



Feb. 24, 2003

## **The government is tinkering with administration while serious issues go unattended, airline association says**

**Ottawa** – The surprise announcement that the government would table amendments to the Canadian Transportation Act shows the government is ignoring the serious problems confronting the industry in favour of tinkering with regulatory efforts on the margins, the Air Transport Association of Canada said today.

“We have been begging the government to address the threats which are looming over the industry, and instead we’ve got legislation to regulate competition,” said Cliff Mackay, Association President.

“The Minister says his actions are to defend the consumer. But the biggest issue confronting consumers is the rising costs that are driving up ticket costs. Many of those costs are imposed by government, but this legislation doesn’t reduce costs, it adds even more. It’s the consumers who are going to pay.”

The Association released a major study on the state of the industry in November, detailing the huge increases in cost which have emerged in the industry since September 11. “Increases in security costs, taxes, airport charges, insurance, we see some new cost every week.. We have dozens of small airports in serious financial trouble, we have airlines withdrawing from markets. This is what is killing air service, especially in regional markets. And the government is ignoring all this so it can deal with a pile of administrative minutia.”

The Association was surprised to learn the amendments would be tabled, as the government normally consults extensively before presenting a Bill to the House. “We’ve had no real consultation at all on these proposals,” Mr. Mackay said. “Last week we had a single conference call during which Transport officials listed a number of issues for consideration; our members opposed virtually every one. That’s not consultation, and it’s not a very good start for new legislation.”

The Association will ask to appear before the Parliamentary Committee to discuss the proposed amendments.

