# **Annual Report** 2019-2020





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# Message from the Chair and CEO



The Canadian Transportation Agency (CTA) had a remarkable range of accomplishments during 2019–2020. While the period finished with the collapse of global air travel as a result of the COVID-19 pandemic—which, of course, immediately became a primary focus—that dramatic turn of events was preceded by 11 and a half months of activity and progress.

One of our most important achievements was completion of the Regulatory Modernization Initiative (RMI). Launched in 2016, the RMI involved reviewing, consulting on, and updating all regulations made and administered by the CTA.

The RMI's most visible product was the *Air Passenger Protection Regulations* (APPR), which establish, for the first time, minimum airline obligations towards passengers flying to, from, or within Canada in a variety of areas, from denied boarding to baggage delays to the seating of families together. Passenger entitlements under the APPR will be there to protect Canadians as commercial air travel gradually recovers.

Alongside the APPR, we finalized the *Accessible Transportation for Persons with Disabilities Regulations* (ATPDR), which combine two older regulations and six voluntary codes of practice into a single, robust, binding regulation. The ATPDR are an important step towards realizing the CTA's vision of making Canada's national transportation system the most accessible in the world. Most ATPDR provisions come into force on June 25, 2020; the effective date for a handful was adjusted to January 1, 2021 in light of the pandemic.

Finally, 2019–2020 saw major updates to the *Air Transportation Regulations* and a number of rail-related regulations, as well as broad consultations on our approach

to calculating rail interswitching rates. The input received during those consultations was considered in the context of the 2020 rate determination and will inform possible regulatory changes in the future.

As we largely completed the transformation of our regulatory suite, we turned our attention towards a comprehensive overhaul of our guidance material—resulting in the issuance of a series of new and updated plain language guides, with many more in the works—and the modernization of our compliance monitoring and enforcement program based on best practices across Canada and around the world. These projects will be key priorities for the CTA over the coming period.

So will resolving air travel and other complaints. With the entry-into-force of the APPR, we saw a big jump in the number of Canadians seeking the CTA's assistance to address disputes with transportation service providers. The number of complaints submitted to the CTA had already risen from about 800 in 2015–2016, to over 3,000 in 2016–2017, 5,500 in 2017–2018, and 7,650 in 2018–2019. In 2019–2020, that number leapt to almost 19,400. By drawing on temporary supplemental funding, emphasizing informal dispute resolution, and leveraging efficiencies wherever we can find them, we're working hard to deal in as timely a way as possible with that unprecedented wave of cases.

Of course, air travel was very much in the news during the final weeks of 2019–2020, when the pandemic resulted in mass flight disruptions across Canada and around the world. The CTA responded quickly, introducing short-term measures to give airlines increased flexibility to adjust flight times and combine flights as the situation rapidly unfolded, and temporarily pausing interactions with airlines in dispute resolution processes so they could concentrate on operational imperatives like repatriating Canadians stranded abroad.

The CTA's ability to advance ambitious modernization projects, respond to surging demand for its services, and pivot virtually overnight to across-the-board telework

while continuing to deliver all its services is a testament to the resourcefulness, professionalism, and agility of its people. Those people include five regular Members (decision-makers appointed by the Governor in Council) and some 300 dedicated public servants. In addition, through the period covered by this report, the CTA benefited from the expertise and wisdom of two Temporary Members—Lenore Duff and Gerald Dickie—whose terms ended in May 2020. I want to thank Lenore and Gerry for their contributions, and express my appreciation to the entire CTA team, who work day in and day out to foster an efficient, competitive, accessible transportation system in the interests of all Canadians. It is a privilege to lead such a team.

**Scott Streiner** 

Chair and Chief Executive Officer

# **About the CTA**

The CTA is an independent, quasi-judicial tribunal and regulator that has, with respect to all matters necessary for the exercise of its jurisdiction, all the powers of a superior court.

The CTA oversees the very large and complex <u>Canadian transportation system</u>, which is essential to the economic and social well-being of Canadians.

The CTA's decision-makers are regular <u>Members</u> appointed by the Governor in Council (GIC) and temporary Members appointed by the Minister of Transport from a GIC-approved roster. Members' key functions include making adjudicative rulings, regulations, and regulatory determinations, as well as designating CTA staff to exercise the role of enforcement officers.

### What we do: Our three mandates

We help ensure that the national transportation system runs efficiently and smoothly in the interests of all Canadians: those who work and invest in it; the producers, shippers, travellers and businesses who rely on it; and the communities where it operates.

We protect the human right of persons with disabilities to an accessible transportation network.

We provide consumer protection for air passengers.

### How we do it: Our tools

To help advance these mandates, we have three tools at our disposal:

- Rule-making: We develop and apply ground rules that establish the rights and responsibilities of transportation service providers and users and that level the playing field among competitors. These rules can take the form of binding regulations or less formal guidelines, codes of practice or interpretation notes.
- Dispute resolution: We resolve disputes that arise between transportation service providers and their clients or neighbours, using a range of tools from facilitation and mediation to arbitration and adjudication.
- Information provision: We provide information on the transportation system, the rights and responsibilities of transportation service providers and users, and the CTA's legislation and services.

# Transportation industry trends<sup>1</sup>

This section highlights key developments and trends in the different transportation sectors between April 1, 2019, and March 31, 2020. While the global effects of the COVID-19 pandemic came to a head quite late in this period, the reaction of transportation sectors and the CTA feature prominently in this report, including sections below dedicated to COVID-19 impacts and related CTA measures. This recognizes how severe the impacts of this pandemic have been, for Canadians generally and in the transportation sector.

### Air sector

The domestic air sector in Canada is dominated by two major airlines: Air Canada and WestJet, which accounted for 90% of total scheduled domestic seat kilometres in 2017, while a variety of other regional, leisure and local airlines made up the remaining 10%.

In 2019, major Canadian airlines, which include all <u>level I air carriers</u>, earned over \$25.2 billion in operating revenues, an increase of 6.0% over 2018 and an increase of 30.3% since 2015.

Between 2015 to 2019, the number of passengers flown on major Canadian airlines increased by 25.5%. For 2019, the increase was only 1.7% over 2018.

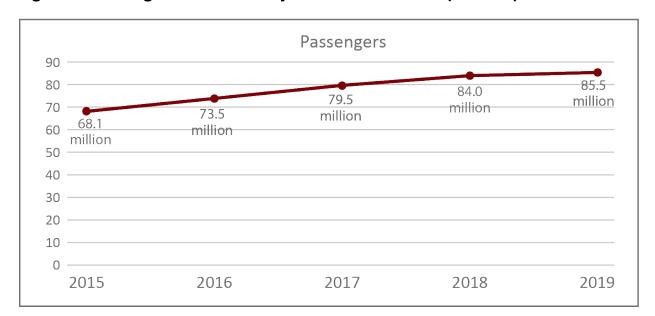


Figure 1: Passengers Flown on Major Canadian Airlines (millions)

Source: Statistics Canada. Table 23-10-0079-01 Operating and financial statistics for major Canadian airlines, monthly (Accessed April 20, 2020)

### **Developments in the air sector**

### **Grounding of the Boeing 737 Max 8**

In March 2019, following two fatal incidents involving Boeing 737 Max 8 aircraft, over 40 countries around the world (including Canada) required airlines to ground their 737 Max 8 fleets.

