

October 13, 2023

Email: suzy.mcdonald@fin.gc.ca

Dear Associate Deputy Minister McDonald,

On behalf of the Canadian Business Aviation Association (CBAA), I wish to extend our warmest congratulations on your appointment as Associate Deputy Minister of Finance. We wish you well as you take on this critical role.

As you continue to work hard to support the interests of all Canadians as you have in your previous roles, CBAA very much looks forward to working alongside you – especially in the work that you and your colleagues will undertake in developing the policies and programs that will deliver substantial economic growth and make Canada's aviation the safest, most sustainable, and competitive industry globally.

As you might know, CBAA Canada's voice for business aviation. Since its inception, CBAA has assumed an increasing role in its advocacy for Canadian business aviation interests. Our industry contributes \$17.9 billion annually to the economy, with a membership of approximately 400 companies and organizations, including operators, management companies and suppliers, CBAA represents the entire business aviation community with a unified and collective voice.

The imposition of a luxury tax on business aviation can have unintended consequences that hinder economic growth and operational efficiency. Firstly, such a tax disincentivizes businesses from investing in aircraft, which can be pivotal tools for expanding operations, reaching remote locations, and enhancing overall productivity. As businesses pull back from purchasing or upgrading aircraft, the domestic manufacturing industry for business jets will experience a decline in orders, leading to potential job losses and reduced R&D investments. Moreover, these taxes can distort the market by encouraging businesses to look for less efficient or older aircraft models that fall below the tax threshold, leading to increased carbon footprints and decreased safety. Instead of viewing business aviation as a mere luxury, it's vital to recognize it as a critical tool for many enterprises that can bolster economic growth, connectivity, and flexibility in an ever-evolving global marketplace.

We look forward to collaborating with you and your team. We would very much appreciate the opportunity to meet with you at your convenience to discuss your priorities, CBAA's current work, and how we can benefit all Canadians.

Sincerely,



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