



April 24, 2009

Arrivals Duty-Free Consultations
Department of Finance Canada
Sales Tax Division, 16th Floor
140 O'Connor Street
Ottawa, ON K1A 0G5

RE: Support for the Implementation of Arrivals Duty-Free (ADF)

On behalf of the Halifax Chamber of Commerce and its members, I am writing in support of the implementation of arrivals duty-free in Canadian airports.

Canada's airports are vital to our economic prosperity and quality of life. As gateways for the rapid movement of global supply chains, our airports connect Canada with the rest of the world. Airport operation and infrastructure costs, however, are rising rapidly. Because of this fact, the financial competitiveness of our airports is becoming increasingly challenged. Additional revenue generated by arrivals duty-free would help keep our airports self-sufficient and financially viable.

A popular retail strategy adopted by more than fifty countries around the world, Arrivals Duty-Free (ADF) would recapture nearly \$60 million in lost sales for Canada's airports. These recaptured revenues would result from sales that returning residents and international visitors now make at duty-free shops in foreign airports.

Globally, ADF has enhanced airport competitiveness. Higher sales revenues from passengers allow airports to reduce costs. In turn, this helps airports maintain and grow vital air traffic routes. However, the airport retail environment has been challenged by major changes in security rules. Since August 2006, restrictions on gels, liquids and aerosols in carry-on luggage have cost Canadian duty-free operations millions of dollars. For retailers and airports, Arrivals Duty-Free represents a major opportunity to replace some of these lost revenues. In short, Arrivals Duty Free would keep our airports financially competitive while maintaining safety and high-quality service for the travelling public.

For these reasons, I encourage the Government of Canada to implement Arrivals Duty Free. And on behalf of the Halifax Chamber of Commerce, I reiterate our total support for this initiative.

Should you require additional information, please contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "Valerie Payn". The signature is fluid and cursive, with a large, prominent loop at the end of the last name.

Valerie A. Payn
President and CEO
Halifax Chamber of Commerce