Airlines around the world were required to adjust suddenly, cancelling thousands of flights and delaying the retirement of older planes. According to Statistics Canada, the cost of air travel in Canada rose 10.3 percent in August 2019 (year over year), largely related to the groundings of the Max 8 during the busy summer travel season.<sup>2</sup>

Given that the aircraft was designed in the U.S., that country's Federal Aviation Administration (FAA) is responsible for certifying Boeing's approach to remedy the issues that contributed to the two incidents. Transport Canada will validate

any FAA certification before the aircraft can resume flights in Canada. There are currently no prescribed timelines for completion.

### Mergers and acquisitions

#### Onex, WestJet, and Swoop

On May 13, 2019, Toronto-based private equity firm Onex Corporation (Onex) announced its offer to purchase WestJet Airlines Ltd. and Swoop for \$3.5 billion. Under that agreement, Onex would pay \$31 per share for WestJet, representing a 67 percent premium on WestJet's pre-deal trading price. Following the Minister of Transport's finding that the deal raised no public interest issues and the CTA's determination that WestJet and Swoop would remain Canadian upon closing, the transaction was completed on December 11, 2019. Information about the CTA's role and decision in this matter—relating to Canadian ownership—can be found later in this report.

#### Air Canada and Transat

On May 16, 2019, Transat A.T. Inc. (Transat) and Air Canada entered a 30-day period of negotiations for a \$520 million acquisition of Transat by Air Canada. Under the agreement, Air Canada would pay \$13 per share, a 22 percent premium from the cost per share the previous day. On August 11, 2019, Air Canada increased the offer to \$720 million (\$18 per share), and on August 23, Transat shareholders voted in favour of the acquisition. The deal is subject to both a Canadian status determination by the CTA and approval by Governor in Council, which are separate processes.

On May 14, 2020, the CTA <u>determined that Air Transat would continue to be</u>

<u>Canadian</u> following the proposed transaction on the condition that any intermediate ownership entities are themselves Canadian.

As part of the process related to the approval by the Governor in Council, on March 27, 2020, the Competition Bureau completed a report that was provided to the Minister of Transport in this matter. Based upon analysis of facts and information prior to the COVID-19 pandemic, the report states that the proposed transaction is "likely to result in substantial anti-competitive effects through the elimination of rivalry between Air Canada and Transat in the areas of overlap between their networks."

#### First Air and Canadian North

In September 2018, Canadian North and First Air announced their intention to merge. The deal was subject to a Canadian status determination from the CTA and approval from the Governor in Council. On April 4, 2019, the CTA determined that the undertaking would remain Canadian, and on June 19, 2019, the Governor in Council gave its approval for the transaction to proceed. On July 10, 2019, First Air and Canadian North announced that they completed their transaction that would enable them to begin merging their operations. On November 1, 2019, they began offering a unified passenger and cargo schedule.

The new, fully Inuit-owned airline now operates under the name Canadian North, and provides service to 24 northern communities from Ottawa, Montréal and Edmonton, with interline connections to destinations throughout Canada and the United States.

### Other developments

Airline international obligations for lost, damaged or delayed baggage are set out in the <u>Montréal Convention</u>, a treaty that has the force of law for most international travel to and from Canada.

In another development of note, limits of liability in the Montréal Convention increased on December 28, 2019. As a result, air passengers who travel internationally have the right to compensation for lost, damaged or delayed

baggage up to 1,288 Special Drawing Rights (the International Monetary Fund's unit of accounting), or approximately CAN \$2,300.

The CTA's new <u>Air Passenger Protection Regulations</u> (APPR), discussed in more detail below, apply the same baggage rules and liability limits as those set out in the Montréal Convention to domestic travel. As a result, all airlines offering domestic services are <u>required to update their liability limits</u> in their tariffs (their terms and conditions of travel) to up to \$2,300.

## Rail sector

Canada's rail freight sector is made up of two large railway companies operating mainlines, Canadian National Railway (CN) and Canadian Pacific Railway (CP), and several short-line railway companies which operate many of the branch lines feeding into the mainline rail network.

While data for 2018 or 2019 were not available at the time this report was finalized, some metrics over time for previous years are available. Revenue tonne-kilometres increased by 7.6% between 2013 and 2014, decreased slightly by 0.9% between 2014 and 2015, and then decreased again by 3.9% between 2015 and 2016. Between 2016 and 2017 it increased by 7.0%. Class I railways accounted for 97% of all revenue tonne-kilometres in 2017.

450 415.462 423.664 411.813 395.889 386.132 400 350 300 250 200 150 100 50 0 2013 2014 2015 2016 2017

Figure 2: Revenue tonne-kilometres

Statistics Canada. Table 23-10-0057-01 Railway industry summary statistics on freight and passenger transportation (Accessed April 20, 2020)

In 2017, total operating revenues for Canadian mainline railway companies, which includes CN, CP and VIA Rail, increased 8% to \$14.2 billion from the previous year. This represents an increase of 15.9% between 2013 and 2017. In 2017, total rail operating expenses increased 6.9% to \$8.7 billion, which represents a decrease of 1.3% since 2013.

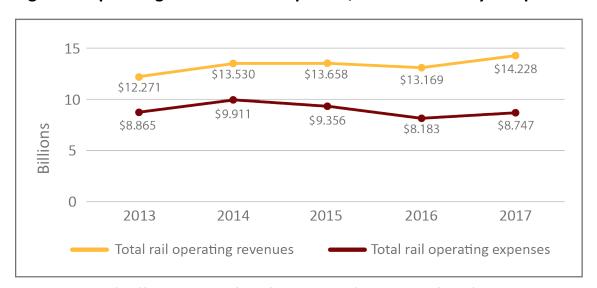


Figure 3: Operating revenues and expenses, mainline railway companies

Source: Statistics Canada. Table 23-10-0045-01 Railway industry operating and income accounts, by mainline companies (accessed April 20, 2020)

Shippers of many commodities rely on rail to move their products to market. Coal shipments increased by 14.2% between 2016 and 2017; however, there has been a decreasing trend since 2013 (i.e., decrease of 11.6% between 2013 and 2017). Wheat shipments increased by 7.2% between 2016 and 2017 and increased by 4.7% between 2013 and 2017. Shipments of petroleum goods decreased by 9.3% between 2013 and 2017.

