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# Standing Committee on Transport, Infrastructure and Communities

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Chair: Mr. Peter Schiefke





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Monday, November 28, 2022

• (1540)

[*Translation*]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I call this meeting to order.

Welcome to meeting number 42 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 3, 2022, the committee is meeting to study the Air Passenger Protection Regulations.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application.

[*English*]

Colleagues, appearing before us today, from the Canadian Transportation Agency, we have Michelle Greenshields, director general, dispute resolution branch; and Tom Oommen, director general, analysis and outreach branch.

From the Department of Transport, joining us virtually, we have Craig Hutton, associate assistant deputy minister, policy; and Colin Stacey, director general, air policy.

In the second half of our meeting, from the National Airlines Council of Canada, we have Jeff Morrison, president and chief executive officer; and from WestJet Airlines, we have Andrew Gibbons, vice-president, external affairs.

I'd like to take this opportunity to inform members that all of today's video conference witness participants have completed the necessary audiovisual checks. Once again, I'll look over to my esteemed interpreters to get the thumbs up to make sure that everything is okay. Fantastic.

We will begin with opening remarks from the Department of Transport, for five minutes.

I turn the floor over to you.

**Mr. Craig Hutton (Associate Assistant Deputy Minister, Policy, Department of Transport):** Good afternoon. *Bonjour*. Thank you, Mr. Chair, for inviting me to speak with you today.

[*Translation*]

It is my pleasure to join you and the honourable members of this committee.

I welcome this opportunity to share how the Government of Canada has been working to strengthen Canada's air passenger rights regime.

I am pleased to be joined today by Colin Stacey, director general of Air Policy at Transport Canada.

[*English*]

Prior to the Transportation Modernization Act and subsequently the air passenger protection regulations—or APPR, as they are known—passenger rights were not widely understood nor consistently applied across air carriers in Canada, including the fact that rights were different for international and domestic flights.

The APPR fully came into force in December 2019, with the objective of creating a more predictable and balanced approach to ensure that passengers know their rights; air carriers understand their obligations; proper complaint resolution and enforcement mechanisms are provided; and operators don't face an undue burden or lose competitiveness in adhering to these rights, including in a way that could negatively affect ticket prices for consumers.

These regulations were developed based on best practices from the United States and the European Union. The regulations govern the treatment of passengers by air carriers, as well as clarifying minimum standards of treatment and compensation that must be provided to passengers based on the level of control an air carrier has over a flight disruption.

Separately, the mobility rights of persons with disabilities are protected under the accessible transportation for persons with disabilities regulations. These regulations came into force in June 2022.

With the APPR, Canada has a robust set of regulations to protect Canadians when they travel by air. In many instances, passengers are eligible for compensation. The Canadian approach goes above and beyond other jurisdictions in some areas. For example, the APPR provide for compensation for delays and cancellations within a carrier's control, which does not exist in the United States. Also, carriers are required to re-book passengers on a competitor carrier in certain situations, which is not the case in either Europe or the U.S.

As with any new regulatory regime, we would expect it to be tested by practical experience. In the case of the APPR, this has happened in a way that's beyond what could have been imagined. Indeed, the regime has been tested by the worst crisis in the history of commercial aviation and the difficult pathway to recovery that's followed. The result, as you well know, is a significant number of passenger complaints.

It's important to recall that these complaints are occurring because the passenger rights regime provides Canadians and air carriers with a framework that outlines obligations to passengers. Complaints that go to the agency are the ones where there is doubt about the application of the regulations.

The typical first step is an attempt at resolution directly with the carrier, where a complaint can be resolved without any agency involvement. Where complaints are advanced to the agency, we understand that a large number of these are resolved by facilitation, which means that the agency is often able to provide a resolution for travellers.

In other instances, decisions are adjudicated, which can also provide relief to passengers as well as clarity around how similar situations would be treated in the future. Such possibilities for satisfying passenger complaints would have been much more limited with the system that existed prior to Canada's air passenger rights regime.

The agency has processed over 25,000 passenger complaints by different dispute resolution methods since the APPR came into full effect in 2019, and additional temporary funds for one year were announced in budget 2022 to increase the agency's complaint processing capacity.

Recognizing that the agency plays an important role in supporting the efficient functioning of the national transportation system, the Government of Canada continues to work with the organization to address its financial requirements to ensure that it is resourced appropriately to carry out all of its mandated functions, including consumer protection for air travellers.

We are improving the APPRs based on experience. When a gap in the APPR was revealed at the onset of the pandemic—namely that carriers were not required to provide refunds for cancellations that were not within their control and where no alternative travel was possible due to the pandemic—the Government of Canada quickly acted to close this particular gap.

Based on direction from the Minister of Transport, the agency's new regulations ensure that even when cancellations and lengthy delays occur that are outside the airline's control, passengers can receive a refund if the airline cannot complete a passenger's itinerary within 48 hours, regardless of the type of ticket that was purchased. These new regulations came into force in September and provide greater clarity around timing, cost coverage, method of payment and deadlines to refund travellers.

Furthermore, Transport Canada continues to work in close collaboration with the agency to examine further opportunities to improve the functioning of our air passenger rights regime to ensure that it continues to be world-leading and meet passenger needs, including those of passengers with disabilities, and that air carriers abide by the spirit of the regulations. This includes examining re-

cent experience in the face of the challenges presented by the pandemic to consider whether additional changes to the regime are required.

• (1545)

[*Translation*]

Furthermore, Transport Canada continues to work in close collaboration with the agency to examine further opportunities to improve the functioning of Canada's air passenger rights regime to ensure that it continues to be world leading, meets passengers' needs, including passengers with—

[*English*]

**The Chair:** I'm sorry. Mr. Hutton, but I'm going to have to cut you off there. I gave you an extra 30 seconds.

We will be able to get that from you, perhaps in writing, to add to your contribution today. Thank you very much.

Next we have the Canadian Transportation Agency.

The floor is yours. You have five minutes for your opening remarks.

[*Translation*]

**Mr. Tom Oommen (Director General, Analysis and Outreach Branch, Canadian Transportation Agency):** Mr. Chair, I would like to thank the committee for the invitation to appear today.

As you noted, I am accompanied by my colleague Michelle Greenshields.

[*English*]

Chair, if it's okay with you, we'll share our five minutes of opening remarks.

[*Translation*]

First, as a regulator, the Canadian Transport Agency develops regulations in accordance with legislation, implements regulations, issues licences and determinations, and enforces regulations.

Second, as an administrative tribunal, the agency resolves complaints using informal dispute resolution, facilitation and mediation, as well as through a formal adjudication process, in which it has all the powers of a superior court.

The agency has a mandate for the federally regulated transportation system—air, rail and marine—as well as for protecting the human rights of persons with disabilities to an accessible transportation network.

A core component of our mandate is providing consumer protection for air passengers, most significantly through the Air Passenger Protection Regulations, or APPR.

In 2018, the Transportation Modernization Act amended the Canada Transportation Act and gave the agency the authority to make regulations defining airlines' minimum obligations toward passengers.

Before the development of the APPR, each airline set out its own terms and conditions of carriage in a legal document known as a tariff—which is in effect the contract between the passenger and the airlines. After the coming into force of the APPR, in addition to the terms and conditions set out in their tariff, each airline is required to follow the obligations as set out in the APPR. These regulations create more consistent passenger rights across airlines.

Developed following a comprehensive public consultation exercise, the APPR addresses fundamental entitlements of passengers including receiving clear communications, and being treated fairly in the case of delays, cancellations and denied boarding.

These minimum obligations differ, based on the extent to which the causes of a flight disruption are within an airline's control or not. Obviously for situations that an airline can control, airlines are held to a higher standard of treatment toward the passengers, for example, for flight disruptions that are wholly within airline control, airlines are required to provide compensation for inconvenience. Even when events occur that are outside of their control, airlines must still ensure that their passengers get to their destination as quickly as possible.

Whether an event is outside of an airline's control, within their control, or within the airlines' control but required for safety can sometimes be difficult to determine. It can be even more difficult for a passenger, as the information that would enable the passenger to determine how the flight disruption is categorized and what their entitlements are, is within the hands of the airlines.

• (1550)

[English]

**Ms. Michelle Greenshields (Director General, Dispute Resolution Branch, Canadian Transportation Agency):** As you're aware, in 2020, three months after the APPR came into force, the COVID-19 pandemic caused a collapse in global air travel. As the events of the pandemic unfolded, it became clear that there was a gap in Canada's air passenger protection framework relating to the situation where flights were cancelled or delayed for reasons outside of the airline's control and there was no possibility of a passenger completing their itinerary within a reasonable time. Because the law did not require airlines to include refund provisions in their tariffs for such situations, what a passenger was entitled to depended on the particular tariff of the airline.

Given the implications of this gap in the framework, on December 18, 2020, the Minister of Transport issued a direction to the agency providing the authority to develop a regulation respecting the airline's obligations to a passenger in case of flight cancellation or lengthy delays due to situations outside their control that prevent them from ensuring that passengers complete their itinerary within a reasonable time frame.

The final regulations amending the APPR were published in part 2 of Canada Gazette on June 22, 2022, and came into force on September 8, 2022. The new regulations require airlines to provide a passenger affected by a cancellation or a lengthy delay due to a situation outside the airline's control with a confirmed reservation on the next available flight that's operated by them or a partner airline leaving within 48 hours of the departure time indicated on the passenger's original ticket.

If the airline cannot provide the confirmed reservation within a 48-hour period, it must provide the passenger with a choice, a refund or a re-booking. A refund must be provided within 30 days.

Following the coming into force of APPR, we saw a significant influx of complaints, with an incoming monthly complaint volume that was quadrupled. To put this in perspective, in 2018-19, we received about 7,600 complaints. During the year that APPR came into force, 2019-20, we received 19,000 complaints, even though the APPR was only fully enforced for three months prior to the onset of the pandemic.

