

August 3, 2022

The Honourable Randy Boissonnault

Minister of Tourism and Associate Minister of Finance

Delivered via email to: tourisminfo-tourismeinfo@ised-isde.gc.ca

Dear Minister Boissonnault,

On behalf of the National Airlines Council of Canada (NACC), thank you for taking the time to consult with the travel and tourism industry on the Federal Tourism Growth Strategy. This is an important consultation, happening at a critical time when air travel, and the Canadian tourism industry more broadly, are on the edge of recovery.

The National Airlines Council of Canada represents Canada's largest national and international passenger air carriers: Air Canada, Air Transat, Jazz Aviation LP and WestJet. NACC promotes safe, sustainable and competitive air travel by advocating for the development of policies, regulations and legislation to foster a world-class transportation system.

Pre-pandemic, our members collectively carried over 80 million passengers annually, directly employed over 60,000 people and served as a critical component of Canada's overall air transport and tourism sector, which supported more than 630,000 jobs. Prior to March of 2020, air transportation had hit record growth and record passenger volumes. Canadians had never been better connected to each other, and to the world.

Few industries have been as impacted by the pandemic as Canada's airlines, and their workers. We were the first hit, the hardest hit, and the last to recover. And while we are optimistic about the future of air travel and tourism, and encouraged to see both domestic and international passengers wanting to reconnect with the world, we must take every step necessary to ensure our airlines stay competitive in a global context and that the right policies are put in place to permit the Canadian tourism sector to thrive

Aviation is a global industry that relies on consistency, predictability and harmonization. That is why NACC continues to call on the federal government to bring its travel policies in line with global allies, by eliminating legacy pandemic-era measures including vaccination requirements for foreign nationals, mandatory random testing, and the ArriveCAN app. Over 50 countries have removed pandemic era restrictions altogether – the fact that Canada continues to retain pandemic restrictions on air travel puts Canada at a competitive disadvantage when attempting to serve as a tourist destination of choice.



Travel remains the only industry, across Canada, that is subject to mandatory testing and mandatory isolation requirements of 10 days for unvaccinated passengers. All other activities across the consumer economy, including concerts, sporting events, and large gatherings are no longer subject to these requirements. If the Government of Canada's stated goal is to unleash tourism's potential to drive economic growth and job creation, the single most important thing it can do is to cease the singling-out of travel as the only consumer activity subject to outdated COVID-19 restrictions.

NACC has welcomed the suspension of certain restrictions in recent weeks and months. Nonetheless, we wish to underscore the consequences that will be felt if these measures are to be reintroduced at a future date. Other countries have moved to permanently cease pandemicera restrictions and, in order to compete on a global scale, our travel and tourism industry requires that same level of certainty and predictability

The ongoing delays and congestion at Canada's airports that we have witnessed this summer has badly shaken our tourism industry. While the majority of passengers have been able to take to the skies without significant disruption - and these numbers continue to improve - there remains much work to do. All stakeholders, including the Government of Canada, need to work together to address both short and long-term issues facing the industry. A robust tourism strategy will require that the overall traveller experience – from airport security, to baggage claim – is seamless and efficient as possible.

NACC is also recommending that, through its Task Force on government services, the federal government adopt quantitative metrics and benchmarks for addressing service delivery issues, which should be made public. In doing so, you can help ensure that travellers have confidence that their journey is predictable, timely and enjoyable, with clear service standards. NACC is prepared to work closely with this Task Force in fulfilling its mandate.

Additionally, it is well documented that high taxes and fees imposed on Canadian airlines and travellers create a competitive disadvantage for Canada's aviation industry versus other jurisdictions. These fees include airport rents, air traveller security charges, airport improvement fees, NAV Canada Navigation fees, and City taxes among others. The pandemic highlighted flaws in Canada's "user pay" model, and exacerbated this competitive disadvantage. Facing fewer travellers during the pandemic, a number of institutions have increased their fees to compensate, and when combined, these fees hamstring the aviation sector and the associated local economic benefits. The federal government could take the immediate step of reviewing all third-party fees and charges, and consider reinvesting these amounts back into the airports.

Finally, on the subject of competitiveness, Canada has long been an aviation centre of excellence, home to world class airlines and manufacturers. This competitive advantage has



long been a point of pride for our communities, businesses, and governments. As airlines, we work every day to maintain Canada's firm footing in this regard. We need your government's collaboration to continue a strong, robust domestic airline sector in this country.

With the continued collaboration of the Government of Canada, Canada's airlines will help drive a return to the connected way of life that matters to all of us; connecting people with each other, and Canada with the world, in order to keep our economy going. Airlines want to be a key partner in a revitalized tourism strategy – we look forward to working with you and the government to make that happen.

Thank you again for the opportunity to provide input and help lay the foundation for the future of Canada's tourism industry.

Sincerely,

Jeff Morrison

President & CEO

National Airlines Council of Canada