

Hello:

I am providing comments to you with respect to the CTA's request on consultation on whether persons who have commercial control over an air service, but do not operate aircraft (Indirect Air Service Providers – IASP) should be required to hold a license with the CTA.

The National Transportation Act, developed in 1987 was brought in to deregulate the aviation industry and allow for the marketplace to determine the pricing and delivery models for services, therefore removing the government from direct control or interference on how air services would be delivered in the Country. In a free market system some Airlines have been successful while others have had trouble surviving and that is the way a free market system should work.

It is my belief that creating more regulations under the guise that "you are protecting the consumer" goes against the mandate of the original National Transportation Act. There is adequate regulations today between Transport Canada and the CTA to protect the consumer and therefore I am contending that you do not need to make any changes to the regulations for the following reasons:

- 1) The air service provider cannot operate an air service without a Civil Aviation Document (CAD) as laid out under Section 57 of the Canada Transportation Act.
- 2) The Air Service provider (ASP) in its relationship with the IASP will develop agreements that protect the interest of the ASP because of the regulatory climate to hold a license under the CTA and Transport Canada. The ASP would not jeopardize its own operating certificate, and many Airlines operating today have service agreements with their partners to ensure they have protection for the consumer.
- 3) By introducing more economic regulation (which is what the CTA is proposing) it will continue to strengthen the incumbent air carriers, not allow for new and creative business models to enter the market place and therefore actually hurt the consumer as prices for air fares will continue to soar at the expense of the consumer. Competition in the market place is good for the consumer as well as the Canadian economy.
- 4) The CTA should not be meddle in what criteria defines an air carrier. This is already defined by Transport Canada under the CAD to get an operating certificate. The CTA has and should not have any jurisdiction in this regard as the regulatory body (Transport Canada) has jurisdiction, which in turn gives the CTA oversight on that operating entity.
- 5) The CTA should not be in the business of making regulation thru policy. Should the CTA identify areas in which existing legislation and regulation is insufficient, those areas should be referred back to policy-makers for further analysis and consultation with industry stakeholders.
- 6) Finally, I would contend that if you looked at the detail structure between an ASP and an IASP you would find that the protection offered to the consumer would be no different then what the current air carriers are offering consumers.

In conclusion, I see no need to amend or change the CTA regulations. Let the marketplace choose the business model which will ultimately be of benefit to the consumer thru competitive pricing models and strengthen the Canadian economy.

Sam

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