



March 1, 2021

Canadian Transportation Agency
15 Eddy Street
Gatineau, Quebec
J8X 4B3

To Whom It May Concern:

Re: Consultation on New Airline Refund Requirements

The Travel Industry Council of Ontario (TICO) is the regulatory authority delegated by the Ministry of Government and Consumer Services to administer the *Travel Industry Act, 2002*, which governs travel agents and travel wholesalers in Ontario. As a fellow regulator and consumer protection authority, we applaud the Canadian Transportation Agency's (CTA) efforts to enhance protection for consumers.

Consumers and airlines will likely have much input to provide on your specific consultation questions. TICO would like to use this opportunity to request that in drafting the new regulation, the CTA take into consideration potential impacts on all parties in the supply chain to avoid unintended consequences. In particular, the following potential impacts are highlighted:

1. The impact on travel agencies. If travel agent commissions are recalled by airlines, this would pose immense hardship for the sector. Travel agents have worked tirelessly throughout the pandemic to assist consumers with cancellations, refund requests, and dealing with travel restrictions, all while operating with close to no income. They do not have resources to refund commissions and need assistance just as the airlines do.
2. The impact on those selling travel packages. If air has been packaged with other services, it may not be possible to get refunds for the other package components. To provide a refund for the air and vouchers for the other components may not be well received by consumers as the other components may be useless without the air to get to the destination. This would create huge demand for refunds of the full package price, which may be impossible for sellers to provide.
3. In the event of an airline bailout, tour operators that are vertically integrated with an airline may have an advantage over their competitors who do not receive the same access to government assistance.

If you would like to further discuss any items raised in our submission, please do not hesitate to contact me.

Sincerely,
TRAVEL INDUSTRY COUNCIL OF ONTARIO

Richard Smart
President & CEO

cc: Kelly Houston-Routley