More recently, as air travel volumes have rebounded and the air industry has grappled with the speed of recovery, we've witnessed a big jump in complaints, which have only recently started to slow down. While we had been receiving an average of 1,500 complaints per month in April, May and June of this year, complaint volumes jumped to more than 3,000 in July and 5,700 in August.

Despite processing more complaints than before, in 2021-22, we processed over 15,000 complaints, which is more than three times the number of complaints that we were processing annually before the APPR and the pandemic. We still had a significant number of complaints, and that has led to a backlog.

We're working on addressing the backlog by further increasing our complaint processing capacity through identifying and implementing procedural improvements, modernizing our processes and adding capacity where possible.

Finally, although today's study is focused on the APPR, I should mention that the agency has a key human rights mandate for accessibility of the federally regulated transportation system. I would note that, when we receive cases regarding accessibility, they are prioritized and, as a result, we have no backlog in this area.

Thank you, Chair. We'd be happy to respond to any questions.

• (1555)

**The Chair:** Thank you very much for your opening remarks.

We will begin our round of questioning today with Dr. Lewis.

Dr. Lewis, the floor is yours. You have six minutes.

**Ms. Leslyn Lewis (Haldimand—Norfolk, CPC):** Thank you so much, Chair.

I want to thank the witnesses for their testimony today. It's essential that we resolve some of the angst that travellers are experiencing, especially because we've had unprecedented disruptions in flights, delays and cancellations over the last few years. With things such as the mandatory ArriveCAN app, I'm sure there were a lot of complaints about that, too, and the COVID protocols, but that's not the area of concentration I'll be focused on today.

Today I'll be dealing specifically with the area of compensation. My first question goes to Mr. Craig Hutton.

You stated that compensation is provided for delays that are within the carriers' control. How is it determined whether or not it is within the carriers' control?

**Mr. Craig Hutton:** With regard to determinations, there is a process by which, as you know, the agency undertakes to determine the degree of control that is applied in any specific complaint that has been filed with the agency. Typically, situations of control can pertain to operational issues that the airline may face with respect to their network, and where it's determined that they did have a degree of control over that, it is determined to be within their control.

I can turn to my colleague Mr. Stacey for some more specifics on that control issue, which was also addressed in the most recent regulations that came into force on September 8.

**Ms. Leslyn Lewis:** Would “operational issues” mean labour shortages? Would those be operational issues, or are you speaking about safety issues?

**Mr. Craig Hutton:** As you and other committee members are aware, there is currently a labour issue before the court with respect to staffing, or the degree to which claims of staff shortages could be considered a safety issue. It would be inappropriate to comment on that specific case.

That is why, as well, the agency is there to adjudicate—to make sure rights are respected. Passengers are encouraged to seek recourse. The agency can provide clarity where there's doubt about the application or interpretation of the regulations.

**Ms. Leslyn Lewis:** Mr. Hutton, wouldn't the airlines know what the labour shortage is up front? Wouldn't they be able to plan for that?

**Mr. Craig Hutton:** The degree to which that is interpreted as a safety issue is currently the subject of court proceedings. It would be inappropriate for me to comment on the specifics of those proceedings until that is resolved.

**Ms. Leslyn Lewis:** Are there any lists that enumerate what a safety issue is, and what is in the carrier's control?

I would think the passenger would see something of a power imbalance, because the carrier determines what information to give the passenger. That is what the passenger will use to seek the remedy.

What incentive would there be for a carrier to provide information that would incriminate them and compel them to pay damages?

**Mr. Craig Hutton:** There are, of course, a number of cases where it's clear there isn't a dispute. The passenger is encouraged to work with the airline first, in order to ensure their complaint can be addressed by the carrier. When there isn't a resolution with the car-

rier directly, it goes to the agency for interpretation around the facts in that specific situation.

There can be facilitation to arrive at that conclusion, or there can be adjudication. It will depend on the specific set of facts that a carrier and traveller may find themselves with, in order to make a determination as to what the specific cause was—whether or not it was within control or had a linkage to safety.

• (1600)

**Ms. Leslyn Lewis:** Perhaps I'll ask Mr. Oommen, through the chair, about this imbalance.

In such cases, does the agency get a list of things that the airline would potentially have done wrong? How does the passenger correct for this imbalance? How can we expect the public to be protected, when airlines have all the information passengers need to defend themselves or bring forth their cases?

**Mr. Tom Oommen:** Mr. Chair, there's a question about power imbalance.

In fact, the agency plays an important role in facilitating the interaction between the passenger and airline.

First of all, through our informal facilitation process, an agency facilitator sits down with the passenger and a representative of the airline, in order to air out the issues in dispute and try to come to a resolution. That includes the details of the events surrounding a flight disruption. In facilitation, it's the agency facilitator who asks for information from the airline, not the passenger. The vast majority of complaints are, in fact, dealt with through facilitation.

For cases that proceed to adjudication, the agency provides its services free of charge. No lawyer is required. The agency provides extensive guidance material to assist passengers in understanding the regulatory framework. It clearly explains to passengers what is required for each step in the adjudication process.

**The Chair:** Thank you, Mr. Oommen, and Dr. Lewis.

Next, we have Mr. Iacono.

[*Translation*]

You have six minutes.

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Mr. Chair.

I'd like to thank the witnesses for being with us today.

Mr. Hutton, when the airlines claim that flights are delayed or cancelled due to circumstances beyond their control, how is that verified?

[English]

**Mr. Craig Hutton:** I'll defer to my colleague from the agency on the details of this. For the specific details around a given situation, it's up to the agency to ask carriers for information pertaining to the incident. They're able to work with the airline to determine what the specific circumstances were around any specific incident.

[Translation]

**Mr. Angelo Iacono:** Thank you.

My next question is for Mr. Stacey or Mr. Oommen.

Why have you been reluctant, apparently, to fine airlines for their systematic failure to comply with the APPR?

**Mr. Colin Stacey (Director General, Air Policy, Department of Transport):** I think the issue of fines is more a matter for the Canadian Transportation Agency.

[English]

**Mr. Tom Oommen:** Thank you, Chair.

The main way by which the agency oversees compliance with the APPR is through the resolution of complaints made by passengers against airlines. This is because complaint resolution is helpful individually to the complaining passenger since it can result in the passenger obtaining a remedy from the airline. Also, the complaint process allows a panel of members to interpret the regulations.

The other way in which the agency oversees compliance with the APPR is through compliance monitoring and enforcement activities. To that end, the agency does have a small number of designated enforcement officers. Our team of enforcement officers has several roles.

First, they support complaint resolution by following up on agency decisions and orders pursuant to the resolution of complaints. They make sure that the airlines comply with the orders following a complaint decision. They also conduct targeted enforcement blitzes and issue notices of violation and administrative monetary penalties.

A concrete example, really quickly, of how this works together is a relatively small number of AMPs were issued for airlines not responding to passengers within 30 days of a request for compensation. You will see on our website that we have posted those notices of violations and the amounts of the administrative monetary penalties. However, while the enforcement officers were having those conversations with the airlines, that also resulted in the airlines, in many cases, changing their categorization of the flight disruption to "within control" and paying the passengers the compensation.

There is that dual role of investigating and issuing administrative monetary penalties and also having those discussions with the airlines to ensure, ultimately, the goals of compliance and changing behaviour.

• (1605)

[Translation]

**Mr. Angelo Iacono:** Thank you.

How much time do I have left, Mr. Chair?

**The Chair:** You have two minutes, Mr. Iacono.

**Mr. Angelo Iacono:** Thank you.

If we want to change the CTA model, could the CTA do that on its own or would it require legislative changes?

[English]

**Mr. Tom Oommen:** The agency makes regulation based on the legislative framework that the agency is presented with. We would need either a change to the legislative framework or direction from the minister to change the regulatory framework.

[Translation]

**Mr. Angelo Iacono:** Has consideration been given to updating the entire CTA model from a quasi-judicial tribunal to an administrative body?

[English]

**Mr. Tom Oommen:** The agency has these two roles. These roles are set in the law, both as administrative tribunal and as a regulator. That is based on the current legislative framework.

[Translation]

**Mr. Angelo Iacono:** Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Iacono.

Go ahead, Mr. Barsalou-Duval. You have six minutes.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

The last time the Canadian Transportation Agency appeared before the committee, the backlog of complaints was reported. If I'm not mistaken, 18,000 or 20,000 complaints had not yet been processed.

Could you give me an update on the number of complaints received by the CTA that have still not been processed yet?

[English]

**Ms. Michelle Greenshields:** Thank you.

We continue to receive a high volume of complaints, although the pace has reduced since the summer. For example, we received 5,800 complaints in the month of August in comparison to the period before the APPR came into force when we received 7,600 complaints for the entirety of the fiscal year 2018-19.

Our current backlog is 30,000 complaints. Currently, 80% of those cases have been received since April 1, 2022. We continue to work to address these cases with the resources that we have and to review our processes to optimize our processing capacity as we go forward.

We've already found ways to more quickly review cases informally and formally through the batching of cases, that is, finding cases that have a common flight and being able to handle them with a larger volume, streamlining our manual processes.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** I heard the answer to my question: right now, you have 30,000 unresolved complaints.

You also mentioned that you have increased your capacity to deal with complaints. If I'm not mistaken, you said that you used to process between 5,000 and 6,000 complaints annually and that you are now processing 15,000. So, it will take about two years to process the entire backlog of 30,000 complaints. I imagine that you have plans to continue improving your processing speed so that you can handle more.

You also mentioned that a large number of complaints were resolved through facilitation and mediation, which was the primary method used.

I think you also group complaints, to deal with a number of them.

Once the complaints are considered closed, do you call the complainants back to find out if they were satisfied with the outcome? Do you have any statistics on complainant satisfaction?

• (1610)

[*English*]

**Mr. Tom Oommen:** Mr. Chair, we do, in fact, do a survey of the passengers who bring complaints to us afterwards, and we do measure complainants' level of satisfaction with our service.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Is it possible to send the committee information on the satisfaction studies that have been done on how complaints are handled? I think that would shed some light on the state of the situation and the satisfaction of complainants who use the agency.

