when you need to simply notify us of a code-share arrangement;
- how to complete and send us your application or notification; and
- what information you must give to passengers about a code-share flight.

2. What is code sharing?

Code sharing is an arrangement between two airlines, where one airline sells transportation services (passenger seats or cargo space) under its own code and licence on a flight operated by the other airline. The airline operating the aircraft can also sell transportation services on the same flight. An airline that sells transportation on the flight but does not operate it is known as the marketing airline.

Since more than one code-share arrangement can apply to a flight, there could be a number of airlines selling transportation on the same flight.

There are two main types of code-share arrangements:

- Block space: The marketing airline buys from the airline operating the flight a specific share of the passenger seats or cargo space that they can then sell under their own code.
- Free-flow: No limits are placed on the passenger seats or cargo space the marketing airline is allowed to sell under their own code.

Airline codes

The International Aviation Transport Association (IATA) gives every airline its own unique code. These codes can be found at the beginning of a flight number, and they identify airlines on tickets, itineraries, receipt for cargo transportation (air waybills) and flight information displays.

If there is a code-share arrangement in place, the airline code at the beginning of the flight number tell us the marketing airline. For example, AC142 shows that Air Canada sold the ticket, while WS142 shows that WestJet did. The ticket or itinerary also says which airline is operating the flight.

3. CTA code-share requirements

The airlines involved in the code-share arrangement must always have the required licence, Air Operator Certificate (AOC), and charter permit, as applicable. They must also carry the required liability insurance.

For detailed information on liability insurance requirements, see <u>Air carrier</u> liability insurance requirements for wet-leasing and code-sharing arrangements.

CTA Notification

If you want to code-share on a flight to, from or within Canada, you will have let the CTA know in advance. The steps you have to take to notify us are in Section 3.1 below.

Exception

You do not need to send us a notification to code-share flights within Canada or between Canada and the United States (US), if you meet both of the following conditions:

- 1. Both airlines are either a Canadian or a US airline; and
- 2. The airline operating the flight holds a licence issued by the CTA.

Special Authority from the CTA

If a Canadian and a foreign airline want to code-share and the bilateral agreement between the countries doesn't allow it, they will need to apply for special temporary authority from the CTA (extra-bilateral authority). You can find more information about this in the <u>Guidelines Respecting Extra-bilateral Air Service Applications to the Canadian Transportation Agency</u>.

Bilateral Agreements

Countries sign bilateral agreements, also known as air transportation agreements, to allow commercial flights between them. Bilateral agreements say whether airlines from two different countries can code-share and they may set restrictions on these arrangements. For example, they may limit the routes or stops aircraft can take, and the number of flights that can happen.

How to notify the CTA of a code-share arrangement

If you are required to notify the CTA of a code-share arrangement, one or more of the airlines involved must fill out the <u>Code-Share Notification Form</u> and e-mail it to us **at least five business days** before the flight or the first in a series of flights.

The notification form asks for contact and other information that the CTA needs to assess the notification. This includes:

- the CTA licence number of the marketing airline and the airline operating the flight (if applicable);
- the type of AOC (Canadian or foreign) held by the airline operating the flight (or its exemption from the Minister of Transport);
- the type of service (scheduled or non-scheduled) that is to be offered;

- a description of the code-share arrangement;
- a justification for the use of a code-share service;
- the type(s) and capacity of aircraft that will be used;
- the points to be served;
- the start date of the arrangement; and
- the period of time the arrangement will cover.

The form also asks for a statement naming the operator of the aircraft and confirming that the airlines involved in the arrangement hold the appropriate license, AOC and liability insurance. These documents should also be available for inspection by the CTA upon request.

3.2 How to send us your notification

You can send us your notification by e-mail to: licence@otc-cta.gc.ca. You are not required to send us a paper copy.

We accept submissions in either English or French. If you send information in another language, you must provide a translation in English or French, along with a statement from the translator that the translation is accurate and complete.

We will send you an acknowledgement once we have verified that the notification requirements have been met. You will only be allowed to code share once you have received our acknowledgement.

Confidentiality

All information provided on the code-share notification form is normally considered public information. If you submit information that is commercially sensitive, it should be clearly marked as confidential and submitted separately.

Withdrawing a notification

You may withdraw your notification at any time before the CTA issues its acknowledgement.

4. Information for passengers on code-share flights

If you are a marketing airline on a code-share flight, you must always keep your passengers informed – from the time they book until the time they travel – about what airline will be operating the flight and what type of aircraft will be used. If you put code sharing in place for a flight after passengers have booked tickets, you must let the passengers know as soon as possible.

You must make this information available on all:

- service (flight) schedules;
- timetables;
- electronic displays and any other public advertising of the air service; and
- trip-related documents you provide to the passenger for each segment of the journey, including any itineraries.

Canadian airlines are required to make this information available in formats that are accessible to persons with disabilities. Foreign airlines are encouraged to do this as well.

5. Contact information

For further information, or if you have any questions about this Guide, please send an e-mail to: licence@otc-cta.gc.ca.