

March 6, 2025.

Canadian Transportation Agency 60 Laval Street, Unit 01 Gatineau, QC J8X 3G9 Via e-mail: <u>Consultations-aeriennes.Air-Consultations@otc-cta.gc.ca</u>

Re: Comments to Canada Gazette, Part 1, Volume 158, Number 51: Regulations Amending the Air Passenger Protection Regulations.

The Northern Air Transport Association (NATA) was formed in 1977 to support the economic development of northern and remote Canada with safe and sustainable air transportation. Northern air carriers are not the largest in Canada, but we do provide essential services to the largest proportion of Canada's land mass and to many communities that have no road access and/or are not served by mainline carriers.

We welcome the opportunity to provide feedback on this Air Passenger Protection Rights (APPR) CG1 proposal from the Canadian Transportation Agency (CTA).

To better understand the operational realities and the challenges our members face, we feel it is necessary to share a map of our network. It gives a quick sense to the term "remote, northern or rural areas".



Background

Following the CTA's proposed changes to the APPR back in July 2023, we count 291 responses from a wide variety of groups and individuals. We are glad to see that the comments served as input to amend the APPR, acknowledging the different realities between the large and small carriers in the country. Most noteworthy, that there would be no knock-on effects for smaller carriers, especially our northern and remote ones. But there is still some work to be done.

Comments to the proposed amendments of CG1

Clear communications

We fully support clear, concise and reliable communications between the carrier and the passengers, but the reality of where we operate dictates the feasibility of doing so. The majority of our passengers in various remote communities may not have emails or cell phones, let alone cell service at the locality or WiFi to adequately respond to the requirement. The regulation should provide wording "where available and feasible", or something to that nature, leaving it up to the carriers.

Exceptional Circumstances

We are glad to see a more exhaustive list of exceptional circumstances, but it should not be limited to what is proposed, being too prescriptive. For example, meteorological conditions may not cancel or delay a flight, but it may not be able to carry a full payload due to potential icing or degraded runway conditions due to environmental issues (i.e., heavy rain eroding at a gravel runway). We can come up with similar examples for defects and medical emergencies that also mean denial of boarding for certain passengers to accommodate the medevac; an airport that is NOT closed but essentially inoperable for certain types of aircraft in certain circumstances, etc.

Northern and remote realities are very different than in the southern portion of the country. We can see having to explain these exceptional circumstances to passengers, but they are real. They will be very technical and perhaps difficult to grasp but we ask for the CTA's support for safety's sake.

Assistance

In many remote, northern or rural areas, a "hotel or other comparable accommodation" is simply not possible because it doesn't exist or is of very limited capacity. Same with meals. This is simply not applicable everywhere. The regulations need to spell this out, informing passengers on the variability and scalability of this assistance in order to manage expectations. Carriers should be able to specify where and what available passenger assistance is, or not.

Rebooking, refunds

At certain times, the passenger is not the one that booked the flight; it could have been done through Health Canada or some other organization. There has to be latitude or a provision to allow proper coordination with the booking organization. The same goes for refunds; the regulations should specify if a refund is issued to the booking organization or the individual passenger.

Claims and denial of claims

Putting the onus on the carrier to provide detailed explanations may be fairly technical, based on several aviation-related concepts. The claims adjustors or complaints resolution officer absolutely need to be aviation savvy to understand and mediate between carriers and passengers.

Administrative Money Penalties (AMPs)

Two issues come up concerning proposed monetary penalties. First, knowing that some people may want to abuse the system and see this as a money-making opportunity, the AMP must be commensurate with the amount paid to purchase a ticket. Second, in cases of organizations like Health Canada or a hospital booking a medevac, how would the claims and the penalties be addressed? Would these entities be considered a corporation or would each passenger under their supervision be addressed individually?

Regulatory Analysis

Benefits and costs

Without doing an exhaustive review of the cost-benefit analysis (CBA) presented in CG1, we can readily see its shortcomings.

First off, even if this subject was asked *not* to be part of these CG1 comments, we simply cannot ignore the "cost-recovery" proposal of \$790 for every claim that passes the eligibility review. It would be impossible to bear for the smaller carriers and the costs will absolutely be passed on to the passengers in some form or another.

Second, a \$0.93/passenger segment cost for a small carrier is not realistic. We don't know what calculations were used to get to that, but the assumptions for our operational realities are way off. Where a meal voucher of 17\$ is estimated, there is no such price for the majority of places our operators fly in and out of. Whether it be at one of the four major airports or the other smaller ones, a simple internet search of restaurants and their menus brings up a basic club sandwich at around \$25-\$30. Similarly, we did a quick search of hotels in Iqaluit (Frobisher Inn) and Yellowknife (Super 8). The best we get during the low season for one night is \$324 and \$314, respectively, more than double the assumed \$152/night.

Third, under certain circumstances, the CBA assumes a 50% ratio of passengers going to the hotel when in their home city. NATA suggests that some other mechanism be drawn up to determine who can or cannot have access to assistance when in their home city, not leaving it up to the passengers to decide. Generally, a passenger in their home city should be entitled to a meal and no more.

Summary

The CTA describes itself as "an independent regulator and quasi-judicial tribunal which contributes to a competitive, economic, efficient and accessible national transportation system¹." The way the APPR are presented or explained on the CTA <u>web site</u> looks like an open invitation to ask and get money, hotel or meals. We even see an icon of "New refund rights for passengers!" It gives off a sense of *don't let those nasty carriers exploit you*... It may explain why complaints in the queue, which should be minimal, are what they are today.

It is unfortunate that we are doing this to our aviation industry, to the carriers of our association and the others, all unsubsidized (unlike rail transport), which are a lifeline to so many Canadians. We believe the role for the CTA is to strike a balance between exceptional passenger service and making sure Canada's carriers provide a safe, affordable and efficient service, as our carriers strive to provide and have been doing so for decades.

The first APPR were a pendulum swing in the "all for passengers" direction, perhaps to get a message across. This revision is the opportunity to reach that balance and give its laurels back to airline travel in Canada.

A few general recommendations:

- 1. An APPR travel insurance to sensitize passengers, see if they want to adhere to the principle. A one-year trial of adding a certain amount as "APPR insurance fee" to every ticket at time of purchase and making it optional for every passenger, clearly stating what it is used for. They either opt-in and benefit from the rights or opt-out.
- 2. CTA to allow air carriers, at their discretion, to include the available assistance and communications facilities specific to each location they serve in their tariffs.

Best regards,

Bernard Gervais Executive Director Northern Air Transport Association www.natacanada.org Tel : +1 514 570-5369

¹ <u>https://otc-cta.gc.ca/eng/home</u>