



Submission to
The Canadian Transportation Agency
Regulatory Modernization
Initiative

Prepared by the Canadian Business Aviation Association

September 2017

Introduction

Since 1961, the Canadian Business Aviation Association (CBAA) has worked to promote the interests of Canada's \$12.1 billion business aviation community. Most of our members, who are based in every province and territory, operate under CARs 604 and CARs 704. Reaching northern and remote communities and worksites underserved or unserved by scheduled flights, business aviation accounts for approximately 17% of all aircraft movements in Canada, providing essential connectivity, emergency and humanitarian responses as well as a significant competitive advantage for Canadian enterprises.

Business aviation fills a unique and indispensable niche in Canada's transportation system. Simply put, without business aviation, northern hamlets would become ghost towns, companies' ability to respond to clients and the market would decline dramatically and our economy would suffer.

Because of the impact of business aviation on so many aspects of Canadian life, and its relatively small size compared with traditional scheduled carrier services, the regulatory framework under which we operate is of critical importance, and can mean the difference between being operational or unable to fly.

We have reviewed the Agency's *Discussion Paper on Regulatory Modernization for Air Transportation* carefully for direct impacts on 704 operator members. While we do not see an immediate effect for a large majority of our members at this time (as they do not operate resalable passenger charters), we do see this initiative as an opportunity to review business aviation's regulatory environment with one of the key regulators to provide context and information for any future decision making or possible downstream effects of the Modernization Initiative.

The regulatory environment for business aviation

As you are aware, business aviation is affected primarily by safety, not economic, regulation. In this regard, we are fortunate in that Canadian business aviation has been recognized as what is probably the safest form of flight in the world.

There is a reason for this: Canadian business operations have been on the forefront of effective safety procedures and training for decades, starting with the adoption of a Safety Management System (SMS) in 2002 and early the Canadian involvement in the development of the International Standards for Business Aviation Operations (IS-BAO). Safety is part of the business aviation culture.

However, in recent years, the government of Canada through Transport Canada, has tended to impose heavy-handed and unsustainable forms of regulation. Of greatest concern, it has lost sight of its own fundamental principle that governs the Canadian Aviation Regulations, that states "*The CARs were developed taking into account the safety risks inherent in aviation activities and the potential consequences of non-compliance. Consequently, commercial activities attract the greatest level of regulation while recreational aviation activities involve minimal regulation and encourage self-regulation*".

In other words, despite the principle that regulation must be commensurate with risk, this is no longer the case in new regulations. We can point to several reasons for this: a loss of institutional knowledge

at TC, so there is little appreciation for the fundamental differences between segments; a dangerous lack of resources, and a simplistic bias towards the notion that “bigger is better”. The unsupported assumption is that the more rules, and the more complex the regulations, the safer we are. This is not just a logical fallacy. It is counterproductive to the intent: overcomplexity can lead to serious (and unintended) compliance issues, and further, lead to the reduction of use of Canadian-registered business aircraft as operators use “work-arounds” to mitigate the impact of costly, unfair (and unhelpful) regulations.

Moving forward

While aviation regulations may fall under different regulating bodies, they are interrelated. Regulations cannot be created in a vacuum – there are too many external factors to expect successful outcomes if regulators act in isolation.

The Agency can play a key role in ensuring that any policies or regulations going forward, within its direct purview or within its sphere-of-influence, take a higher and more strategic view, adhering to the principles guiding CARs since 1996 to respect and respond to the different needs, risks and benefits of each aviation segment.

This action would support Agency’s goal of:

Ensuring that the demands associated with compliance are only as high as necessary to achieve the regulations’ purposes.

We believe that this goal is extremely well articulated, and in fact, should serve as the guiding principle for all aviation-related regulation and policy.

The CBAA looks forward to opportunities to work with the Agency to identify common strategies and goals to work towards the Agency mandate of: *helping ensure that the national transportation system runs efficiently and smoothly in the interests of all Canadians: those who work and invest in it; the producers, shippers, travellers and businesses who rely on it; and the communities where it operates.*

About the CBAA

The Canadian Business Aviation Association (CBAA) is a non-profit association formed in 1961 as Canada’s voice for business aviation. The CBAA defends the interests of Canada’s \$12.1 billion business aviation sector, promoting the Canadian business aviation community domestically and globally, advocating safety, security, and efficiency.

