

Tories wrestle with airfare ads

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Federal Transport Minister Lawrence Cannon is weighing in on the controversy over airfare sticker shock, saying a maze of regulations is thwarting efforts to force all airlines and travel agencies to advertise "all-in" ticket prices that include extra fees.

"There is not a national consensus with respect to provincial regulation of travel agents or their approach to airfare advertising. It would be foolish to propose federal regulations in the absence of a consensus," Mr. Cannon said in a six-page letter sent yesterday to the House of Commons standing committee on transport, infrastructure and communities.

Airlines are federally regulated, but travel agencies fall under provincial jurisdiction, complicating the issue of transparency in airfare advertising for the federal Conservative government.

Currently, only Ontario and Quebec require travel agencies to publish the all-in ticket price, Mr. Cannon noted.

"Unless all of the provinces agree to similar provincial regulation with respect to airfare advertising, enacting federal regulations could result in a situation where, in eight of 10 provinces, travel agents could advertise airline seats at a lower price than the airline could," Mr. Cannon wrote in the letter, addressed to committee chairman Merv Tweed, a Manitoba Tory MP.

On the Toronto-New York route yesterday, Air Canada promoted base fares as low as \$129 one-way, but once fuel surcharges, taxes, security charges and other fees are tacked on, the final round-trip ticket price is \$471.72.

In an interview Tuesday, Liberal transport critic Joe Volpe urged Mr. Cannon to explain why the government is still consulting stakeholders, almost one year after approval of Bill C-11 seemingly cleared the way for Air Canada and WestJet Airlines Ltd. to switch to all-in advertising instead of promoting one-way base fares.

As far back as 2003, then Liberal transport minister David Collenette unsuccessfully tried to compel airlines to list the full price of their tickets.

"We are examining this issue and trying to find practical measures to make airfares more transparent, while maintaining a level playing field between Canadian and foreign carriers," Mr. Cannon said. "We will work with the provinces to determine whether a consensus can be reached with respect to airfare advertising."

He noted that Canada's two largest carriers have expressed their concerns about how travel agents could gain the upper hand in eight provinces, including previous Senate submissions from Mike McNaney, WestJet's vice-president of government affairs, and Joseph Galimberti, Air Canada's director of government relations.

"My office has held informal meetings with Air Canada, Air Transat and WestJet in order to explore the potential basis or common ground for a regulation," Mr. Cannon said. "The issue is made more complex by the fact that airlines often collect fees and taxes on behalf of domestic and foreign governments, as well as airport authorities."

As well, Mr. Cannon pointed out an Air Canada submission that cautioned against creating a system where foreign carriers would display lower fares on their websites, while the Montreal-based airline is left at a disadvantage globally.

"Coming up with a regulation that would let Canada's airlines compete on a level playing field both with each other, as well as foreign airlines, is extremely difficult," he said.

His letter capped a flurry of activity this week on the transport file. On Thursday, Mr. Cannon and other Tories provided all-party support for Liberal MP Gerry Byrne's private member's motion to forge an airline passenger bill of rights. The Canadian Transportation Agency has developed a pamphlet titled Fly Smart, and some observers believe that could form the basis of a manifesto.

How \$129 soars

One-way Air Canada flight Toronto-New York booked yesterday

Advertised base fare: \$129

Fuel surcharge: \$50

Nav Canada fee: \$7.50

Toronto airport fee: \$20

Canada security fee: \$7.94

GST: \$10.72

U.S. transport tax: \$15.69

U.S. agriculture fee: \$5.09

U.S. immigration fee: \$7.13

ONE-WAY TOTAL: \$253.07*

*If base fare back to Toronto is \$129, round-trip totals \$471.72