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**YUKON AIR TRAVEL COMMITTEE ISSUES DIRECTION TO GOVERNMENT**

WHITEHORSE - The Air Travel Committee notified the Yukon government today of its decision that a portion of Air Canada's additional summer flight capacity harmed competition between airlines in the territory.

The Committee's decision is based on its research on airline activities that took place in May, June and July of 2002. It found that more airplane seats were put onto the market than reasonably required.

"The Committee is responsible for reviewing the practices of airlines operating in the territory," Infrastructure Minister Scott Kent said. "They do this in the interest of competition, which is the best way to improve air travel options for Yukoners in terms of price, service and choice of flights."

The Committee stated that it will be directing the Yukon government to shift some of its own air travel spending for a period of time to redress the negative effect of Air Canada's activity. Further direction from the Committee is expected in early October.

"We appreciate the committee's hard work, respect its decision and will await further instruction regarding how government shall shift its airline spending," Kent said.

The Yukon government adopted the Air Travel Policy in April 2002. Under the policy, government air travel is purchased in a fair and equitable manner, where scheduling permits, to support competition among airlines that provide scheduled year round service to southern Canada. The policy also creates an internal government committee, with government and non-government members, to determine if airlines are taking actions that harm competition in the Yukon air travel market. If the committee believes such actions have occurred, the committee can direct the government to adjust its air travel spending in support of airline competition.

The Committee may review matters like airline ticket prices, flight frequency, seat availability, ticket terms and conditions, connections to other flights, cargo service, type of aircraft and overall airline service.

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