With a membership of approximately 400 companies and organizations, including operators, management companies and suppliers, CBAA represents the entire business aviation community with a unified and collective voice.

Business Aviation Operations & Business Aircraft Manufacturing in Canada

TOTAL* ECONOMIC IMPACTS



\$47,000

Canada-wide (all industries)



Average Wage per Annum



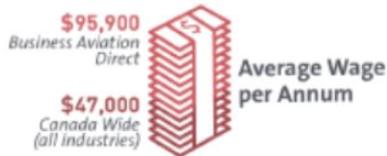
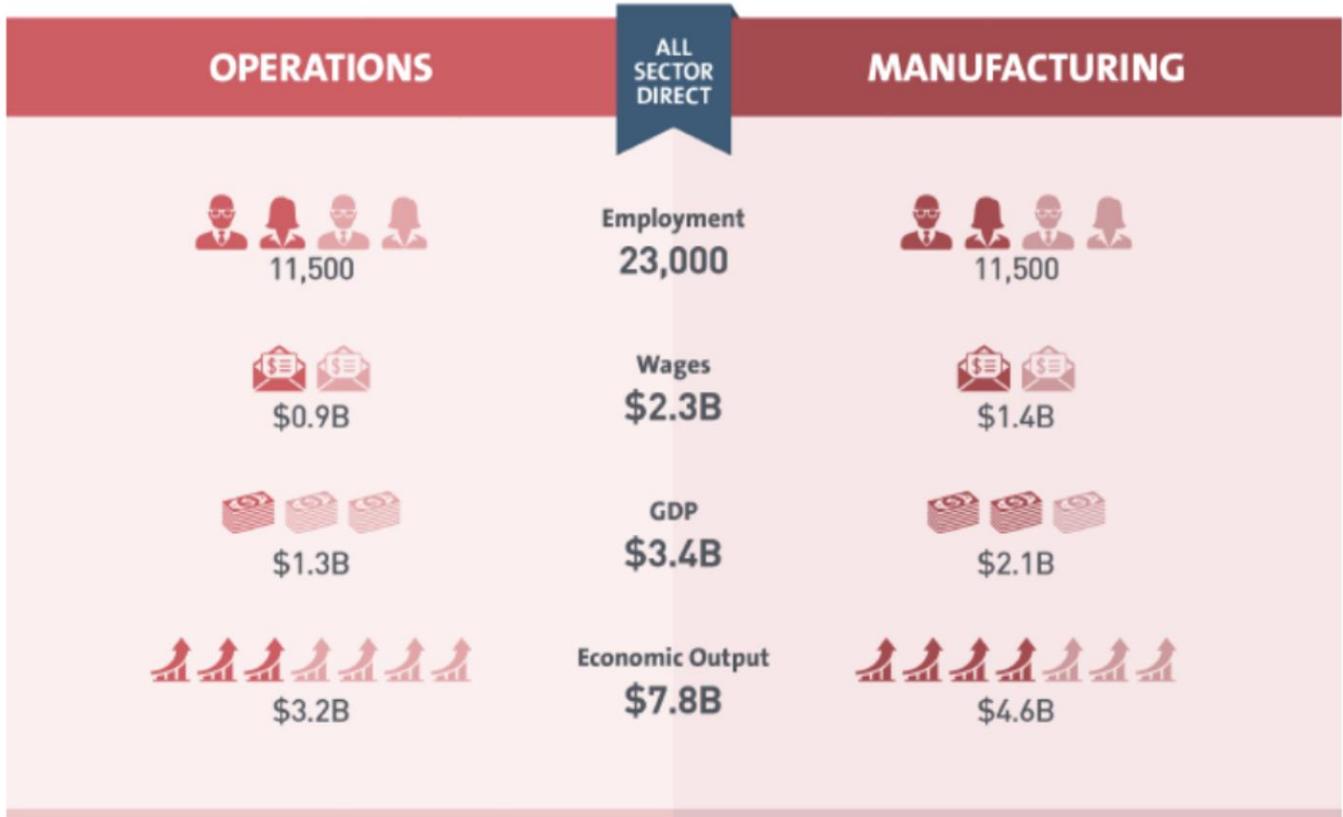
\$74,300

Total Business Aviation



Business Aviation Operations & Business Aircraft Manufacturing in Canada

DIRECT ECONOMIC IMPACTS



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