What we have heard previously from consumer associations is that people are somewhat discouraged by how long it takes to process complaints, even that some people, faced with the administrative mountain, simply decide to give up. If you have any data on what's really going on, it would be interesting for our study.

It was also pointed out to us that many airlines may be banking on the fact that only a small number of aggrieved individuals would file complaints. For example, if all the passengers on a given flight received false information, but only two of them complain, and the resolution of those complaints is ultimately in the consumers' favour, do you have a way to inform all passengers on that flight of the outcome of those complaints?

[*English*]

**Mr. Tom Oommen:** Mr. Chair, first of all, we would be happy to provide after this meeting those statistics that were mentioned. I will also say that all of our adjudicated complaints are on our website. For those that are actually adjudicated, the decisions are published on our website.

That information about adjudicated cases is also provided to our facilitators, who deal with the vast majority of cases in discussions with the airlines and the passengers. That information about the results of adjudications is also fed into that process of dialogue, that facilitation process at the beginning of the complaint resolution process.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** If I understand correctly, the agency deals with the complaint through facilitation or the administrative tribunal, but there is no proactive approach with other consumers who may have been similarly harmed on the same flight. So there is no incentive for an airline to properly inform passengers. It will say that if one out of 300 consumers files a complaint, there will be at most one out of 300 who will receive compensation, while the others will get nothing. That's more or less my question for you.

[*English*]

**Mr. Tom Oommen:** Mr. Chair, I can't speak for the members of the agency who would adjudicate and issue decisions on each case based on the evidence before them. I will say, however, that there are means to extend parts of a decision that apply to one complainant to the other passengers on a flight.

In a number of cases, we have already informed the parties to those disputes that we will be considering extending a decision made for an individual complaint to the other passengers on the same flight. We have also more generally informed the air carriers that it is our intention to actively use these provisions. They were mentioned at an earlier hearing in this study; section 67.4 was the—

**The Chair:** Thank you very much, Mr. Oommen.

[*Translation*]

Thank you very much, Mr. Barsalou-Duval.

[*English*]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have six minutes.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Chair, and thank you to our witnesses.

Does the CTA have an estimate of the percentage of passengers affected by delays and cancellations who pursue complaints through the CTA?

**Ms. Michelle Greenshields:** We can speak to the portion of complaints that we have that are related to flight disruptions. Currently, of the cases that were received in 2021-22, 43% of the total complaints were related to flight disruptions.

**Mr. Taylor Bachrach:** Forty-three percent of the incoming complaints were related to flight disruptions, but obviously there are thousands and thousands of people who are affected by delays and cancellations. The CTA has an estimate of how many flights over the past couple of years have been delayed or cancelled. Do we have a ballpark estimate?

The number that was given to us by a previous witness was that 2% of passengers are actually pursuing complaints through the process. Does that seem like a reasonable percentage?



• (1615)

**Mr. Tom Oommen:** Chair, the number that we found to be a reasonable approximation that we use for forecasting complaints into the future is that roughly 1 in 5,000 passengers will issue a complaint.

**Mr. Taylor Bachrach:** One in 5,000 passengers will issue a complaint.

As you just mentioned, the CTA has the ability to enforce these rules on a per flight basis, as opposed to a per passenger basis. You indicated that the agency has informed carriers that it intends to use this in the future. Why hasn't the agency used this power to date?

**Mr. Tom Oommen:** I'll preface this by saying the thing that I always have to say: I can't speak for members of the agency who adjudicate and issue decisions on each case based on the evidence before them. However, I will say that there are at least two ways in which agency decisions made with respect to a single complaint can have an impact that goes beyond that single complaint.

The first way, which is particularly important for new regulations, is through the interpretation of regulations such as the APPR. When members of the agency interpret the facts of a case, that serves as a model for the cases that will follow.

Given the newness of the regulation, our emphasis has been on interpretation. It is true that sections 67.4 or 113.1 can be used to extend elements of a decision to other passengers on the same flight. However, there are a couple of points to note, Chair.

First, 97% of complaints that come to the agency are resolved through informal means. Most complaints don't actually make it to members to adjudicate and issue decisions. For those complaints that do get to adjudication, as I said, in a number of cases, we have already started notifying the parties to those cases that it is our intention to consider using section 67.4.

**Mr. Taylor Bachrach:** Just to be clear here, if someone goes through the process and it's resolved in facilitation and they get some sort of compensation under the APPR, there's no way to extend that facilitated outcome to the other passengers on the same airplane on the same flight who were affected in exactly the same way unless it goes all the way to adjudication.

**Mr. Tom Oommen:** Chair, the way that works is as follows. We spoke earlier about batching complaints by flight so that there is some way of knowing what complaints were from a flight, so the facilitators who follow a particular flight or flight disruption are made aware of what the facilitated solution was in that particular case. That information is shared with the other facilitators who may have to deal with other complaints from the same flight, so there is a common understanding among facilitators as to what happened in that case.

**Mr. Taylor Bachrach:** I think you understand what I'm getting at, which is that if the CTA awards compensation through facilitation to two passengers on a flight that was cancelled, all the other passengers who were affected should also reasonably be entitled to that compensation; but a lot of passengers, we know, don't go through the process because, frankly, it's pretty onerous. I've been through it, and it's a really frustrating process to go through. You have to wait 30 days for the airline to get back to you. Then you have to fill out all sorts of online forms.

Isn't it reasonable to extend the reach of compensation through facilitation to all of the passengers affected on the flight regardless of whether they went through the process?

**Mr. Tom Oommen:** Chair, I mentioned earlier that through the other half of the agency, through the regulatory and enforcement half, we have been successful in having discussions with the airlines that have resulted in their recategorizing flights to be within control and, therefore, offering compensation to passengers. We have been successful in that.

I would emphasize, Chair, that facilitation is, as the name suggests, a facilitated, informal process in which there are discussions and agreement on a way forward. There is no weight of law behind a facilitated solution.

**Mr. Taylor Bachrach:** During the legal facilitation process is the passenger provided with the information the airline provides to the facilitator?

**Mr. Tom Oommen:** Yes, Chair, that is absolutely the case.

• (1620)

**Mr. Taylor Bachrach:** When a passenger gives up or takes their case to small claims court—that is, takes their case out of the process—how does the CTA list that on its website? I looked at the list, and there's no category for people who gave up.

Where do you put those people if they withdraw, if they don't pursue their case, or if they take their case to small claims court because they're frustrated by the lack of resolution?

**Mr. Tom Oommen:** Complainants are free to pursue different means for resolution of their case. If they don't close it with us, then we continue to pursue the case.

**The Chair:** Thank you very much, Mr. Bachrach, and Mr. Oommen.

Next we have Mr. Strahl.

Mr. Strahl, the floor is yours. You have five minutes.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Thank you very much, Mr. Chair, and to everyone participating here today.

My first couple of questions come from of a CTV news report today. The Minister of Transport, Mr. Alghabra, had a presser at Ottawa airport. He said that he was referencing a bit of a summit they held last week. He said that talks included “standards for the Canadian Air Transport Security Authority and other government agencies.” The article goes on to say, “The wait time, as of Monday, to review air travel complaints made to the [CTA] can be more than 18 months.”

Does the CTA have a service standard for responding? We heard that the airlines have 30 days to provide information and that it's taking 18 months for the CTA to review complaints.

What is the service standard, and when can we expect it to be met?

**Ms. Michelle Greenshields:** As mentioned, we currently have communicated that it can take up to 18 months to have a case processed at the CTA. This is based on general average service times for different cases.

There are a variety of factors that contribute to how long a case takes to process. Some cases can be processed quite quickly in the early phases of facilitation where it's quite clear whether the airline has met its tariff or complied with the APPR, or if they have not. Other cases require a little bit further information to dig—

**Mr. Mark Strahl:** I'm sorry to interrupt, but I don't have a whole lot of time.

I understand there are different reasons for different lengths. Obviously, prior to having 30,000 backlog complaints, there would have been as service standard. Members of Parliament, for example, have information on service standards that they relay to their constituents, whether it concerns immigration or how long it takes to get a passport, etc. There is an ideal service standard.

Without getting into why some might take longer, what is that service standard when you don't have 30,000 backlog complaints? When APPR was first introduced, what was the service standard? Has it ever been met, and how do you plan to get back to it?

**Ms. Michelle Greenshields:** Our plan is to get back to the service standard. Our standards are really based on trying to go through a comprehensive review process of our complaint processes. We're examining elements such as our service processes and trying to find ways to streamline decisions to reduce the administrative burden and find those efficiencies. For example, we were able to streamline the intake of complaints and reduce failures of the applications from 50% of applications to 10%.

**Mr. Mark Strahl:** You do have a plan to get back to the service standard, but I'm still looking for what that number is. Is it 60 days or 90 days a year? What is the service standard that you're trying to get back to?

**Mr. Tom Oommen:** Chair, I would mention that our service standards are actually in our annual report and can be looked up. I don't have that off the top of my head.

**Mr. Mark Strahl:** Okay. I'll look for that there.

Some of the witnesses we heard from in the first panel mentioned that because there are CBSA, CATSA and Nav Canada issues that can come up in the air passenger experience, if the airlines had an issue with those or if those government or affiliated agencies had been the cause of the delay that forced the airline to pay out to the passengers, the airline could simply go back to those other parties and try to collect payment. They could go back and get a remedy from them.

Do the APPR allow for airlines to recover costs from government agencies that may have caused the delays that have resulted in them to having to pay out to passengers?

Mr. Hutton, that might go to you.

• (1625)

**Mr. Craig Hutton:** Thank you for the question, Mr. Chair.

With regard to the operational issues that may occur as a result of airport operations or instructions from traffic control, these kinds of issues are deemed to be outside a carrier's control, generally speaking. There isn't any provision to be able to recoup anything from those service providers who may have instigated a particular delay or instance of a problem where it resulted in a complaint from a passenger.

