

October 8, 2019

Mr. Justin Trudeau
Leader
Liberal Party of Canada
350 Albert Street, Suite 920
Ottawa, Ontario
K1P 6M8

[EMAIL: assistance@liberal.ca](mailto:assistance@liberal.ca)

Re: Liberal Party platform regarding a luxury tax on private aircraft

Dear Mr. Trudeau,

The Canadian Business Aviation Association is the voice of Canada's \$12.1 billion business aviation sector. We are responding, with deep concern, to the Liberal Party "luxury tax" platform that conflates business aircraft with personal high-end and non-essential vehicles. For the reasons stated below, we ask that, as a matter of urgency, you remove private aircraft from this proposal, as implementing it would cost Canada and Canadians far more in real dollars than the amount that would be raised through this new tax.

Mr. Trudeau, the imposition of a 10% luxury tax on our aircraft is frankly, penny wise and pound foolish. You may believe that it is an important symbol of your support of the middle class at the expense of a small group of "one-percenters". In reality, you will be punishing all Canadians: small business aircraft owner/operators, corporations competing on the world stage, and Canadians who live in communities that are not adequately served by commercial airlines.

First, we would like to dispel the myth that private flights are non-essential or even frivolous. In reality, these aircraft are not luxury items; they are corporate and community workhorses, and irreplaceable. Airlines must employ economies of scale and justify routes and frequencies. In contrast, private business aviation flights are deployed on an as-needed basis when commercial airlines cannot or will not serve a group, community or population adequately.

Private aircraft allow us to hold multiple meetings in a single day and meet clients – and Canadians – wherever they live. Executives, entrepreneurs, political leaders, medical personnel and others who face challenging and demanding schedules rely on private flights to connect with as many people as possible as efficiently as possible.

Safe, secure and reliable, private flights are also green: they make up a tiny fraction of total aviation emissions, which in turn are only two percent of global carbon emissions. Business aviation is working to reduce its footprint even further with a number of sector-specific domestic and international initiatives, including the Business Aviation Commitment on Climate Change and the Use of Sustainable Alternative Jet Fuel.

As an economic sector, business aviation stands out as one of Canada's most generous employers, engaging 23,000 people at an annual average salary of \$95,900, almost twice the Canadian national average. These jobs require a wide range of different skills and training, including pilots, mechanics, designers, builders, coders, engineers, educators, dispatchers, and many others. Remitting three quarters of a billion dollars annually in tax, business aviation more than pays its way as a Canadian industrial sector.

Not only does business aviation serve Canadians directly, but it is also one of Canada's foremost international corporate success stories. Through our marque companies like Bombardier, CAE and Pratt & Whitney, plus the thousands of small enterprises that sell to them, Canada is a world-leader in business aircraft sales and R&D.

Moreover, there is yet another factor to be considered: Historically, private aircraft are a unique part of Canada's heritage. Bush and private pilots and their aircraft –what we call business aviation today – were to Canada's remote and northern regions what the railway was to the south – the transportation ties that helped build a nation. It is important to understand that, in the 21st century, business aircraft continue to play a nation-building role.

We admire your commitment to strengthening the Canadian middle class. In our view, the most valuable action you could take to support middle class aspirations would be to implement policies that create well paying, sustainable and diverse employment opportunities in every region. Business aviation offers this and more.

As this proposal demonstrates a misunderstanding of the nature of private business aviation, we would ask for a meeting with party officials at the earliest possible occasion to brief you on the facts about our sector and share ideas for ways that our sector can contribute even more to Canadian economic opportunity, employment and quality of life.

We look forward to talking with party officials and candidates to enhance your understanding of business aviation's contributions to our nation.

Anthony Norejko



President and CEO
Canadian Business Aviation Association