



LYNX AIRLINES Response to Canadian Transportation Agency Consultation Paper: *Proposed changes to clarify, simplify and strengthen the Air Passenger Protection Regulations*

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EXECUTIVE SUMMARY

Lynx Air launched operations in April 2022 with a vision to inspire more Canadians to fly by bringing ultra-affordable fares to Canada. We have adopted that Ultra Low-Cost Carrier model that has been so successful in Europe and the United States, but which has historically not had success in Canada. Lynx Air aims to redefine Canadian expectations of low-cost carriers by offering a great flying experience at an ultra-affordable price. We have already established our reputation as an industry leader for reliability and customer satisfaction as measured by CTA and industry data.

We welcome the opportunity to respond to the APPR Consultation Paper and commend the Canadian Government for its focus on consumer protection. We do wish to highlight some aspects of the proposed changes to the APPR that have the potential to unintentionally penalise Ultra Low-Cost Carriers like Lynx. This will in turn undermine Lynx Air's goal of making air travel more affordable in Canada.

We have summarised these concerns below and provide more detail in the main body of this document.

- **Passenger compensation will exceed the price of a Lynx Air ticket** - The proposed APPR changes create a circumstance where certain delayed or cancelled flights will allow passengers to receive compensation, support and rebooking with a total value well in excess of the original ticket price. This is contrary to the fundamental principles of market economics.
- **APPR costs will undermine Lynx Air's ability to offer ultra-affordable fares** - The imposition of APPR compensation and support costs, which are well in excess of the revenue generated from the impacted flight, will materially increase Lynx's cost base, seriously undermining our ability to sustainably offer ultra-affordable fares. Even at an industry leading completion rate of 98.75% Lynx estimates that the APPR compliance costs will triple under the new APPR regime.
- **Re-booking Requirements Penalise Smaller Airlines, Reducing Competition** - Lynx Air operates a relatively small fleet and our ability to re-book on our own services is limited. To comply with the APPR re-booking requirements, Lynx will be required to purchase last minute fares of up to \$1,000 on our full service competitors to re-accommodate a passenger who paid as little as \$1 for their ticket.
- **Delay Penalties will Increase Cancellations** - The new rules in relation to delays and knock-on effects would penalise Lynx for adopting our customer-centric approach of minimising cancellations. Under the proposed APPR amendments, Lynx is likely to be better off to cancel a disrupted flight, leaving those passengers stranded, rather than taking a delay and flying them safely to their destination on the intended day of travel.
- **Responsibility Should be Extended to all Industry Players** - The APPR fails to recognize the significant contribution of a multitude of industry players in the service delivery of Canadian air travel.



- **Alternative, Equitable Solutions** - We propose two alternative solutions of 1) capping compensation at the price of the ticket; or 2) establishing a compulsory air travel compensation program funded by a small fee on each ticket. Either or both solutions would serve to align incentives with the intended outcomes, while ensuring that Canadian travellers continue to have access to the highly competitive airfares that Lynx (and other ULCCs offer).

BACKGROUND AND CONTEXT

About Lynx

Lynx Air (Lynx) is Canada's leading ultra-affordable airline, with a vision to inspire more Canadians to fly by offering a great flying experience at an ultra-affordable price. Lynx's first flight took to the skies in April 2022.

After launching in April 2022, Lynx has expanded its fleet to 8 brand-new fuel-efficient Boeing 737 aircraft. We will be adding another 2 aircraft to the fleet in the coming months and have firm commitments in place to grow the fleet to 46 aircraft over the next 5 years. By August 2023, Lynx will be offering over 220 flights per week across North America, which equates to over 43,000 seats.

Calgary is Lynx's home base and a very important hub. Lynx is currently offering over 115 flights per week in and out of Calgary to 12 destinations, which equates to over 21,000 seats. This represents a growth of 76% year-over-year. Toronto and Montreal are becoming increasingly important hubs, with Lynx operating over 130 flights each week in and out of Toronto to a total of 10 destinations. This equates to nearly 25,000 seats and a growth of 105%. This year Montreal will see 34 flights weekly in and out equating to over 6,000 seats to 4 destinations.

