

# **Comments on proposed regulations published in Canada Gazette, Part I, Volume 158, Number 51: Regulations Amending the Air Passenger Protection Regulations**

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**Submission type:** Airlines / Industry

**Name:** Greater Sudbury Airport

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## **General Comment**

Subject: Greater Sudbury Airport's response to the Canadian Transportation Agency's request for Consultation on Proposed Amendments to the Air Passenger Protection Regulations (APPR)

### Who We Are

The Greater Sudbury Airport, northeastern Ontario's largest airport, is committed to improving the passenger experience for Canadian air travel, with the ultimate goal of restoring reliable air travel for Greater Sudbury and all regional airports in Canada. While working toward rebuilding air service that our passengers can truly depend on following years of devastation to the aviation sector, we also advocate for support in finding a balance of fair compensation when disruptions to air travel occur. As such, we find it prudent to share our deep concerns over the possible implications to Canadian regional connectivity and the aviation sector as a whole if the proposed amendments shared in December 2024, in the Canada Gazette 1 (CG1) to the Air Passenger Protection Regulations (APPR) legislation are codified. These amendments pose significant risks to Canada's regional aviation sector and, if implemented, will have a detrimental impact on the ability of smaller airports, like Greater Sudbury Airport, to maintain connectivity and affordability for our communities.

In many regional communities, including Greater Sudbury and surrounding, airports are an economic anchor within the region and critical to the overall health of communities. Air service brings a significant source of economic benefits, including well-paid direct and indirect jobs while supporting local businesses, as well as numerous economic spin-off effects through the many third-party services required to run an airport and support airline operations. Beyond passenger travel, the regional air sector is also critical for several industries including cargo, freight and logistics, healthcare, education, civil

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emergency services, national defense, communications, mining, natural resources, international trade, and immigration. For any of this to be possible, however, regional airports are reliant on airlines to offer air service to and from these airports.

Notwithstanding the above, Canadian regional airports are also facing an unprecedented overwhelming struggle to finance their operations as the number of routes regional air carriers once served have not returned in the post-pandemic period. Commercial air carriers have attempted to restore and add short-distance regional flights, but the complex nature of their own internal issues, including pilot shortages, staffing, and additional regulations results in a condition where there are abrupt schedule changes, delays, and cancellations. These factors contribute to the poor reliability and lack of flight options for regional routes experienced by passengers that consequently compel them to pursue travel options that exclude their local airports and opt to fly from large hub airports.

It is with these concerns that the Greater Sudbury Airport implores the Canadian Transportation Agency and Government of Canada to take into consideration when creating a policy package where passengers are adequately compensated, and airlines are not punitively impacted to the point that regional markets go unserved due to a lack of financial viability. There is ultimately a need for a balanced approach to passenger rights that allows routes to be financially viable, will not undermine airlines' competitiveness, while still supporting a more efficient, affordable, reliable, and inclusive air travel system in Canada, including one that considers the unique challenges faced by regional airport sector.

#### Acknowledgment of Consultation Process

The Greater Sudbury Airport acknowledges the Canadian Transportation Agency's efforts to engage stakeholders in the amendment process of the APPR. However, significant concerns remain regarding the feasibility and potential unintended consequences of these proposed regulations. While passenger protections are important, the amendments outlined in CG1 will negatively affect regional air connectivity, affordability, and the long-term viability of regional airports, like ours, across Canada.

Our most significant concerns with the proposed changes and their impact on regional airports and the aviation sector are outlined below:

#### Increased Costs Will Harm Passengers and Regional Airports

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One cannot dispute the importance of air travel to Canadian connectivity, as this mode of transportation is imperative to economic development and maintaining personal and business connections across the country. Despite this, Canada already ranks among the most expensive countries for air travel due to excessive government taxes, fees, and regulatory costs. The amendments proposed in CG1 will further increase the financial burden on airlines, which will inevitably be passed down to passengers.

