

**Kenn Borek Air Ltd.**

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January 21, 2016

Canadian Transportation Agency

Via E-mail to [consultations@otc-cta.gc.ca](mailto:consultations@otc-cta.gc.ca)

**Re: Consultation on the requirement to hold a licence**

I am pleased that the Canadian Transportation Agency is reviewing its air service licencing requirements. It is my observation that the current regulations have been inconsistently applied, and have resulted in unfairness and competitive disadvantage to the Indirect Air Service Providers, ("IASP's) that are licensed.

I agree that IASP's should not be required to hold a licence to sell air services directly to the public as long as they charter licenced air carriers to operate the flights.

I also submit the IASP's which are currently licensed, but operate no differently than many other IASP's in Canada, should be allowed to cancel their license and operate the same as others. The CTA has allowed a significant number of organizations to operate unlicensed, which has created an unfair administrative and regulatory compliance burden on the selected IASP's who have been licenced. For example, a licensed IASP is forbidden from subcontracting work to a different carrier, yet an unlicensed IASP is able to do so with multiple carriers as they wish. In my view, the CTA has not enforced its approach of requiring the person with commercial control to hold the license, or at least some of the current unlicensed IASP's now in operation would be required to hold a license.

It is common practice for IASP's to hold themselves out to the public as an airline. I suggest the CTA consider naming guidelines to alleviate any confusion to the public. Many unlicensed IASP's who operate as travel coordinators or freight expeditors have the word "air", "airline" or "aviation" in the name of their organization, which implies they are operating a commercial air service. It seems to me that if you are unlicensed and are operating as a Travel Agency, rather than as an Airline, that should be addressed in the organization's name. My suggestion is that all IASP's with "airlines", "aviation" or similar words in their name should indeed be licensed by CTA. This suggestion would need more thought and development, and if adopted, a transition period.

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If the current regulatory regime is maintained, I believe there must be more definitive guidelines on who is to be licensed, along with effective enforcement. I believe 'who is in commercial control of an air service and does not operate aircraft' applies to many of the currently un-licensed IASP's discussed above, and so question the evaluation criteria used and enforcement applied to date. If the current approach is maintained, and if CTA would find value in it, I offer to participate in an industry advisory group to develop more definitive guidelines.

I do not have specific regulatory amendment advice to incorporate these comments, but leave that to the CTA to determine, following your deliberations.

Yours truly,

KENN BOREK AIR LTD.

A handwritten signature in black ink, appearing to read "J. Harmer". The signature is stylized with a large, circular flourish at the beginning.

John B. Harmer, CPA, CMA  
President