



September 2007

Amendments to the *Canada Transportation Act* (Bill C-11) Affecting Domestic Air Transportation

This bulletin on the legislative changes to Part II of the *Canada Transportation Act* (Air Transportation) is being provided in order to assist domestic air carriers to assess the impact of the changes on their operation.

Bill C-11, "An Act to amend the *Canada Transportation Act* and the *Railway Safety Act* and to make consequential amendments to other Acts", received Royal Assent on June 22, 2007. The Bill may be viewed at the following Web site:

www.parl.gc.ca/common/bills_ls.asp?lang=E&ls=c11&source=library_prb&Parl=39&Ses=1

Summary of Amendments to the Act

Discontinuance or Reduction of Service

- Subsection 64(1.2) clarifies that domestic air carriers proposing to discontinue or reduce certain services are required to provide elected officials with the opportunity to meet with them and discuss the impact of their proposals as soon as practicable.
- Pursuant to paragraph 65(a), the Agency may now order the reinstatement of a domestic service, which has been reduced or discontinued without giving proper notice, for a maximum period of 120 days as opposed to the 60 days previously set out in the Act.

Pricing

- Amendments to section 66, which deals with complaints concerning the unreasonableness of passenger fares or cargo or increases of such rates on domestic routes with no or limited competition, clarify the information to be considered by the Agency in making its findings in respect of such complaints and the meaning of alternative domestic services.

Public Disclosure of Terms and Conditions of Carriage

- Changes to paragraphs 67(1)(a) and 67(1)(a.1) require carriers to post signage in a prominent place at all their business offices stating that their domestic tariffs, including terms and conditions of carriage, are available for on-site public inspection. A business office is defined in the *Air Transportation Regulations* to include any place in Canada where an air carrier receives goods for transportation or offers passenger tickets for sale, but does not include an office of a travel agent.
- Any Internet site that a carrier uses to sell its domestic services must now also contain the air carrier's terms and conditions of carriage. Similar provisions covering international air tariffs will come into effect once new regulations are passed as per paragraph 86.(1)(h)(iv).

Confidential Contracts

- Amendments to section 68 provides that the terms and conditions of carriage relating to confidential contracts must now be disclosed except where an employer is a party to the contract and the contract relates to travel by its employees.

Complaints

- According to amendments to section 67.1, the Agency can no longer make a finding on its own motion that a domestic air carrier has applied a fare, rate, charge or term or condition of carriage that is not set out in its tariff. Such a finding can now only be made following the filing of a complaint with the Agency.

Air Travel Complaints

- Subsection 85.1 integrates the role of the Air Travel Complaints Commissioner into the day-to-day operations of the Agency and limits the Agency's mandate to complaints made under the provisions of Part II of the Act. The Agency will continue to apply its existing informal and formal processes to resolve air travel complaints.

Air Price Advertising

- Subsection 86.1(1) which requires the Agency to make regulations governing air price advertising, will come into force on a future date to be fixed by order of the Governor in Council.

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