**Mr. Mark Strahl:** Okay.

As I said, that article mentioned government agencies other than the CTA that the minister was looking to have standards for.

Can you tell this committee which agencies the minister is referring to where he would like to increase the service standard or the transparency around their operations?

**The Chair:** Unfortunately, Mr. Strahl, I'm going to have to ask the witness to provide that as a written-form submission as you are out of time for your line of questioning.

Thank you very much for that.

Next, we have Mr. Badawey.

The floor is yours. You have five minutes.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Mr. Chairman.

I want to thank Mr. Strahl for his line of questioning because that was somewhat the line of questioning I was going to go down. With that said, I'm going to allow Ms. Greenshields to elaborate a bit more.

I heard from Mr. Oommen that the CTA, according to legislation.... I heard the words "administrative tribunal" and "adjudicate". With that said, does the agency annually review or measure your performance?

Mr. Strahl did ask the question, but I want you to get a bit deeper into the weeds on this.

**Ms. Michelle Greenshields:** I'll speak to it generally.

The agency does review our performance through the annual report. We have a number of factors that we publish. A core set of data is shared and posted on our website. We also continue to monitor operational data on a regular basis to ensure we have an understanding of our workloads coming in and our processing.

**Mr. Vance Badawey:** I'm asking these questions deliberately because we really want to ensure that you guys have the mechanism and the tools to do what people expect you to do.

Whether it's rail, marine, air or road, we do receive, as MPs, a lot of complaints about the CTA, period. Let's try to fix that by ensuring that you folks have those tools to actually do your job.

Based on the findings of the review, I'm assuming that improvements are made internally. You were starting to get to that answer with Mr. Strahl. Or, do the improvements require legislative changes or amendments?

**Ms. Michelle Greenshields:** At this point we've made a number of improvements, as I mentioned before, related to our process. We have seen some positive outcomes as a result of the improvements we have made. Some of our improvements are related to processing efficiency where we found deficiencies in the intake of information. We also have some other processing improvements, such as the batching we mentioned, which allows us to be able to more effectively handle the complaint volumes.

We also have improvements in adjudication where we've come forward with shortened decisions. We've reduced the time to issue an adjudication decision from 144 days to 40 days in total, so we do have some progress.

We also have some usability efficiencies going forward. We are trying to be increasingly transparent on our case status updates. We have put information online to help passengers understand where they are in our process in terms of the backlog in total and also to understand our process and where they're at, to help them navigate.

We're also working at posting soon the number of complaints or the volume of complaints per 100 flights for each airline to provide further information on the performance of the air industry.

We've undertaken and we've kicked off a more detailed review of our processes. This is going to be looking at not only how to improve our processes, but also the opportunities that elements like automation could provide us—particularly in the early parts of our process—so that we could, for example, automate some of the review of complaints to be able to find further efficiencies and allocate our resources towards the more complex part of our processes.

Because the volumes have increased so substantially, we need to really move to an operational organization. One that used to resolve 1,000 complaints is now resolving 30,000 complaints, so we do require a reset to do that.

- (1630)

**Mr. Vance Badawey:** Thank you, Ms. Greenshields.

I only have a certain amount of time here, so I'm going to jump into the next question.

How recently has the CTA recommended legislative changes to enhance your performance?

**Mr. Tom Oommen:** Chair, every year the agency in its annual report is required to provide an assessment of the act. In our last annual report, you'll see recommended changes to the act.

**Mr. Vance Badawey:** I'm going to switch over to Mr. Hutton now.

Mr. Hutton, I have a question to you with respect to the CTA mandate. Who ensures that the CTA mandate is adhered to over and above establishing or updating legislation versus forcing individuals to have to pursue complaints through the courts?

**Mr. Craig Hutton:** In terms of the mandate, Mr. Chair, that's a reporting accountability both to the minister and to Parliament.

**Mr. Vance Badawey:** If there are changes that have to be made, what prompts those changes?

**Mr. Craig Hutton:** A number of factors can prompt changes. They include discussions with stakeholders, as was referenced ear-

lier. A summit that the minister hosted last week with industry partners, including consumer groups, is one way of looking at how improvements can be made, which also include tools that the agency may or may not have to improve the efficiency of the overall national transportation system. In addition, as was mentioned, we collaborate closely with the agency on operational needs they may have, including where there may be opportunities for some improvement in terms of legislation and authorities that the agency could use to enhance their effectiveness.

As well, as in the past, there's been a statutory review of the Transportation Act, and out of that review often come recommendations pertaining to the role and mandate of the agency.

**The Chair:** Thank you very much, Mr. Badawey.

Thank you, Mr. Hutton.

[*Translation*]

Mr. Barsalou-Duval, you have two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Earlier, my colleague Mr. Bachrach touched on the issue of complaints that are abandoned by complainants during the process.

Do you have any idea of the proportion or number of complaints that are withdrawn because consumers give up during the process?

[*English*]

**Mr. Tom Oommen:** Chair, what we track are the number of complaints that we have at each stage of the process. As I mentioned, 97% of the complaints that come to us are dealt with in facilitation that results in a resolution or a termination of the case in agreement with the airline and the passenger.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** What you're telling me is that 97% of complaints are handled through facilitation. That means that no more than 3% of complaints would be dropped during the process.

If I understand correctly, that 3% would also include complaints that will be handled by the court system, for instance. Is that right?

[*English*]

**Mr. Tom Oommen:** Chair, I believe the answer to that question is yes. Of all the complaints, 97% are dealt with at facilitation, and then the rest go further in the process. That 97%, I should emphasize, doesn't always mean that all of the parties are happy with what happens in the facilitation stage, but there is an understanding that the solution reached in facilitation is the correct one.

[Translation]

**Mr. Xavier Barsalou-Duval:** According to what consumer associations have told us, very often people on airplanes don't even know that they have rights, even though airlines have a duty to inform consumers of their rights and to ensure that they use the remedies available to them.

What is the agency doing to ensure that consumers know they have rights? Do you monitor the airlines to make sure they're providing the information? How do you do that?

• (1635)

**Mr. Tom Oommen:** In fact, an important part of our implementation of the APPR is to verify that the airlines provide on their website, at their counters or in the announcements they make, information necessary to inform passengers of their rights and remedies under the APPR. All of this information is set out in the APPR.

[English]

**The Chair:** Thank you very much.

Next we have Mr. Bachrach.

The floor is yours. You have two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Mr. Oommen, the DOT in the United States has fined major airlines \$7 million. How much in fines has the CTA levied against Canada's airlines?

**Mr. Tom Oommen:** Mr. Chair, we post on our website all of the administrative monetary penalties that have been issued by the agency. We do that by year and by different area so that—

**Mr. Taylor Bachrach:** Do you know the total of that, Mr. Oommen?

**Mr. Tom Oommen:** Mr. Chair, we do know the total. Specifically related to the APPR, the agency has issued \$171,000 in AMPs, many of which were issued since April 1 of this year.

**Mr. Taylor Bachrach:** That's \$7 million versus \$171,000.

I have a separate question. How did the CTA communicate to airlines that it intends to use section 67.4?

**Mr. Tom Oommen:** There's a formal procedure of pleadings in complaint cases. The way the process works is that when there's a complaint before the agency, there are several steps by which the agency issues information or decisions, intermediate decisions, and at an early stage what the agency will say to the two parties in the dispute is that it is the intention of the agency—

**Mr. Taylor Bachrach:** What I'm asking is if that information is public. Is it posted on your website somewhere? Can we find the communication with the airlines?

**Mr. Tom Oommen:** Mr. Chair, the communication with the airlines is with the airlines and the passengers who are party to those particular cases.

**Mr. Taylor Bachrach:** What information can passengers obtain to decide whether to pursue a complaint? I'm on flight that's been cancelled. I send an email to Air Canada, WestJet, or whatever airline I'm on. They send me back an email saying, sorry, we'll give you a voucher, but otherwise you're out luck. What information am

I entitled to in order to decide whether I have a case to complain to the CTA?

**Mr. Tom Oommen:** Mr. Chair, that's actually something the agency is proud of. We have made efforts to put a lot of information on our website.

In particular, in response to the question that was just raised, when complainants go to our website and are trying to determine what their rights are and what their next steps in potentially doing a complaint are, there are a bunch of drop-down menus—

**Mr. Taylor Bachrach:** What I'm getting at, Mr. Chair, through you, is what information is there about that flight and about those circumstances?

**The Chair:** Thank you, Mr. Bachrach. Unfortunately, there's no time left for the first panel.

I want to thank all of our witnesses, on behalf of all of the members, for their testimony today.

We will now suspend for two minutes as we transfer over to the witnesses for our second panel. The meeting is now suspended.

• (1635)

(Pause)

• (1640)

**The Chair:** I call this meeting back to order.

Appearing before us for the second round, we have Mr. Jeff Morrison, president and chief executive officer of the National Airlines Council of Canada, as well as Mr. Andrew Gibbons from WestJet Airlines.

We will begin with Mr. Gibbons for your opening remarks.

You have five minutes.

[Translation]

**Mr. Andrew Gibbons (Vice-President, External Affairs, WestJet Airlines Ltd.):** Thank you, Mr. Chair.

[English]

It is my pleasure to be here with you this afternoon to outline WestJet's views on the air passenger protection regulations, provide our policy recommendations for the work before you and take your questions and feedback. We welcome this discussion.

Our relationship with our valued guests is embedded in the fabric of our company and our world-famous employees.

Before I comment on government regulations, I want to express on behalf of our organization our sincere appreciation and gratitude for our employees. I am sure this is shared by members of Parliament.

They are the people who brought Canadians home in the early stages of the pandemic and who rescue Canadians from hurricanes and storms both here in Canada and from afar. They have been on the front lines of COVID, implementing government measures with absolute professionalism. They have persevered through various policies that saw many of them lose their jobs forever or for a short period of time. Simply put, they are the best.