This cost increase will discourage air travel, particularly in regional markets where fares are already higher than in larger hub airports. Canadian passengers may seek alternative travel methods or bypass regional airports in favour of hub airports, leading to a further decline in demand and connectivity. In border cities, passengers may choose to travel through U.S. airports to avoid the rising costs within Canada's aviation sector, further hurting domestic airports.

#### Threat to Regional Connectivity and Airline Viability

Regional routes operate on razor-thin profit margins, and any additional costs imposed by the proposed amendments to APPR in CG1 will make these routes even less viable. Airlines are already making difficult decisions regarding service to smaller markets, and increased regulatory costs will further incentivize carriers to prioritize longer, more profitable routes over regional service.

Additionally, we strongly believe that the requirement to rebook passengers within nine hours is unrealistic for regional airports like ours, which do not have sufficient flight volumes to support such a mandate. Given that regional aircraft and crews engage in multiple turnarounds per day, delays and cancellations have cascading effects on operations. The rigid nature of these regulations does not reflect the operational realities of regional aviation, and as a result, airlines may choose to reduce or eliminate regional routes altogether, leaving many communities disconnected.

#### Operational and Practical Concerns

The proposed regulations do not adequately consider the complexity of global aviation operations. Airlines must navigate varying international jurisdictions, third-party service providers, and unpredictable operational challenges. The lack of flexibility in proposed APPR amendments in CG1—particularly regarding passenger care, rebooking, and compensation—places an unreasonable burden on carriers and airports alike.

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Furthermore, while some international jurisdictions have pursued similar regulatory measures, recent trends indicate a shift away from overly punitive airline compensation regimes. For example, Australia has removed airline compensation obligations under its new Aviation Charter, the U.S. has paused its reforms, and the European Union is considering modifications to reduce costs to airlines. Canada must remain competitive in its aviation policies rather than introducing additional burdens that threaten regional connectivity and the financial health of its aviation sector.

### The Regional Sector Has Not Fully Recovered from COVID-19

There is a misconception that Canada's air sector has fully rebounded from the COVID-19 pandemic. While major hub airports have experienced substantial recovery, regional airports are still struggling to return to pre-pandemic levels and continue to not receive the needed support or relief from the federal government. Many airlines have yet to restore full flight schedules to regional markets due to lingering economic challenges, pilot and overall labour shortages, changes to legislation related to aircrew, and high operational costs. Adding further regulatory burdens will only slow this recovery, limiting growth and development opportunities for smaller airports that rely on a steady influx of passenger traffic.

### A More Balanced Approach Is Needed

While we support efforts to improve passenger protections, regulations must be fair and practical for all stakeholders involved. Any final amendments should not set an unreasonable precedent compared to those being implemented or revised in other markets, such as the European Union, Australia, and the United States.

Rather than imposing additional financial burdens, we urge the government to focus on reducing the excessive taxes and fees currently levied on air travel and increasing federal support for regional airports. A more balanced approach will ensure passengers are protected while also maintaining the sustainability of regional air transportation.

### Conclusion

The Greater Sudbury Airport strongly opposes the proposed amendments to the APPR as outlined in CG1 in December 2024. These changes will inevitably drive up costs for passengers, disproportionately harm regional airports, and further reduce connectivity in Canada. Increased costs assumed by Canadian passengers do little to bolster travel demand, and a lack of demand will be most acutely felt by regional airports.

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As airlines reassess the economic viability of regional routes, there are serious concerns that they will not invest in continued or expanded service, leaving many Canadians without access to essential air travel. The sustainability of regional aviation is at risk.

We urge the Canadian Transportation Agency to reconsider these amendments and work collaboratively with industry stakeholders to develop a framework that protects passengers while ensuring the long-term viability of regional air transportation.

Thank you for the opportunity to provide feedback on this critical issue. We welcome further discussions to ensure a fair and balanced approach to air passenger protection.

Sincerely,

The Greater Sudbury Airport

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