

AIR CANADA CAN SAVE US

BY

TIMOTHY GRAYSON

North Americans are too fat. According to recent medical research it's an epidemic resulting in elevated incidence of diabetes, heart disease, etc.

Obese people apparently have inadequate incentive to get fit. Corpulence is mainstream and the girth-challenged are victims of bad genes, no time to exercise, and the evil of targeted food marketing; and, victims claim special rights. For example, consider the recent demand for a free second seat on an airplane because, well, fat people just don't fit. It seems that paying half price for the adjoining seat is discriminatory.

This problem negatively affects too many: overweight people; those inadvertently discriminating by *not* treating the obese differently; those who lose their "space" to the encroaching next passenger; taxpayers; and many more. Obviously, something has to be done.

We're too fat because we overeat and under-exercise. It could be different were there more incentive to change. But while the primary motivators are appeals to *individual* health consciousness and vanity there will never be enough incentive for most people to lose weight. Part of the problem is that those most able to influence society *support* obesity. Change that and you can change the Canadian fitness level. Enter Robert Milton.

Milton assured us he would fix Air Canada in just 180 days. Since he isn't providing much value to anyone these days—not his investors, customers,

employees, or the country at large—maybe he could save Canada from the blubber bomb. Maybe even in 180 days.

It's a simple plan. The thrust is to change the incentive structure for fitness, placing it on the shoulders of Corporate Canada, using Air Canada as the lever to a greater good.

Air travel is the most effective way to travel distances. It is also most heavily trafficked by business travelers, making corporate travel budgets a substantial portion of the cost of doing business. So organizations have been working hard to reign in this expense. Now imagine the possibilities, were the cost to fly based on weight—like other cargo.

Every seat on an airplane would cost a fixed amount for passage. Say \$200.00 would provide a seat for the first 120 pounds of person. Above that would be a per pound-mile charge on weight exceeding the 120-pound threshold. For example, assume a \$5 per pound-mile charge for a "Hospitality" class seat between Ottawa and Vancouver. A 160-pound person would pay \$200 plus \$5 X 40, or \$400; a 300-pound person would pay \$200 plus \$5 X 180 = \$1,100. (The seat would, of course, fit.) Different seats might have different per pound-mile charge (e.g., a 10% premium for a bulkhead; \$10 per pound-mile for business/first class).

The idea's elegance is that everybody wins and the system is equitable. All passengers pay a threshold amount for basic fuel and food charges. Larger people pay proportionally more for the extra

space they occupy and the extra fuel required to get them from A to B. Everybody pays the same premium for preferential seating and service. Nobody can complain they're being unfairly discriminated against.

©2001, Timothy Grayson

Corporate travel cost cutting becomes very simple. Don't travel as much, or send smaller people. Make fat people who must travel lose weight. There's the financial incentive for organizations to support employee weight loss: the expense of paying to get employees in shape would be a more effective use of capital than the extra travel cost—even before factoring in secondary financial benefits such as group insurance premiums and so on. Employees would likely experience new career pressures to be smart, capable, *and* fit, or risk losing assignments to slimmer peers. Thus the system incents fitness, driven by the powerful force of business economics.

There is also a broad national benefit. A healthy country with reduced incidence of diabetes, stroke, heart attack, and other diseases, will make fewer demands on the public health care system. It's a well-known fact (or a pleasingly logical sounding fallacy) that the health-care system is unnecessarily burdened by chronic care needs due to complications from obesity. Reducing that cost could create savings substantive enough to ease tax requirements. As most air travelers are baby-boomers just now reaching their prime decaying years, the timing of this kind of action could not be better.

Finally, the idea provides one giant psychological benefit. Canadians (and Transport Canada) could feel better about our Air Monopoly mistake. While the quality of Air Canada's service would probably remain dubious, transparent competitive pricing is easier to monitor. So maybe the industry (i.e., Air Canada) could actually be kept from preying on customers and competitors. Besides, Air Canada would be doing something positive for a change.