

March 06, 2025

Air Consultations
Canadian Transportation Agency
60 Laval Street
Gatineau, QC, J8X 3G9

Re: Consultation Response to Proposed Amendments to Canada's APPR

Dear Sir/Madam,

Calm Air is grateful for the opportunity to be involved in the consultation process for the proposed amendments to Canada's Air Passenger Protection Regulations (APPR). We have proudly served communities within northern Manitoba and Nunavut for over 60 years, and look forward to continuing to provide these regions with safe, reliable and essential services.

Understanding the intent of the proposed changes, after conducting an extensive review of the amendments to the APPR, and various cost impact analysis associated with these changes, we ask the CTA to seriously consider the negative consequences for travelers and the air carriers serving Canada's remote communities.

Operation to and within remote communities present unique challenges that other airlines may not experience such as:

- Multiple day weather events where access to the airport remains restricted after the weather has passed while the community clears roads to the airport.
- Short runways – aircraft take penalties while landing or departing shorter runways.
- Gravel runways – aircraft take penalties while landing or departing gravel runways, which also increase risk of damage to aircraft due to the nature of the runway.
- Limited Navigations and landing aids – older technology prevents lower approach numbers increasing the chance a flight will operate and be unable to land upon arrival at destination.
- Limited weather and runway reporting and infrastructure. Often communities only have one or two trained weather observers or runway maintenance staff. This regularly results in no weather being reported, or the runway being cleared. Additionally, many remote airports do not provide any services outside of their published hours. Including weather and clearing of the runway. This often results in no services during evenings, weekends or holidays preventing the safe operation of flights into that community and resulting in cancellations.
- Lack of alternates or take off alternates – to dispatch a flight, an alternate airport is chosen, should you be unable to land at your planned destination. In remote areas there may not be an alternate that is available due to the greater distances between communities. To depart in lower visibility you must be able to meet the re-land minima should the aircraft experience a maintenance event requiring you to do so (i.e., bird strike). Some relief is given to depart with a reported visibility of ½ SM if you have a take off alternate within one hour distance operating on one engine. With the distances between the communities this is not always possible.
- Lack of / limited accommodations and food options in many communities.

Compensation

The proposed changes may not provide the intended clear and comprehensive process unless the list of "Exceptional Circumstances" is well defined. Additionally, proposing to allow passengers to file compensation claims with any airline involved in their itinerary, is not feasible as differing systems prevent the ability for carriers to verify another's disruption cause. Duplication of claims and management of this process would be impractical based on system inabilities and resource allocation to such tasks.

Burden of Proof

The burden of proof being fully transferred from the passenger to the airline, may result in misinterpretation of information provided if technical documentation is misunderstood by the passenger. Some documentation must remain of a technical nature to provide the required "proof" for the applicable claim. This information may also contain proprietary information, which cannot be passed onto the public, making it difficult to provide the passenger with this proof directly.

The current claims processing window is unrealistic if the burden of proof is shifted to airlines.

Exceptional Circumstances

It is imperative that the list of exceptional circumstances be clear and specific, to eliminate varying interpretation, especially when it comes to technical / mechanical issues. The amended regulations should foster safe industry practices, and not penalize airlines for unexpected safety situations and should also allow the flexibility for air carriers to demonstrate that a disruption was beyond their control and qualifies for an exemption.

Knock-on Effects

As a small regional carrier, our northern operations are scheduled to accommodate a 'hub and spoke' schedule, where customers travel in and out of the hub, connecting to the spokes, which are the smaller surrounding communities. If the hub flight is disrupted, we routinely hold the other flights for connecting passengers both north and southbound. We certainly could depart these flights on time, but run of the risk of most passengers misconnecting to their destinations. Not being able to connect, with limited services to these remote locations may result in overnights and further inconvenience to customers. By holding these flights, we are able to provide better service levels and meet the needs of our customers in the regions we serve. Being penalized for doing the right thing for our customers is not ideal.

Assistance (Standards of Treatment)

It is proposed that air carriers be responsible for providing assistance during all flight disruptions resulting in a delay of two hours or more, irrespective of the disruption being deemed an exceptional circumstance or not. From the customer's perspective, the impact to airlines operating in challenging geographical areas will be difficult to accept, as weather events in northern communities contribute to regular flight disruptions sometimes lasting a full week. The caveat to provide assistance for 72 hours following the disruption will only further complicate the process for both passenger and carrier, in situations where inclement weather is ongoing in excess of 72 hours. How will customers understand in the middle of a blizzard that the standards of treatment only apply for three days and they now have to cover the remaining expenses, obtaining their own accommodations – how is this to be managed during ongoing weather events? Additionally, the sheer cost of these expenses for any period of time, let alone for a 72-hour period during a weather event are astronomical. Hotel accommodations in some remote northern communities average \$400.00 per night, per customer and are difficult to obtain, or non-existent.

The lack of adequate accommodations in northern communities creates a significant challenge when airlines are required to provide overnight accommodations. Options are limited at best, and persons with disabilities may not be provided with suitable accommodation that meets their needs. These challenges place a risk of non-compliance on the carrier and may result in the potential discontinuation of some community flight services.

