

August 10, 2023

Canadian Transportation Agency

Re: Consultation on proposed changes for the Air Passenger Protection Regulations

I am writing to you 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”.

St. John’s International Airport Authority (SJIAA) is a capital city airport with a pre-pandemic passenger count of approximately 1.5 million. In 2022, we served over 1 million passengers and our airline partners include Air Canada, PAL Airlines, WestJet, Porter Airlines, SunWing, Lynx, Swoop and Air St. Pierre. SJIAA connects people, cargo and essential goods to and from our province and provides an essential service for business, workers, friends and family and numerous industries, including oil and gas, mining, high-tech and tourism.

While airports are not specifically represented under the APPR, the proposed enhanced regulatory regime will negatively impact airports and ultimately, the associated costs will be passed along to the traveling public.

As a result, there is a need for a balanced approach to passenger rights that ensure the stability of much needed air service connectivity, competition and a resulting quality service that is not cost-prohibitive.

SJIAA is most concerned with the following proposed changes:

1. Implications for Competitiveness and New Services

The proposed changes to the APPR will be significantly more punitive than regimes in other jurisdictions, such as the European Union. This will ultimately further increase the cost of travel in Canada and have a disproportionate impact in regional markets that are often served with shorter domestic flights.

SJIAA continues to work tirelessly to re-establish routes lost during the pandemic, attract new airlines, and stabilize and increase route frequencies that are our critical transportation links to and from this province. The implications for competitiveness will likely drive up prices, resulting in cost-prohibitive barriers to travel and less choices for the travelling public. This is felt even more greatly in Atlantic Canada where regional connectivity remains a key priority.

2. 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



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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.

SJIAA is currently affected by this issue on a regular basis and anticipates that flights would simply be taken out of rotation to avoid the costs associated with these knock on effects.

3. 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 penalized.

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 aviation ecosystem.

The need to factor in these financial considerations would change the economics of regional routes, and risks airlines favouring 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.

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.

4. 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 re-book on their own carrier or a partner, they will be obligated to purchase a ticket on a competing airline. YYT does not have the re-booking options that larger centres can offer and this change would come with potential great problems.

In addition, it is proposed to expand some duty of assistance requirement in exceptional circumstances, such as a significant weather event. Hotel capacity within St. John's and surrounding areas are known to fully book out at certain peak time of the year due to tourism and conferences. In such a case, the airline may simply have no options to offer passengers such assistance.

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

SJIAA strongly believes that any changes to APPR must be done so with great caution. The aviation industry has not yet fully rebounded, and applying further restrictions to airlines will have ripple effects that will have heavy passenger and cost implications. As an airport, maintaining and growing air service is extremely competitive. We have concerns with the suggested APPR changes that will dramatically affect our service offerings and implore you to consider feedback from all stakeholders.

Thank you for considering these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dennis Hogan', with a large, stylized flourish at the end.

Dennis Hogan
Chief Executive Officer
St. John's International Airport Authority