Lynx achieved the lowest cancellation rate in Canada in its first year of operations. In June 2023, the Canadian Transportation Agency reported that Lynx had the best passenger satisfaction rating across scheduled air carriers, with only 5.2 complaints per 100 flights for the period of January 1, 2023 – March 31, 2023. These achievements have established Lynx's reputation for reliability and customer satisfaction.

Since January 2022, Lynx has created over 400 new full-time positions. Lynx has added 97 pilots, 220 cabin crew members, and 84 office staff to support our rapidly growing operation. The airline also established a pilot and cabin crew base in Toronto earlier this year to support its network expansion in Eastern Canada. In addition, Lynx indirectly employs hundreds of people across Canada through its outsourced maintenance and ground handling vendors. Over the next 5 years, Lynx plans to create over 1,000 jobs across Canada making a significant contribution to the Canadian economy. Lynx's low fare model is designed to stimulate increased travel across Canada which creates a ripple effect across the broader economy, particularly tourism and businesses associated with the aviation industry, such as airport vendors and ground handlers.

In January 2023, Lynx Air was awarded Youngest Fleet in North America by the airline industry publication, *Aviation*. By operating a fleet of brand-new Boeing 737 aircraft, Lynx is able to bring an elevated customer experience to low-cost travel in Canada. The aircraft offer advanced aerodynamics and highly efficient engines, resulting in a 20 percent reduction in fuel consumption and emissions



compared to previous generation aircraft. These ultra-efficient and reliable aircraft reduce Lynx's carbon footprint, making Lynx one of Canada's most sustainable airlines. Lynx is also pleased to pass on the fuel cost savings to its customers with ultra-affordable fares.

Ultra Low-Cost Carrier Model

Canada's market for ultra low-cost carriers (ULCC) is significantly underserved compared to European markets. In Europe, ULCCs account for more than 40% of the capacity for flights within the continent. However, in Canada, only 12% of the capacity is served by ULCCs as of 2023. This disparity highlights the limited presence of low-cost carriers in the Canadian market.

As noted above, Lynx's vision is to inspire more people to travel by providing an ultra-affordable travel option. Airfares have been too high for too long in Canada, and Lynx aims to change that. Lynx has adopted the Ultra Low-Cost Carrier (ULCC) model that has been successful in opening the skies across Europe and the United States. Through careful research and market analysis, Lynx chooses routes where the fares are highest, and there is little or no ULCC competition, because that is where there is the greatest need for ultra-affordable fares.

Lynx has adopted a transparent "à la carte" pricing mode which empowers passengers to pay only for what they want, so they can save money on the journey and spend more at their destination. Add-ons include seat selection, carry-on baggage and checked baggage. A small personal item, such as a purse or a small laptop bag, can be carried onboard for free. Lynx has chosen not to offer food or entertainment onboard our flights. Instead, we encourage passengers to bring their own food and entertainment, which gives them greater choice and better value.

Lynx Air aims to redefine Canadian's expectations of ULCCs by providing a great flying experience at an ultra-affordable price. The goal is to attract passengers with our ultra-affordable fares and earn consumer trust and loyalty by providing a superior flying experience. A key component of this plan is to maintain a laser-sharp focus on minimizing flight cancellations and travel disruptions.

Lynx enters markets with extremely low ULCC share, such as Toronto (Pearson) and Vancouver, where the ULCC market share was as low as 3%. Both airports and the public have shown great receptiveness to our entry into these markets. However, Lynx faces significant barriers, namely high taxes, and regulations like the Air Passenger Protection Regulations (APPR). These regulations place the entire burden of compensating passengers on the airlines, despite the fact that a variety of service providers, including airport authorities, baggage handlers and NAV Canada air traffic control operators provide significant infrastructure to service air travel on a daily basis.