### **Developments in the rail sector**

Rail service faced several significant challenges from unexpected events in 2019–2020 including landslides in key corridors in British Columbia (late fall and winter), a strike by CN Rail employees (November 2019), and blockades in support of a Wet'suwet'en hereditary chiefs' protest against a pipeline development in their traditional territory (February 2020). Despite these challenges, the industry was within reach of meeting previous volume levels prior to the last 2 to 3 weeks of March 2020, which witnessed the first significant impacts for Canada of the worldwide COVID-19 pandemic, discussed later in this report. While railway companies transporting freight did not encounter the same immediate restrictions on traffic as those transporting people, they too experienced reduced volumes resulting from the worldwide economic slowdown.

### Churchill Manitoba facility (port linked via rail line)

In July 2019, Canada's Arctic port of Churchill resumed its first grain shipments since 2015. This came after a group including AGT Foods, Fairfax Financial Holdings Ltd., and indigenous groups bought the facility and related rail line linking the northern town with the rest of Manitoba in 2018. This was facilitated by an investment of \$117 million by the Government of Canada to repair the flood-damaged rail line.

Note that following the flood in May 2017, the previous owners closed the facility, prompting a complaint to be filed with the CTA in 2018. The CTA ruled that the previous owners OmniTRAX/Hudson Bay Rail were required to begin repairs "as expeditiously as possible," and when that ruling was not complied with, the CTA was compelled to file a Federal Court order to have the owners repair the damaged rail line by July 3, 2018.

The Churchill facility operations are aimed at reducing the shipping time to deliver grains to the Middle East across the Atlantic Ocean by several days. The new owners of the Churchill facility are targeting the transportation of durum, wheat, canola, as well as lentil and pea crops, from Manitoba and Saskatchewan to Europe, Northern Africa and the Middle East.

### Mergers and acquisitions

### **CP acquisition of Central Maine and Quebec Railway (CMQR)**

On December 30, 2019, CP finalized a \$130 million (USD) acquisition of the Central Maine and Quebec Railway (CMQR) providing CP with a true coast-to-coast network across Canada.

The CMQR owns 774 kilometres of rail line, primarily in Quebec and Maine. This provides CP customers with access to ports at Searsport (Maine) and Saint John (New Brunswick), via the Eastern Maine Railway Company and New Brunswick Southern Railway.

Together with the Central Maine & Quebec Railway US Inc. acquisition on June 3, 2020, this completes CP's purchase of the entire CMQ network, which will continue to operate in both countries as subsidiaries of CP.

### CN acquisition of CSX rail line / new intermodal service

On August 29, 2019, CN announced an agreement to acquire the Massena rail line from CSX, which represents more than 220 miles of track between Valleyfield (Quebec), and Woodward (New York). This acquisition would link Montréal with Syracuse. The CSX line would serve many cities in the province of Quebec, including Beauharnois and Huntingdon, and in the state of New York, including Massena, Norwood, Potsdam and Gouverneur.

On October 10, 2019, CN sought approval for the acquisition from the U.S. Surface Transportation Board (STB). In November, the acquisition application was initially accepted by STB; however, in December, it was challenged by Finger Lakes Railway Corporation due to potential anticompetitive effects. The STB reached its decision on April 6, 2020. The acquisition was approved, with conditions.

On August 8, 2019, CN and CSX also announced a new intermodal service between CN's greater Montreal and Southern Ontario network, and the CSX-served ports of Philadelphia, New York, New Jersey and the New York City metropolitan area. This agreement, which came into effect on October 7, 2019, helps move freight from trucks to rail, in an effort to reduce congestion in New York.

### **Marine sector**

The marine sector plays an important role in linking Canada to its trading partners around the world. The major ports in Canada are well-integrated with the rail network, allowing shippers thousands of kilometres away from a major port to access foreign markets. Eighteen Canadian Port Authorities handled 342.1 million tonnes of cargo in 2018, an increase of 2.1% over 2017. Nearly 43% of tonnes handled by Canadian Port Authorities were through the Vancouver Fraser Port Authority.

In 2018, Canadian-flagged vessels carried the majority of commercial marine traffic through Canada's port system. The use of Canadian vessels is required unless an exemption is obtained from the Minister of Public Safety and Emergency Preparedness, following an assessment by the CTA of whether any suitable Canadian vessels are available. There were a total of 31.5 million tonnes moved through the St. Lawrence Seaway, more than one-quarter of which was grain traffic.

# Intercity bus sector

The CTA's mandate in accessible transportation extends to Canada's inter-city bus operations that cross federal or provincial borders. This sector continues to face significant challenges as a result of decreased ridership and increased operating costs. In 2018, Greyhound Bus services—Canada's largest intercity carrier—discontinued service to western Canada and northern Ontario, signaling a further large downturn for the sector.

The discontinuing of routes serving Canada's most isolated communities poses a particular challenge for populations in remote corridors, including Indigenous persons, many of whom have relied on bus service for travel to medical or other critical appointments. While other modes of transportation may be available in some of these remote corridors, they are often offered at a significantly higher cost, effectively creating a barrier to accessing health care services.

In response to these challenges, a national task force is currently developing long term options for intercity bus travel.<sup>4</sup>

# Legislative developments

# **Transportation Modernization Act**

In 2019–2020, the CTA continued to implement new provisions of *the Canada Transportation Act* (Act) introduced by the <u>Transportation Modernization Act</u>, which received Royal Assent on May 23, 2018. For example, the CTA issued new determinations related to <u>interswitching</u> and the calculation of the <u>Maximum Revenue Entitlement</u>, and developed new <u>Air Passenger Protection Regulations</u>. More information about the <u>Transportation Modernization Act</u> can be found in the 2018–2019 <u>Annual Report</u>.

## Accessible Canada Act

The other new legislation that had an important impact on the CTA's activities was Bill C-81, the <u>Accessible Canada Act</u> (ACA), which came into force on July 11, 2019. The legislation provides the CTA with new tools to improve accessibility in the federal transportation network:

- own motion powers to initiate investigations, with the approval of the Minister of Transport, regardless of whether a formal complaint has been made;
- the ability to award compensation for lost wages, pain and suffering, and for willful or reckless practice, when the CTA finds that there was an undue barrier to the mobility of persons with disabilities. This power to award compensation aligns with that of the Canadian Human Rights Tribunal;
- additional enforcement tools, including expanded inspection powers,
   compliance agreements and warnings for violations of accessibility provisions;

- the ability for a designated enforcement officer to levy an administrative monetary penalty up to \$250,000 for non-compliance with certain accessibility-related requirements;
- the authority to order corrective measures after determining that there remains an undue barrier to a person's mobility even after a transportation service provider complies with regulations;
- the ability to establish a participant funding program; and
- a new mandate to make regulations on ACA-related planning and reporting obligations for industry.

The ACA mandates the CTA, Canadian Radio-television and Telecommunications Commission, Canadian Human Rights Commission, Federal Public Sector Labour Relations and Employment Board and Accessibility Commissioner (a new position) to work together on a "No Wrong Door" approach to make sure accessibility-related complaints are promptly and seamlessly referred to the right agency.

