Hereafter our input in the context of the above-mentioned initiative and review for the Agency's consideration:

Charters and Advance payment protection

- In the numerous international air service markets that are governed by Canada's air transport agreements that provide for unrestricted designations and capacity, the ATR's charter regulations have become largely irrelevant for air carriers operating major commercial airline services and no longer serve any useful purpose re Canada's air policy objectives.

- Nevertheless, as a result of continuing bilateral restrictions in some smaller markets served by Air Transat, we are forced to file and operate a relatively small number of our flights per the charter regulations.

- Where such restrictions continue to unfortunately exist, we accept to a limited extent the underlying need to ensure some sort of "fencing" for charter services, primarily in the form of direct sale prohibitions / obligation to charter to third party charterers, etc, as a means of maintaining the integrity of the provisions of the applicable ATA.

- The above notwithstanding, we submit that the Agency should consider granting exemptions to the 100% charter requirement in the event that there are no direct designated air services in the bilateral market in question, or where the ATA capacity entitlements have not been fully utilized by the designated airlines. This should be particularly the case for carriers requesting charter permits and which demonstrate that they are unable to be designated as a result of applicable limits under the ATA.

- The advance payment protection requirements for charter services are mostly anachronistic as they date back to the early 1990s when the market was segmented among many small operators that had the habit of failing. This is no longer the case as the vast majority of international air services in Canada are operated by four large groups i.e. AC, WS, TS and WG and there has been no major CDN airline bankruptcy or failure in over 15 years.

- Where an air carrier meets certain parameters re liquidity and cash flow, it should be exempted henceforth from the advance payment protection rules.

- Furthermore, the current federal rules duplicate and, in some cases, triplicate travel consumer financial protection rules that are in place in some major jurisdictions such as QC and ON, as well as charge-back guarantees offered by major credit card suppliers i.e. VISA and MC.

Code-sharing and wet-leasing

- Our primary issue is with the recent contradictory approaches undertaken by the Agency with respect to deadlines for filing a wet-lease application per Canada's international wet-lease policy.

- After obvious last-minute filing abuses by a certain CDN licensee, the Agency had adopted a stringent 45-day rule except for unforeseen circumstances / force majeure. This was supported by TS as a means of ensuring the integrity of the wet-leasing policy and supporting its underlying objectives.

- Thereafter, the Agency reversed its view re this issue and basically allowed applications to be filed at any time prior to the first affected flights provided that the foreign wet-leased capacity quotas were respected and documentation was in order.

- This approach in fact undermines the underlying objectives of the policy that sought to balance the need to ensure short-term capacity flexibility with maintaining fair opportunities for Canadian workers / pilots to operate the flights in question.

- In brief, the new filing requirement approach essentially allows the sole CDN licensee with a unique seasonal capacity model requirement to maximize its quota by timing its application to coincide with the maximum number of dry-leased aircraft on its OC, which is essentially a freebie and an unfair advantage over competing CDN airlines that seek to maximize their year-round fleets and resulting Canadian employment levels.

Air insurance

- The current minimal coverage requirements are outdated

- The requirements for major commercial / CARS Part 705 operators should be standardized in consultation with the aviation insurance brokerage community

Canadian ownership and control

- With the impending increase to the threshold of voting shares of a CDN licensee that can be held by non-Canadians per Bill C-49, the potential for de facto control of the licensee in question by non-Canadians increases accordingly.

- In addition to the established criteria and checks for determining control in fact, we suggest the following:

o Where a licensee sources the overwhelming bulk i.e. 65% or more of its aircraft capacity at any given time from short-term (6 months or less) dry-lease and/or wet-lease arrangements with non-Canadian air carriers, it should be deemed as non-compliant with the CDN de facto control requirements and the burden should be on the licensee to prove the contrary to the Agency's satisfaction per a public and transparent process to this end.

o Stricter oversight should be exercised over CDN licensees that participate in international airline joint ventures that provide for the coordination and integration of basic commercial operations (pricing, scheduling) and strategic decision-making to ensure that undue influence and control are not exercised over the CDN partner by the non-CDN joint venture airline partners.