



THE CANADIAN
BAR ASSOCIATION
L'ASSOCIATION DU
BARREAU CANADIEN

December 20, 2013

Via email: Claude.Williams@gnb.ca; Hugh.Flemming@gnb.ca

Hon. Claude Williams
Minister of Transportation and Infrastructure
Kings Place
P. O. Box 6000
Fredericton, NB E3B 5H1

Hon. Hugh Flemming, Q.C.
Minister of Health and Attorney General
Chancery Place
2nd floor, room 2078
P. O. Box 6000
Fredericton, NB E3B 5H1

Dear Minister Williams and Minister Flemming:

Re: *Convention on International Interests in Mobile Equipment (aircraft equipment)*

I am writing on behalf of the Canadian Bar Association's National Air & Space Law Section (CBA Section) to urge New Brunswick to pass implementing legislation related to the *Convention on International Interests in Mobile Equipment* (Cape Town Convention). The Federal government recently ratified the Cape Town Convention and New Brunswick remains the lone province that has yet to put forward implementing legislation.

The CBA is a national association of over 37,500 lawyers, law students, Québec notaries and law teachers, and our mandate includes improvements in the law and the administration of justice. The CBA Section is a geographically diverse membership made up of counsel who represent aircraft operators and financiers, aerospace companies, and equipment manufacturers.

The CBA Section has supported the ratification of the Cape Town Convention and has monitored the developments in Canada from the beginning. We have consistently supported implementation in our meetings with government both at the federal and provincial level. The CBA Section has also facilitated the passage of complementary federal and provincial legislation.

The CBA Section is of the view that implementing the Cape Town Convention is good for aviation in Canada. This is true for both aircraft operators and businesses who finance and lease aircraft to operators. Implementation will also benefit the Canadian aerospace industry.

The Cape Town Convention is designed to facilitate asset-based financing and leasing of aviation equipment. Furthermore, it expands financing opportunities at reduced costs. The Cape Town Convention also enhances legal predictability thereby reducing many of the risks involved in financing and leasing aircraft equipment.

As long as your Province is not part of the Cape Town Convention, transactions involving operators and aircraft equipment located in New Brunswick may be faced with the cost and complexity of accommodating both the New Brunswick *Personal Property Security Act* (S.N.B. 1993, c. P-7.1) and the requirements of the Cape Town Convention. That is a significant deterrent for lenders and lessors financing deals with a New Brunswick connection. It is important for New Brunswick to make the Cape Town Convention a truly-national system for Canada. We urge you to move swiftly in adopting implementing legislation.

Yours truly,

(original signed by Noah Arshinoff for Brian Poston)

Brian Poston
Chair, National Air & Space Law Section