These organizations, together with the Canadian Human Rights Tribunal, established a Council of Federal Accessibility Agencies in August 2019. Among its roles, the Council will engage stakeholders to ensure that the voices of persons with disabilities and others inform its work.

This year, the CTA worked to implement its new authorities under the ACA, including the establishment of a participant funding program to support persons with disabilities in participating in oral hearings. The program covers travel and accommodation expenses for a person with a disability, their support person or an intervener with full participatory rights to attend a CTA public hearing on accessibility.

# **Key CTA initiatives**

# **Regulatory Modernization Initiative**

In 2019–2020, the CTA completed the Regulatory Modernization Initiative (RMI), which was launched in 2016 to ensure that the full suite of the CTA's regulations keeps pace with evolving business models, user expectations and best practices in the regulatory field. The RMI consisted of four different components: accessible transportation, air transportation, consumer protection for air passengers, and rail transportation.

### 1. Accessible transportation

The CTA published its final <u>Accessible Transportation for Persons with Disabilities</u> <u>Regulations</u> (ATPDR) in the <u>Canada Gazette</u>, <u>Part II</u>, on July 10, 2019. The ATPDR consolidated and expanded upon various accessibility instruments—six voluntary codes and two regulations—to create a single, robust, legally binding set of accessible transportation regulations.

The ATPDR cover all modes of transport under CTA jurisdiction—air, and interprovincial and international passenger rail, bus, and ferry—as well as security and border screening.

The ATPDR require transportation service providers to:

- meet the communication needs of travellers with disabilities;
- train transportation workers to provide assistance to travellers with disabilities;
- comply with technical requirements regarding aircraft, trains, ferries, buses and terminals (such as airports);
- provide accessible services; and
- make border and security screening accessible.

Most provisions of the ATPDR – over 200 – are in force as of June 25, 2020. These include provisions relating to the transportation of mobility aids, the one person, one fare requirement for domestic travel, and allergy buffer zones.

Due to the severe disruptions to the transportation sector caused by COVID-19, a handful of ATPDR requirements will come into effect on January 1, 2021.

As originally planned, some more complex technical requirements, such as those relating to self-serve kiosks, are also being phased in until June 25, 2022 to ensure that they can be smoothly implemented.

This year, the CTA also held consultations on a <u>second phase regulatory package</u> <u>on accessibility</u> (Phase II of the ATPDR). Further information can be found in the "Public Consultations" section below.

### 2. Air transportation

The second phase of the RMI updated and amended the *Air Transportation*Regulations to reflect changes in the domestic and international industry, remove unnecessary administrative burdens and support a competitive and efficient industry. The amendments included:

- increasing air insurance requirements to account for inflation;
- reducing the number of charter categories to stay up-to-date, clear and efficient;
- distinguishing between code-sharing and wet-leasing activities;
- requiring a notification of code-sharing instead of an application; and
- reducing the timeline for wet-lease applications from 45 to 15 business days.

The CTA developed these amendments based on comments, suggestions, and proposals from industry stakeholders, experts and members of the public. The final regulations were published on May 31, 2019. The majority of the

amendments came into force July 1, 2019, while increased insurance requirements will be implemented on July 1, 2021.

### 3. Consumer protection for air passengers

The third phase of the RMI focused on developing the new <u>Air Passenger</u> <u>Protection Regulations</u>. These new regulations provide for clearer and more consistent air passenger rights by imposing certain minimum airline requirements in air travel—including standards of treatment and, in some situations, compensation for passengers.

The new regulations reflect input that the CTA received from the public, consumer rights groups, and the airline industry during extensive consultations. The final regulations were published in May 2019 and came into force in two phases—on July 15, 2019, and December 15, 2019.

Rules that came into force on July 15, 2019, included the obligation for airlines to:

- communicate to passengers in a simple, clear way information on their rights and recourses;
- provide regular updates in the event of flight delays and cancellations;
- provide compensation of up to \$2,400 for bumping a passenger for reasons within their control;
- provide passengers food, drink and other amenities during all tarmac delays and allow them to leave the airplane, when it's safe to do so, if a tarmac delay lasts for over three hours and there's no prospect of an imminent take-off;
- provide compensation for lost or damaged baggage of up to \$2,300 and a refund of any baggage fees; and
- set clear policies for transporting musical instruments.

Rules that came into force on December 15, 2019, included the obligation to:

- provide compensation of up to \$1,000 for flight delays and cancellations within an airline's control that are not safety-related;
- rebook or refund passengers when flights are delayed, including, in some cases, using a competing airline to get passengers to their destination;
- provide food, drink and accommodation when passengers' flights are delayed; and
- facilitate the seating of children under 14 years in close proximity to an accompanying adult, at no extra charge.

Airlines are required to follow the obligations set out in the regulations and could be subject to administrative monetary penalties if they do not comply. If a passenger feels that an airline has not followed the <u>Air Passenger Protection</u>

<u>Regulations</u> or applied the terms and conditions in its tariff and the passenger cannot resolve the issue with the airline, they can make a <u>complaint</u> to the CTA.

## 4. Rail regulations

In the final phase of the RMI, a number of updates to rail-related regulations were made. These included amendments to interswitching provisions, updated insurance requirements and the ability to levy administrative monetary penalties for non-compliance with rail-related requirements and CTA orders.

The CTA developed these regulatory amendments based on feedback received from stakeholders, such as railway companies, rail tourism operators, industry and shipper associations, logistics and freight management associations and other experts. The final regulations were published and came into force on June 25, 2019.

### **Guidance renewal**

To advance its mandate, the CTA issues a range of publications to help transportation providers and users understand their rights and legal responsibilities, as well as the CTA's legislation, regulations and services.

In order to ensure that our guidance documents continue to provide accurate and up-to-date information and meet the needs of users—and to build on the modernization of the regulatory framework through the RMI—the CTA has launched a Guidance Renewal Project.

As part of this project, in 2019–2020, the CTA released eight guides on the new Air Passenger Protection Regulations, and a new guide on long-haul interswitching. Many of these guides help clarify new requirements and give examples of what factors the CTA might consider if a complaint were brought before it. The CTA also released a series of 13 guides related to accessible transportation. These guides explain the obligations of transportation service providers and the rights of person with disabilities under the ATPDR. They cover many parts of the travel experience of persons with disabilities, including services, communications and training. As part of its commitment to accessibility, the CTA has translated many accessibility related guides into American Sign Language and Language des signes Québécoise.

The CTA is consulting with members of its Accessibility Advisory Committee (AAC)—a standing committee consisting of disability rights organizations, members of the transportation industry, including international representatives—on all accessibility-related guides.

Guidance renewal work at the CTA will continue through 2020–2021, with a review of all existing CTA guides in areas such as shipper remedies and air licensing.

