



February 24, 2023

Mr. Michael Rousseau  
President and Chief Executive Officer  
Air Canada

**Re: Air Canada Service from YYC and YEG.**

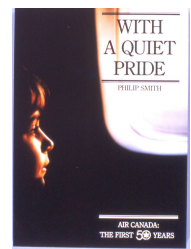
Dear Michael,

I hope this letter finds you well. I am writing today to register my dismay at what I feel is an egregious slight perpetrated on flyers coming out of the Calgary and Edmonton markets by your airline – Canada's branded "National Carrier".

I recently had need to book flights for my family (spouse and two kids) from Calgary (YYC) to Phoenix (PHX), a trip which we do on a fairly regular basis, in fact we had done the same trip around Remembrance Day as well as the Christmas break in 2022. The current bookings are a quick trip over the Family Day long weekend and a subsequent longer trip for Spring Break.

As you can imagine, with a family of 4 these trips can be expensive both in terms of time and money. And this is a trip that we have been doing on a regular basis for close to 18 years. Such regularity in fact that we became enthusiastic purchasers and users of your super-convenient Flight Pass option. It's hard to peg but I'm comfortable guessing between the 4 of us we collectively accounted for close to 300 one-way flights and close to \$100k in fares, never mind the cross-country travel to visit family in Montreal and Toronto.

During this time, we have flown almost exclusively on Air Canada due to its consistency of service and better flight times as well as my own loyalty to Air Canada as both a robust business traveller and some family legacy and loyalty (my father worked at the advertising agency of record for Air Canada and was a creative director on the Air Canada account for most of his career) – I even appeared on the cover of some random Air Canada brochure and in some Air Canada Vacations guides!



I am constantly arguing and defending Air Canada to my friends and business associates who insist on flying WestJet and engage in the nonsense disparagement of Air Canada as some Montreal based airline that hates Western Canada – Air Canada is simply a better, more reliable and consistent carrier. End of story.

At any rate, during all this time, we have never had to compromise and connect on a flight – why should we? The flight itself is a mere 3 hours. There has always been a non-stop option available.

Until now.

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Imagine my surprise when I was trying to book these current trips using my SW Flight Pass that the only flights I would be able to book were connections through Vancouver (YVR) to Phoenix for both the outbound and return leg. On the Flight pass booking pages the non-stop showed up as “sold out” then it just disappeared.

This I thought was strange, but maybe understandable given I had waited a little longer than usual to book, it was PEAK TRAVEL TIME for YYC vacationers and there were four of us. But to have every leg denied? Plus, we are flexible travelers, we move our dates around to find the convenient flight on a regular basis. We had in fact just flown this very same non-stop flight in early January!

At any rate, instead of a convenient non-stop 3 hour flight (which by the way is ALWAYS full), we are now forced to do a 9-hour cross country trek. In fact, the outbound options on the first trip were so bad I was forced to book a one-way ticket on a non-stop WestJet flight (of which there are 2 and occasionally 3 a day).

Puzzled by provenance of this mess, I did a little investigating both through the website and via some acquaintances/friends with direct company and industry knowledge.

And what I discovered was, to put it mildly, shocking.

For not only was there no longer any non-stop service from YYC to PHX, apparently Air Canada has elected to stop its non-stop service from YYC (and YEG apparently) to San Diego, Los Angeles, San Francisco and Las Vegas. All destinations, I would point out, that are marketed as destinations accessible via the SW Flight Pass, implicitly selling convenience as a feature.

Far be it from me to pretend to understand the complexity and logistics of running an airline. But I do understand investment and market perception. And this callous abandonment of the Calgary market is ignorant at best and offensive at worst – in this case perception is indeed reality – you appear to have abandoned us and ceded the market to WestJet, Lynx and Flair and for many passengers – both past and potential, this tells them all the need to know about what Air Canada thinks of them and their dollars – not very much at all.

As I'm sure you don't need reminding, YYC is the 3<sup>rd</sup> or 4<sup>th</sup> busiest airport and international hub in Canada. Together with Edmonton, we are probably the second busiest transit centre outside of Toronto, serving a provincial population of 5 million people as well as being the international hub for Saskatchewan (population 2 million) and a significant portion of the BC Interior. Calgary has a long and proud aviation history and is not some second rate market and, in the summer, Calgary and Banff are among the most visited tourist destinations for travelers from the Western United States.

Like citizens of Toronto and Montreal and other eastern cities, during the cold winter months, Calgarians travel south, except instead of Miami and Fort Lauderdale and Tampa Bay, we go to the desert (Phoenix) or the West Coast (LA, San Diego). I would imagine that if Air Canada were to cut any Florida flights, the reaction would be swift and apocalyptic from both passenger and political fallout. Here, it seems you aren't that concerned, and my entreaties for an explanation to government ministers, MPs and Air Canada itself fell on deaf ears.

As a taxpayer and, at least technically, part-owner of Canada's flagship carrier (note I am also an actual shareholder), I do also find it stunning that you could capriciously cut these flights with barely a whisper of a warning. I looked – I didn't see much by way of communication – not with the media, not with the government, not with any affected purchasers of flight passes. I can only imagine that this was due to some form of embarrassment.

Look, I know that this is a first world problem and that I am coming at this from a place of extreme privilege. I also know that I can just as easily book through WestJet, but habits are hard to break.

The challenges of the airline sector play out daily on the news and I know you have issues with manpower, infrastructure and equipment availability – this is a common theme amongst all of our firm clients as well and I sympathize, but they typically find a way to persevere without randomly leaving their clients in the lurch.

I also understand that these flights are due to return over time, with the YYC-PHX non-stop reappearing as of October 29, 2023, but really the damage has been done, both to your reputation and your standing with a significant number of loyal customers, including myself.

Thank you for taking the time to listen to my concerns. A mentor of mine told me long ago that to effect change, you should always start at the top, hence this correspondence.

At the very least, long time customers deserve some kind of explanation.

I will leave this dilemma in your capable hands.

Best regards

Mr. Stuart H. Parnell, CFA, Managing Director