



Canadian Transportation Agency  
60 Laval Street - Unit 01  
Gatineau  
Quebec  
J8X 3G9

To whom it may concern,

Upon the invitation of France Pégeot, we write to share our feedback and response to the proposed 'air travel complaints fee' which would be assessed against eligible complaints submitted to the CTA under the Airline Passenger Protection Regulations (APPRs). Since the introduction of phase 2 of the APPRs in December 2019, Canadian North has worked hard to ensure our compliance with this regulation. As you are aware, Canadian North face significant challenges with this regulation due to our operating environment in Canada's North. The unique nature of our business often drives APPR costs as a direct result of both the unpredictable weather, and the critical services we provide to the communities we serve, often driving different decision making to ensure our communities are supported with the essential products and services that enable remote community living. The CTA are also aware of the feedback shared by our customers who are subjected to air fares that are disproportionately higher than those seen throughout Southern Canada, again due to the operating environment and available infrastructure at Northern airports that generate significant cost to our business.

Upon review of the proposed fee amount of \$790, and the historical cases processed since the implementation of the new CTA eServices portal, we forecast that the cost of the new fee would be equal to ~150% of the costs of the compensation issued against all passenger supported complaints to date, which have an approval rate of 83%. We would propose that this fee structure is misaligned with the intent of the regulation, where the cost of the regulation itself is surpassed by the cost of the CTAs management of the program they chose to implement. The following outlines some of the critical issues with the proposed changes.

20 Cope Drive  
Kanata, ON  
Canada K2M 2V8

575 Palmer Road  
NE, Unit 620  
Calgary, AB  
Canada T2E 7G4

For reservations,  
visit [canadiannorth.com](http://canadiannorth.com)  
or call toll free:  
**1-800-267-1247**  
**TTY 1-877-873-3718**



### **Large & Small Carrier Distinction**

Importantly, while compensation values for consumers is currently assessed differently for large and small carriers, the proposed fee structure does not address this approach, which, in practice, will place the cost of managing complaints of other, larger carriers upon smaller carriers with fewer resources.

### **Lack of Existing Process Guidance for Airlines**

Since the process for complaint review was updated and the CTA implemented the eServices platform to manage complaint cases, Canadian North have struggled to meet the evidentiary expectations of the CTA's Resolution Officers. Despite numerous attempts to obtain additional guidance and support from the CTA in order to meet these evidentiary expectations and ensure our compliance, we have yet to receive a response or any of the requested guidance. The proposed changes in approach should be accompanied by clear instructions and outlined expectations.

### **Inconsistent Outcomes**

Further, we have found complaint outcomes have been applied inconsistently between cases and between RO's. In the recent past, we have been instructed to issue compensation for complaints relating to both Weather and Safety-related flight disruptions (please refer to cases #24-05497, #23-54421 as reference).

While we understand and are supportive of the CTAs objective of enforcing effective consumer protections, it is imperative we ensure that the application and enforcement of the regulations meet the intent of the regulation, and that the outcomes of these complaints are consistent between Resolution Officers.

### **Proposed Retroactive Application**

We recognize that since the implementation of the APPRs and the associated complaints process, the CTA have been unable to clear a significant backlog of complaints. Canadian North have 96 cases in queue currently and are unable to provide any response to cases until a start notice has been issued. The proposal indicates that the fee would be applied based on the decision date, and no considerations would be made based on when a complaint was originally submitted. This represents significant financial

20 Cope Drive  
Kanata, ON  
Canada K2M 2V8

575 Palmer Road  
NE, Unit 620  
Calgary, AB  
Canada T2E 7G4

For reservations,  
visit [canadiannorth.com](http://canadiannorth.com)  
or call toll free:  
**1-800-267-1247**  
**TTY 1-877-873-3718**



risk for Canadian North with no opportunity to mitigate that risk.

In summary, the implementation of an air travel complaint fee would add significant additional cost to our business, and ultimately the consumer. With these factors in mind, we encourage the CTA to consider alternative options and other feedback to the current proposal.

Some alternative options for your consideration include:

1. **Retract the proposal.** A thorough evaluation of the rationale for additional penalties is required, as the fee creates an additional penalty to the airline where penalty structure already exists. Seeking alternative methods of mitigating the cost of managing these complaints is imperative, to prevent this unnecessary and additional cost being ultimately passed on to the end consumer. The implementation of this fee could result in significant behavioural change from consumers, where customers may submit complaints to attempt to capitalize on the program, while forcing additional costs to the airline.
2. **Differentiate between Large and Small carriers.** Define a clear, and consistently applied fee structure that would differentiate fees between large and small carriers, in alignment with the current compensation structure of the APPRs.
3. **Provide clear guidance on application of the new rules.** Provide support and guidance to the airline to clearly communicate the evidentiary requirements imposed upon the airline and ensure consistency in the application of the regulations, and between Resolution Officers. Further, consider an appeal process for the airline upon a decision being made on a case. This is already afforded to the passenger after the airline submits its response but is not afforded to the airline.
4. **Significantly reduce the proposed fee.** Calculate fees based on a percentage of the instructed value to be paid to the customer. This would create structure to ensure that the fee associated to the complaint is not disproportionate to the outcome of the complaint itself.
5. **Include a Retrospective or Grandfather Clause,** to ensure complaints which were in queue prior to the introduction of this new rule are treated under the previous guidance.

20 Cope Drive  
Kanata, ON  
Canada K2M 2V8

575 Palmer Road  
NE, Unit 620  
Calgary, AB  
Canada T2E 7G4

For reservations,  
visit [canadiannorth.com](http://canadiannorth.com)  
or call toll free:  
**1-800-267-1247**  
**TTY 1-877-873-3718**



Ultimately, despite the varied and unique operating challenges faced in the North, Canadian North works hard to limit passenger disruption, keep costs low, and create a smooth travel experience for our passengers. Adding another penalty will not only increase the cost of travel for passengers, but it will also create an administrative burden for CTA, who already are challenged with current volumes. We strongly advise reconsidering this approach, and we welcome the opportunity to discuss these items during an in person or virtual meeting, should the opportunity arise.

Thank you for allowing us the opportunity to provide our thoughts and feedback.

Respectfully,

*Craig Walker*

Craig Walker  
Director, Customer Support & Community Investment  
403-918-9584

20 Cope Drive  
Kanata, ON  
Canada K2M 2V8

575 Palmer Road  
NE, Unit 620  
Calgary, AB  
Canada T2E 7G4

For reservations,  
visit [canadiannorth.com](http://canadiannorth.com)  
or call toll free:  
**1-800-267-1247**  
**TTY 1-877-873-3718**