

Canadian Transportation Agency

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Subject: Flair Airlines' Objection to CTA's Proposed \$790 Complaint Fee – Protecting Affordable Air Travel and Market Competition

Dear Canadian Transportation Agency,

At Flair Airlines, we believe in making air travel accessible for all Canadians, operating on a low-cost model that empowers more travelers to fly affordably. As the only low-cost carrier (LCC) in Canada, we prioritize affordability and transparency, addressing customer needs with robust internal resolution processes. However, the Canadian Transportation Agency's (CTA) proposed \$790 fee for processing complaints stands as a significant threat to affordable air travel in Canada and to fair competition in the airline industry. We are therefore compelled to strongly oppose this fee.

The Canadian aviation sector is already one of the most expensive in the world, burdened with high government-imposed fees that drive up costs for travelers, particularly in terms of airport and navigation costs. In this context, the additional \$790 complaint fee would have a disproportionately negative impact on low-cost carriers like Flair. Unlike legacy carriers, which can absorb such fees due to their pricing structure and market share, LCCs operate with thin margins. This fee not only threatens the affordability of air travel for Canadians but also unfairly penalizes those carriers that work hard to provide transparency, accessibility, and competitive pricing.

This fee is more than just unnecessary—it is another layer of financial burden imposed on an already overtaxed and highly regulated industry. The Canadian airline sector is one of the most expensive in the world, and adding yet another fee only serves to deepen the crisis. For low-cost carriers like Flair, this additional burden of a fee threatens the very model that keeps air travel affordable for Canadians. It should also be stressed that such fees are not imposed in any of the major air travel markets globally, particularly in the USA or the European Union. Rather than improving passenger rights, the proposed measure only adds another layer of government-imposed costs unique to Canada, making air travel even less affordable.

Impact on Affordable Air Travel

As Canadians struggle with rising living costs, this \$790 complaint fee risks making air travel a luxury once again. Flair operates under tight margins specifically to keep fares low, passing savings directly to our passengers. For legacy carriers, the fee might be absorbed due to higher ticket prices; however, for an LCC like Flair, it would directly increase operating costs and ultimately lead to higher ticket prices for the very passengers we aim to serve.

Canadian airlines are already subject to some of the highest government-imposed fees in the world. Airport improvement fees, security surcharges, navigation fees, and taxes pile on, needlessly inflating the cost of tickets for passengers. With these excessive fees, it is no wonder Canada ranks among the most expensive countries for air travel globally. This proposed \$790 fee will only make the problem worse, as airlines pass on this fee directly to consumers and push airfare even higher at a time when Canadian families are struggling to afford the daily cost of living.

Creating Incentives for Exploitation and Forum Shopping

Flair is concerned that this fee could lead to unintended consequences by incentivizing passengers—or third-party agents acting on their behalf—to leverage the CTA complaint process for profit. Knowing that airlines incur a \$790 fee for each complaint, passengers may feel encouraged to submit complaints even in cases where resolution could be achieved directly with the airline, expecting a higher settlement amount than would be offered otherwise. This practice risks fostering a "cottage industry" of forum shopping, where filing complaints becomes a tool for profit rather than a genuine resolution process. Such exploitation could increase the number of complaints filed, even in cases where airlines are fully committed to resolving issues directly with customers.

Flair's Commitment to Transparency and Accountability

Flair takes pride in being one of Canada's most transparent airlines. We clearly outline any ancillary fees upfront, empowering customers to make fully informed decisions without surprises. We proactively resolve customer issues through our dedicated resolution team, which has significantly reduced the need for CTA escalations. Unlike others in the industry that may obscure pricing details, Flair prioritizes fair and honest communication with our customers. Penalizing transparent, consumer-friendly practices with a \$790 fee across the board unfairly targets airlines that are doing their best to meet high standards of customer care.

The Case Against Retroactive Application

Applying this fee retroactively to complaints filed before September 30, 2023, exacerbates the financial impact. Flair would face an unexpected financial burden of in the ballpark of around \$5-10 million — funds that could otherwise support operational improvements or customer service initiatives. Retroactive fees undermine principles of fairness and good governance, particularly for carriers like Flair that have invested in strong, proactive complaint resolution measures. We urge the CTA to reconsider the retroactive application, allowing airlines to adapt responsibly to any new fee structure without unfair retroactive penalties.

A Call for Proportionate Regulation

The \$790 complaint fee is a regressive measure that will increase ticket prices, reduce competition, and burden consumers. We urge the CTA to eliminate this fee or, at a minimum, reduce it significantly to maintain the competitive landscape in Canadian aviation and protect travelers' access to affordable flights. Flair is committed to serving Canadians with integrity, efficiency, and affordability—and we call on the CTA to support these values by reconsidering this counterproductive fee.

At a time when affordability is paramount, we urge the CTA to reconsider this fee. Rather than penalizing efficient, transparent airlines like Flair, the CTA should target carriers whose lack of transparency and inflated pricing structures generate more complaints. Flair is doing its part in serving Canadians with more affordable air travel; now, it's time for the CTA to step up and drop this counterproductive fee. We ask for the **immediate elimination** or a **drastic reduction** of this fee to prevent further erosion of competition and to protect the consumers who rely on affordable air travel. Canadian airlines—and Canadian travelers—deserve better.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Wilk".

Maciej Wilk

CEO, Flair Airlines