

THE 2018 AVIATION AGENDA

The air transport industry has a lot on the legislative and regulatory agenda for 2018. After years of little or no legislative initiatives in commercial aviation, we are faced with significant proposed amendments to the Aeronautics Act.

Bill C-49, which probably won't be released by the Senate Committee on Transport and Communications before late February, covers many important aviation issues ranging from passenger rights, foreign ownership, CATSA operations, and joint ventures. ATAC fully intends to appear before the Senate Committee when it receives testimony from industry stakeholders on this issue.

Unfortunately, the applicability of the proposed measures in the Canadian context will only be determined by the accompanying regulations. These regulations, which will be developed by the Canadian Transportation Agency, are probably one year away.

When drafting passenger rights regulations, one must keep in mind that unreasonable monetary compensation, disproportionate to the magnitude of the carriers' revenues on any given flight, can only result in the deterioration of our enviable air transportation system, perhaps even including reduced service on some routes.

For example, air passenger rights in Europe are generous to the point that a passenger could receive compensation for a delayed flight which far exceeds the price paid for the ticket. Such practices can only lead to increased costs to airlines and passengers.

As for foreign ownership of Canadian airlines, the Minister has repeatedly said that increased foreign ownership "will lead to more options for Canadians, and allow the creation of new, ultra-low-cost airlines (ULCCs) in Canada".

The presence of more airlines usually offers greater choice to travellers but we have yet to hear a convincing argument to support the

claim that foreign investments would pave the way to ultra-low-cost carriers. The ownership of an airline is not the gateway to ULCCs in Canada that the government boasts it will be. Lower operational costs to airlines is the key to lower costs to the travelling public. Only when the government decides to financially support, rather than bleed, the air industry will ultra-low-cost carriers stand a real chance in Canada.

Let us not forget that increasing foreign ownership of airlines can also lead to an increase in the export of profits generated in Canada to foreign interests rather than reinvestment in our industry.

While appearing before the Senate Committee on December 12th, the Minister declared that he expects to table an additional three or four bills in 2018 and 2019 in accordance with his Transportation 2030 Strategic Plan for the Future of Transportation in Canada. This would be a difficult promise to deliver considering that 2019 will be an election year and the government's legislative agenda will be very strategically managed.

The Minister's biggest aviation file for the next few months remains flight and duty time regulations. This most controversial regulatory project is of the utmost importance to our industry as it will have a profound and lasting impact on aviation services in Canada. ATAC and other like-minded industry associations have been collaborating to convince the Minister that the current proposed set of regulations will be detrimental to our industry, to the travelling public and particularly to northern and remote regions.

The Minister's reasoning for refusing to listen to industry common sense is that he is motivated by safety concerns. Our response to that is clear. Not only will this new set of regulations increase the cost of living for those people most dependent on aviation services as a lifeline, it will not increase

safety in the least. How can imposing an even greater pilot shortage on air carriers in Canada increase safety. In a faulty attempt to increase safety, the Minister is creating an even greater safety concern.

In wanting to comply with ICAO standards on flight and duty time, Transport Canada once again falls into its habit of applying a One-Size-Fits-All approach to aviation issues in Canada. Applying the same set of rules to all sectors of aviation is ludicrous. How can medevac operations, float plane operations, small air commuters, regional carriers and Canadian domestic carriers be given the same solutions as international carriers crossing 10-12 time-zones in 12 or more-hour flights? How can Canadian cargo operators or vacation destination operators be asked to compete with US carriers not required to meet the same limitations?

We have asked the Minister to pause in his hurry to push this regulatory change through and work with industry and all other aviation stakeholders on developing a solution that will not result in irreparable damage to our industry. ATAC is eager to help the Minister leave a legacy of positive development for aviation in Canada rather than a much-weakened industry, a loss of service to those who rely on it most, increased cost for the travelling public with no gain in safety whatsoever, perhaps even the opposite.

John McKenna
President and CEO

ATAC IS PROUD TO WELCOME THE FOLLOWING NEW MEMBERS



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COLLECTION**
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AIRCRAFT
CORPORATION**
PLANO, TX



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Safety Services
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SERVICES CANADA**
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