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## Airlines win dogfight over fares

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OTTAWA -- The airlines appear to have won a major victory after quietly pressing their case that a law passed a year ago requiring them to advertise the full price of airfares is unfair.

Federal Transport Minister Lawrence Cannon has been under increasing pressure to explain why the government has yet to act on legislation requiring airlines to include fees and surcharges in all airfare advertisements rather than just one-way base fares.

The law, passed last June, allowed the government to consult with the airline industry and others before enacting this "all-in" advertising provision. Liberal Senator Dennis Dawson, a former lobbyist for WestJet Airlines, suggested this delay so the government could be assured the companies would not be unfairly hurt by the move.

In a letter to the transport committee, to be discussed today, Cannon confirms all-in advertising won't be coming into effect any time soon. He says it would be "foolish" to bring in federal regulations in the absence of a national consensus.

Travel agencies are provincially regulated, and only Quebec and Ontario require them to include all fees and surcharges in their advertised prices. Under this scenario, Cannon points out airlines would be required to advertise seats at a higher rate than travel agents in most provinces. Meanwhile, foreign carriers could continue to advertise on their websites lower fares to and from Canadian destinations than their Canadian competitors.

"Given their different structures, coming up with a regulation that would let Canada's airlines compete on a level playing field, both with each other as well as with foreign airlines, is extremely difficult," Cannon writes in his letter, in which he confirms his office has had informal meetings with Air Canada, Air Transat and WestJet, but makes no mention of discussions with his provincial counterparts.

Ottawa's position spells bad news for consumers, since the "federal government knows very well" there won't be a national consensus any time soon among the provinces, says Christian Theberge, president of the Association of Canadian Travel Agencies.

"We won't give up and we'll continue to fight. It can't go on like this, especially now when the surcharges are rising and rising and rising," said Theberge.

As a result of gas surcharges and other fees, airfares are often 50 per cent more than the advertised cost.

For example, a one-way Air Canada flight from Toronto to Montreal was advertised on Monday at \$79; once the fees and surcharges were added, the actual cost was \$159.25. A return flight Ottawa-Vancouver jumped from the advertised price of \$453 to \$668.15.

Brian Masse, transportation critic for the New Democrats, criticized Cannon's "mountain of excuses," saying a renewed effort from consumers is needed to bring truth in airfare advertising.

In his letter to parliamentarians, Cannon also takes aim at the Liberals; along with Masse, Liberal transport critic Joseph Volpe has been complaining the all-in advertising provisions in the act aren't yet in place a full year after they were passed.

Pointing out Liberal senators and members of Parliament got behind Dawson's amendment to delay implementation after industry representatives expressed grave concerns, Cannon writes he is "frankly surprised by the current efforts that seem to return us to a point in the debate that I thought we had passed."

Cannon added, "When the Liberals were in government, they did nothing to address this situation."

Volpe says this "sophomoric" review of history is "designed to hide the fact that they have done nothing and aren't willing to do anything. They just squandered the good will that I and the caucus have brought to the committee."

Volpe added it's clear the minister "hasn't even talked to the provinces."

In the end, consumers are the losers amid the political bickering, says Stephanie Poulin, staff counsel for the Montreal-based consumer group Option Consommateurs and member of the Canadian Association of Airline Passengers.

"It is basic truth in publicity and I think people are entitled to the truth from the companies they do business with."