

ATAC COMPETITION LAW COMPLIANCE GUIDELINES

ATAC and its members share a responsibility to ensure that all ATAC meetings and activities comply with applicable competition laws.

ATAC's Policy of Compliance with Competition Laws

All of ATAC's activities shall be conducted in full compliance with Canadian competition law, as well as the competition and antitrust laws of any other relevant jurisdictions such as the United States and the European Union.

Prohibited Agreements and Topics

Participants at ATAC meetings and activities shall not discuss or enter into any agreements to:

1. Fix prices they charge for any services, including fares or surcharges¹
2. Allocate markets, territories, or customers²
3. Fix capacity offered on any route³

Sharing of competitively sensitive information can lead to the inference of a prohibited agreement, and is prohibited in some jurisdictions. Therefore, participants at ATAC meetings and activities shall not share competitively sensitive information. Competitively sensitive information typically consists of confidential information that a firm would not generally share with its competitors. The following are some examples of competitively sensitive information:

1. Fares, surcharges, and other components of price⁴
2. Yield management algorithms and allocation of seats to buckets
3. Costs⁵
4. Plans relating to fares and yield management
5. Plans relating to changes to routes, frequencies, service levels
6. Any other strategic plans

These rules apply to formal meetings as well as informal discussions before, during, and after meetings, and to social events.

Activities and Agreements that Require Competition Review

Some proposed activities or agreements must be reviewed for compliance with competition laws. These include:

1. Joint ventures between air carriers or other industry participants
2. Code sharing agreements
3. Buying groups or other shared purchasing arrangements
4. Adoption of industry codes of conduct or standards
5. Collection and publication of industry-wide statistics
6. Any activity or agreement that could have any exclusionary, disciplinary, or predatory effect on an air carrier or other industry participant

Ensuring Compliance

ATAC will take the following measures to its meetings and ensure activities are carried out in compliance with competition laws and these guidelines:

1. All meetings will have a clear agenda
2. Minutes of meetings will accurately reflect attendance and discussions
3. Meeting agendas and minutes may be audited for compliance
4. The chair of any ATAC meeting will terminate any discussions that violate these guidelines, and will report the incident to the President
5. Breach of these guidelines by any ATAC member may result in disciplinary action

¹ Price fixing agreements are a criminal offence in Canada, the US, the UK, and is unlawful in most jurisdictions.

² Market allocation agreements are a criminal offence in Canada, the US, the UK, and are unlawful in most jurisdictions.

³ Output restriction agreements are a criminal offence in Canada, the US, the UK, and are unlawful in most jurisdictions.

⁴ To the extent that these are not publicly available through websites or filed tariffs.

⁵ To the extent that these are not generally known by all industry participants.