## **Public consultations**

### **ATPDR phase II**

The ATPDR provides, for the first time, a broad-based and legally binding set of requirements for accessibility. However, there is still work to be done to help achieve the goal of barrier-free travel across the federal transportation network. The CTA carried out consultations to support the second phase of ATPDR from December 3, 2019, to February 28, 2020—including in-depth discussions with members of its AAC. The consultations focused on:

- How to apply ATPDR provisions to small transportation service providers,
   with adjustments to reflect their unique operating realities;
- Whether or not to apply the One Person, One Fare (1p1f) requirement to international travel and to small transportation providers;
- What, if anything, to require of transportation service providers with respect to Emotional Support Animals and service animals other than dogs; and
- Planning and reporting frameworks for transportation service providers, pursuant to the <u>Accessible Canada Act</u>, which came into force on July 11, 2019.

As of the time of writing, the CTA is reviewing all input received. The goal is to have regulations in place by 2021, though some adjustments to timelines may be required due to the impacts of COVID-19.

### Rail interswitching methodology

On June 20, 2019, the CTA launched <u>consultations on its approach to setting</u> <u>regulated interswitching rates</u>. The CTA invited key stakeholders to share their views to ensure that its regulated interswitching rates are compensatory, consider the long-term investment needs of railway companies, and are commercially fair and reasonable to all parties.

The CTA prepared a discussion paper that focused on the following issues:

- Interswitching rates for federally regulated short-line railway companies;
- Regional and commodity specific interswitching rates;
- Interswitching zones up to 30 km;
- Volume discount rate categories;
- Long-term investment needs of the railway companies (cost of capital methodology);
- Contribution to fixed costs;
- Productivity factors;
- Collection of interswitching service units; and
- Transparency of the regulated interswitching rates and methodology.

The results of the consultation informed the <u>2020 Interswitching Rate</u> Determination.

Consultations on two issues—the contribution to fixed costs and the evaluation of railway productivity—were extended to early 2020. At the time of writing, the CTA is reviewing input received.

The results of consultations on these two remaining issues will inform the 2021 Interswitching Rate Determination, which will be published by December 1, 2020.

### International activities

Because air travel so often crosses borders, the CTA has been placing particular emphasis on international collaboration to make sure that persons with disabilities experience the most barrier-free travel possible. The CTA has also increased its participation in the sharing of information and best practices with independent economic regulators from other countries.

### Mobility devices and air travel forum

In the course of consultations related to the ATPDR, issues related to the storage and transportation of mobility aids on aircraft were identified as needing further examination, given the increasing size and complexity of mobility devices. To consider those issues, the CTA established an International Working Group (IWG), which produced a *Mobility Aids and Air Travel Report* in May 2019.

The report has four recommendations that could be implemented in the near term to improve the experience of persons with disabilities travelling by air with mobility aids, by enhancing the safe transportation of these aids and reducing the likelihood of damage. These are:

- developing a mobility aid passport containing technical information,
   such as device dimensions and special handling instructions;
- creating a standard mobility aid handling checklist that identifies required steps for proper handling;
- improving communication between passengers and airline employees at the time of making a reservation, before a trip, and on the day of travel;
   and

 developing additional training materials for reservation agents, airlines and airport staff, including ground handlers.

Work is already underway to advance the short-term recommendations set out in the report.

### **International Civil Aviation Organization**

The CTA supports the work of the Canadian mission to the International Civil Aviation Organization (ICAO) and provides subject matter expertise.

In 2019–2020, the CTA worked closely with government partners at ICAO during both the ICAO General Assembly and sessions of the Facilitation Panel (FALP) to raise the profile of accessibility in air travel. The CTA also supported ICAO in the development of new international practices for Passenger Name Record data.

The CTA led, in collaboration with other government partners, efforts to advance accessibility in international aviation by encouraging Member States to recognize the importance of increasing awareness and continuing to collaborate to advance accessibility in aviation. Canada presented working papers on this matter that were endorsed by both the General Assembly and FALP.

The CTA led an ICAO accessibility working group, comprising numerous accessibility experts from various countries and stakeholder groups, to develop a compendium of regulations, statutes, and policies relating to accessibility in aviation, that can be used to develop best practices.

In Spring 2019, the CTA Chair and CEO, Scott Streiner, gave a presentation to the ICAO Council on developments in accessible air transport, and initiated dialogue on how best to provide a barrier-free travel experience for passengers worldwide.

In September 2019, Canada invited the General Assembly to continue playing a key role in advancing accessibility across the aviation spectrum and to contribute to the development of the compendium. ICAO is now working on the development of a work programme for travellers with disabilities.

The CTA continues its work with international partners and is looking at new ways to advance accessibility in aviation.

### International air transport agreements

The CTA participates in the negotiation and implementation of international air transport agreements as part of the Government of Canada negotiating team, which also includes Transport Canada and Global Affairs Canada. We contribute subject matter expertise with respect to Canadian legislative and regulatory requirements, given our role as a designated aeronautical authority for Canada. In 2019–2020, we participated in negotiations resulting in expanded air transport agreements with:

- Chile,
- French Polynesia,
- Ecuador, and
- Turkey.

### **Network of Economic Regulators**

The CTA continued to actively participate in the Organisation for Economic Co-operation and Development's (OECD) Network of Economic Regulators (NER) in 2019–2020. The NER is an international forum where independent economic regulators can share their experiences and best practices, discuss challenges and identify innovative solutions.

In September 2019, CTA Chair and CEO Scott Streiner took part in an OECD peer review mission to evaluate the governance and performance of Peru's transportation regulator, OSITRAN. One of the OECD's best practices for regulators is ensuring that their governance arrangements and day-to-day relationships shield their decision-making from political influence. As Canada's longest-standing independent regulator, the CTA has significant experience in this area.

The CTA Chair and CEO was appointed to the NER's Bureau for 2020. The Bureau provides detailed direction to the OECD Secretariat, contributes to the planning of NER meetings and is consulted on ongoing NER work.

With the onset of COVID-19 in March 2020, regulators around the world shared, through the NER, common challenges and regulatory responses. The CTA coorganized and co-hosted a webinar with the OECD and NER Secretariat to discuss the impact of COVID-19 on transportation regulators specifically and share experiences and lessons learned. The event was attended by 68 delegates from 20 countries, including 11 transportation regulators.

# Determinations and dispute resolution

# Ensuring that the national transportation system runs smoothly and efficiently

The CTA's oldest mandate, and the one with the greatest economic impact, is to keep the national transportation system running efficiently and smoothly in the interests of the Canadians who work and invest in it; the producers, shippers, travellers and businesses who rely on it; the communities where it operates—and the prosperity and social fabric of the country as a whole.

#### For example, the CTA:

- administers an air licensing and charter permit regime, and oversees air navigation services charges;
- issues certificates of fitness for federal railway companies and enforces compliance with minimum insurance requirements;
- determines railway costs, approves railway line construction, oversees the discontinuance of service, and establishes the net salvage value of railway lines;
- determines rail interswitching rates and the maximum revenue entitlement for the movement of western grain;
- resolves disputes between railway companies and shippers over rates or level of service, and between railway companies and individuals or communities affected by railway noise and vibration; and
- determines whether suitable Canadian vessels are available when coasting trade licence applications are made to use foreign vessels.

