



**AIR TRANSPORT ASSOCIATION OF CANADA
ASSOCIATION DU TRANSPORT AÉRIEN DU CANADA**

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January 19, 2010

The Right Honourable Stephen Harper, P.C., M.P.
Office of the Prime Minister
80 Wellington Street
Ottawa, Ontario
K1A 0A2

OBJECT: Consequence of 2010 Winter Olympic Security on B.C. air carriers and flying schools

Dear Prime Minister,

The Air Transport Association of Canada, which represents approximately 175 members engaged in commercial aviation in Canada, wrote to you on November 15, 2009 in order to bring to your attention that your government policy regarding aviation security at the 2010 Vancouver/Whistler Olympic Games will have a disastrous impact upon some of ATAC's members operating in the greater Vancouver area.

ATAC is asking that the Canadian Government compensate the B.C. carriers and flight schools for the losses incurred as a result of the restrictive security measures that they are submitted to during the eight week period starting January 29, 2010. ATAC and its B.C. members have been involved in this issue for over two years. We have written and in many cases met with elected and non-elected Canadian officials, including the Minister of Transport, Infrastructure and Communities, the Minister for Amateur Sports, officials from the office of the Heritage Minister, officials from the office of the Minister of Public Safety and officials from the Privy Council Office.

The estimated amount of the compensation sought is \$3 million and only covers fixed costs such as rent, insurance, and skeleton staff required by law to maintain an Operating Certificate. Our members estimate that their business revenues will drop by at least 70% during the eight-week period. In fact, some clients have already moved their business to avoid having to deal with the restrictions during the Olympic Security period.

In a meeting facilitated by John Cummins, MP for Delta-Richmond East, ATAC and some of its B.C. members met with Minister Baird on December 10. We also met with many Vancouver area MPs from all party affiliations. The answer we verbally received from Minister Baird's office was that there was no program through which such

compensation could be paid out to the carriers and flying schools which are going to incur serious losses as a result of the government approved measures.

We are asking you to help small businesses and over 200 employees being seriously threatened by these measures. To be simply told that there is no program from which this much needed compensation money could be appropriated does not constitute a satisfactory response given the large and increasing amounts that are being expended as a result of security requirements. The Olympic Security Budget has gone, in just over two years, from a projected \$175 million to over \$1 billion. Financial resources are available to deal with the cost of security and its consequences. The same can be said about the purchase of the 44 full body scanners announced two weeks ago by the Minister of Transport.

We do not doubt the need for security at the Vancouver Olympics although we question the extended eight-week security period. We do, however, object to small businesses suffering because they are expected to assume the direct costs of security requirements that are imposed in the public interest. We urge the government to recognize its responsibility in this matter and to ensure that a disproportionate burden is not borne by the small businesses most adversely impacted by these security requirements.

Once again we ask that you help out these small businesses and not force them into disarray as a consequence of government actions. It would be so easy for the Government to repair the damage being done. The amount we are seeking on their behalf is negligible when compared to the Olympic Security cost which, it should be noted, will exceed \$400,000 per athlete participating in the Games.

We anticipate leadership on your behalf, and trust that the Prime Minister of Canada is in a position to recognize and repair the harm being done to small businesses as a direct result of a government decision.

The government has in the past compensated air operations for security restrictions attributable to federal activities such as the Kananaskis G-8 Meeting. We ask that you consider at Cabinet our request for compensation for affected air operators.

Regional operators in general, and ATAC members in the Boundary Bay Airport in particular, will suffer serious consequences as a result of these measures. Restrictions are severely limiting normal commercial activity compromising the very livelihood of many carriers and the significant number of jobs depending on these much needed life lines to the outlying regions.

Boundary Bay Airport is the largest aviation training center in Canada with a large number of important B.C. flight training units. This airport is located within the thirteen nautical mile restricted air activity ring. Significant restrictions will be placed upon flight

training companies in as much as solo flights and restrictions on night flying have been imposed. As well, there are restrictions on dual flying. Flight schools are already in a precarious economic situation during this recession. These added impediments could compromise the very existence of a number of these much needed institutions.

We ask that the Government of Canada acknowledge the consequences of its actions upon the affected small businesses.

As mentioned earlier, we estimate that the cost of this compensation to be in the range of \$3 million. We have sought legal counsel to review the remedies that may be available to compensate our members for the serious and particular harm they are suffering as a direct result of government imposed restrictions on their ability to conduct business.

However, we sincerely hope that this matter can be resolved on the basis of a further review resulting in the government agreeing to compensate ATAC member companies affected by these measures.

Sincerely,

A handwritten signature in blue ink that reads "John McKenna". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John McKenna
President and CEO
Air Transport Association of Canada

cc: John Baird, Minister of Transport, Infrastructure and Communities
John Cummins, MP for Delta-Richmond East