In comparison to other OECD countries, Canada has relatively high airport fees and taxes. These fees and taxes imposed on airlines, are passed on to passengers contributing to the overall cost of air travel in Canada. The higher expenses associated with operating in Canadian airports can impact the competitiveness and affordability of air travel within the country.

ULCCs like Lynx are playing a significant role in stimulating the Canadian market and creating new opportunities for air travel, particularly for individuals who have been deterred by high fares. This positive impact extends to the Canadian GDP and job market. As evidence of this, Lynx has hired over 400 employees within just one year, thereby contributing to economic growth and job creation.



Increased travel by more people also has a ripple effect on ancillary businesses associated with the aviation industry, such as airport vendors and ground handlers. The entire ecosystem benefits from the increased passenger traffic, competition and subsequent economic activity generated by ULCCs. This demonstrates the broader positive impact that affordable air travel can have on various sectors and stakeholders within the Canadian economy.

Customer Service: Lynx Experience

As a new market entrant, with a limited fleet and growing team, it should be expected that Lynx Air would face challenges as the organization scales to meet demand. However, data compiled by the CTA regarding air travel complaints have consistently placed Lynx Air at or exceeding the market standard across the past 5 quarters. While external factors will cause these values to ebb and flow over time and across seasons, Lynx is proud of our record of customer satisfaction and focus on delivering quality service at an affordable price.

By way of example: during a particularly challenging weather pattern in Montreal, a Lynx Air flight was forced to divert to Hamilton, as multiple aircraft were being re-routed across central Canadian airspace. Rather than leaving the passengers stranded in Hamilton as other carriers did, Lynx incurred significant expense to engage a local transport company to bus our passengers from Hamilton to Montreal. This case is emblematic of Lynx Airline's commitment to customer service during a major disruption which was beyond its control.

OVERVIEW OF RESPONSE TO CONSULTATION PAPER

While Lynx Air supports consumer protection as an important policy goal, we have concerns about some aspects of the design and implementation of the changes to APPR, particularly as it applies to Ultra Low-Cost Carriers such as Lynx Air.

Context - Lynx Air's Customer Centric Model

Lynx Air is offering a new service and a low-fare option for Canadians who may not otherwise be able to afford air travel. Air fares have historically been very high in Canada and as a result, there are many people who could not afford to fly as often as they would like, and in some cases, they could not afford to fly at all. Lynx Air is seeking to transform the aviation market in Canada, bringing much needed competition and choice to Canadians. All consumers benefit from Lynx's entry into the Canadian market, either through accessing Lynx's ultra-low fares directly, or through the improved pricing and customer service that flows from the increased competition that Lynx brings. In order to sustainably offer these ultra-affordable fares, Lynx Air has adopted the Ultra-Low Cost Carrier Model which has a relentless focus on cost control, through operational efficiency and simplicity and à la carte pricing which enables passengers to pay only for what they want and nothing more. Transparency is a core value of Lynx Air. We are very transparent about our offering – what is included and what is not – our customers know what to expect when they come on board a Lynx Air flight. Customers who choose to fly Lynx Air are choosing to dispense with frills and extras in exchange for an ultra-affordable fare.

APPR "one size fits all" Approach Undermines Lynx Air's Consumer-Focused Intent



While our business model is aligned with the underlying consumer focus of the APPR, the “one size fits all” approach to compensation, rebooking and assistance has potential to undermine its intent. A passenger who pays \$500 for a ticket on a full-service airline and expects a commensurate service experience (complimentary entertainment, food and beverage, lounge access, etc.) receives the same compensation and support as a passenger who purchases a Lynx promotional fare for \$1 seeking a “no frills” service to get them safely to their chosen destination. **APPR creates a circumstance where certain delayed or cancelled flights will allow passengers to receive compensation, support and rebooking with a total value well in excess of the original ticket price.** Not only is this inequitable between Lynx passengers and passengers who have paid higher fares with full-service carriers, but in many cases, it means a Lynx passenger will benefit financially from a cancelled or delayed flight. It is contrary to the very fundamentals of a market economy for commercial businesses to be required by government intervention to provide compensation to consumers which exceeds the price they paid for the service.