No one in Canada hates to see a guest's travel delayed or cancelled more than an airline employee. Despite having the best employees possible, modern aircraft and an unwavering commitment, things can and do go wrong. We accept that we are accountable to Parliament and the public, and that is why we are here today. Where we have failed our guests, we accept responsibility, apologize in earnest and turn over every stone to improve ourselves.

To our guests whose travel has been negatively impacted by any group that provides a service to the traveller, we also apologize. Most important, we want you to know that we are working to make sure the travel system is improved so that delays and cancellations are minimized and every single service provided as part of your travel journey is accountable, just like we are.

For the path forward, the WestJet group has four recommendations for the committee to consider.

One, we believe the government of Canada should prioritize a shared accountability framework for the air traveller. This regime should expand those accountable under regulations to not just airlines.

Two, the Government of Canada should end what is called the "small carrier" provision, which treats travellers unequally on the same routing and within the aviation system: A traveller is a traveller. We believe this confusing and inconsistent policy should evolve.

Three, we believe that parliamentarians should resist the urge for major reforms to the APPR or increased pressures on airlines during a fragile recovery. As we just heard from Transport Canada and the CTA, it was in December 2019 that the regulations came into place, and we have yet to see a period of stability to properly assess the APPR outside of COVID chaos and operational chaos. We recommend that our policy energy be focused on improving the system.

Four, safety is sacred and must remain so in regulations and in the public domain. This was an original principle of the APPR and should firmly remain so.

On shared accountability, aviation is a critical and complex system. There are many factors that play into any disruption or incident. As Minister Alghabra rightly noted several times this spring and summer, there is no one group to blame for service issues, and we agree.

Unfortunately, under the APPR, there is only one group that has regulations and compensation: the airline. It is important in order for passengers' rights to be protected that every single stakeholder in the sector has established service levels that they are accountable for. We therefore call on the committee and the government to establish service level standards, communications protocols and a

imbursement regime for all groups that provide a service that can result in a delay or cancellation.

This will likely require additional powers for the regulator to make determinations that will impact the CBSA, Nav Canada, airport authorities, and CBSA and other partners in the supply chain.

This is both the greatest lesson of the problems of the spring and summer, but also the greatest path to a shared objective, which is to minimize complaints.

On the small carrier provision, for a passenger rights program to be beneficial, it needs to treat all partners and passengers equally. Similarly, to this end, there should no longer be a distinction between large and small carriers.

To a passenger, a flight on WestJet is no different than on other carriers. A flight from Calgary to Toronto is the same. It's the same aircraft serving the same destinations, but their rights are different. They are different both with respect to compensation tables and also on re-booking obligations. This confusing regulation should be eliminated, and we recommend the committee enclose that in their recommendations.

● (1645)

There's been a lot of discussion on safety at these hearings and in the media. Here, I would request the committee take testimony from the member of Notre-Dame-de-Grâce—Westmount, who authored the APPR as transport minister. It was very clear, at the time, that, for him and Transport Canada, the APPR was not intended to capture safety delays and cancellations. It was clearly intended to address commercial decisions made by airlines. Our view is that safety should always remain sacred and ring-fenced from additional penalties.

Finally, Mr. Chair, with respect to new policies, we need to remember that Canada is a very different market from the U.S.A. and Europe. There are many comparisons to existing passenger rights regimes. However, we have a vastly different climate, geography and population base. For example, there are 20 snowfall days in Europe per year, at their highest, and that's in very few locations. Canada has between 55 and 100 per year, which makes for an incredibly challenging operational environment. Also, our major populations are far away and more spread out.

We believe that, in the context of a fragile recovery, these recommendations are both reasonable and responsible. They represent the best path towards our shared objective, which is fewer complaints and a more resilient aviation system.

I am happy to take questions and look forward to the discussion.

Thank you.

**The Chair:** Thank you very much, Mr. Gibbons, for your opening remarks.

Next, we have Mr. Morrison.

Mr. Morrison, the floor is yours for five minutes.

**Mr. Jeff Morrison (President and Chief Executive Officer, National Airlines Council of Canada):** Thank you, Mr. Chair.

I am the president of the National Airlines Council of Canada. Unfortunately, my colleague Suzanne Acton-Gervais is unable to join us today. For those of you who don't know, NACC represents Canada's largest passenger airlines, including Air Canada, Air Transat, Jazz Aviation and WestJet.

Second only to safety, the most important component of world-class travel is a great experience for passengers. That said, sometimes circumstances can cause trip disruptions. There's no question that there are several factors that can disrupt the passenger journey, such as inclement weather, mechanical issues with the aircraft, or unseen operating crew shortages. Disruptive factors were amplified this past year as air travel emerged from the pandemic.

This has raised questions about the APPR. In order to inform this committee's review of the regulations, let me share some observations.

First, airlines are adhering to APPR regulations. In cases of disruption, flights are being refunded or re-booked, and hotel, food vouchers and compensation are being provided, where required. In fact, the CTA recently conducted a verification of airline processes in controlling major disruptions. It found that no systemic issues of concern were identified, which was the same conclusion in a similar verification review, back in 2020.

By the way, this is despite the fact that the APPR was not designed with a pandemic in mind. The pandemic was disastrous for air travel, globally. Every organization and agency in the industry, in Canada and around the world, faced challenges that continued into this summer.

Still, passengers, of course, have the right to appeal to the CTA when they feel a response to a disruption is unfair. Although it is true there is currently a backlog of complaints due to the unique circumstances of this summer—you just heard about them, in the first panel—there are new regulations and greater promotion, as well. As you heard from the CTA, the fact is that over 97% of complaints to the CTA are resolved amicably between the passenger and airline.

Another key point is that delays or disruptions in air travel often arise because of the interconnected nature of operations among all players in the aviation ecosystem. Airlines don't operate in isolation. They are the customers of airports and air navigation service providers, and they rely on numerous organizations and agencies for baggage handling, security screening, border agents, air traffic control, and so forth.

Yet, as my colleague Mr. Gibbons said, under the APPR, there is no accountability or service standards in place for any of those other organizations. For example, if an airline has to delay and leave a

passenger sitting in a terminal for three hours, it owes you \$400, but if a Canada customs or NavCan problem forces you to sit on an aircraft for four hours, they owe you nothing.

• (1650)

[*Translation*]

The best way to improve the APPR regime is to minimize the need for its use in the first place, and so our key recommendation is for the introduction of accountable service standards for all organizations and agencies involved in the air travel ecosystem.

Some commentators have charged that safety is being used as an excuse to justify disruptions. They suggest airlines cancel flights citing safety to avoid penalties. This claim is false and irresponsible.

[*English*]

Schedule disruptions are costly, and they impact everyone. They throw off, of course, passenger travel plans, but they reverberate through an entire day's schedule, through employee work schedules and airport operations. Cancelling or delaying a flight, except for safety, is always a carrier's last option, but safety is non-negotiable. In fact, as the CTA recently commented, "The Agency agrees...that a carrier should not be penalized for it, or its crew, making a safety call within their discretion regarding the safe operation of an aircraft."

To conclude, Mr. Chair, it is reasonable, of course, that there be accountability for delays and disruption to passenger travel. Canada's airlines accept this through their own customer service standards and the APPR, but in order to be effective, the APPR need to create accountability for all players in the air travel ecosystem. We say that with an eye towards minimizing flight disruptions and ultimately to enhance air travel and the air travel experience for all passengers, which I'm sure is something that we all agree is our common objective.

[*Translation*]

Thank you, Mr. Chair.

[*English*]

**The Chair:** Thank you very much, Mr. Morrison.

We will begin our round of questioning with Mr. Strahl.

Mr. Strahl, the floor is yours. You have six minutes.

**Mr. Mark Strahl:** Thank you, Mr. Chair.

We heard from the first panel. I believe it was the CTA that indicated that the purpose of the APPR was to bring airlines into compliance or to change their behaviour.

Mr. Gibbons, could you maybe talk...? Have the APPR forced your airline to change its behaviour, and if so, how?

**Mr. Andrew Gibbons:** You know, the best way to put this is that our obligations to our guests extend beyond what government regulations may or may not be that day. In a market economy, that's probably the way it should be, and it's probably the way everyone wants it to be. It is administratively burdensome; it is operationally difficult to comply with. This is definitely true with the accordion that we've seen throughout the COVID period around restrictions and what have you. That's why one of the four recommendations that we've put before you today is just to say that we actually haven't had a period of stability to assess them during a regular period of time with relative stability in the sector.

As an organization, we take a lot of pride in this, Mr. Strahl. We take a lot of pride in our guest service over the last 26 years. While we are obligated to comply, while we respect the fact that we have to comply, and while we take it incredibly seriously, it's not the start and finish of our relationship with our guests.

• (1655)

**Mr. Mark Strahl:** Last week, we heard from some airline passenger rights advocates who indicated that the airlines were—and Mr. Morrison referenced it just now—using the safety... They wanted the ability to cite safety to be completely removed from the APPR altogether. I talked about my... Obviously, the airports I use most frequently are Vancouver International and Ottawa International. Those are regions serving three million-plus people and a million people respectively.

If you have, for instance, a pilot who is sick or someone who is over time because of delays—I would assume it's relatively easy to get staff—how do you deal with that? The example that was used was about a pilot calling in sick to a remote airport or a less busy airport where you have fewer staff. How do you deal with staffing issues to the point that you can foresee someone's falling ill or...? What do you believe WestJet's obligation should be to have crews on standby or ready to fill in should an unexpected absence occur?

**Mr. Andrew Gibbons:** Sure. I can start off on that one.

There has been some... I don't want to say misreporting, but there was an incident at the Regina airport where we had a first officer call in sick an hour before their flight, Mr. Strahl, and that might be the incident you're referring to. It was remarked in the media and by some members of the committee that we were challenging whether or not we had any obligations. That is categorically false. In that instance, what we have is a disagreement over the way this is defined and what the category should be. The way we categorized the flight was safety, and the passenger was given a hotel voucher and food vouchers and was placed on the next direct flight the next day.

