

Call with Perimeter Aviation

On January 28, 2025, Canadian Transportation Agency (CTA) staff met with representatives from Perimeter Aviation to discuss the proposed amendments to the Air Passenger Protection Regulations (APPR) and the effect they might have on Perimeter Aviation's operations (and other northern carriers generally).

Participants

Perimeter Aviation:

- Joey Petrisor – President/CEO
- Brad Byrne – Vice President, Commercial Services

CTA:

- Allan Burnside – Senior Director, Analysis and Regulatory Affairs Directorate
- Rakesh Manhas – Team Leader and Senior Economic Advisor
- Mary Johnson – Team Leader and Senior Policy Advisor
- Tim Zarins – Policy Analyst

Below is a summary of the concerns, issues and comments that were raised by Perimeter Aviation's representatives during the call with the CTA.

Remote Communities and Access Issues:

- Perimeter serves 22 northern communities with limited access to transportation — most are fly-in only, with no road access for 10 months of the year.
- Lack of airport infrastructure, including non-precision runways and poor weather reporting.
- Inadequate maintenance facilities and de-icing infrastructure at northern airports. Operator funded limited type I and no type IV
- Relocation of runways/airports and substantial infrastructure investment needed to improve access.

Challenges Facing Northern Airports:

- Most northern airports are poorly equipped (non-instrument runways which are only capable of allowing at best a 500-foot minimum decision altitude, weather reporting issues, and limited de-icing capacity).
- Any maintenance results in an air turnback, which are frequent due to poor infrastructure and weather – otherwise, northern carriers run the risk of having aircraft and passengers stranded at a given airport for days/weeks on end.

- Lack of funding for northern airport infrastructure (e.g., Transport Canada (TC) funding program for northern airports only has \$37M available for all northern airports).
- The infrastructure gap limits northern airlines' ability to operate in similar manner to large southern carriers.

Infrastructure Decline and Lack of Investment:

- The impact of climate change on maintenance costs and runway standards is a significant concern (e.g., propeller damage due to poorly maintained runways have increased maintenance/repair costs by 100% in recent years).
- Governments have not funded northern airports adequately, with infrastructure needs vastly outpacing available funding.
- Proactive investment and maintenance of infrastructure essential to ensuring the sustainability of northern air services.

Compounding Regulatory Effects on Flight Operations and Crew Shortages:

- The regulatory environment has worsened the pilot shortage; change to duty hours regulations has shortened flight day and required hiring of 20% more pilots.
- Fatigue rules have reduced number of flights/trips a Perimeter pilot could do by 30% in a flight duty period. Recent changes to crew hours rules combined with the proposed APPR amendments could further exacerbate these issues in the North.
- TC is also working on new regulations that will change visibility requirements for landings; this will increase number of delays/cancellations due to weather and runway conditions for landing at northern airports.

Financial Strain on Northern Airlines:

- Northern passengers and carriers rely heavily on government supports for medical transportation (50% of passengers on Perimeter flights are medical-related).
- The government's role in funding medical flights is critical, but this model is not widely understood by the public.
- The proposed changes will lead to higher ticket prices and further financial strain on northern carriers, passengers and government.

Proposed APPR Amendments and their potential Impact:

- Proposed APPR amendments to assistance (e.g., 72h assistance rule) will result in significant costs and challenges for northern airlines.
- For Exceptional Circumstances: Northern air carriers face special challenges related to airport operations and airport infrastructure that is out of their control. Regulatory requirements could penalize airlines in situations that are the result of things they have no control over (e.g., damage to aircraft propellers due to gravel

runways; shorter airport operation hours; lack of de-icing and maintenance capacities; northern weather and visibility challenges).

Passenger Compensation and Accommodation Issues:

- Currently, passengers traveling for work or medical reasons to, or from, remote communities are taken care of by work/government if air services are delayed.
- Accommodations for stranded passengers in the North are limited and often costly if available.
- Concerns raised regarding the proposed APPR 72h assistance rule – would have a significant financial impact in comparison to current situation where there is no carrier obligation to provide assistance to passengers when delays are outside a carrier’s control.

Need for Tailored Regulations for Northern Operations:

- Regulations should consider the unique challenges of operating in the North (e.g., limited infrastructure, severe weather, high operational costs).
- There is a need for exemptions or adjustments to the proposed regulatory changes to better suit the realities of northern aviation.
- Regulations should recognize that northern carriers, particularly smaller ones, face more challenges than larger southern carriers, which should afford more operational flexibility.
- Could regulations make exception/carve-out based on infrastructure of airport (e.g., what kind of approach runway it has) or based on whether a community has other access modes (e.g., year-round road access vs no road access)