

**Regulations respecting anti-competitive
acts of persons operating a domestic service**

DRAFT—July 8, 2000

ANTICOMPETITIVE ACTS

1. For the purpose of paragraph 78(1)(j) of the *Competition Act*, the following acts or conduct of a person operating a domestic service, as defined in subsection 55(1) of the *Canada Transportation Act*, are anticompetitive acts:

(a) operating capacity on a route or routes at fares that do not cover the avoidable cost of providing the service;

(b) increasing capacity on a route or routes at fares that do not cover the avoidable cost of providing the service;

(c) using a low-cost second-brand carrier in a manner described in paragraph (a) and (b);

(d) pre-empting airport facilities or services that are required by another air carrier for the operation of its business;

(e) pre-empting take-off or landing slots that are required by another carrier for the operation of its business;

(f) using commission overrides or other inducements to sell or purchase its flights for the purpose of disciplining or eliminating a competitor or impeding or preventing a competitor's entry into, or expansion in, a market;

(g) using the offer of more than the usual awards in a loyalty marketing program for the purpose of disciplining or eliminating a competitor or impeding or preventing a competitor's entry into, or expansion in, a market, and

(h) altering its schedules, networks or infrastructure for the purpose of and with the effect of disciplining or eliminating a competitor or impeding or preventing a competitor's entry into or expansion in, a market.

ESSENTIAL FACILITIES AND SERVICES

2. For the purposes of paragraph 78(1)(k) of the *Competition Act*, facilities and services that are essential to the operation in a market of an air service, as defined in subsection 55(1) of the *Canada Transportation Act*, are those:

(a) that are required in order to provide a competitive air service;

(b) that cannot reasonably or practicably be purchased, acquired, provided or replicated by another air carrier on its own behalf;

(c) that are effectively controlled by the air carrier who denies access to them or refuses supply of them; and

(d) that can be feasibly provided to another air carrier, having regard to operational or safety considerations, or legitimate business justifications of the air carrier referred to in paragraph (c).

3. For the purpose of subsection 1, facilities and services may include, but are not limited to, take-off and landing slots, interline arrangements, airport gates, loading bridges, counters and related airport facilities, maintenance services, and baggage handling services, infrastructure and equipment.

Source: Government of Canada.