The question and the disagreement we have with the agency is whether or not that should be a controllable crew delay or a safety delay. Under their ruling, it's \$1,000 to that guest, so that's a legitimate discussion and disagreement over what the requirement should be. However, just note that it wouldn't be anyone's reasonable expectation that we have a supply of first officers in Regina waiting to be called. That's not good business practice. No one would advise us to have that. Again, it's back to these issues of bal-

ances, and it's back to what the original APPR introduced were supposed to capture and not capture.

**Mr. Mark Strahl:** Mr. Morrison, I see that pen.

**Mr. Jeff Morrison:** Yes. I have two very quick points.

The first is on your point about safety. To be clear, safety, as you can imagine, is non-negotiable for airlines. That is an absolute line that will not be crossed in any way, shape or form. Of course, safety is, in part, regulatory. There are dozens and dozens of safety regulations and they are, in part, the call of pilots, which is how it should be, given certain circumstances.

As I've said in my remarks, to suggest that somehow safety is being used as an excuse to avoid...or as a cause for disruption, it is not an excuse. It's a legitimate regulatory function that airlines must pursue.

The second very quick point is that on the case of staff or pilots who call in sick, for example, contingency planning is something that airlines do on a daily basis. It's a very sophisticated function of what they have to do if crews or pilots call in sick or have some issue. However, as Mr. Gibbons said, it's not always possible, especially when we had a COVID period when pilots were sick. I think we can all agree we would not have wanted them going into work.

If you are in a small remote area, for example, getting a replacement crew can be difficult. There are certain logistical challenges. Some are associated with geography.

Again, safety is a non-negotiable function for airlines.

• (1700)

**The Chair:** Thank you very much, Mr. Morrison.

Thank you very much, Mr. Strahl.

Next we have Mr. Rogers. The floor is yours. You have six minutes.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Chair.

Welcome again to our guests. Mr. Gibbons seems to be a frequent visitor to this committee.

**Mr. Andrew Gibbons:** I'm a frequent flyer.

**Mr. Churence Rogers:** I've seen you a number of times over the years. It's always good to see you.

Of course, we all know there have been turbulent times that we could describe as extremely challenging for airlines, for travellers and so on. We often hear some of our constituents complain and talk about how they've been ignored by airlines, or given information that they don't consider necessarily accurate.

For Mr. Gibbons, when airlines claim that flights are delayed or cancelled due to circumstances beyond their control, how is the accuracy or veracity of these claims verified?

**Mr. Andrew Gibbons:** That's a great question.

First of all, for our guests, we've done our very best helping your constituents and other constituents with these issues. We had a major challenge with our contact centre some time ago. We were very transparent and public that our service at our contact centre did not meet the expectations that Canadians have of our company. We weren't afraid to say that. The good news is that we made that better, but we know how difficult it was for guests for a certain amount of time to reach us. It was unacceptable.

With respect to who verifies it, that's a great question. The CTA investigated a series of flights. I believe it was 560 flights. They found not one instance of an airline deliberately miscoding a flight. Of course, human error can occur, but I would encourage you to look at those investigation reports.

This goes to the questions that Dr. Lewis had earlier. There was not one instance of a deliberate miscode of a flight. That is how it's verified. There is a process. I can tell you the CTA is not shy about seeking information about why we coded something this way or that way, and what the basis for it was.

**Mr. Churence Rogers:** Mr. Morrison, I guess I'll put this question to you first.

What should happen in instances where multiple and contradictory claims are made about the reasons for a delay, cancellation or lost luggage?

**Mr. Jeff Morrison:** Thank you for the question.

I've been in the role for only a month, so I hope that at some point, I can get my frequent flyer card from this committee.

What we said earlier in terms of the best way to address the AP-PR framework is to ensure that we can minimize the number of people who have to use it in the first place. That means improving the overall system.

When there are disruptions, having a much more transparent and accountable system whereby each of the players and each of the organizations within that ecosystem is transparent, public and accountable for the various actions would go a long way toward verifying claims and verifying causes of disruptions. Right now, that data sharing, shared accountability and shared measurement are not in place. If they were, we could have a much more verifiable system which ensures that, again, we're able to better understand the causes of the disruptions in the first place.

**Mr. Churence Rogers:** Mr. Gibbons, did you want to comment on that?

**Mr. Andrew Gibbons:** I was struck by the CTA testimony, which said there were 1,700 complaints in the last fiscal year before COVID and 5,800 in August.

Knock on wood, the challenges we've had have been legitimately unprecedented. It is legitimately confusing. I don't know if there's a regulatory environment or set of regulations that could have captured how complicated these delays and cancellations are. It's going

to take some time to root through that. On any given evening during the operational crisis of the spring and summer, your delay or cancel could have been from the customs hall, our own baggage, or any of these things. There is a point to be made that it is legitimately complicated.

**Mr. Churence Rogers:** Thank you very much, Mr. Gibbons.

I can't pass up the opportunity to ask you this question, even though it digresses a little bit. WestJet has been a great airline. Your employees have been great people. I've flown with them a number of times. What are your long-term plans for eastern Canada, in particular Atlantic Canada?

• (1705)

**Mr. Andrew Gibbons:** In central and eastern Canada...it depends on where you are. My colleagues call this the "east". We're in Ottawa and I think it's central Canada.

For Atlantic Canada specifically, we are transitioning our investments from a more traditional hub and spoke, regional flying and a varied mix of flights, to what we describe as more east-west and more north-south. Our investments in Atlantic Canada are changing and evolving. Some of the regional services and some of the Q400 flights that many of the constituencies and provinces have relied on are going to change. Our investment mix will look different.

That transition will take some time. We've already made some of these announcements and decisions. It is part of a broader transition in the region coming out of COVID.

**Mr. Churence Rogers:** Hopefully, in the long term it's going to be positive news for Atlantic Canada. Atlantic Canada really relied on WestJet for providing some service to many of the hubs in the region.

**Mr. Andrew Gibbons:** We hope so, too. We really value all of our guests in Atlantic Canada and our relationship with communities. A lot of these decisions have been difficult. We fully recognize that.

As part of that transition that we're making, we are always open to any discussions. I actually met with a delegation from Newfoundland and Labrador just last week to discuss this. Our commitment is to be there and have those discussions.

**Mr. Churence Rogers:** Thank you very much.

**The Chair:** Thank you very much, Mr. Rogers.

Thank you, Mr. Gibbons.

[*Translation*]

I will now give the floor to Mr. Barsalou-Duval for six minutes.

**Mr. Xavier Barsalou-Duval:** Thank you very much, Mr. Chair.

I'll begin with Mr. Gibbons.



I really liked a point you made earlier. You said that there was an audit by the Canadian Transportation Agency to determine if there was proper categorization when flights were cancelled or delayed, for example. It appears that there was no miscategorization of any of the 500 flights that were audited. So generally speaking, there seems to be a good categorization when flights are affected by cancellation, change or delay. Perhaps I'll ask Mr. Morrison about this later.

Furthermore, it was mentioned earlier that it is estimated that only one passenger out of 5,000 will file a complaint and take action with the CTA.

Wouldn't it make sense that if compensation is offered to a passenger on a flight as a result of a particular situation, such as misclassification or misinterpretation, that this compensation be extended to all passengers on the flight, systematically?

**Mr. Andrew Gibbons:** Thank you for the question.

[English]

There are a few elements to this.

The first is the nature of our business. If you take the 6 a.m. flight from Ottawa to Toronto, it's not like a Via Rail train where every single guest has bought that ticket from Ottawa Union to Toronto Union and has the same journey. On our flight from Ottawa to Toronto at 6 a.m., 10 people are going to the Middle East, or 10 are going to the Caribbean. A guest is not a guest is not a guest on the flight.

There's a reason why the regime is based on individual travellers. It's because individual traveller journeys are unique. They should have an individual right to plead their case and provide their perspective on it. We, equally, should have that obligation.

[Translation]

**Mr. Xavier Barsalou-Duval:** I understand your answer, but I still wonder. For example, if a flight was cancelled due to weather or for safety reasons, all passengers on the flight were subject to the same conditions. So in a lot of cases, it could be generalized to all passengers.

[English]

**Mr. Andrew Gibbons:** It could be. Yes. The APPR is designed as a minimum standard of treatment. But you're a different traveller from Mr. Bachrach. An acceptable guest relations solution for Mr. Bachrach might not be the same as it is for you. That's the beauty of commercial aviation. There's that competitive dynamic, and it includes a competitive dynamic when it comes to compensation and amelioration.

**Mr. Jeff Morrison:** As another example, let's say your flight is delayed or cancelled. You were coming to Ottawa, but another person on that same flight was going to Winnipeg, for example. Part of the APPR, part of the good customer service that airlines will do, is work with the individual passenger to accommodate. If there is an available flight immediately to Winnipeg but there is not an immediate flight to Ottawa, the two have two different circumstances, and therefore the blanket approach that I believe you're speaking to would not necessarily work in that case.

There's also the importance of due diligence. It's why we have a uniquely Canadian approach via the CTA. That due diligence is at the cornerstone of that.

• (1710)

[Translation]

**Mr. Xavier Barsalou-Duval:** Gentlemen, I appreciate your answers. In fact, there is one aspect of your opening remarks that we particularly agree on, namely the sharing of responsibility when a flight is cancelled or when there are problems related to government services and established standards.

However, we were told that, from the point of view of the consumer or user, there is often only one interface, and that is the airline they bought their ticket from. They'll turn to the airline if there's a problem. It would be complicated for the consumer to determine whether it's the government's fault, the airline's fault, or whoever. We were told that the interface a person should generally use is the airlines. It should be up to the airline to turn to the government, when the government is to blame, to offer compensation afterwards.

Wouldn't it be simpler to work this way?