Increased Costs of APPR

Perhaps more importantly, the imposition of APPR compensation and support costs, which are well in excess of the revenue generated from the impacted flight, will materially increase Lynx’s cost base, seriously undermining our ability to sustainably offer ultra-affordable fares. Even at an industry leading completion rate of 98.75% Lynx estimates that the APPR compliance costs will triple under the new APPR regime. To keep costs down, Lynx does not offer food and beverage on board our flights. Instead, we encourage passengers to bring their own food and beverage on board, which our customers are very happy to do. Similarly, we are in the process of implementing a partnership with an insurance provider to offer our customers low-cost travel insurance to cover the cost of disruptions when they occur. If customers have taken advantage of Lynx’s ultra-affordable fares, they know they have the choice to bring their own food and beverages and to pay a little extra for travel insurance. It also should be noted that the administrative cost of compliance with the new rules, particularly the new onus of proof, will add significant costs to Lynx Air’s operations, again undermining our ability to offer the ultra-affordable fares that we are able to offer today.

Re-booking Requirements Penalise Smaller Airlines, Reducing Competition

The proposed regime also takes a “one size fits all” approach to the re-booking requirements. Lynx Air is a small airline with a fleet of only 8 aircraft. With such a small fleet, our ability to re-book on our own services is limited. On some of our routes we only offer 2 or 3 flights a week, which means our recovery options will always be longer than 24 hours. There are only a few routes on which we have multiple frequencies a day, and even then, the maximum frequency is 3 flights a day. Our flights generally operate at much higher load factors than full-service carriers to account for the lower price per seat. So even if we have multiple flights per day, it will be difficult to accommodate all the passengers from a disrupted flight on the remaining flights in that day. Consistent with the ULCC model, Lynx does not have codeshare or interline partnerships with other airlines. These partnerships require costly and complex technology integrations with other airlines which are inconsistent with the low-cost discipline of the ULCC model. Consequently, we do not have the ability to accommodate our disrupted passengers on airline partners. This means the only alternative would be to purchase a last-minute ticket on a full-service competitor. On the day of booking, Lynx could be purchasing last minute fares of up to \$1,000



to re-accommodate a passenger who paid as little as \$1 for their ticket. The mismatch between the compensation and the revenue is simply not sustainable for our business model.

Delay Penalties will Increase Cancellations

The application of the compensation, assistance and refund treatment for delays, even in exceptional circumstances, creates the wrong incentives for small leisure-focused airlines such as Lynx Air. Leisure passengers are generally less time-sensitive than business travellers. They would rather take a delay than incur a cancellation if it means they will get to their destination on the planned arrival date. For this reason, one of Lynx Air's core promises to its customers is to minimise cancellations. However, with a small and growing fleet, this does mean that there are times when Lynx will be forced to delay flights to avoid a cancellation. Our small fleet also means that these delays inevitably have follow-on consequences downline from the initial disruption, potentially for the remainder of the day. The new rules in relation to delays and knock-on effects would penalise Lynx for adopting this customer-centric approach. Under the proposed APPR amendments, Lynx is likely to be better off to cancel the disrupted flight, leaving those passengers stranded, rather than taking a delay and flying them to their intended destination.

