



November 4th, 2024

Canadian Transportation Agency

OTC.FPRTA.Consultations-Consultation.CTA.ATCC@otc-cta.gc.ca

Re: Canadian Transportation Agency Consultation: Air travel complaints fee proposal

To Whom it May Concern:

On behalf of the Atlantic Canada Airports Association (ACAA), representing 14 airports in every province in Atlantic Canada we strongly urge the Canadian Transportation Agency (CTA) not proceed with proposed regime in the air traveller complaints fee proposal.

Canada is the second largest country in the world and many rural and remote areas in Atlantic Canada depend on accessible air routes for connectivity, economic viability, economic growth, and essential services. Atlantic Canada relies on air travel not as just way to connect with friends and loved ones, but as a critical lifeline. In a country as vast as Canada, where communities are often separated by great distances, affordable and reliable air service is essential for both residents and businesses. New fees could lead to rising airfares and diminished services.

We hope that any changes to the passenger protection framework will consider the broader impact on connectivity and affordability for all Canadians. Given the Canadian model of a self-funding aviation ecosystem, cost changes for one part of this system inevitably impact all parts of the system, including travellers. The Canadian Transportation Agency's proposed air travel complaints fee must be carefully evaluated in this context.

At a time when the aviation sector is still working to recover from the pandemic Atlantic Canada's airports urge a balanced approach that protects passenger rights and maintains high service standards without adding undue costs that could reduce connectivity or affordability for passengers. For many communities, particularly rural ones, higher operational costs could mean fewer flights, making it financially unfeasible for airlines to maintain routes in underserved areas. This would ultimately reduce options for Atlantic Canadians and affect our region's competitiveness.

The CTA has also chosen a very high fee for carriers to pay for each complaint. A \$790 fee, regardless of merit or outcome, is inordinately high and possibly punitive. It is the legislated mandate of the CTA to administer adjudication of complaints against air carriers, and while the CTA does have the ability to invoke a cost recovery regime, it is essential that parameters and values attached to the regime do not unnecessarily harm air carriers or the travelling public.

The CTA must also examine the potential negative impacts on regional air connectivity. Smaller markets continue to struggle to gain and maintain affordable air service. As a country regional connectivity has only recovered to 70% and many markets in Atlantic Canada are only at 50% of 2019 passenger traffic levels. These regional connectivity challenges are exacerbated by air carrier fleet changes, the pilot and aircraft mechanic shortages, thin margins and existing APPR. Injecting increased risk and costs onto these regional routes has the potential to reduce regional connectivity while increasing the cost of travel further. Just this month, 3 airports and communities in Atlantic Canada lost Flair service entirely citing APPR rules as a major contributing factor in discontinuing these services.

CTA decisions are already adversely impacting air service in regional markets, adding a cost recovery fee would be an additional burden for travellers and come at great cost to community connectivity.

We strongly advise the CTA not to proceed with the proposed cost recovery regime as proposed in this consultation. As put forward, this regime would only increase costs to all travellers across the system without providing any additional benefit or protection. Furthermore, the proposed mechanism would further jeopardize regional connectivity for Canada's and Atlantic Canada's regional, remote, northern, and indigenous communities through increased air carrier costs and risks.

Sincerely,



Nadia MacDonald
Executive Director
Atlantic Canada Airports Association (ACAA)