

In responding to the request for feedback to the CTA Consultation in Refunds, Air North submits the following responses to the questions asked:

1. The entitlement to a refund will apply if the airline cannot complete the passenger's itinerary within a reasonable time. In the context of an event outside of an airline's control - such as a border closure, security incident, or volcanic eruption - what should be considered a "reasonable time" for completing a passenger's itinerary?

Many communities may not be served by more than one carrier; flights are often less frequent and due to the multi-stop (milk run) nature of certain service, there may be very high load factors on the first and last legs of the journey, making it may be high enough to be prohibitive to accommodate immediate re-accommodation of displaced passengers even if overall load factors are very poor on the network, such as is the case for many Northern Airports. In other cases, essential supplies including, but not limited to food and medicine may take precedence. We would advocate for the phrase "as soon as is reasonably possible or practical." This concept would be supported by the requirement for Carriers to provide standards of care for displaced passengers for events both within Carrier control and within Carrier control but for reasons of safety, as the cost benefits of completing a passenger's itinerary may be lesser than the accrued standard of care costs and potential compensation.

2. The entitlement to a refund could potentially apply not just in the context of a flight cancellation, but also a "lengthy delay." What should be considered a "lengthy delay"?

The term "lengthy delay" is subjective to the purpose of travel. The term could be equated to the disruptiveness to the reason for the passenger's flight, but no less than 24 hours from the original departure time of the first leg of a passenger's journey. This definition should be further limited if there are limited providers/flights available for re-routes.

3. What should a refund cover? For example:

- The unused portion of the passenger's ticket and any additional services the passenger purchased, but did not use.
- If their trip no longer serves a purpose because of the flight disruption, the full cost of the passenger's ticket if the cause of the disruption was within the Carrier's control. However, if the cause of the disruption was outside the Carrier's control, a refund to a non-cash format would be more appropriate.

4. How should airlines be required to refund passengers? For example:

We believe passengers should have the option of a non-cash refund of monies such as flight credit or vouchers that the airline can apply reasonable time limits to. If a passenger has purchased a restricted refund or non-refundable ticket, credits or vouchers should be available as an option to Air Carriers.

5. How much time should airlines have to provide refunds to passengers under the new requirements?

90 days from the original date of travel

6. a) Should there be greater flexibility in the requirements for certain types of airlines, or in certain situations? For example:

- Based on airline size (smaller airlines may be, for example, less able to recover quickly after an event outside their control); **Yes**
- If an airline provides essential services (for example, to remote, regional or northern communities) - **Yes**
- If the event is large-scale (as opposed to an isolated event like a collision with wildlife) - **Yes**
- If the event could threaten an airline's financial viability (for example, one that results in operations being shut down for months). **Yes – particularly where the market has limited Carrier options or area is remote**

b) If so, in what areas should flexibility be given? For example, should there be a different:

- definition of "lengthy delay";

The term "lengthy delay" is subjective to the purpose of travel. The term could be equated to the disruptiveness to the reason for the passenger's flight, but no less than 24 hours from the original departure time of the first leg of a passenger's journey. This definition should be further limited if there are limited providers/flights available for re-routes.

- deadline to provide a refund to passengers.

90 days from the original date of travel

7. Events since March have shown that some situations caused by a pandemic are outside of airlines' control, while others may be within airlines' control. An airline's business decision to consolidate flights during a pandemic could sometimes be considered within its control, while government travel restrictions, employee quarantine or self-isolation, and additional hygiene procedures are examples of pandemic-related situations the CTA considers outside airlines' control. Are there other, specific pandemic-related situations that you think should be considered either within or outside airlines' control?

Crewing – while crewing issues typically fall within Carrier control, compliance with new regulations such as quarantines, quarantines due to potential or actual exposures to a pathogen or illness relating to the pandemic may limit a Carrier's ability to crew a flight or flights. While the expectation is that all Carriers will follow all mandated requirements and best practices, no mitigation is absolute. These situations should move crewing issues from within to outside carrier control.

Depending on the conditions and severity of a situation, employees of Carrier could also exercise their right to refuse dangerous work under that Canada Labor Code. This would cause the provisions of the Code to be in effect and the affected work would have to cease until such time an investigation concludes the hazard or condition has ceased or the employees are protected from the danger. In the case of an external threat, such as a pandemic, this type of situation should be considered outside of the Carrier's control.

Maintenance – Situations where aircraft that are late from returning from scheduled maintenance and disrupt passenger travel are normally categorized as within Carrier control. If a Maintenance provider is unable to complete the work in the time allotted due to a shortage of workers due to

quarantine, illness or Government directive, this situation should be considered outside of Carrier control and should provide relief to the Carrier against standard of care and compensatory requirements of the APPR.

8. The CTA will consider the legal frameworks in the European Union (EU) and the United States (US) in developing the new regulation on refunds. What particular aspects of these frameworks should the CTA consider?

While both the EU and US have continued to apply their respective regimes regarding refunds, they do recognize that the current pandemic situation is an extraordinary event. Both have recognized that some flexibility needs to be exercised including the ability to issue vouchers instead of refunds with the passenger's consent. While the EU legislation requires a reimbursement within 7 days, that is not a practical option for many Canadian Air Carriers, whose volume of passengers may exceed the ability of a Company to meet such short timelines.

The Aviation Enforcement Office in the US will refrain from pursuing an enforcement action against a carrier for not providing a refund that provided passengers vouchers for future travel in lieu of refunds for cancelled or significantly delayed flights during the COVID-19 public health emergency so long as: the carrier contacts, in a timely manner, the passengers provided vouchers for flights that the carrier cancelled or significantly delayed to notify those passengers that they have the option of a refund; the carrier updates its refund policies and contract of carriage provisions to make clear that it provides refunds to passengers if the carrier cancels a flight or makes a significant schedule change; and the carrier reviews with its personnel, including reservationists, ticket counter agents, refund personnel, and other customer service professionals, the circumstances under which refunds should be made.

Additional Note

The Government could support Industry further by helping to educate passengers with respect to cancellations and refunds. While Carriers have obligations in their Tariffs and under the APPR that define the conditions in which a refund is required and/or available, cancellations made by passengers are subject to the terms and conditions with respect to the type of ticket and/or fare purchased. In many cases, there may be a limited ability or inability for a passenger to recover the cost of their ticket. If a cancellation is initiated by a passenger in the absence of condition that would require a Carrier to issue a refund, and reimbursement would be solely at the discretion of the Carrier, in whatever form the Carrier may choose as a gesture of goodwill.

A passenger may argue that a cancellation was made due to a recommendation of a Government Agency, However, a recommendation is not an order or prohibition, and that in the case of limited refund tickets, a passenger is better off allowing the Carrier to initiate a cancellation if they wish to obtain some value for their ticket.

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