

Submission to the Canadian Transportation Agency

by the Latin American and Caribbean Air Transport Association to

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The Latin American and Caribbean Air Transport Association (ALTA) appreciates the opportunity to provide comments on the proposed amendments to Canada's Air Passenger Protection Regulations (APPR). ALTA is a private, non-profit organization that represents 180 industry members, including airlines, suppliers, and other aviation stakeholders in Latin America and the Caribbean. Our mission is to foster a safer, more efficient, and environmentally responsible aviation industry, advocating for policies that promote connectivity, economic development, and sustainable growth in the region.

We believe that the proposed regulation I imposes a significant operational and financial burden to our airline members and would like to emphasize the specific challenges these changes create for Latin American and Caribbean carriers operating to and from Canada.

Global Competitiveness and Regional Connectivity

Given the increasing complexities in the Canada-U.S. trade and aviation relationship, it is essential to highlight the pivotal role that airlines play in strengthening economic ties between Canada and Latin America. Aviation is a key driver of tourism, trade, and investment between our regions. The air connectivity between Latin America and Canada has seen remarkable growth, expanding from 42 routes in 2003 to 239 in 2024. This expansion has facilitated a significant increase in passenger demand, rising from 1.1 million passengers in 2003 to over 13.2 million in 2024. However, despite this progress, regulatory challenges continue to pose a risk to maintaining and further enhancing this connectivity. However, despite this importance, Latin American and Caribbean airlines face growing obstacles in maintaining and expanding connectivity with Canada. The regulatory environment—including the already stringent APPR—has led airlines to reconsider operations in the Canadian market due to rising costs and administrative burdens.

Similar to the trends observed with U.S. airlines, Latin American and Caribbean carriers are also facing difficulties in sustaining pre-pandemic service levels to Canada. While airlines have expanded service to other international markets due to more favorable conditions, capacity into Canada remains constrained. After a steady increase in passenger traffic between Latin America and Canada from 1.1 million in 2003 to over 12.1 million in 2019, the pandemic caused a drastic decline to just 1.9 million passengers in 2021. While the market has since recovered to over 13.2 million in 2024, additional regulatory burdens such as the proposed APPR amendments threaten to hinder future growth, limiting the ability of airlines to sustain and expand operations in the Canadian market. Additional regulatory burdens, such as the proposed APPR amendments, will further exacerbate this issue, ultimately reducing travel options for passengers and weakening economic ties between Canada and Latin America.



Challenges for Latin American and Caribbean Airlines

1. **High Operational Costs and Regulatory Burdens:** The APPR, in its current form, already imposes significant financial and administrative costs on airlines. The proposed amendments will only intensify these challenges, making Canada a less attractive market for Latin American carriers.
2. **Lack of a Balanced Approach to Passenger Protections:** An effective consumer protection framework must balance passenger rights with the economic realities of airline operations to ensure long-term connectivity and affordability. The APPR amendments, as currently structured, disproportionately shift financial and operational risks onto airlines without addressing the root causes of disruptions.
3. **Impact on Smaller and Developing Market Airlines:** Many Latin American and Caribbean carriers operate with thin margins and must carefully evaluate the financial viability of maintaining routes to Canada. Increasing regulatory costs could force airlines to reduce or eliminate routes to Canada, thereby diminishing connectivity and competition.
4. **Comparative Disadvantages:** Other regions, such as the United States and the European Union, offer regulatory frameworks that, while not without their challenges, take a more measured approach to balancing consumer rights with airline viability. Canada's increasingly stringent regulatory environment places it at a competitive disadvantage in attracting international carriers.

Recommendations

ALTA urges Canadian authorities to take a holistic approach to air transport regulation, ensuring that any amendments to the APPR:

- Foster a competitive and attractive aviation market for international carriers.
- Ensure shared accountability across the aviation ecosystem.
- Avoid excessive financial and administrative burdens that discourage connectivity.

Recognize the unique operational challenges of Latin American and Caribbean carriers. We appreciate the opportunity to contribute to this consultation and strongly encourage Canadian authorities to consider the broader implications of these regulations on Latin American and Caribbean aviation. Ensuring a balanced and sustainable regulatory framework will support connectivity, economic growth, and consumer choice. The remarkable increase in air routes and passengers between Latin America and Canada underscores the demand for air travel and the economic opportunities it fosters. Implementing excessive regulatory burdens at this stage risks reversing this progress, reducing connectivity, and ultimately limiting consumer choice.

Sincerely,

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