

12 February 2018

Environment and Climate Change Canada
Public Inquiries Centre
7th Floor, Fontaine Building
200 Sacre-Coeur Boulevard
Gatineau, QC K1A 0H3

Email: carbonpricing-tarificationcarbone@canada.ca

RE: Legislative Proposals Relating to the *Greenhouse Gas Pollution Pricing Act*

To whom it may concern,

Thank you for your engagement with the International Air Transport Association (IATA) on the development of Canada's carbon pricing policies and for providing us with the opportunity to submit comments in relation to the Government of Canada's legislative proposals on the *Greenhouse Gas Pollution Pricing Act*.

IATA is a trade association representing over 280 member airlines that account for 83% of total global air traffic. Air Canada, WestJet, Air Transat and CargoJet are members of our association.

Further to our previous comments on the *Technical Paper on the Federal Carbon Pricing Backstop* submitted in June 2017 and a review of the current legislative proposals pertaining to the *Greenhouse Gas Pollution Pricing Act*, IATA is generally supportive of said proposals. In particular, we note the appropriate scope of the legislative proposals, which limit the carbon pricing system, and specifically the tax/charge on fossil fuels used in air transport, to intra-jurisdictional air transport within participating Provinces/Territories.

Moreover, the distinction made between a Registered Specified Air Carrier and a Registered Air Carrier in relation to the timing and manner in which the fuel tax/charge is applied and is payable appears to strike a balance between the overall purpose of the legislation and the need for administrative ease and efficiency.

The above notwithstanding, and with respect to Registered Air Carriers, significant attention should be afforded to the timely processing of tax/charge rebates applicable to fuel used in excluded air journeys and claimed in monthly returns to mitigate the negative cash flow impact that lengthy rebate timelines would have on carriers. Additionally, and with respect to Registered Specified Air Carriers, consideration should be given to developing standardized exemption certificates that would be recognized and readily accepted by fuel suppliers so as to afford eligible carriers the upfront tax/charge exemption without hindrance.

Finally, while it continues to be IATA's firm position that the fuel tax/charge should be limited solely to intra-jurisdictional air transport within a participating Province/Territory, should the Government of Canada consider expanding the scope of the legislation in future to include interjurisdictional air transport (e.g., by means of "a prescribed journey or a journey meeting prescribed conditions"), we would very much appreciate being involved in the associated consultation process.



We look forward to continued collaboration on the development of a carbon pricing platform that ensures the sustainability and competitiveness of Canada's air transport sector.

Sincerely,

A handwritten signature in black ink that reads "Douglas Lavin".

Douglas Lavin
Vice President, Member and External Relations
International Air Transport Association

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