

January 24, 2024

The Honourable Pablo Rodriguez, P.C., M.P.
Minister of Transport
House of Commons
Ottawa, ON K1A 0A6

Re: Impacts of Proposed Changes to Canada's Air Passenger Protection Regulations

Dear Minister Rodriguez,

The Ontario Chamber of Commerce (OCC) is the indispensable partner of business and Canada's largest, most influential provincial chamber. It is an independent, non-profit advocacy and member services organization representing a diverse network of 60,000 members. The OCC's mission is to convene, align and advance the interests of its members through principled policy work, value-added business services and broad engagement to drive competitiveness and economic growth in the province.

I am pleased to write to you for the first time as the new President and CEO of the Ontario Chamber of Commerce. I look forward to working with you on issues of importance to Canada's economy. I am writing to express our stakeholders' and members' concerns over new federal revisions to the Air Passenger Protection Regulations (APPR). These changes will impact Ontario's smaller regional airports and pose a risk to Ontario's tourism industry.

In June 2023, Parliament passed revisions to the APPR that added new obligations and requirements for airlines in the event of flight disruptions. In July 2023, the Canadian Transportation Agency (CTA) released regulatory proposals designed to implement those legislative changes, proposals which were subject to public consultation.

During the consultations, many groups raised concerns about the unintended consequences of the CTA's proposed regulations. These groups represented tourism, airports, airlines, unions, businesses, amongst others. Key concerns include:

- Airlines already face significant costs under the current APPR, and the cost to administer the new APPR regulations is projected to rise significantly. In addition to direct compensation and care costs, airlines will have significant indirect costs to manage and support APPR claims. These increases in operating, administrative and legal fees are expected to result in higher fares for consumers at a time when tourism activity is already hampered by inflation.
- The proposed changes to APPR will impact regional connectivity in Canada, placing the ability for airlines to continue providing service to regional, remote, and northern communities at significant risk.
- Europe's experience has shown that passenger compensation regulations impose substantial costs on the industry but do not improve the aviation system's performance or the traveller experience.

Air transportation contributes significantly to Canada's national, local, regional, and provincial economies. The industry supports over 633,000 jobs and contributes over \$60 billion to Canada's GDP through direct airline operations and spending through supply chains, as well as associated trade, tourism, and investment activity, including spending by foreign visitors arriving by air. Aviation has an economic multiplier effect as it facilitates economic development within communities by attracting business, creating employment opportunities, and paying wages that are spent in local communities.

While we fully support a smooth and efficient traveller experience that protects passengers, the CTA's proposed changes risk harming the passenger experience by threatening access to affordable, accessible air travel.

We appreciate the opportunity for dialogue with your government and urge you to consider the unintended consequences of this decision and its potential to adversely affect provincial travel and tourism industries, which are powerful economic and social engines for Ontario and Canada.

Thank you for your consideration.

Sincerely,



Daniel Tisch
President and CEO
Ontario Chamber of Commerce

CC: The Hon. Soraya Martinez Ferrada, Minister of Tourism
Arun Thangaraj, Deputy Minister of Transport
France Pégeot, Chair and CEO, Canadian Transportation Agency