Responsibility Should be Extended to all Industry Players

Incentivizing airlines to meet consumer expectations (albeit through penalties) is an important public policy goal. However, a major flaw in the APPR is the lack of recognition of the significant contribution of a multitude of industry players in the service delivery of Canadian air travel. Airlines are the customer face of this ecosystem, and in that role, we already carry a disproportionate burden of managing the customer response to system-wide disruption, both from a cost and reputational perspective. Airport authorities are responsible for the infrastructure associated with individual airports across the country. NAV Canada handles the air traffic control operations which govern safe transit across Canadian airspace. Customs and Border Security personnel manage the important safety and security processing of passengers, prior to arriving at the gate. At airports across Canada, baggage handlers are often independent, third-party service providers whose performance can significantly impact the customer experience. All industry players have a role to play in supporting the traveller's journey. At present the APPR penalizes only airlines for any flight delays or cancellations, which may be caused (or exacerbated) by impacts from delivery partners at airports. Proposed regulatory changes reverse the onus, requiring airlines to argue "exceptional circumstances" when delay concerns are considered to be outside the norm for airline operations. It remains unclear what burden of proof will be required to meet this threshold and the extent to which third party contributions will be taken into account. Given the equity implications, it would be fairer for financial penalties to be diffused across all responsible parties charged with delivering the overall service.

Alternative, Equitable Solutions

In response to the question posed in the Consultation Paper about whether there are ways to modify the regulations to achieve the objectives of the legislation, we put forward the following, more equitable, simple, and effective solutions:

1. All compensation, rebates and assistance should be capped at the price of the relevant passenger's ticket (excluding taxes but including ancillaries).



2. A compulsory air travel compensation program could be implemented similar to the Government of Quebec's *Compensation Fund for Customers of Travel Agents* under which a fee would be added to the price of all air travel tickets and passengers would be compensated for disruptions, irrespective of the reason or party responsible.

These solutions could be implemented in parallel or in alternative. Either or both solutions would serve to align incentives with the intended outcomes, while ensuring that Canadian travellers continue to have access to the highly competitive airfares that Lynx (and other ULCCs offer).

DETAILED RESPONSE TO PROPOSED REGULATORY CHANGES

In this section, we outline our responses to each section of the Consultation Paper.

1. Identifying the Exceptional Circumstances

Lynx Air anticipates the continued need for clarity associated with these provisions, as they will form the basis for which the majority of consumer inquiries regarding APPR eligible refunds and compensation will be processed. Therefore, we recommend prescriptive and clear definitions and categories for exceptional circumstances to ensure clarity for consumers as well as airlines. Terms such as "inherent to the normal exercise of the activities of the airline", "could not be avoided even if the airline took all reasonable measures", "hidden" manufacturing defects, "technical problems that are an inherent part of normal airline operations", "any situation the airline knew about, or should have known about", "any action, or failure to act by the airline" all raise concerns in this regard.

In the normal course, airline operations will inherently include unexpected technical, mechanical, human resource and weather-related conditions that should each be considered unintentional and unavoidable situations which may result in an extended delay or flight cancellation. A regulatory regime which financially penalizes airlines for these unintended delays will inherently create a monetary motivation to prioritize punctuality and completion rates over safety. No regime should compromise an airline's foundational commitment to safety. Any subjectivity or lack of clarity over the "exceptional circumstance" provisions needs to be eliminated to ensure that maintenance and other operational issues are fully and completely addressed prior to the aircraft being cleared for service. Penalizing airlines for maintaining world-leading safety protocols should not become an unintended consequence of this regulatory regime.

Further, these provisions need to recognize the very complex and technical realities of operating airlines across Canada, which will invariably lead to unplanned delays due to a range of circumstances fully outside of the airline's control. Basic principles of equity require that airlines should not be held accountable for delays wholly or partially contributed to by other industry stakeholders or external events. Financial accountability should be levied against those responsible, and not simply laid at the feet of airlines.

2. Airlines' Responsibilities Regarding Claims for Compensation

As written, these provisions provide a reverse-onus on Airlines to provide documentation associated with each potential instance of flight delays that may (or may not) trigger APPR-mandated



compensation. While the intended result would be to require commercial operators to validate claims to ensure accuracy and consistency across the sector, the disclosure and compliance obligation associated with these measures are significant. Worded altogether too broadly, this provision should be struck or significantly refined to ease the reporting requirement on airlines. Canadian passengers already have access to world-leading disclosures and monitoring functions through both official and unofficial channels which report on airline delays in aggregate as well as on individual flights and routes. The provisions, as envisioned, create a significant compliance requirement on the part of airlines which will add to back-office administrative duties and lead to higher costs for consumers.

