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August 10, 2023

To the Canadian Transportation Agency and whom it may concern:

Subject: Greater Sudbury Airport's response to the Canadian Transportation Agency's request for consultation on proposed changes to clarify, simplify and strengthen the *Air Passenger Protection Regulations*

The Greater Sudbury Airport, northeastern Ontario's largest airport, is committed to improving the passenger experience for Canadian air travel, with the ultimate goal of restoring reliable air travel for Greater Sudbury and all regional airports in Canada. While working toward rebuilding air service that our passengers can truly depend on following years of devastation to the aviation sector, we also advocate for support in finding a balance of fair compensation when disruptions to air travel occur. As such, we find it prudent to share our concerns over the 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.

While the Greater Sudbury Airport is fully supportive of the overall goal of improving the air passenger experience in Canada, there are several proposed changes that will ultimately have a negative impact air travel and connectivity within the regional airport sector.

In many regional communities, including Greater Sudbury and surrounding, airports are an economic anchor within the region and critical to the overall health of communities. Air service brings a significant source of economic benefits, including well-paid direct and indirect jobs while supporting local businesses, as well as numerous economic spin-off effects through the many third-party services required to run an airport and support airline operations. Beyond passenger travel, the regional air sector is also critical for several industries including cargo, freight and logistics, healthcare, education, civil emergency services, national defense, communications, mining, natural resources, international trade, and immigration. For any of this to be possible, however, regional airports are reliant on airlines to offer air service to and from these airports.

Notwithstanding the above, Canadian regional airports are also facing an unprecedented overwhelming struggle to finance their operations as the number of routes regional air carriers once served have not returned in the post-pandemic period. Commercial air carriers have attempted to restore and add short-distance regional flights, but the complex nature of their own internal issues, including pilot shortages, staffing, and additional regulations results in a condition where there are abrupt schedule changes, delays, and cancellations. These factors contribute to the poor reliability and lack of flight options for regional routes experienced by passengers that consequently compel them to pursue travel options that exclude their local airports and opt to fly from large hub airports.

It is with these concerns that the Greater Sudbury Airport implores the Canadian Transportation Agency and Government of Canada to take into consideration when creating a policy package where 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. There is ultimately a need for a balanced approach to passenger rights that allows routes to be financially viable, will not undermine airlines' competitiveness, while still supporting a more efficient, affordable, reliable, and inclusive air travel system in Canada, including one that considers the unique challenges faced by regional airport sector.

Our most significant concerns with the proposed changes and their impact on regional airports are outlined below:

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 kilometres 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 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 short-sighted 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 the control of an airline 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.

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. As previously outlined, 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 where regional airports still require a level of assistance. As it currently stands, regional airports are in desperate need of financial and government supports as they face nothing but uncertainty ahead. Post-pandemic recovery efforts for regional airports are significantly stunted and, like the Greater Sudbury Airport, are several years away from a true recovery. To this end, it is imperative 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.

To this end, the Greater Sudbury Airport remains supportive of initiatives that benefit the passenger experience in Canada; however, is extremely concerned that proposed changes to the APPR included in Bill C-47 will unduly impact regional airports and bring further peril to the already fragile regional air sector.

We strongly encourage the Canadian Transportation Agency and the Government of Canada to consider the concerns we have outlined, as well as to invest in Canada's regional airports and in supports for educational opportunities for critical aviation professions.

At present, the Canadian Transportation Agency and the Government of Canada hold the responsibility in creating sensible regulations that will not further impede in the financial viability of the airport sector, and we trust that all parties will create a framework that alleviates the

concerns we have outlined. The future of Canadian air travel desperately requires a reliable air transportation system that reenforces regional connectivity as an integral component to sustain a positive passenger experience and support the communities of Canada's regional airports.

Sincerely,

The Greater Sudbury Airport

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