



**Submission by the Airport Management Council of Ontario (AMCO) to the Canadian Transportation Agency (CTA) on Proposed Amendments to the Air Passenger Protection Regulations (APPR) as Shared in Canada Gazette 1 – Submission Due: 6 March 2025**

**Who We Are**

As the senior advocate of airport owner and operator organizations in Canada, the Airport Management Council of Ontario (AMCO) is a provincial organization committed to the sustainability of airports nationally. Incorporated on October 18, 1985, AMCO's aims are to represent the interests of the owners and/or operators of airports and aerodromes in the province of Ontario; and, to promote the safe and efficient operation of those airports.

**Commentary**

The Airport Management Council of Ontario (AMCO) appreciates the comprehensive way the Canadian Transportation Agency continues to connect with stakeholders in its efforts to establish fair and justifiable amendments to the Air Passenger Protection Regulations (APPR). Still, there are significant concerns with the proposed regulations shared in Canada Gazette 1 (CG1), and AMCO wishes to address them in this submission. Movement towards the recommended regulations have the potential to increase air transportation costs which may compel travellers to seek out alternative options. As a result, regional connectivity – which has not fully recovered from the economic shock of the COVID-19 pandemic – will be impacted as air carriers may not consider such routes profitable. Please see discussion on both points below.

**1. Increased Costs Do Not Benefit the Canadian Market**

One cannot dispute the importance of air travel to Canadian connectivity as this mode of transportation is imperative to economic development and maintenance of key personal connections across the country. Despite the vital nature of air connectivity, it is common knowledge that Canadians typically pay greater fees and taxes than in most places around the world. Additionally, it is known that regional routes across Canada are expensive to maintain and occur with less frequency than similar routes in other comparable markets. Canadian passengers already shoulder significant costs; therefore, it is concerning that the anticipated amendments in CG1 portend that airlines will face additional costs. It is a familiar practice that businesses faced with increased costs pass them on to the consumer. Canadians will undoubtedly pay more for air travel if the regulations suggested in CG1 are implemented as is. A prospect remains that Canadians may bypass air travel through Canadian airports if geographically possible (as in border cities and/or those near hub airports rather than a regional one) or pursue alternative modes of transportation to avoid the high cost of the Canadian market.

**2. Impact on Regional Airports**

Once again, AMCO would like to reiterate that the content of the APPR and the proposed revisions in the CG1 have been composed with hub airports in mind and without serious consideration of the impact on regional



airports. Let us note again that the requirement to rebook passengers within 9 hours is unfeasible, as small and regional airports do not have adequate flight volumes to fulfill this requirement, especially with knock-on effects factored into the equation. Further, it must be shared again that aircraft and flight crews that service regional flights engage in multiple turnarounds in a single day; therefore, any delays or cancellations during any part of the day often leads to a series of knock-on effects that must be managed by air carriers. The expensive nature of regional routes coupled with the higher element of risk (as demonstrated in the two examples) will disincentivize commercial carriers to continue and/or increase regional routes. Air carriers will side with the provision of longer, profitable routes leaving a large segment of Canadians chronically underserved by the air sector.

Canadian consumers often hear that the air sector has recovered in totality from the economic shutdown of the COVID-19 pandemic, but the same cannot be said for the regional market at the current time. The number of flights offered by air carriers have not returned to their pre-pandemic levels for a myriad of reasons. It would be problematic to pursue a series of regulations that hamper the potential business development of regional routes and consequently the sustainability of regional airports across Canada.

## **Conclusion**

AMCO acknowledges the seriousness of amending the Air Passenger Protection Regulations to best compensate customers; however, any final decisions on impending regulations must be fair to all stakeholders involved. Further, the forthcoming amendments should not set a disparate standard from those already set or under revision in other markets, like the European Union, Australia, and the United States.

It is the aspiration of AMCO that the CTA reviews the anticipated regulatory changes shared in the CG1 with the concerns raised in this document under consideration. Increased costs assumed by Canadian passengers does little to bolster travel demand and a lack of demand will certainly be felt by regional airports first. As airlines undergo economic risk assessments of regional routes, there are significant and real concerns that they will not invest in regional service, leaving a large segment of Canadians without the ability to connect with hub airports to further destinations. The sustainability of regional routes is at risk.