Specific to proposed aspects of the consultation document, allowing one individual travelling as part of a group to receive the intended compensation for each travelling companion may lead to fairness and equity concerns. While understandable for families travelling together, airlines often accommodate business and athletic organizations travelling as part of a larger group booking. Provisions that permit one individual to claim the rebate amount on the part of all members can lead to equity concerns, as airlines will never be able to assume the rebate is distributed across all travellers. Given that individual travellers each experienced delays equally, this clause creates a financial management issue for airlines and groups. Additionally, since the imposition of the APPR refund provisions, Lynx Air has experienced a host of novel compensation claims, including employers who paid for the employee's flights (for business-related travel) attempting to access the compensation since they were the ones who ultimately paid for the flight, and experienced work-related inconveniences due to the traveller's delay.

Finally, and most significantly, compensation amounts in the proposed regulations are simply not aligned to the price of the ticket. Lynx Air is offering a new service at a low cost, for Canadians who may not otherwise be able to afford air travel. The business model for low-cost carriers relies on attracting new passengers and generating interest and return customers attracted by the low fares and no-frills approach. This is a business model that can be profitable in a jurisdiction like Canada, despite the geographic and population density complications. However, as proposed, the APPR creates a circumstance where certain delayed or cancelled flights will allow passengers to receive compensation in excess of the original ticket price. Additional requirements for incidentals (food and beverage) not associated with Lynx Air's in-flight offerings is further inconsistent with the no frills ULCC model.

As proposed, the APPR compensation provisions include a disproportionately punitive response to a flight cancellation or delay, perversely allowing consumers to earn a return on a cancellation.

3. Rebooking and Refunds

This requirement ignores the business model through which Lynx Air and other low-cost carriers operate: providing air travel options at ultra-affordable fares. With a relatively small fleet, Lynx Air is not able to offer the daily and multi-day frequencies that larger airlines offer. Nevertheless, many passengers will change their travel plans to accommodate Lynx Air's timetable to enable them to access Lynx's ultra-affordable fares. The fact that Lynx Air cannot re-accommodate these passengers within the prescribed APPR timeframes should not result in punitive obligations to refund or rebook on other airlines. Despite these constraints, Lynx Air's own commitment to customer service has led us to go above and beyond, including incurring additional expenses to reaccommodate our passengers within reasonable timeframes to enable them to reach their destination on or close to their intended date. This is one of the reasons Lynx Air has one of the lowest CTA complaint rates in the industry.



Lynx Air, as a new entrant into the Canadian marketplace and with the specific vision to operate via a low-cost, no-frills business model, does not currently maintain the software requirements that would enable an efficient rebooking of disrupted passengers via alternative airlines. There are infrastructure and software solutions that exist to support this kind of activity, but they are typically geared towards larger airlines that operate through alliances and code-share partnerships. This regulatory requirement would require Lynx Air to fundamentally alter core aspects of the ULCC business model, which would in turn impede Lynx's ability to continue to offer ultra-affordable fares to Canadians.

As noted above, the cost of re-booking at the last minute on another airline would most certainly exceed the original price the customer paid for their Lynx ticket by a material margin. In addition, rebooking passengers is undoubtedly going to become a significant management and customer service challenge. Passengers inconvenienced by a flight disruption are likely to be concerned and potentially agitated. Once a discussion regarding rebooking starts, it is easy to identify scenarios in which the passenger's requests regarding the rebooking process is difficult to accommodate. Once again, the core business model that Lynx Air operates under will be put under pressure as it relates to the anticipated costs associated with the rebooked flight. Basic principles of equity would suggest that a financial refund could be offered to the customer, allowing the customer to decide on a rebooking option that works best for their circumstances and allow them to deploy the rebate amount to potentially off-set the cost of a new flight.

