

Submitted to the Canadian Transportation Agency (Form submission)

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

Name: Fredericton International Airport Authority

Organization: Industry

Date: 2023-08-10

We are fully supportive of the goal of improving the air passenger experience in Canada, however, there are several proposed changes that will ultimately negatively impact air travel and connectivity to and from Canada, and especially to and from regional markets across the country.

In many regional communities, such as ours, airports are an economic anchor. Air service brings a significant source of well-paid direct and indirect jobs, supports local businesses, and creates a number of economic spin-off effects through all the third-party services required to run an airport and beyond. For any of this to be possible, however, regional airports need airlines to offer routes to and from these airports. In the last year we have been impacted by WestJet's decision to no longer provide service into our airport, leaving only one airline (Air Canada) with robust connections to the worldwide destinations that are essential to our government and business travellers, as well as leisure travellers.

The most significant concerns with the proposed changes for our regional airport are outlined in the upload accompanying this submission, and include:

- Implications for competitiveness and new services
- Earlier flight disruptions (knock-on effects)
- Safety and unplanned mechanicals
- Re-protection and duty of assistance

August 10, 2023

Re: Proposed changes to the Air Passenger Protection Regulations (APPR) included in Bill C-47

I am writing today to express concerns with the proposed changes to the Air Passenger Protection Regulations (APPR) included in Bill C-47 and contained in the “Consultation Paper: Proposed changes to clarify, simplify and strengthen the Air Passenger Protection Regulations.”

Fredericton International Airport is a small regional airport in New Brunswick’s capital city. In 2022 we served 267,823 passengers (37% less than pre-COVID levels). Our airline partners include year around service with Air Canada and Porter Airlines and seasonal service with Sunwing and Lynx. Our airport is vital to transportation to and from the Capital Region for military personnel at CFB Gagetown, Canada’s second largest Army base and a key training facility that welcomes 10,000 soldiers every year for training on top of the 6,500 stationed there. We also provide a vital link for essential workers, business and trade, family, and friends to reconnect and for the success of our great tourism product.

We are fully supportive of the goal of improving the air passenger experience in Canada, however, there are several proposed changes that will ultimately negatively impact air travel and connectivity to and from Canada, and especially to and from regional markets across the country.

In many regional communities, such as ours, airports are an economic anchor. Air service brings a significant source of well-paid direct and indirect jobs, supports local businesses, and creates a number of economic spin-off effects through all the third-party services required to run an airport and beyond. For any of this to be possible, however, regional airports need airlines to offer routes to and from these airports. In the last year we have been impacted by WestJet’s decision to no longer provide service into our airport, leaving only one airline (Air Canada) with robust connections to the worldwide destinations that are essential to our government and business travellers, as well as leisure travellers.

As such, there is a need for a balanced approach to passenger rights that allows routes to be financially viable, will not undermine airlines’ competitiveness and still supports a more efficient, affordable, and inclusive air travel system in Canada.

The most significant concerns with the proposed changes for our regional airport include:

Implications for competitiveness and new services

Fredericton International Airport has worked hard to recover from the pandemic including significant investment through partnership with our provincial government to attract new service. While we have been successful in attracting an ultra-low-cost carrier, the loss of WestJet has limited our connections to Canadian and International destinations. We are currently executing a plan to improve the ability of our airport to have increased competitiveness with new routes and new airlines that support national unity.

The proposed changes to the APPR will be significantly more punitive than regimes in other jurisdictions, like the EU. This will ultimately further increase the cost of travel in Canada and have a disproportionate impact in regional markets that are often part served with shorter domestic flights. Current cost to travel to regional markets like ours is not affordable for many, stifles demand and makes air travel a luxury when it is truly a necessity. Increasing airline operating costs will further increase travel cost and counter the investments made to improve access to our province.

