



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-03752**

BY: **MR. STETSKI (KOOTENAY-COLUMBIA)**

DATE: **MAY 15, 2019**

PRINT NAME OF SIGNATORY: **THE HONOURABLE MARC GARNEAU**

Response by the Minister of Transport

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Air Transportation

ORIGINAL TEXT

REPLY

The Government of Canada recognizes the importance of air transportation to the economy and the need to have communities connected for the individual traveller. Canada's air carriers, however, are private companies, and, as such, make their own business decisions to remain viable and competitive. The frequency of flights, the destinations that they serve, and the prices charged by air carriers are determined by the air carriers based on market forces.

That is why, the Government of Canada has introduced new legislative initiatives that promote a healthy and competitive air sector. More specifically, the *Transportation Modernization Act*, which received Royal Assent on May 23, 2018, increases the amount of international investment from the previous 25% to 49% with associated safeguards. This change is expected to also assist in the development of Canada's ultra-low cost carrier (ULCC) industry. The ULCC business model revolves on the sale of low-priced base fares, which are complemented by the sale of other ancillary services and products that a passenger may opt to purchase. The ULCC air carriers also serve secondary markets which increase access to smaller communities.

The Government understands that ULCCs, such as Swoop and Flair Airlines, are focusing primarily on flights between smaller, secondary airports providing services to these smaller cities that were not previously available. As the ULCC industry continues to grow, the Government looks forward to anticipated increase in service to other more regional communities.