



InteliSys Aviation Systems
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Tuesday January 19, 2016

Canadian Transport Agency
RE: Consultation on the requirement to hold a licence

To Whom it may concern,

I write you today in regards to the suspension and investigation into NewLeaf Travel. To provide some background on myself and my credentials, my name is Frank Kays, CEO of InteliSys Aviation Systems based in New Brunswick. InteliSys provides airline reservations systems across the world to Low Cost Carriers, Regional Carriers, Full Service Carriers, Hybrid Carriers, Corporate Carriers and Virtual Carriers. I have been involved in the aviation industry for over 15 years and have supported airlines throughout Canada, United States, Latin America, Southeast Asia, Australia, the Middle East and Europe. Through my time in the industry I have been involved in supporting more than 70 airlines. NewLeaf Travel is a client of InteliSys and are utilizing our ameliaRES system for managing their sales.

I was disappointed to hear the suspension of sales of NewLeaf Travel, as the business model they use is standard practice throughout the world. NewLeaf are a travel company selling tickets on flights operated by another carrier. There has been no attempt by NewLeaf to hide this fact, actually in many press release it was specifically mentioned that Flair Air are the operating carrier. This model, called Virtual Carrier, currently sees *113 carriers of this nature worldwide, either operating or about to start operations. If we include those carriers who went out of business (as many start-ups do, be it a traditional airline or virtual carrier) the number worldwide goes up to *233. The *113 virtual carriers makes up approximately *5.2% of active and starting scheduled carriers (be it traditional or virtual) worldwide. We at InteliSys are very familiar with this model, in fact since January 1, 2015, we have had 8 virtual carriers operating and continue to do so today.

I understand the concern CTA has, as this is not a common model in Canada, however it is a fast growing strategy that is a win win for the operator, seller (virtual airline) and the passengers. It would be very detrimental to our society and traveling public to not allow Canadians to take

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advantage of this already proven globally popular business model. This model has seen great success in other areas of the world and I know several other carriers worldwide and in Canada plan to utilize this model in the near future.

It is my hope that the CTA follows the standards set worldwide, and allows a competitive market in Canada; one of the worst served countries in the world in terms of competitive airline ticket prices. We need more competition, with new strategies to get to market. We need to find ways for our population to travel our great country at a lower cost, we cannot allow the duopoly to continue (with all due respect to Porter).

In closing, I hope the CTA follows the proven model set worldwide and allows Canada to come up to speed with other countries including our neighbor the United States who have *19 operating virtual carriers and *2 more planning to start.

I thank you for your time and I look forward to seeing NewLeaf Travel, with the full support of CTA, succeed and open a new style of airline that Canada desperately needs.

Best Regards,
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*All statistics thanks to www.ch-aviation.com

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