March 25th, 2015

The Honorable David Emerson,

Please accept and pass our gratitude to Canadian Government for the late developments between Canada and Turkey.

Canadian and Turkish Civil Aviation Authorities have come a long way during the past years. Their respective developments benefited mutually on destinations, sectors and airlines at a considerable level.

We strongly believe and hope that it is now the time to further enhance our relationship by moving into next phase.

In global sense, the year 2014 was prosperous for aviation sector. According to IATA figures, 3.3 billion people traveled across the globe and according to UNWTO 1.132 billion international tourists stayed overnight. This travel activity generated billions of dollars throughout the world boosting export and creating millions of jobs.

In the meantime, oil prices have declined considerably. Drop in oil prices not only positioned oil importing economies in a better condition, but strongly benefited consumers by providing them with a stimulus to purchase goods and services, including in transportation sector.

For the year 2015, the demand growth on overnight stay international travel seems to be in +5% ranges according to UNWTO. IATA forecasts that there will be 7.3 billion travelers in the next 20 years, doubling today's figures.

Today 66% of world air traffic is passing over Turkey. Within that scope, Istanbul has become the natural hub. The building of 3rd airport in Istanbul is planned to be finalized in three phases. When finalized completely, 3rd Airport in Istanbul will be serving 150-200 million passengers, automatically turning it to be the biggest in the world. This development will carry connections, business opportunities and new business models into another stage within and without Turkey. It will also act as a risk avoider with its rich alternative offerings. Istanbul's targeted traffic share as a hub is the 5% of that world traffic. There will still be an increased necessity and leave a lot more work to the rest of the hubs within its continent due to continuing rise in travel sector. Just as a sharp example; even with current demand today, 16 million populated Holland is serving 52 million transfer passengers via Amsterdam.

Since Airline market model is founded on "demand-supply balance" (not on "cost-plus model") any enhancements in this area will create a trigger effect especially within the scope of these positive soar in demand.

Operating on survival mode in aviation sector is long gone due to global economic growth and high rise in travel demand, now there is an advancing new generation model of aviation. In this scope, global air traffic binds industries such as tourism and trade between continents more effectively. Promptly vast spreading air money gets soaked in by the most remote and hidden economic organisms triggering a multiplier effect where it bulges to new trade packs directly effective on growth beyond borders than ever. As a measured fact, every air link between countries, air money has a direct positive raise in every person's GDP.

Complex nature of aviation sometimes require simple approaches; however whatever the reason may be any simple solution leading to a constriction in the growing industry; would be a turbulent problem.

For the competition platform of the aviation industry, it should be gazed as a whole. Revenue generated within the sector should be dispended meaningfully for a healthy eco-system.

This means any carrier or industrial participant who creates an uneven, unhealthy ground by operating beyond sector dynamics should be noted. On the other hand the reality of aviation being sensitive and a highly dynamic should also be taken into consideration where travelers and the sector itself are extremely quick in managing to meet the need of an existing demand.

Turkish Airlines world's ranked number one in terms of 108 countries flown and in terms of 221 international destinations covered is a strong member of Star Alliance with a vast network contribution.

Turkish Airlines four times consequently selected to be the Europe's Best Airline by Skytrax is covering via Code Share agreement almost 30 destinations reciprocally with Air Canada, five consequent times selected to be the Best Airline of North America by Skytrax.

Turkish Airlines will continue to grow globally. In ten years' time Turkish Airlines is seeking to operate 24 points in US.

Regarding Canada operations Turkish Airlines seek to operate daily two from Toronto, daily from Montreal and Vancouver. By doing so in correspondence with the limits allowed, Turkish Airlines believes this will tackle and reverse the leaking traffic to US from Canada (estimated 6 million air travelers for 2015) and also open up a new air corridor to US travelers from Turkey with application of *Transit Without Visa* (TWOV). This will also serve the positioning of Canadian Airports as being hub's for North America and beyond by enhancing the distribution of air traffic for Canadian Carriers.

At this point we would like to thank Canada Government for enhancing the flight frequencies in the previous years. Air Canada Operated daily flights from Toronto with approximate figures based on observation - /+%90LF; Turkish Airlines operated +%86LF from Toronto; +%83LF from Montreal and Montreal Airport had a %4.5 growth in 2014.

We strongly foresee and believe that increasing the air traffic between Canada and Turkey will serve well to all involving industries. For that reason, we once more seek your support in enhancing this mutual fruitful relationship for now and future.

Yours sincerely,

Tarkan Ince
Turkish Airlines
General Manager, Toronto