

### Comments from Flair Airlines Ltd.

We believe the Air Carriers should continue to be the party that holds the licence. Through the Canadian Transportation Act, these Companies have met the statutory requirements and through a commercial agreement are selling the aircraft capacity to an entity or entities depending on whether the contract is exclusive or shared (block seat sale). It should be the Air Carrier, through the commercial agreement and/or contract that insures that the financial and tariff obligations created are adequately safeguarded under the provisions of the Act.

Having said that, it would be prudent within a specified definition of an Indirect Air Service Provider to allow the CTA to review such an enterprise to ensure that both the regulations and spirit of the regulations are met, and the agreement is unambiguous. The CTA should be given the legal authority to accomplish this task.

With clearly defined regulations, a CTA review should be able to identify deficiencies between the agreements and the Regulations and then suggest or require amendments to the agreements that would bring them into compliance. This may also include the ability of the CTA to review and require specific monetary amounts to be placed on deposit or in escrow to ensure financial risks to the carrier and passengers are protected.