



The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

May 10, 2013

Derek A. Vanston
Vice President, Corporate Strategy, Industry & Government Affairs
300 - 55 rue Murray Street
Ottawa, ON K1N 5M3

Dear Mr. Vanston,

The Boeing Company is a strong supporter of policies that promote a level playing field in the commercial aviation industry, from aircraft manufacturing and financing to air service liberalization ("Open Skies"). Boeing believes that the most promising path forward for our industry is one of market-based competition and adherence to international rules.

Governments around the world view aerospace as a strategic industry and many pursue national policies to develop their aircraft manufacturing capabilities. Such government support of commercial aircraft manufacturing can find a place in today's global economy, but only as long as it is compliant with WTO rules and consistent with the principles of market fairness and efficiency. For example, the 31 signatories to the WTO Agreement on Trade in Civil Aircraft must be mindful of their commitment to "...avoid attaching inducements of any kind to the sale or purchase of civil aircraft from any particular source which would create discrimination against suppliers from any Signatory" (*Article 4.4*). Similarly, ICAO members should adhere to ICAO standards and best practices, including in the area of noise management.

Air service liberalization boosts demand for air travel by stimulating airline competition, giving passengers greater choice, and lowering ticket prices. A comprehensive study by InterVISTAS found that after liberalization, traffic growth typically averaged 12 to 35 percent above its pre-liberalization levels. But liberalization needs to be fair in order to stimulate such gains. As governments seek to liberalize their domestic and international air service markets, Boeing encourages expansion of airport and air traffic management infrastructure in consistent ways for both airlines and airplane manufacturers.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Glover", with a long horizontal flourish extending to the right.

Bill Glover
Vice President
Global Business Development & Policy
Boeing Commercial Airplanes