

Written submission to the
Canadian Transportation Agency
on proposed amendments to the
Air Passenger Protection Regulations



Canadian
Chamber of
Commerce
Chambre de
Commerce
du Canada

August 10, 2023



Introduction

The Canadian Chamber of Commerce welcomes the opportunity to provide written feedback to the Canadian Transportation Agency (CTA) as part of their consultations on proposed amendments to the Air Passenger Protection Regulations (APPR).

While the Canadian Chamber acknowledges efforts to improve consumer protection, we have concerns that proposed changes to the APPR do not effectively consider impacts on Canada's airline industry and consumers.

Our chief concern when reviewing the proposed changes is the impact on the Canadian aviation industry's competitiveness, as these regulations propose adding considerable administrative burden on airlines. This is an industry that was disproportionately affected by the COVID-19 pandemic and has had limited time under normal operating circumstances to evaluate whether regulations that came into effect as recently as December 2019 have been effective.

This submission underlines several concerns raised by our members, and we hope the CTA will give adequate consideration to potential impacts of more regulation, and how additional requirements for airlines will impact the cost of air travel for Canadians, as well as regional connectivity.

Before proceeding with proposed changes, government should be certain there is enough evidence to warrant imposing a greater regulatory burden that puts further strain on Canada's aviation sector and results in another rising cost for Canadians.

About the Canadian Chamber of Commerce

We are Canada's largest and most activated business network — representing 400 chambers of commerce and boards of trade and more than 200,000 businesses of all sizes, from all sectors of the economy and from every part of the country — to create the conditions for our collective success. We use deep local connections to create a powerful national vantage point no other network can equal. And, from working with government on economy-friendly policy to providing services that inform commerce and enable trade, we give each of our members more of what they need to succeed: insight into markets, competitors and trends, influence over the decisions and policies that drive business success and impact on business and economic performance.



Recommendations

The Canadian Chamber offers the following recommendations in **bold**, grouped by proposed change in the consultation paper.

1. Identifying the exceptional circumstances

- **Work with airlines to develop a clear, logical, and comprehensive list of safety related exemptions for unexpected situations.**

These circumstances should preclude airlines from being penalized for prioritizing safety and include specific, detailed language reflective of operational realities of maintaining fleets of highly complex and technical aircraft.

- **Establish a clear process to adjudicate passenger claims that does not place undue burden on airlines or require provision of sensitive information.**

Shifting the burden away from the claimant creates a strict liability regime where the airline is “guilty until proven innocent,” requiring them to invest significant resources to address the claims process, further impacting affordability. It could also require disclosure of commercially sensitive information, including safety information, sensitive aircraft logs, and intellectual property.

3. Rebooking and refunds

- **Clarify that the rebooking obligations should only apply when viable options exist.**

A one-size-fits-all approach to rebooking does not reflect the diverse and unique operating realities for airlines across the country; obligations must be realistic and attainable.

4. Assistance

- **Clarify that assistance should be provided when available, with a 24-hour window for exceptional circumstances.**

The proposed change should reflect that accommodation is not always a possibility due to limited resources at smaller airports or lack of hotel capacity. A 24-hour limit for exceptional circumstances would be appropriate to address passenger needs in the event of uncertain duration.

5. Communications

- **Limit options for preferred communications to electronic, such as email or SMS text, and require third party flight booking organizations to collect and provide that information to airlines.**

As it is not possible for passengers to receive individual phone calls or one on one in-person communications, preferred communication should be limited to reasonable electronic options, while third party flight booking organizations should also be responsible for collecting this information and providing it to airlines. Further to this, implementation should not come into effect for 12 months to allow for development of notification systems.



- **Address confusion by establishing a schedule for informing passengers of entitlements, while simplifying requirements to communicate disruptions.**

Establishing time thresholds and a specific schedule to inform passengers of the entitlements they have would address ambiguity in the regulations. For disruptions, confusion can be avoided by simply requiring airlines to notify passengers of delays and updated departure times, rather than attempting to provide shifting reasons for any specific delay.

6. Chain reactions (knock-on effects)

- **Allow airlines to claim exceptional circumstances due to knock-on effects for a period of 48 hours from the original disruption.**

As currently proposed, limiting exceptional circumstances to the flight following the one experiencing the original disruption would have significant impacts on aircraft used in short haul operations (some reaching eight per day), and unjustly affect regional airlines that operate short haul flights.

7. Refunds for changes to Government Travel Advisories

- **Limit refunds to new recommendations of “Level 4: Avoid all travel.”**

Level 3 advisories, which are increasing in occurrence, can be covered by the applicable travel insurance or by the traveler purchasing a more flexible ticket. Airlines should not be expected to serve as an insurer for these circumstances.