As you mentioned, the rules are complex. We've heard from the Canadian Transportation Agency that the cases are complex, that the rules are complex, and we've heard the same thing from the Consumer Protection Agency. Everyone agrees that the rules are very complex.

Wouldn't it be better to simplify the rules for the consumer, who has trouble navigating them? So, if there were grounds for compensation, we would stop looking at who is at fault, the airlines would always offer compensation to the consumer, and then they would apply to the government for compensation when necessary.

[English]

**Mr. Andrew Gibbons:** Respectfully, I don't think an answer for simplification is to also make airlines responsible for managing an APPR framework and relationships with all of the government agencies.

We've heard from members of this committee. You are asking that your constituents get very clear information about why their flight was delayed or cancelled. We agree with you. We think they should have that precise information. Sometimes that precise information could be because the customs hall was full, or because Nav Canada had a ground delay. I think maybe a starting point is to recommend to the minister that he come back to the committee with some framework options so that at minimum there are service standards that have to be met.

When we talk about our employees, again, respectfully, when there's a delay or cancellation in our system where Pearson airport comes to a halt, there is a WestJet counter. There is no CBSA counter. There is no Nav Canada counter. Everyone ends up speaking to a WestJet, confronting a WestJet and asking a WestJet for compensation, for a voucher.

We're simply saying that we agree with the minister—there is no one person to blame—but how do we appropriately capture all that? I would respectfully say that it is not to have airlines do everything we do now and that as well.

[*Translation*]

**The Chair:** Thank you very much, Mr. Barsalou-Duval.

[*English*]

Thank you very much, Mr. Gibbons.

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have six minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Thank you, Mr. Gibbons and Mr. Morrison.

I want to make sure I understood you correctly. If Mr. Barsalou-Duval and I are on the same flight and he gets compensation, you're going to provide me with compensation as well, right?

**Mr. Jeff Morrison:** What you will receive is the same service from airlines to ensure that you will ultimately get to where you want to go, which of course is the purpose of the flight.

**Mr. Taylor Bachrach:** Now, airlines have the ability to award passengers compensation under the APPR without the passenger complaining to the CTA. Has this ever occurred, to your knowledge, since the APPR has come into effect?

**Mr. Andrew Gibbons:** I want to make sure I understand your question. Have we compensated guests regardless of whether they've spoken to the regulator?

**Mr. Taylor Bachrach:** The APPR lays out compensation for delays. If it's more than three hours, it's a certain amount of money. If it's more than nine hours, it's a certain amount of money—\$1,000. Has WestJet compensated passengers in accordance with the APPR without passengers having to go to the CTA and file a complaint?

**Mr. Andrew Gibbons:** Yes, of course, and it's our preference that we do that on our own accord and not have a guest need to go to the CTA. The answer is, yes, absolutely we have.

**Mr. Taylor Bachrach:** Mr. Morrison, is that the case for other airlines that you represent?

**Mr. Jeff Morrison:** Airlines do not always divulge their practices, so we can't confirm that.

What I can confirm for you—to go onto a slightly different tangent, because this was discussed at the prior session—is that when you talk about the CTA complaint process, as we said, 97% are addressed through facilitation. Just by way of numbers, in 2021-22, 3,825 were processed by facilitation, 148 by mediation, 124 by adjudication and zero by arbitration. It is for a very, very small percentage that a more formal adjudication process is required. It is, for the most part as was stated earlier, a fairly congenial situation.

• (1715)

**Mr. Taylor Bachrach:** I'm going to move on to a slightly different topic.

In the EU, when a pilot is sick, the passenger gets compensation. It's not an extraordinary circumstance under the EU regulations. Why should it be different in Canada, or should it be?

**Mr. Jeff Morrison:** Thank you for the question. It's a good question and one we've thought about.

When the minister of the day first introduced APPR, he made very clear that the framework was meant to be very fair and balanced. There is a certain balance required. In Canada, unlike the EU of course, we have a very unique Canadian institution, the CTA, that adjudicates complaints.

There are also, as Mr. Gibbons mentioned in his opening statement, some very, very different geographical population differences between Canada and the EU. Winnipeg gets a lot more snow days than London or Paris does, for example. Being able to fly an alternate pilot from London to Paris is much simpler than it is from, say, Happy Valley-Goose Bay to Vancouver. There are some very different circumstances between the EU and Canadian regulations and environments, on which the two aren't necessarily aligned.

**Mr. Taylor Bachrach:** It seems as though at the heart of this issue is the APPR's distinction between matters that are within an airline's control and matters that lie outside an airline's control. However, if you read the Canada Transportation Act, it actually provides three categories: within an airline's control, within an airline's control but required for safety, and outside an airline's control.

It's been suggested at previous meetings that the legislation be simplified to have two categories: inside an airline's control and outside an airline's control.

Would you support that approach if the CTA and Transport Canada provided specific guidance on what issues fall into those two categories?

**Mr. Andrew Gibbons:** I think the guidance is the important part there, as well as some certainty around what the regulators' rulings would or would not be. As I cited earlier, there was a ruling that we disagreed with and that we believe is contrary to the original intent of APPR.

Therefore, the short answer is that it depends. If it benefited the Canadian traveller and gave them more certainty and didn't unfairly penalize airlines, then that's something we'd be open to. Those are the principles that guide us. Would it benefit the Canadian traveller? Would it inform them properly about why they were delayed or cancelled? Would it make the system as strong as possible so we wouldn't have to be at the transport committee talking about delays and backlogs?

If it met those objectives, it's something we'd strongly consider.

**Mr. Taylor Bachrach:** I guess the issue here, really, is that we want to ensure, obviously, that safety is never compromised, that every flight that takes off is safe to fly and that passengers are treated fairly.

I think the challenge here, if I understand this whole issue correctly, is that there is this vague, grey area in the middle, things that airlines suggest are due to safety reasons. It would seem to me, as a member of the flying public, that most things related to airplanes also relate to safety. It's amazing that we're able to fly the way we do.

How do we strike the right balance? It seems as though currently a lot of things, such as crew shortages and other issues, seem to be within an airline's control. Maintenance would be another one. I'm trying to think of a maintenance-related or mechanical-related issue that would lie outside an airline's control. Perhaps you could offer some examples of mechanical issues outside of your control.

**The Chair:** Could you give a 15-second response, please?

**Mr. Andrew Gibbons:** I think the answer to your question is in the recommendations we've proposed.

Mr. Bachrach, you're asking questions about the system that's in place to govern how airlines code or don't code, and where we pay and where we don't pay. Nothing exists for any other consumer-facing activity in Canada the way it does for airlines.

I respect them all—they're all wonderful partners—but no one else in the commercial aviation system that provides a service has one obligation that's even similar. We can work on imperfections around the existing APPR, coding and whether airlines should do this or that, but at the end of the day we are alone in that obligation.

• (1720)

**The Chair:** Thank you, Mr. Gibbons, and thank you, Mr. Bachrach.

Next we have Mr. Lewis.

The floor is yours. You have five minutes.

**Mr. Chris Lewis (Essex, CPC):** Thank you, Mr. Chair.

Thank you to both the witnesses this afternoon.

It's interesting testimony.

First and foremost, Mr. Gibbons, I just want to say thank you for celebrating your labour force—your team. To me, it is pretty awesome that you recognize that they are first and foremost. I'm quite sure it's not just WestJet—it could be any one of our airlines. Congratulations on that front.

To that extent, sir, what specifically is WestJet doing to support them?

To take it a step further, what more could the government be doing to help support WestJet to get more labour into the force?

**Mr. Andrew Gibbons:** Thank you very much for the question.

Thank you for complimenting WestJetters. They are great.

In terms of what the government can do, I think that was part of the testimony last time I was here, which mainly focused on a stable operating environment. That exists in a couple of different ways.

Definitely there's a COVID border travel guidance discussion to have—and credit to the minister. Last week he did ask for feedback

in this regard in terms of what lessons we can learn from COVID. We do need to thank him for making that an issue of the summit. He could have chosen not to do that, but he didn't and good feedback was received, I hope.

We need a stable operating environment, so that people want to work in our sector, want to come to work for our company, want to serve Canadians and are not worried about up and down regulations or other issues. I think that's going to go a long way to labour stability.

**Mr. Chris Lewis:** Thank you, Mr. Gibbons. I appreciate that. It's good feedback.

I'm going to switch gears here.

Last Thursday, I went to the Ottawa airport. I will not name the airline. The long story short is I took a taxi, I sat there for two and a half hours and then found out my flight was delayed. It said the reason was flight schedule realignment because of earlier weather conditions. Then it had an asterisk with the category of “uncontrollable event”.

Through you, Mr. Chair, to Mr. Morrison, you had spoken about safety before. Would this be considered a safety event?

**Mr. Jeff Morrison:** Thank you, Mr. Chair.

Before answering that, I also want to acknowledge the workforce of all of the airlines in the country. They have done exceptional work in the most incredibly difficult circumstances. I just want to thank you for acknowledging that.

I can't speak to the particulars of any specific incident. What I can say is that weather delays, of course, have a safety element related to them, but ultimately those decisions are up to the pilots and to the individual airlines.

As I said in my opening statement, the cancellation of a flight is the last resort. It is only used if the pilots and decision-makers are feeling that there is a safety concern. In no way, shape or form do they do it lightly.

**Mr. Chris Lewis:** Thank you, Mr. Morrison.

I'm just down to my last minute and fifty seconds here.

To take that one step further, about three weeks ago the exact same thing happened. I went to the Ottawa airport and I was sent back home. Thank goodness I've got an apartment here in Ottawa, so I've got a place to stay.

I was re-booked on the next morning's flight at seven o'clock. That flight got cancelled. Then I was re-booked at three o'clock in the afternoon. That flight got me to Toronto. My Toronto flight was cancelled. I jumped on an Uber and I drove to Windsor.

I believe it was you, sir, who said there's a responsibility for the airlines to re-book you within 48 hours. Does my 48 hours start again with that second re-booking? Does it start again with my third re-booking? On my fourth, does it start again or is it from the very first time that my flight was delayed?