#### Air

### Air licensing activities

The CTA issues licences to Canadian airlines to operate air services within Canada. The CTA also licences Canadian and foreign airlines to operate scheduled or non-scheduled international air services to and from Canada.

In 2019–2020, the CTA issued new licences for scheduled international services between Canada and the following countries.

Table 1: New scheduled international services

Canadian Airlines	Country
Pacific Coastal Airlines Limited	United States of America
Air Canada	Ecuador, Gambia
WestJet	Norway, Honduras (Temporary Licence - Extra Bilateral)

In 2019–2020, the CTA issued 24 licences to Canadian airlines and 39 licences to foreign airlines.

### **Canadian status requirement**

The Canada Transportation Act requires that airlines holding domestic licences issued by the CTA be Canadian, as defined in subsection 55(1) of that Act. The requirement that licensees be owned and controlled-in-fact by Canadians must be complied with at all times. If the CTA determines that an existing licensee no longer meets that requirement, the licences are suspended or canceled.

In December 2019, the CTA determined that WestJet and Swoop would continue to be Canadian following the proposal by Onex Corporation to acquire the two airlines.

The determination is on the condition that Onex amend its by-laws to ensure that the majority of directors making decisions affecting WestJet and Swoop, are Canadian. Following the CTA's determination, the acquisition was completed.

### Air navigation services charges

The International Air Transport Association (IATA) filed an appeal of NAV CANADA's increased charges for air navigation services, which were based on its implementation of Space-Based Automatic Dependent Surveillance-Broadcast technology in its air traffic control operations. Revised charges for domestic airspace surveillance were imposed on September 1, 2019, and charges related to surveillance within the North Atlantic oceanic airspace came into effect on January 1, 2020.

Position statements in support of IATA's appeal were submitted by various international airlines, including Air Canada, which requested and was granted intervener status in the matter.

IATA argued that NAV CANADA's revised charges were not consistent with the Government of Canada's international obligations and were not based on NAV CANADA's reasonable and prudent financial requirements, as required under paragraphs 35(1)(h) and 35(1)(i) of the <u>Civil Air Navigation Services Commercialization Act</u>, S.C., 1996, c. 20 (CANSCA). Additionally, IATA claimed that NAV CANADA did not comply with the notice and disclosure requirements set out in section 36 of the CANSCA. IATA requested that the CTA, among other things, order NAV CANADA to cancel its revised charges and to refund the users who have paid them.

Having considered all of the submissions, the CTA <u>determined (10-A-2020)</u> that it was satisfied, on a preponderance of the evidence, that NAV CANADA observed the charging principles set out in paragraphs 35(1)(h) and 35(1)(i) of the CANSCA in establishing the revised charges and that it complied with the notice and disclosure requirements set out in section 36 of the CANSCA.

#### Rail

#### Rail dispute resolution

Part of the CTA's mandate is to help resolve disputes between railway companies and their customers or neighbours. One or both parties can ask the CTA for assistance.

The types of disputes include infrastructure construction and maintenance, service obligations, noise and vibration, and transfer and discontinuance provisions.

In total, 71 rail disputes were resolved in 2019–2020:

- 18 through facilitation,
- 41 through mediation,
- 10 through adjudication, and
- 2 through arbitration.

In 2019–2020, the CTA answered 146 inquiries through the Rail, Shipper and Community Help Line.

The CTA also administers two distinct arbitration processes for disputes between freight railway companies and shippers. These are level of service arbitration and Final Offer Arbitration.

In 2019–2020, there were no cases referred for level of service arbitration.

<u>Final offer arbitration</u> can be triggered by shippers to settle disputes about rates charged or services offered by a freight railway company for the movement of goods. For this type of arbitration, the parties choose an independent arbitrator from a roster established by the CTA. If the parties cannot agree on an arbitrator, the CTA will appoint one.

These arbitrations use the final offer selection model, where the arbitrator chooses either the proposal made by the shipper or the proposal made by the railway company. The timeline for doing so is 60 days for a regular process and 30 days for a summary process, which only applies to freight charges below \$2 million. The arbitrated rate applies for up to two years, at the option of the shipper.

In 2019–2020, there were 2 cases referred for Final Offer Arbitration.

#### Vancouver freight rail service issues

On January 14, 2019, the CTA announced it was using its own-motion powers to initiate an investigation into possible freight rail service issues in the Vancouver area. This was permitted by amendments made to the Act in May 2018, provided the Minister of Transport agrees. The Minister provided his authorization on January 11. The CTA initiated the investigation based on information received from shipper associations and other parties. The matters covered by the investigation included whether certain commodities were receiving discriminatory treatment and how freight rail permits and/or embargoes were being used.

The investigation had two phases. The first was an information-gathering phase that included a public hearing in Vancouver on January 29 and 30, 2019. The hearing gave railway companies and shipper groups an opportunity to present evidence and respond to questions from the CTA.

The second phase focused on matters identified by the CTA as warranting further examination.

The CTA issued a <u>Letter Decision (CONF-9-2019)</u> in this matter on April 15, 2019. It found that CP and BNSF had met their service obligations, but CN had breached its obligation to provide the highest level of service reasonably possible in one respect: by announcing, months before congestion or other challenges emerged

in the Vancouver-area rail network, its intention to issue embargoes against wood pulp shipments, and then imposing those embargoes. CN was ordered to develop and submit a plan to respond to future traffic surges in the Vancouver area; to only resort to embargoes on an exceptional basis; and to only implement embargoes that are temporary, targeted at specific and actual challenges, and designed to minimize impacts on traffic carriage and delivery.

#### City of Montréal v. Canadian Pacific Railway

The City of Montréal (Montréal) filed an application concerning the construction of five at-grade pedestrian and bicycle crossings on the Canadian Pacific Railway (CP) network. Montréal was seeking the CTA's authorization to construct and to apportion the costs of construction and maintenance. CP argued that the CTA should not authorize the crossings as they were not necessary or suitable within the Act.

In its <u>determination</u> (34-R-2019) of what constitutes a suitable crossing, the CTA considers the impact of a crossing on railway operations; the impact on the safety of persons and property transported by railway companies and the safety of other persons and other property. The CTA also considers the impact, if any, of changes in railway operations created by the new road crossing on people in the area, including changes in noise and vibration levels. It also considers any technical restrictions with respect to the construction of a particular type of road crossing (at-grade or separated, either passing over or under the railway), among other factors.

For three of the five crossings, the CTA authorized the construction of at-grade crossings, as requested by Montréal, because they were adequate and appropriate for the intended purposes. For the other two crossings, the CTA authorized the construction of grade separations at the proposed locations because the requested at-grade crossings would not be adequate or appropriate for the intended purposes.

The CTA determined that Montréal is responsible for the costs of construction and maintenance of all five crossings.

