

**CANADIAN TRANSPORTATION AGENCY**

**REGULATORY MODERNIZATION INITIATIVES  
AIR TRANSPORTATION CONSULTATION**

**SUBMISSIONS OF CARGOJET AIRWAYS LTD.**

**Background**

1. Cargojet Airways Ltd. (“Cargojet”) is a Canadian all cargo airline operating a fleet of 20 aircraft consisting of Boeing 767-300ER, Boeing 767-200ER, Boeing 757-200ER and Boeing 727-200AF.
2. Cargojet serves 13 Canadian cities on a regular basis together with additional Canadian cities on a demand basis. Cargojet serves 4 U.S. cities from Canada on a regular basis along with other U.S. cities on a demand basis. Also, Cargojet serves 6 international cities from Canada on a regular basis along with other international cities on a demand basis.

**Overall Submissions**

3. Cargojet applauds the initiative of the Canadian Transportation Agency (the “Agency”) in seeking to modernize its Air Transportation Regulations (the “ATRs”).
4. The proposed modernization of the ATRs will improve and confirm the efficiency of the cargo services provided by Cargojet without in any way impeding the quality of the Cargojet cargo services or adversely affecting such services being provided to the public.
5. As this initiative has been a long time coming and, it is reasonable to assume, that there will not be another opportunity to engage in an overall regulatory review for a considerable period of time, there is added importance to this Initiative.

**Cargojet’s Current Exemptions from the ATRs**

6. On May 29, 1998, the then Minister of Transport announced Canada’s Policy for International All – Cargo Charter Air Services (the “International Charter Policy”). Pursuant to the International Charter Policy, the Agency granted Cargojet’s Application

for an exemption from certain provisions of the ATRs pursuant to Order No. 2003-A-257 with respect to international charter flights operated pursuant to its Licence No. 000015. Under that Order:

- Cargojet was exempted from the limitation on the number of charters and is authorized to charter to an unlimited number of charterers;
- Cargojet was exempted from the requirement to provide an affidavit pursuant to an application for a charter permit verifying the information in Section 34(1)(c) of the ATRs; and
- Cargojet was further exempted from the provisions of Section 20(a) of Part II of the ATRs relating to the prohibition against selling charter capacity to freight forwarders/consolidators.

It is imperative that the above exemptions be enshrined in amendments to the ATRs.

#### **The Requirement for Charter Permits**

7. In its Discussion Paper on Charter Activities and Advance Payment Protection (the “Discussion Paper”), the Agency suggested that the requirement for charter permits be replaced with a 48 hour notification process.

Cargojet supports this suggestion.

#### **Charter Tariff Rates**

8. The International Charter Policy recommends that the requirement to file charter tariff rates be eliminated.

Cargojet supports this policy provision.

### **Selling Directly to the Public**

9. In its Discussion Paper, the Agency raised the issue as to whether the prohibition against a charter carrier selling directly to the public should be modified or revised.

Cargojet submits that the above prohibition no longer serves any useful purpose. The only requirement for the provision of non-scheduled international services should be that such services are provided pursuant to the charter carrier's non-scheduled international licence and are not listed in any timetable of the carrier<sup>1</sup>.

### **Requirement to Sell 100% of its Charter Capacity**

10. In its Discussion Paper, the Agency also raised the issue as to whether the charter carrier should continue to be required to sell 100% of its charter capacity, or whether that provision should also be modified or revised.

Cargojet submits that the above provision no longer serves any useful purpose. As submitted in paragraph 9 above, the only requirement for the provision of non-scheduled international services should be that such services are provided pursuant to the charter carrier's non-scheduled international licence and are not listed in any timetable of the carrier<sup>2</sup>.

### **Timing**

11. In its notice of Air Transportation Consultation, the Agency stated that it plans to issue draft updated regulations by the end of the year, with an implementation date in 2018.

Cargojet supports the timing parameters of the Agency.

DATED this 27th day of September, 2017

**CARGOJET AIRWAYS LTD.**

By its Solicitor

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<sup>1</sup> /IATA Compendium of International Civil Aviation

<sup>2</sup> / IATA Compendium of International Civil Aviation

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