**Mr. Jeff Morrison:** Mr. Lewis, I would have to verify that with the regulators to be clear on that.

The 48 hours is the maximum time provided for in the regulations. The vast majority of the cases are nowhere near that. We talked about the fantastic work that airline crews have been doing over the past two years. They will endeavour to put you on the next flight available.

We do apologize for the incidents that you suffered, but in most cases that next available flight will be much shorter than the 48-hour window provided for.

• (1725)

**Mr. Chris Lewis:** Thank you, Mr. Morrison.

I have only about 20 seconds left, so I want to thank both of you again, gentlemen. Thanks for answering my questions as truthfully as you could, and thanks again to your labour force.

If you could, Mr. Morrison, would you please follow up with this committee with an answer—a written response—to that last question I asked?

Thank you, Chair.

**The Chair:** Thanks very much, Mr. Lewis.

Next we have Ms. Koutrakis.

Ms. Koutrakis, the floor is yours. You have five minutes.

**Ms. Annie Koutrakis (Vimy, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

It's very nice to see you again, Mr. Morrison. We crossed paths at last week's air sector recovery summit. One of the subjects we discussed was precisely APPR, so it's really nice to see you here again.

I wanted to go further into the shared accountability, Mr. Gibbons. I just wanted to say and point out for the record that CBSA and CATSA employees can and do receive complaints when there are airport problems. They may not be directly in the APPR the way that airlines are, but they do receive complaints in that regard.

Also, in the same vein, for CATSA and CBSA, if they're going to also be a part of maybe compensating passengers, isn't that like the federal government using money to pay passengers as well? What do I mean by that? I'm going to read my question because I want to make sure I get this right.

Presumably, if CATSA and CBSA were subject to the APPR, would they be required to pay travellers compensation if they play a part in poor service at airports? These are federally funded entities, so the federal government would essentially be fining itself. Does that make sense?

**Mr. Andrew Gibbons:** I think what we're trying to achieve is more transparency for everyone who delivers a service that can result in a delay and cancellation.

While we were very committed to not playing the blame game with you and the minister during our crisis, we can observe that there were some Friday nights at Toronto Pearson airport where 700 guests missed their connections for one reason, and we can identify what that reason was: That was a customs hall that was overwhelmed, for whatever reason. It had nothing to do with the people who run our airplanes.

These flights that were arriving at the gate were often held for two hours—something we're fined for—so we're asking very reasonably, whether it's service level standards or compensation, what is the best mechanism for the Government of Canada to ensure Canadians understand and appreciate what the roles and responsibilities of those different actors are?

With respect to your question around compensation, the question we have for the government is this: Should we be the insurance provider for all service providers in the entire sector simply because we have a contract with the guest? Is that right and reasonable and what are the negative impacts of that?

Our recommendation to the committee is to focus on fixing the actual system so that there are no complaints, we don't have to retrieve any money from anyone else who makes an error and we have a well-functioning system.

**Ms. Annie Koutrakis:** Would you like to add to that, Mr. Morrison?

**Mr. Jeff Morrison:** Yes. By the way, it was very nice to have met you as well.

Our recommendations regarding the shared accountability model are not meant to be punitive. I think we would still need to have conversation, consultation and engagement with all of the players, first of all to define what that framework would look like and, second, to define how those metrics and how those sorts of accountability standards could be enforced. We're not necessarily suggesting that there be a financial penalty in that regard, but that's part of the conversation that we would need to have.

Frankly, I would argue that if the federal government would be looking to improve the travel system, there are many ways in which they could do that, including reinvesting in Canada's airports, but really, the purpose for those recommendations is frankly to improve the overall travel experience so that folks, passengers, don't have to use APPR in the first place. That is by far the best way in which we could improve the regime.

**Ms. Annie Koutrakis:** Here's the other question I have for either of you.

Maybe, Mr. Gibbons, you can start. What are you doing to make sure the passengers, the travellers next summer, are going to have a much better experience than they did last year? What are you and your colleagues at WestJet doing to make sure you're better prepared or to offer a better client experience this time around?

**Mr. Andrew Gibbons:** First and foremost, we're working with the minister and all sector partners. He, to his credit—and I said this at committee last time—brought all of these groups together to alleviate a lot of problems for the Canadian traveller, and we work very collaboratively with him.

Our request is that this level of engagement continue on a regular basis and that all service providers, no matter what their role is in the system, are together in planning out very peak operation periods, including this Christmas.

Number one is to continue that work.

Number two is to stabilize our operations in our own business, right? We have an obligation to do that. We're accountable when we fail to do that. I think that's reflected in the recommendations here today. We play a role for sure, and we've been held accountable for that role, as we should be.

• (1730)

**The Chair:** Thank you very much, Ms. Koutrakis.

Thank you, Mr. Gibbons.

[*Translation*]

Mr. Barsalou-Duval, you have two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

I have a question for Mr. Morrison, although it could also be for Mr. Gibbons.

A question was raised earlier today as to whether we should be looking at the regulations that exist in the United States and Europe with respect to passenger protection and compensation, which are more stringent in several respects. We also discussed this with other witnesses at the previous meeting. I understand that your answer at this point is no.

I have to wonder what the basis is for saying no to that question because, generally speaking, whether it's aviation, accounting or any other field, having relatively similar standards from one place to another makes it easier to do business. Canada's major trading partners are the United States and Europe. So I'm wondering why we wouldn't seek to have standards similar to theirs, both in terms of operations and services, and in terms of compensation for passengers, given that consumers arriving from there should expect the same kind of support they have at home.

[*English*]

**Mr. Jeff Morrison:** When we speak to our international counterparts about how we can best simplify, how we can better improve, the travel experience in Canada, they always come back to putting in place a stronger aviation system overall. They refer to the fees paid in Canada, which are significantly higher than those paid in Europe or the United States. There are many ways in which they seek to improve the overall system.

In terms of the regulations regarding the APPR, I think there's an understanding that there are similarities between the two; that central focus of the need to re-book a passenger in the event of disruptions is common across them.

With respect to Canada, as I stated earlier, there are some significant geographical and population differences that would suggest that an equivalent set of regulations between Canada and the EU, for example, would not be that same sort of fair and balanced approach that the previous minister addressed. There are a number of reasons why, perhaps, it wouldn't work, but there are some things that we can do better than the Europeans and other international carriers have asked for in the Canadian system.

[*Translation*]

**The Chair:** Thank you very much, Mr. Barsalou-Duval.

[*English*]

Thank you, Mr. Morrison.

Finally for today, we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

I want you to bear with me for a second while I walk through a scenario.

From a passenger's perspective, a delay or a cancellation related to something that is within a carrier's control feels exactly the same as a delay or a cancellation that is within a carrier's control but related to safety. Now, the APPR are the air passenger protection regulations. Why should air passengers not be compensated in exactly the same way for those two different scenarios?

**Mr. Andrew Gibbons:** I think that's a great question for the author of the APPR. I mentioned in my remarks that there was a lot of discussion and debate around this precise issue when he wrote the regulations and when he testified at committee and introduced them to Canada's Parliament. I think it's probably worthwhile to revisit those arguments from that time.

I want to note that if it's not within our control, I don't want to leave a false impression that the guest is not cared for by our organization. They are. The question is the extent to which. That's the example I gave earlier about the gentleman in Regina. It's not an all-or-nothing issue. The guest will always be looked after by our company, consistent with the APPR. The question is whether additional entitlements and additional penalties are warranted. That's where we have differences.

**Mr. Taylor Bachrach:** If we look at this issue broadly, I think it's interesting to think about what the indicators of success actually look like. One of the main indicators, in my view, would be that the travelling public is satisfied with the service they're receiving and the way they're compensated when they're disadvantaged or inconvenienced.

We're in a situation right now where everyone seems really ticked off by the situation. There are thousands of Canadians who had their lives upended. There were people sleeping on the floors of our airports. I've been on flights that have been cancelled without any reason whatsoever, with absolutely no care for the experience of the passenger.

Regardless of what the specific prescription for remedying the situation is, I think we all agree that things as they stand right now are not tenable.

To both of the gentlemen before us, do you agree that the minister should open up the APPR and fix the regulations?

• (1735)

**Mr. Jeff Morrison:** First of all, on the question about the satisfaction and that that should be the main indicator, it's without question. Being able to get from point A to point B safely and efficiently should be, by far, the main objective—and it is for airlines.

Have there been disruptions? There is no question. Again, the experience of the past two years is very much pandemic-related. We need to put that into context.

Should the minister be looking to open the APPR? Again, I would argue that the most efficient improvement to the APPR is to ensure that people never have to use it, that we reduce or minimize the need for its use by passengers in the first place. That's why we've called for an overall improvement to the system, so that if passengers can get from A to B efficiently, that is the metric of success we want to promote.

**Mr. Andrew Gibbons:** We believe it should be opened up. There are some key areas that we've recommended. We believe it should be opened up to give the CTA some ability to get information from other service providers the way they do for us. That

shared accountability framework should be part of the opening up. Part of the opening up should be eliminated in the small carrier provision, so that all travellers are created equally—I mean treated equally.

**The Chair:** I think that's a perfect way to end, Mr. Gibbons.

**Voices:** Oh, oh!

**Mr. Andrew Gibbons:** We have our own recommendations for opening it up, but like Mr. Morrison says, first and foremost it's the system.

I'd just go back to the CTA's testimony: there were 1,700 complaints in the last fiscal year before COVID-19 started, and 5,800 in August alone. We didn't forget how to staff airplanes and manage our business. We're one of the most successful airlines in the world. We need a period of stability to get our solid footing, financially and otherwise. Our recommendation is not to make major incursions at this time, so as to allow for.... Definitely it is very much in our recommendations—

**The Chair:** Thank you very much, Mr. Gibbons. I'm going to have to end it there, unfortunately.

On behalf of all committee members, I want to thank our witnesses for their testimony today.

With that, this meeting is adjourned.

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