

# 20 Flying Tax Questions

- 1 In the last Budget, costs for border crossing improvements and fast-tracking passengers through customs and airports were absorbed by taxpayers. Why will public security costs at airports be borne solely by travelers?
- 2 Where does the government draw the line between public good and private benefit when it comes to the flying tax?
- 3 On September 11th, terrorism was directed against the state: so why doesn't the state play a greater role in its anti-terrorism response?
- 4 With respect to the tax itself, why were no impact assessments for this tax completed?
- 5 Why is the federal government violating its own Treasury Board guidelines that mandate the completion of impact assessments and a reflective value of services for the fee to be charged?
- 6 How will this charge improve competition and encourage growth in Canada's airline industry?
- 7 How does Ottawa propose to deal with the potential for passengers to be charged several times for one continuous trip?
- 8 Why wasn't the fee set per flight segment (the American model) traveled?
- 9 Why wasn't the fee set as a percentage of price of the ticket or distance traveled?
- 10 Why wasn't a phase-in period built into this policy?
- 11 Why are passengers flying from and to small and remote airports, with no security and detection equipment, paying this tax?
- 12 Why did the government dominated Finance Committee, during its hearings (a few days and just a handful of witnesses) reject many of these options?
- 13 Why do we have to pay a tax for bomb detection equipment that is on backorder worldwide and for the CATSA bureaucracy - that by the government's own admission - will not be in place until the fall?
- 14 Why does the government insist on appointing CATSA officials through the Governor-in-council process (read: patronage) as opposed to hiring qualified officials in a transparent manner?
- 15 With Air Canada recently reporting a rebound in traffic, overall industry volumes will surely climb which has led some to predict a tax haul closer to \$3 billion as opposed to \$2.2 billion announced in the December budget: Why wasn't a declining fee scale used considering the expected increase in passenger volumes?
- 16 Why not just set stricter security regulations and standards for airport authorities and airlines and allow market flexibility and market discipline (read: big ticket fines for those who fail to comply) to determine the funding structure to meet these requirements instead of setting up a costly new bureaucracy?
- 17 What governance mechanisms will be in place to ensure that all monies raised go directly to aviation security measures?
- 18 Why can't the government simply reallocate needed funds from non-priority areas such as corporate welfare to pay for increased aviation security expenditures?
- 19 Why has government refused to listen to passengers, airlines, airport authorities, general taxpayers and many other stakeholder groups that oppose this tax?
- 20 Why will the government not come clean and answer these valid policy framework questions?