



**AIR TRANSPORT ASSOCIATION OF CANADA
ASSOCIATION DU TRANSPORT AÉRIEN DU CANADA**

255 ALBERT STREET, SUITE 700, OTTAWA, ONTARIO K1P 6A9
255, RUE ALBERT, PIÈCE 700, OTTAWA (ONTARIO) K1P 6A9

TEL:/TÉL: (613) 233-7727
FAX: (613) 230-8648

WEB: <http://www.atac.ca>
EMAIL: atac@atac.ca

January 12, 2011

The Honourable Chuck Strahl, P.C, M.P.
Minister of Transport, Infrastructure and Communities
Transport Canada
Tower C, Place de Ville – 29th Floor
330 Sparks Street
Ottawa, ON K1A 0N5

Dear Minister,

The Air Transport Association of Canada represents 180 members engaged in commercial aviation in Canada. ATAC has defended the rights of air carriers from every region of Canada for over 76 years. Our membership includes small local operators, flight training units, regional operators, large international carriers as well as the air transportation support industry.

Correspondence received from Transport Canada in the fall of last year indicated that you were reassessing the exemption granted to Alpine Helicopters Ltd (Alpine) in 1999 and extended without consultation in 2006. This exemption, granted under article 62 of the Canada Transportation Act, allows Alpine to operate in Canada without any substantive restriction whatsoever despite the fact that the company is now 100% foreign owned. We therefore wish to issue a formal objection today on the re-assessment of the Ministerial Exemption to Alpine Helicopters Ltd.

Article 61 of the Act sets the conditions for an applicant to be granted a Canadian (operating) license. Article 61(a)(i) stipulates that the applicant must be Canadian. Current regulations allow a maximum of 25% foreign ownership in order to meet the criteria set out in that article.

It is our understanding that the exemption was re-issued in 2006 after Alpine was purchased by Fortress Investment Group LLC (Fortress) as a result of the latter's acquisition of Intrawest, Alpine's former owner. Although Alpine's ownership already exceeded the 25% foreign ownership allowed by current air policy, the purchase of Intrawest by Fortress translates into 100% foreign ownership of Alpine.

Article 62 of the Act states that *"Where the Minister considers it necessary or advisable in the public interest that a domestic license be issued to a person who is not a Canadian, the Minister may, by order, on such terms and conditions as may be specified in the order, exempt the person from the application of subparagraph 61(a)(i) for the duration of the order."*

We clearly fail to see how further exempting Alpine serves the public interest. On the contrary, this exemption upsets the level playing field that all Canadian operators are entitled to enjoy equally because you are allowing foreign investment to compete against competitors who are forbidden access to foreign sources of capital. Alpine has had over ten years to meet the conditions set out in the Act. We consider that granting a further exemption would set a serious precedent and would go against the intent of the legislator in granting exemption privileges to the Minister.

We are quite sure that when drafting this law, the legislators did not intend for conditions warranting ministerial exemption privileges to be interpreted so widely as to include enticements to foreign investors at the detriment of other legitimate Canadian operators.

In conclusion, while ATAC does not understand nor wish to speculate as to why this exemption was originally granted, we are clearly opposed to a renewal of the Ministerial Exemption granted to Alpine. We also object to the fact that the exemption was extended without consultation in 2006 when Alpine's ownership circumstances changed so radically. Should a decision be made to renew the exemption privilege submitted by the applicant we would ask that you reveal the public interest factors motivating such a decision. ATAC believes that for Canadian operators to succeed in this difficult period of economic recovery, all must abide by existing rules and regulations.

Sincerely,



John McKenna
President & CEO

cc ATAC Board of Directors
Standing Committee on Transport, Infrastructure and Communities
Fred Jones, Helicopter Association of Canada