

## **Submitted to the Canadian Transportation Agency (Form submission)**

**Subject:** Consultation on proposed changes to strengthen the Air Passenger Protection Regulations

**Name:** Airport Management Council of Ontario (AMCO)

**Organization:** Advocate

**Date:** 2023-08-09

The Airport Management Council of Ontario appreciates movement towards improving the Canadian air passenger experience so that customers can count on reliable air travel and fair compensation due to disruptions. Concurrently, we are concerned over possible implications to Canadian regional connectivity if proposed amendments to the Air Passenger Protection Regulations (APPR) legislation included in Bill C-47 and shared in the 'Consultation Paper: Proposed changes to clarify, simplify and strengthen the Air Passenger Protection Regulations' are codified. Please review our attached document for comments.

**Submission by the Airport Management Council of Ontario (AMCO) to the Canadian Transportation Agency (CTA) on Proposed Amendments to the Air Passenger Protection Regulations – 10 August 2023**

**Who We Are**

As the senior advocate of airport owner and operation organizations in Canada, the Airport Management Council of Ontario (AMCO) is a provincial organization committed to the sustainability of airports nationally. Incorporated on October 18, 1985, AMCO's aims are to represent the interests of the owners and/or operators of airports and aerodromes in the province of Ontario; and, to promote the safe and efficient operation of those airports.

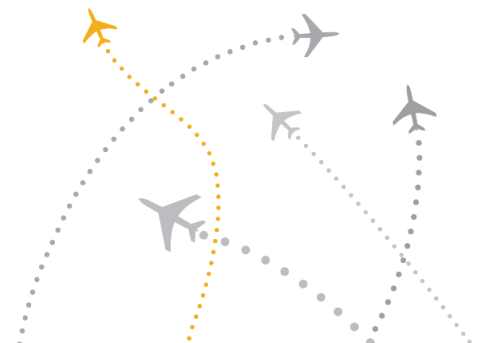
**Discussion**

The Airport Management Council of Ontario appreciates movement towards improving the Canadian air passenger experience so that customers can count on reliable air travel and fair compensation due to disruptions. Concurrently, we are concerned over possible implications to Canadian regional connectivity if proposed amendments to the Air Passenger Protection Regulations (APPR) legislation included in Bill C-47 and shared in the *'Consultation Paper: Proposed changes to clarify, simplify and strengthen the Air Passenger Protection Regulations'* are codified.

Regional airports across Canada are struggling to finance their operations as the number of routes they once served have not returned in the post-pandemic period. Commercial carriers attempt to add short-distance flights, but the complex nexus of their own internal issues, including staffing, and additional regulations results in a condition where there are abrupt schedule changes, delays, and cancellations. This set of factors contributes to the poor reliability of regional routes experienced by passengers that consequently compels them to pursue travel options that exclude their local airports. It is with these concerns that AMCO supports the creation of a policy package in which 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. Please see our comments on the following specific concerns.

**1. Implications for Competitiveness and New Services**

It has been widely publicized that regional routes across Canada are costlier and occur less frequently than similar distances in other markets. Some regional airports face added competition of being located near airports in the United States that offer robust flight schedules at lower prices thus compelling Canadian passengers to commence their journeys there. Others prefer to drive to a hub airport rather than depart from their regional one. Additionally, commercial carriers pursue scheduled service for financially advantageous routes based on adequate demand to secure their continuance. Under these circumstances, it would be inadvisable to pursue measures that increase the costs of travel in Canada as it diverts passengers away from their local airports.



The penalties shared in the proposed amendments to the APPR stand out as they are notably more punitive than those adopted by the European Union. EU compensation is restricted to € 250 per passenger for flights of less than 1,500 kilometers versus the prospective \$1,000 CAD per passenger regardless of distance for certain disruptions. Costs associated with this level of compensation will trickle down to the Canadian consumer who will experience increased air fare prices — a condition felt by those reliant on regional airports already. Commercial carriers will become reluctant to add additional short haul domestic flights in favour of more profitable routes. A large segment of Canadians will therefore be chronically underserved by the air sector.

## 2. Effects of Flight Disruptions on Regional Airports

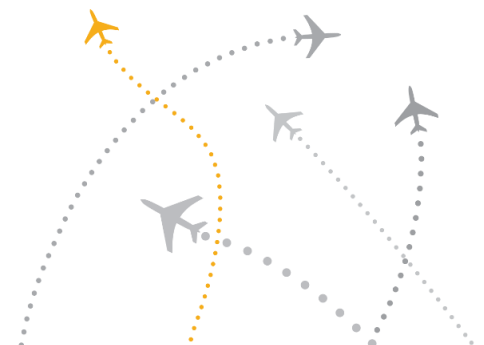
We express our concern over tendered revisions of the APPR on the matter of flight disruptions and their subsequent delays and/or cancellations commonly known as knock-on effects. Regional airports are served by aircraft and flight crews that complete short haul flights with multiple turnarounds in a single day. A blip in these well-scheduled operations often causes a series of secondary effects that must be managed by air carriers to limit any delays or cancellations for subsequent routes.

Under the current APPR regulations, all subsequent flights in the prementioned system impacted by an unforeseen disruption outside of the control of the airline are exempt from certain obligations including compensation. Suggested revisions of the APPR would change this standard from all subsequent flights to a single subsequent flight impacted by the primary disrupted flight. This is a shortsighted view as one delay disrupts all the scheduled flights that day for the affected aircraft or crew and not simply a single route.

This is problematic for regional airports as airlines may move to cancel flights that encounter delays outside of their control to reduce their compensation liability due to events that occurred earlier in the day. It may be an extended period before passengers reliant on regional airports are scheduled on a flight once the fallout from knock-on effects is mitigated. By extension, regional routes often hampered by weather delays, less than economically efficient, and less financially viable may be ultimately cancelled. It would be too risky and financially burdensome to operate regional routes and Canadians would surely lament this lack of air connectivity.

## 3. Duty of Assistance and the Regional Airport Environment

Proposed changes to the APPR have been composed with hub airports in mind and without the consideration of regional airports. In many cases, the requirement to rebook passengers within 9 hours is unfeasible as small and regional airports do not have adequate flight volumes to fulfill this requirement, especially with knock-on effects factored into the equation. It is pertinent to mention here that locations that are home to regional airports do not have the equivalent level of tourism infrastructure to host an influx of passengers that hub cities offer. This combination of factors makes regional airports less attractive for expansion by commercial carriers and consequently entrenches the regional connectivity crisis across Canada.





Representing Ontario's Airports

The prudent way to ensure Canadians have positive experiences with the air transportation sector is to allocate increased federal government funding for airport infrastructure development and support for regional connectivity. Regional airports across the country continue to struggle financially due to debts accrued during the COVID-19 pandemic as well as the loss of flight volumes. Important critical infrastructure investments have been on hold. Financial supports, such as the Regional Air Transportation Initiative (RATI), had a finite timeframe that does not cover the current period in which regional airports still require a level of assistance. It is worthwhile to consider the impacts on short-haul flights and the affordability of regional air travel when penalties are placed on important participants of the Canadian aviation ecosystem.

In conclusion, AMCO is supportive of initiatives that benefit the passenger experience in Canada; however, we are concerned that proposed changes to the APPR included in Bill C-47 will unduly impact regional airports. The onus is on the Government of Canada to create sensible regulations that will not impede the financial viability of the airport sector, and we trust that the responsible parties will create a framework that alleviates our discussed concerns. A reliable air transportation system that reinforces regional connectivity is an integral component of a positive passenger experience in Canada.

