

## **CANADIAN TRANSPORTATION AGENCY**

**In the matter of an Inquiry of the Canadian Transportation Agency  
Pursuant to LET-A-30-2018 and LET-A-31-2018**

### **INTERIM SUBMISSION OF SUNWING AIRLINES INC.**

#### **Establishment of Inquiry**

1. Pursuant to LET-A-30-2018 dated April 25, 2018, the Canadian Transportation Agency (the "Agency") established an Inquiry into the Sunwing Airlines Inc. ("Sunwing Airlines") flights scheduled to be operated to/from the Lester B. Pearson International Airport (the "Toronto Airport") during the period April 14 through April 18, 2018 that had been the subject of passenger complaints submitted to the Agency (the "Toronto Flights").
2. Pursuant to LET-A-31-2018 dated May 2, 2018, the Agency expanded the scope of its Inquiry to include its scheduled flights to be operated to/from the Pierre Elliott Trudeau International Airport (the "Montreal Airport") during the April 14 through April 18, 2018 (the "Montreal Flights").

LET-A-30-2018 and LET-A-31, 2018 are hereinafter sometimes referred to as LETS 30 and 31.

3. In its LETS 30 and 31, the Agency, amongst other things, expressed a concern that there may have been systemic issues affecting the flights in question.

#### **No Systemic Issues**

4. The problems arising out of the Montreal Flights arose directly out of the impact of the Toronto ice storm and the problems with the Sunwing Airlines' Toronto ground handler Swissport, thus impacting Toronto aircraft which would otherwise have also served Montreal.
5. The overall problems experienced by Sunwing Airlines during the Toronto ice-storm arose out of a confluence of extreme weather conditions and the collapse of Swissport in providing its contracted ground handling services to Sunwing Airlines.

6. While the Agency has previously ruled that a carrier cannot be excused to perform on the basis of the failure of one of its contractors, there is no question that Sunwing Airlines had every right to expect its contracted ground handling services from Swissport to be properly performed. Sunwing Airlines contracted Swissport to provide its ground handling services based upon not only its worldwide reputation and expertise, but also based upon its Canadian expertise.
7. Swissport is one of the world's largest providers of ground handling services to airlines, serving over 350 airports in over 50 countries across 5 continents.

In Canada alone, Swissport provides ground handling services to carriers operating out of 9 Canadian airports.

8. Under its Toronto Airport ground handling contract with Swissport, Swissport is contracted to provide full ground handling services which includes both Passenger Service ("above the wing") and Ramp Service ("below the wing").

Passenger Service functions include:

- Check-in functions;
- Baggage tagging;
- Travel documents checks;
- Boarding gate;
- Passenger reconciliation;
- Arrival escort of passengers to baggage hall; and
- Communication via announcement when necessary (boarding gate, during delays and after arrival).

Ramp functions included:

- Baggage room make-up;
- Aircraft marshalling;
- Aircraft parking;
- Aircraft loading and off-loading;
- Baggage delivery to arrivals hall;
- Aircraft towing;
- Lavatory service; and
- Potable water service.

9. In addition to the above Passenger Service and Ramp Service duties, Swissport has a "Traffic" Desk which is comprised of Swissport staff dedicated to Sunwing Airlines. The

“Traffic” Desk acts as a conduit of information between the Sunwing Airlines’ OCC and the Toronto Airport, including GTAA and other stakeholders.

10. At the peak of the ice storm, there would normally have been 120 Swissport support staff to serve Sunwing Airlines and other contracted carriers, with Sunwing Airlines having the largest number of flights. Less than 40 Swissport staff were available.
11. On May 4, 2018 Sunwing Airlines was advised by Swissport that its Vice-President of Operations at the Toronto Airport was no longer with the company.
12. Notwithstanding the above uncontrollable matters, Sunwing Airlines was not satisfied with its response to the ice storm/Swissport events.
13. Immediately after the ice storm/Swissport events, Sunwing Airlines established a task force made up of 4 of its Vice-Presidents to review 4 major operational areas and come up with detailed recommendations.
14. The four major areas covered were:
  - Technologies;
  - Planning and response;
  - Customers and communications; and
  - Central baggage.

Attached to this Submission as Appendix “A” is a more detailed description of each of the above areas.

15. It is anticipated that all proposed recommendations will have been finalized and implemented prior to the upcoming Winter Season.<sup>1/</sup>

#### **Perspective with Respect to the Sunwing Airlines Operations**

16. While Sunwing Airlines is not pleased with the number of complaints, it is relevant to note that during the April 14 - 18, 2018 period, Sunwing carried over 44,720 passengers on its Toronto and Montreal flights.

#### **Sunwing Airlines Passenger Responses**

17. Sunwing Airlines responded to its affected passengers both during the April 14 – 18, 2018 period and thereafter by:

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<sup>1/</sup> Winter Season is November through April of each year.