The differences in infrastructure within northern communities create many barriers compared to larger airports and therefore, all regions should not be held to the same standard when it comes to providing Assistance / Standards of Treatment. Regular and proactive maintenance of runways and airfield infrastructure such as weather reporting, are essential to the success of all air carriers operating in the north. Weather presents a challenge when approaches have not been upgraded to assist in safe operations on poor weather days. In most locations, airport service hours operate during business hours only, resulting in airport staff not being available during flight service times, or during weather events and flight disruptions (typical operating hours for airport staff are Monday to Friday from 08:00 am – 16:30 pm). Due to this lack of infrastructure, many carriers are unable to obtain local weather and runway reports required for safe operations in and out of remote communities.

Many variables are outside of the air carriers' control, but will now become our financial burden if these proposed regulations go into effect. As a region with unique geographical challenges and a critical role in connecting communities, it is essential that the infrastructure supporting northern airports is not only maintained, but also enhanced to meet the demands of the future.

Infrastructure in northern communities create many barriers compared to larger airports in southern regions and should not be held to the same standards with respect to the obligation to provide Assistance / Standards of Treatment.

Refunds

The obligation to provide all refunds within 15 days from when the passenger becomes entitled to the refund, rather than the current 30 days needs to be more realistic based on method of payment used. If payment was processed using a credit card or approved account, the proposed timeline is feasible. If payment was processed using a debit card or other method on-site, processing the refund may require payment via electronic fund transfer or cheque, and therefore the airline would require a more reasonable timeline. In remote communities, various methods of payment are accepted to accommodate customers who do not have credit cards, which is common and poses a major hurdle when processing a refund payment.

Communications

Although The Agency pushes for detailed communication to be provided electronically, there are many ongoing challenges with electronic means of communication in the north. Many passengers are booked by third-party agencies, traveling for medical purposes, duty travel or contract work. Many of these agencies require communications to be facilitated with them directly in order to meet contractual obligations for accommodation of travel. Many community members face hurdles with poor or non-existent cellular and / or Wi-Fi services, or have no access to an electronic device or means of communication at all. Communication via social media is heavily relied upon within many northern communities versus other conventional means.

The sheer volume of information which is expected to be included in all flight disruption notifications and specifically through electronic means, will be extremely difficult to provide to passengers in a comprehensive and simplified manner. Many regional carriers do not subscribe to company Apps, text messaging services and push notifications, aspiring to reduce further operating costs imposed by these services. Development and implementation of more robust technologies and infrastructure will require a considerable amount of time, resources and expense to ensure the long list of requirements are met.

The suggestion to gather contact information during the check-in process, will not resolve the barriers that preexist, and therefore place a great risk of non-compliance on many northern operators without exceptions to accommodate these barriers.

Increased communication requirements will not simplify the travel experience and present concerns with respect to passengers transferring between airlines where multiple causes of delay exist and there are no shared systems which carriers can use to relay this information.

Small carriers do not have the same resource infrastructure as larger carriers, which would be required to develop, implement and manage these new requirements. Although there are existing communication requirements within the APPR, amendments will require website changes, documentation updates, policy and process adjustments and training rolled out to all staff prior to effective dates.

Administrative Monetary Penalties (AMPs)

An increase of AMPs should have a customized structure, as is not feasible to apply the same penalty to all carriers if the proposed penalty is increasing from \$25,000 to \$250,000. This increased penalty is disproportionate from the economic realities of operating in regional, rural and remote locations. This substantial increase and financial burden will impact the feasibility of existing services and route expansion.

Cost Analysis

Estimated costs associated with accommodations, meals and transportation are not accurately reflective of higher expenses in remote locations and do not account for accurate inflation assumptions. Substantial financial burden may result in a significant increase to air travel in order to offset APPR costs.

Analysis of providing assistance (standards of treatment) for all flight disruptions alone, would result in carriers potentially being forced to discontinue service in some remote locations where situations beyond their control regularly affect operations.

*****Confidential Information not to be shared with the public*****

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Overall Impact

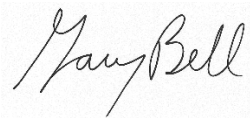
The goal of the APPR is to improve airline performance for the traveling public. The regulations as they stand, nearly do the opposite placing an onerous burden on northern airlines and increasing the cost of air travel. Imposing higher penalties and additional monetary obligations will not directly benefit the industry. Air travel to and within our northern communities is already costly, and although Indigenous peoples have been included in the consultation process, there may not have been enough consideration given to the potential impact on these northern communities. Air travel to, from and within the north is an essential service for these communities, which cannot be compared to travel between major cities in

southern regions of Canada which fall heavily into the leisure or discretionary travel market. Proposed changes will increase operational expenses, discourage competition, driving up consumer costs which will threaten the viability of air service in various regions.

Calm Air asks the Canadian Transportation Agency to please reconsider the proposed amendments and extend the consultation process, visiting northern / remote communities and further engaging with regional air operators in order to fully understand the complexities carriers and customers are faced with. This will allow a regulatory framework to be developed which supports passenger rights and air travel sustainability in Canada.

We thank you for your consideration and welcome the opportunity to further discuss regulatory adjustments that will benefit all stakeholders.

Sincerely,

A handwritten signature in black ink that reads "Gary Bell".

Gary Bell
President and CEO
Calm Air International LP
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