#### Young v. Canadian Pacific Railway

The applicant filed an application concerning noise and vibrations arising from Canadian Pacific Railway Company's (CP) operations in Port Moody, British Columbia. CP argued that it had fully met the requirements of section 95.1 of the Act and was only causing such noise and vibrations as is reasonable.

The CTA first determined that CP had caused noise and vibrations that constitute substantial interference with the ordinary comfort or convenience of living, according to the standards of the average person.

Although the CTA acknowledged that the applicant has been negatively impacted by the noise and vibration levels at their residence, the CTA determined that the noise and vibration produced by CP's operations is reasonable, taking into account the unique features of the area, as well as CP's level of service obligations and its operational requirements. The CTA therefore dismissed the application.

#### Canadian Pacific v. Municipality of McDougall

Canadian Pacific Railway Company (CP) filed an application concerning the maintenance costs that it incurred for work performed on an at-grade crossing. CP requested that the CTA determine that the Municipality of McDougall (Municipality) was legally obligated to pay these costs or that the CTA apportion the costs for the work performed. The Municipality disagreed with CP and submitted that a previous Order, made by the Canadian Transport Commission, established that the company was responsible for the maintenance costs of the road, within the 26-foot road allowance, across the right-of-way and the CP track.

With respect to the costs for the rail and related infrastructure work performed within and outside the limits of the crossing, the CTA found it appropriate to give

more weight to the relative benefits that each party stood to gain and to the responsibility of each party for the maintenance of its own infrastructure.

The CTA determined that since CP is the only party that benefits from the replaced rail and related infrastructure, it should bear all the costs of the work. CP was ordered to revise its invoice to the Municipality to reflect this decision.

## **Greater Vancouver Water District v. British Columbia Railway Company**

The Greater Vancouver Water District (GVWD) filed an application concerning the construction of a utility crossing, seeking the CTA's authorization for the construction and maintenance of a water main. British Columbia Railway Company (BCRC) agreed to the crossing location, design and method of construction; however, the parties were unsuccessful in negotiating terms and conditions for an agreement. The CTA has jurisdiction to adjudicate this dispute by virtue of an administrative agreement with the Province of British Columbia.

The CTA <u>determined (28-R-2019)</u> that its authority is limited to authorizing the crossing and specifying who shall maintain it. The CTA concluded that it does not have jurisdiction to order terms and conditions in relation to a utility crossing other than the terms and conditions directly related to the suitability of the crossing, namely, that related to construction and maintenance.

The CTA authorized GVWD to construct and maintain, at its own expenses, the water main.

#### **Milton Logistics Hub Project**

On December 6, 2016, the Chair and CEO of the CTA entered into an agreement with the Minister of the Environment and Climate Change to undertake a joint review process on CN's proposed Logistics Hub Project in Milton, Ontario.

A Member of the CTA was assigned by the Chair and CEO to decide whether

the proposed rail construction should be approved under section 98 of the Act. The Minister then cross-appointed that Member to a three-person review panel responsible for conducting an environmental assessment under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012).

The joint process, including public hearings, made it easier and more efficient for CN, Indigenous groups and community members to submit written and oral submissions related to both the environmental assessment and the determination under section 98 of the Act.

In January 2020, the review panel submitted its <u>report</u> under CEAA 2012 to the Minister of the Environment and Climate Change. For most of the factors reviewed, the review panel concluded that the Project would not have significant adverse environment effects. However, the review panel concluded that the Project is likely to cause significant adverse environmental effects with respect to air quality, human health, wildlife habitat, and the availability of agricultural land.

The next step in the process is for the Minister of the Environment and Climate Change to issue an environmental assessment decision statement, in consideration of the review panel's report, that will describe the Project's potential to cause significant adverse environmental effects. If the Project is likely to cause significant adverse environmental effects, the decision statement may also indicate whether the Governor in Council has determined that those environmental effects are justified in the circumstance. If the significant adverse effects are insignificant or justified, the CTA will make a determination on whether to issue a permit for construction under section 98 of the Act.

#### **Essex Terminal Railway Company**

In 2016, amendments to the Act established minimum third-party liability insurance requirements for freight railway companies. Parliament adopted these amendments in the wake of the Lac-Mégantic tragedy to ensure that railway companies would have sufficient insurance coverage in the event of a major railway accident in Canada.

The CTA initiated an inquiry to determine whether the Essex Terminal Railway Company (Essex) and RaiLink Canada Ltd. (RaiLink) met statutory insurance requirements related to the transportation of crude oil.

On January 6, 2020, the CTA <u>determined (LET-R-2-2020)</u> that Essex had not satisfied the CTA that it met the requirements of the Act to carry crude oil. The CTA ordered Essex to not carry crude oil until such time as it establishes, to the CTA's satisfaction, that it meets these requirements. The CTA amended Essex's Certificate of Fitness accordingly. On the same day, the CTA determined that RaiLink is authorized to carry crude oil as it had demonstrated to the satisfaction of the CTA that it met the insurance requirements to carry crude oil.

#### Interswitching rate determination

On November 29, 2019, the CTA issued <u>Determination No. R-2019-230</u> on regulated interswitching rates for 2020.

This was the CTA's second determination of the rates pursuant to amendments to the Act made by the *Transportation Modernization Act* in May 2018. Under these amendments, the CTA must:

 determine the interswitching rates no later than December 1<sup>st</sup> of every year, and take into consideration any long-term investment needed in the railways;

- publish the method followed for determining the rate; and
- publish the interswitching rate in the Canada Gazette no later than December 31<sup>st</sup> before the beginning of the calendar year for which the rate applies.

In 2019, following <u>public consultations on a broad range of issues related to interswitching rates</u>, the CTA published the methodology used to calculate the 2020 interswitching rates, explaining how it took into consideration any long-term investment needed in the railways. Alongside this, the CTA published a determination on the cost of common equity (an input used to set interswitching rates), following the most comprehensive review of this issue in almost a decade. The 2020 rates were published in the *Canada Gazette* on December 28, 2019.

## Maximum Revenue Entitlement (MRE) program for transporting western grain by rail

Each year, the CTA is required by the Act to determine the maximum revenue entitlements of CN and CP, and to determine whether or not each railway company exceeded those entitlements.

In December 2019, the CTA <u>determined (R-2019-245)</u> that CN and CP were both within their respective maximum revenue entitlements for the 2018–2019 crop year.

**Table 2: 2018–2019 Maximum Revenue Entitlements** 

Company	Entitlement	Grain revenue	Amount below (\$)
CN	\$933,728,826	\$933,357,710	\$371,116
СР	\$863,499,066	\$862,734,965	\$764,101

The Act provides that if a prescribed railway company's revenue for the movement of grain in a given crop year exceeds the company's MRE for that crop year, the company shall pay out the excess amount and any penalty specified in the *Railway Company Pay Out of Excess of Revenue for the Movement of Grain Regulations*. Given that CN's and CP's revenues were below their respective MREs, no payments of excess revenue and associated penalty amounts had to be made for the 2018–2019 crop year.

