



November 1, 2024

France Pégeot, Chair and CEO  
Canadian Transportation Agency (CTA)  
25 Eddy St 15th Floor,  
Gatineau, Quebec  
J8X 4B5

Dear Ms. Pégeot:

On behalf of the Tourism Industry Association of Canada (TIAC), I am writing to express my concerns regarding the Canadian Transportation Agency's (CTA) recent proposal to impose a \$790 fixed fee for each eligible consumer complaint filed against an airline. Canada's aviation industry plays a vital role in the nation's economy. TIAC strongly believes that this new fee, if implemented, will have a negative impact on both air travel affordability and tourism in Canada, ultimately harming consumers and the broader visitor economy.

### **Increased Cost of Air Travel**

One of the most immediate and concerning impacts of this proposed fee is the increase in the cost of air travel for Canadian consumers. Canada's airlines already face significant operational pressures due to rising fuel costs, inflation, and global supply chain disruptions. The introduction of this additional \$790 fee, which would be applied to each eligible passenger complaint, will likely force airlines to pass these additional costs onto consumers. The result could be higher ticket prices for all passengers, including those who are not involved in complaints or disputes.

For many Canadians, air travel is a necessity, whether for business, family connections, or leisure. By adding this surcharge, the CTA is placing an extra burden on all travellers, further distancing air travel from being an affordable mode of transportation for many. The potential for price hikes could also reduce demand for air travel, particularly among price-sensitive consumers, and greatly impact Canada's tourism sector for years to come.

### **Impact on Canadian Tourism**

Tourism is a vital sector of Canada's economy, contributing billions annually and supporting thousands of jobs across the country. Air travel is the gateway for international tourists, business travellers, and Canadians exploring their own country. A significant increase in the cost of flying—whether directly through price hikes or



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indirectly through reduced service levels as airlines adjust their business models—could discourage both domestic and international tourism.

International tourists, who contribute to the growth of local economies across Canada, may opt for destinations with lower travel costs or where flying is more affordable. Similarly, Canadians looking to explore their own country could reconsider or reduce travel plans, affecting regions and rural tourism hubs that rely heavily on the visitor economy to thrive.

### **Encouraging Constructive Dialogue, Not Financial Penalties**

While it is important to have an efficient system for addressing passenger complaints, it is equally important that the process is not unnecessarily punitive or burdensome. Rather than imposing a fixed fee that penalizes airlines and consumers alike, we urge the CTA to consider alternative approaches that balance the need for accountability with the preservation of affordable and accessible air travel. For example, the agency could explore a system that targets only repeated or frivolous complaints, thereby ensuring that legitimate concerns are addressed without overburdening the aviation industry.

In conclusion, while the need for a robust system to handle passenger complaints is clear, the proposed \$790 fee could have detrimental effects on the affordability of air travel in Canada and the viability of our tourism sector. I urge the Canadian Transportation Agency to reconsider this proposal and explore solutions that will support both consumers and the airline industry without imposing unnecessary financial burdens. Canada's airlines play an essential role in connecting our nation and driving our economy, and it is critical that we find ways to strengthen, not hinder, this important industry.

Thank you for your attention to this matter. I trust you will carefully consider the implications of this proposal and take the necessary steps to ensure that air travel remains accessible and affordable for all Canadians.

Sincerely,



Beth Potter  
President and CEO

CC.

The Honourable Anita Anand, Minister of Transport, and President of the Treasury Board



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The Honourable Soraya Martinez Ferrada, Minister of Tourism and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