Finally, requiring airlines to process refunds immediately is not feasible or a financially prudent business practice. Logistical issues associated with re-accommodating passengers and the potential for knock-on effects associated with a flight disruption should be prioritized. If an airline is validly entitled to the "exceptional circumstances" exemption, the onus is on the airline to demonstrate this, which will inevitably take time, and yet this is not allowed for in the requirement to process the refund claim immediately.

4. Assistance

Once again, provisions associated with this set of regulatory requirements would add costs to airlines, especially those such as Lynx Air that do not typically offer these services to customers. As a low-cost carrier, Lynx Air has made a point of reducing costs and complexity by encouraging customers to bring their own food and beverages onboard while offering only water service on board. Given this business model, which attracts value-conscious customers, these provisions again create a requirement where the level of assistance is disproportionate with the initial fare purchased by the consumer. As the customer made an active choice to select a no-frills airline to serve their particular travel needs, it is unreasonable to require the airline to provide service offerings that may exceed the original ticket price and service offerings. This particular requirement also creates occasion for abuse and further financial costs to airlines and should be strongly reconsidered.

5. Communications

Maintaining appropriate means of communication with customers is a vital part of any airline. This regulatory requirement is appropriate and achievable with some caveats. Lynx Air receives bookings through online means directly via the website, but also through other online aggregators and web-travel providers. Merging databases across travel sites can be imperfect, and the regulatory requirement requiring airlines to confirm/reconfirm a direct means of communication with the passenger at the time



of on-line check-in is appropriate but will require technology and software upgrades for Lynx Air. Therefore, we respectfully request a reasonable compliance period for this regulatory requirement of no sooner than January 2025.

6. Chain Reaction (Knock on Effects)

A core component of the Ultra Low-Cost Carrier model is to fly brand new aircraft on a high utilisation schedule of 14 hours a day, operating between 4- 6 flights a day. This effort maximizes the number of seats over which the aircraft and other fixed costs can be spread, reducing the unit costs for each seat, and facilitating the offering of ultra-affordable fares. This creates a tight and highly interdependent schedule in which a single flight disruption will inevitably have “knock-on effects” to subsequent flights throughout the day. The only way to avoid these “knock-on effects” is to cancel a flight to “create a fire-break”. This is commonly done by larger business-focused carriers with multiple frequencies available for re-accommodation. However, as a small leisure focused airline, Lynx’s priority is to transport our passengers safely to their ultimate destination as close as possible to the intended day of travel. We know our customers would prefer to be delayed than to have their flight cancelled and so our focus is on reducing cancellations. However, this means we will often incur unavoidable rolling delays throughout the day just to meet our commitment to our customers. Lynx should not be penalised for this customer-centric strategy.

To limit the knock-on effects of these chain reactions for exceptional circumstances to a maximum of two sequential flights demonstrates a lack of understanding of the ULCC model and the preferences of the leisure passengers we carry. It also creates an arbitrary financial penalty that could incentivise unsafe and risky behaviours to return the aircraft to service.

Lynx Air recommends a provision for airlines to claim the same exceptional circumstances for all flights impacted by these knock-on effects and would require airlines to demonstrate that those specific flights were always originally intended to be serviced by the aircraft associated with the initial delay or disruption.

7. Refunds for Changes to Government Travel Advisories

This proposed regulatory requirement is one-sided and creates a host of risks for airlines seeking to operate in sun destinations that may experience this kind of government travel advisory.

Lynx is proud of our safety record, and we will willingly publish travel advisories to help our customers make safe travel decisions. However, the customers must make their own risk assessments and travel decisions. It should not be the airline’s responsibility to reimburse a customer for a flight which is cancelled due to a government travel advisory that the airline has no control over.

Thank you for the opportunity to provide input on this very important consultation. Lynx Air executives are always available to meet with officials and decision-makers to expand on these points.