Earlier flight disruptions (knock-on effects)

Airlines that serve regional airports often operate many short-haul segments with multiple turnarounds in a single day to be able to serve these markets efficiently. In fact, aircraft at Canada's regional airlines often fly six or more flight segments in a day.

Currently, when a delay is caused by reasons outside the control of the airline, the APPR recognizes and exempts the subsequent flights suffering knock-on effects of the delay from certain obligations including compensation. However, the proposed changes to APPR arbitrarily set a limit of knock-on effects to a single subsequent flight after the initially disrupted flight.

Given the realities of airline operations, one delay will have knock-on effects on all subsequent flights that the original aircraft or crew impacted may operate. By only exempting one subsequent flight in the event of a disruption outside of airline control, airlines may be inclined to simply cancel more flights that face a disruption rather than incurring the subsequent delays to seek a quicker recovery and reduce their compensation liability.

This may also make routes to airports which do not have a maintenance base for the airline, which includes most regional airports, less appealing for airlines to continue operating in. Ultimately, it would limit essential air connectivity as the risk for increased costs to air carriers would be substantially increased.

Safety and unplanned mechanicals

All air industry partners are committed to upholding Canada's record as one of the safest air travel systems in the world. As such, decisions made for safety reasons must never be punished.

For this reason, unexpected air safety events, in particular an unplanned mechanical malfunction of an aircraft, have always been treated in various aviation regulations as an uncontrollable event exempt from the ambit of passenger compensation regimes. However, the proposed new APPR regulation ordering significant financial compensation in such circumstances would unduly penalize airlines for safety-related decisions that are in the best interest of all parties throughout the ecosystem.

The need to factor in these financial considerations would change the economics of regional routes, and risks airlines favoring routes to larger airports instead with more mechanical support operations and opting against serving remote and regional communities where recovery from mechanical issues would take longer, ultimately resulting in higher compensation and impacts from the newly proposed knock-on effects.

At present, if an aircraft has mechanical issues while at YFC there are no on the ground resources available to assist in the repair. A team would need to be brought in or another aircraft must arrive for the passengers to be on their way. It is not practical to expect the airlines have a team available at YFC 24-7 with all the parts needed to address the multitude of possible issues an aircraft can experience in a small regional airport like Fredericton for the rare occasion it does occur.

As such, the new APPR list of exceptional circumstances (exemptions from compensation) must include exemptions for flight safety and specifically for unplanned mechanical delays where an aircraft is unfit to fly in accordance with applicable regulations and maintenance protocols.

Reprotection and duty of assistance

The proposed changes to the APPR would require airlines to rebook passengers within 9 hours instead of the current 48-hour requirement. Should a carrier be unable to reprotect on their own carrier or a partner, they will be obligated to purchase a ticket on a competing airline. In our case, there is only one airline-Air Canada with a national network, our seat capacity has not returned to pre-pandemic levels and demand for travel is high making it very challenging to re-book with a 9-hour time frame.

In addition, it is proposed to expand some duty of assistance requirement in exceptional circumstances such as a significant weather event. However, sudden mass hotel, restaurant, or ground transfer bookings, in a small region such as ours would represent a significant cost and operational burden on airlines. In fact, such amenities may be extremely limited or not available altogether in the numbers required in certain regional communities.

These obligations would therefore make it even harder for smaller airports to attract large carriers to operate flights outside their hubs.

The Canadian aviation industry is the connective tissue that holds our country together supporting connections from coast to coast to coast. It operates in a globally dynamic and competitive marketplace where cost, connectivity, and service dictate success and failure. Achieving a balance between passenger rights, the sustainable functioning of airlines, and the operations of Canada's many smaller airports is crucial to ensuring the continued support and growth of this vital industry. Similar legislation and regulation have been successfully introduced in other parts of the world, including Europe and the United States. We encourage you to learn from the mistakes and successes of other jurisdictions as you develop a path forward. Thank you for considering this submission.

Sincerely,



Johanne Gallant
President and CEO