- Providing 15,730 meal and drink vouchers;
- Providing 11,280 compensation voucher payments pursuant to its Passenger Care Commitment;
- Providing 3,224 discretionary goodwill compensation voucher payments over and above its Passenger Care Commitment;
- Providing 636 full cash refunds pursuant to its Passenger Care Commitment;
- Providing 5,372 discretionary partial cash refunds over and above its Passenger Care Commitment;
- Paying 584 baggage expense, delay compensation or reimbursement claims; and
- Paying 231 passenger expense claims;

18. By way of a separate confidential Appendix, Sunwing Airlines has provided a list of the total costs incurred arising out of the above actions.
19. The above payments were made not only pursuant to its tariff requirements and its Passenger Care Commitment, but also, as goodwill gestures exceeding both its tariff obligations and its Passenger Care Commitment.

Sunwing Airlines is the only Canadian carrier which makes voluntary compensation payments.

20. In summary:
  - A substantial number of all of its meal and drink vouchers exceeded its tariff obligations;
  - All of its compensation voucher payments exceeded its tariff obligations; and
  - In addition to the above, it also made goodwill voucher payments both in excess of its tariff obligations and its Passenger Care Commitment obligations.
21. Sunwing Airlines has responded individually to each passenger complaint it has received and addressed the complainant's concerns by way of undertaking one or more of the actions referred to in paragraph 18 above.
22. Most of the complaints received by Sunwing Airlines have now been closed with no further requests for action by any of the complainants. The remaining complaints are in process.
23. All of the above actions took place without any request or demand by the Agency.

Furthermore, in addition to all of the meal and drink vouchers having been issued prior to the initiation of the Inquiry, approximately 80% of the compensation payments were issued prior to the date of the Inquiry.

DATED this 27th day of July, 2018

By its Solicitor:

Edwin T. Nobbs, Q.C.  
Edwin T. Nobbs, Q.C. Professional Corporation  
33 Yonge Street, Suite 201  
Toronto, Ontario, M5E 1G4

A handwritten signature in black ink, appearing to be 'E. Nobbs', written above a horizontal line.

## **APPENDIX "A"**

### **Technology**

- Flight Alerts – accuracy, presentation, ease of access
- Increasing the number of passengers "linked to us" – i.e. via App, signed up to Flight Alerts, checking in, etc.
- Improving AIMS processes to improve the timing of alerts
- Consistency of information across sites (e.g. our alerts, airports, third party such as Flightaware)
- Automation of In-Flight reports to improve availability, accuracy and timeliness of information
- Changes to Fongo (ability of passengers to call home for free) in App to keep calling options in destination live for delays moving to the next day

### **Planning and Response**

- Establish Emergency Response alert system, and resource plans.
- Planning for Emergency Situations – establish meeting timetable, resource planning for 24/7 coverage
- Creation of appropriate scripts to cover many emergency situations that can be deployed, or deployed quickly after minor editing
- Ensure the whole business understands the forms and terminology in use in various areas, and are trained in all procedures across all functions.
- Use of sub-service airlines, and communication with such
- Planning for crew – on stand-by, accommodated close to airports etc.
- Planning for sub-contractors – e.g. ground handlers
- Planning for destination airports – e.g. need to go beyond curfew, need to keep customer operations open
- Staffing plans to include Sales Centre requirements, needs for 24/7, needs for Francophone coverage, extended Social Media coverage, potential use of third party "crisis resources"
- Third Party service level agreements and consequences.

### **Customers and communication**

- Creation of a central data source for the business to access
- Use of such a source to proactively prompt actions during incidents

- Establishment of service standards – e.g. when drink or snack service would be provided regardless, frequency of customer updates (all scenarios, including Canadian airport, on-board and destination at airport or at hotel)
- Staff interaction – get more Sunwing / Nexus staff airside, representation at Canadian airports
- Flight crew interaction – announcements, apologies, expectation of communication
- How to use the App as a communication aid
- Ease of creating menu item on IVR to direct callers regarding a situation more easily.
- Changes to catering – e.g. when to switch to complimentary offering
- Clear communication of refunds, meal vouchers, FTVs/compensation and options, and delivery of such to customers
- Back end processing of refunds, cancellations, and hotel changes
- Destination processes – particular focus on the movement of pax to airports during uncertainty
- Empowering people to go above and beyond the normal guidelines when the “customer mood” necessitates.
- External communications – including updating our website(s), use of Travel Alerts, updating Travel agencies, social media postings, pro-active release of information to media

### **Central Baggage**

- Technological possibilities for scanning and matching bags
- Review of the WorldTracer integration
- Automation / improvement of the process of reporting lost baggage
- Staffing of major baggage halls
- Allowances for missing baggage in destination – covering necessities (inc. in Cuba)