



Air Transport Association of Canada/Association du Transport aérien du Canada  
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April 8, 2004

The Honourable Tony Valeri, PC, MP  
Minister of Transport  
Transport Canada  
Tower C, Place de Ville  
Ottawa, Ontario K1A 0N5

Dear Minister:

Beginning with the sharp decline in the technology industry in the spring of 2001, the industry has experienced a series of negative events which have included the attacks of September 11, 2001, military action in Afghanistan and Iraq, a new aviation security tax, fuel prices rising to some of the highest levels in history and the outbreak of SARS. In this period the largest air carrier was forced to seek court protection, and the second largest carrier became bankrupt.

Throughout this period we have urged the federal government to review its own role in driving up costs to airlines. These costs are not the only financial challenges facing airlines, but they are significant. And unlike virtually all other cost sources faced by airlines, government charges have been inflexible in the face of deteriorating market conditions.

A promised review of airport rent has never been completed. The recent budget adjustment to the aviation security charge merely brought revenues back into line with anticipated expenses. Despite discussions about excise fuel taxes, the federal rate remains one of the highest in North America.

In other words, though a period of genuine crisis in the industry the federal government has refused to make any reduction of the special charges it imposes on the industry.

We do not support the concept of special aid to any specific carrier. However it must be recognized that any reduction of federal charges to the entire industry would stimulate airline growth and cost competitiveness and provide substantial cost relief to all carriers.

April 8, 2004

Accordingly we ask that the government consider immediate suspension of airport rent, with an assurance that the airports would pass this relief through to air carriers. We consider this decision to be both timely and sound public policy, insofar as the justification for the ever-rising rental charge has never been clear.

Sincerely yours,

(Original Signed by Cliff Mackay)

J. Clifford Mackay  
President & CEO

cc The Right Honourable Paul Martin, Prime Minister