#### **Marine**

#### **Coasting trade applications**

Under the *Coasting Trade Act*, only Canadian registered vessels can provide marine transportation between points in Canada, unless a coasting trade licence is issued by the Minister of Public Safety and Emergency Preparedness.

The CTA plays a role in the coasting trade licensing process by determining whether suitable Canadian vessels are available when someone applies to use foreign vessels for domestic commercial marine activities.

In 2019–2020, the CTA processed 65 coasting trade applications where no offer to use a Canadian vessel was made, and 4 coasting trade applications that were contested (that is, where a party offered a Canadian vessel that it argued was suitable and available for the work).

# Protecting the fundamental right of persons with disabilities to an accessible transportation network

Accessible transportation is a human right. It allows persons with disabilities to achieve full and equal participation in contemporary life.

Since 1988, the CTA has had a mandate to protect the fundamental right of persons with disabilities to an accessible federal transportation network. To implement this mandate, the CTA creates regulations for accessibility; promotes awareness of those regulations through proactive communications and outreach; monitors and enforces compliance through inspections, investigations, corrective actions and administrative monetary penalties; and resolves disputes about accessibility through facilitation, mediation and adjudication.

### Highlights from 2019-2020

#### Accessibility applications and outcomes

In 2019–2020, the CTA received 227 accessibility complaints, which represents a significant increase from the two previous years (122 for 2017–2018 and 182 for 2018–2019). Of the cases that were resolved:

- 95 were resolved through facilitation,
- 33 were resolved through mediation, and
- 26 were resolved through adjudication.

In 2019–2020, the CTA answered 40 inquiries through the Accessible Transportation Complaints Help Line, which was established in September 2019.

#### **Decisions of note**

#### Interpretive decision

On June 21, 2019, the CTA issued an interpretive <u>decision (33-AT-A-2019)</u> to inform passengers, transportation service providers, organizations representing persons with disabilities, and Canadians in general of the CTA's updated approach to applications made pursuant to subsection 172(1) of the Act.

In the past, the CTA used a three-part approach with accessibility-related applications, consisting of a disability determination, an obstacle (now "barrier") determination and an undueness determination. The CTA's interpretive decision recast its three-part approach as a two-part approach to better reflect the two-part analysis of human rights jurisprudence.

The interpretive decision establishes that during Part 1 of the proceedings, the applicant has the onus of demonstrating, on a balance of probabilities, that they have a disability and faced a disability-related barrier.

During Part 2 of the proceedings, the onus shifts to the respondent to:

- explain, taking into account any proposals from the applicant, how the
  respondent proposes to remove the barrier through a general modification
  to a rule, policy, practice, technology, physical structure, or anything else
  constituting a barrier, or, if a general modification is not feasible, an
  individual accommodation measure; or
- demonstrate, on a balance of probabilities, that it cannot remove the barrier without experiencing undue hardship.

The respondent must carefully consider all options for removing a barrier before making a claim that it cannot do so without experiencing undue hardship.

The interpretive decision also reflects the amendments to the *Canada Transportation Act* introduced by the *Accessible Canada Act*, which sets out that the CTA's new remedial powers include the authority to award compensation for lost wages, pain and suffering, and the authority to award compensation if the barrier was the result of a willful or reckless practice.

#### **Finlay v. Sunwing Airlines**

Rosalie Finlay filed an accessibility-related application against Sunwing regarding issues that arose during and after her vacation in Varadero, Cuba, including alleged damage to her custom wheelchair. The applicant sought compensation for the expenses associated with replacing the wheelchair, general damages and an order for legal costs.

At the request of the applicant, the CTA has proceeded to deal with the issue of damage to the wheelchair first. Sunwing argued that there was insufficient evidence to establish that the applicant's wheelchair was damaged while in its care and control. The carrier also raised concerns regarding the credibility of the applicant's claim that the wheelchair she travelled with was damaged during its carriage by Sunwing, suggesting that the applicant was attempting to recover for damage to a second wheelchair that was not carried by Sunwing.

The CTA held an oral hearing to gather evidence on whether the applicant's wheelchair was damaged while in the care and control of Sunwing and whether, as a result, the applicant encountered an obstacle.

Ultimately, having considered the evidence, the CTA <u>found that the applicant is a</u> <u>person with a disability and that her wheelchair was damaged</u> while in the care and control of Sunwing. The CTA also found that the damage to the applicant's wheelchair constituted an obstacle to her mobility.

#### Kormod v. Porter

On November 3, 2017, Suha Kormod was travelling with her Emotional Support Animal (ESA) from Montréal, Quebec, to Newark, New Jersey, via Toronto, Ontario. The applicant and her ESA, a German Shepherd, flew from Montréal to Toronto, but were told to disembark the aircraft for the flight segment from Toronto to Newark when Porter identified the ESA's behaviour as posing a safety risk. Following that incident, the applicant filed an accessibility-related application against Porter. The CTA found that the applicant is a person with a disability and that she encountered an obstacle to her mobility when she was unable to complete her travel with her ESA.

The CTA found, however, that the safety requirements in Porter's ESA policy are consistent with established rules and guidance and that they were adopted, and applied, in good faith to avoid obstacles for persons with disabilities while ensuring the safety and security of everyone travelling on their aircraft. Further, the CTA found that the safety risks involved in the additional accommodations sought by the applicant would have resulted in undue hardship for Porter.

The CTA therefore dismissed the application.

#### Rose v. Air Canada

Timothy Rose filed an accessibility-related application against Air Canada because the aircraft that Air Canada used to transport passengers from Toronto, Ontario, to Cleveland, Ohio, could not accommodate Mr. Rose's power wheelchair. The CTA issued a decision on March 1, 2019, finding that the applicant is a person with a disability and that the following constituted obstacles to the mobility of Mr. Rose:

Air Canada exclusively assigning aircraft that cannot accommodate Mr.
 Rose's wheelchair to its flights between Toronto and Cleveland, thereby denying Mr. Rose access to this aspect of the federal transportation network.

 Air Canada's decision to operate routes in its network that are only serviced by aircraft that cannot accommodate larger mobility aids that cannot be collapsed to a height of 31 or 32 inches or less creates an obstacle to the mobility of Mr. Rose and all persons who use mobility devices that cannot be carried on these aircraft.

On December 2-3, 2019, the CTA held an oral hearing to hear evidence on whether Air Canada can remove these obstacles without experiencing undue hardship. Further to the oral hearing, the parties filed undertakings and closing statements, and pleadings closed on February 7, 2020. The CTA is now deliberating on the matter.

# Providing consumer protection for air passengers

The CTA mandate that generates the largest number of applications is consumer protection for air passengers.

The year 2019–2020 saw a major change in the CTA's role in this area as it finalized and implemented a new regulatory framework setting minimum airline obligations toward air passengers under the *Air Passenger Protection Regulations*.

The CTA also continues to enforce the application of tariffs and may hear complaints from passengers that a tariff provision is not being applied, or is unreasonable or unjust. Canadian tariff requirements are detailed in the *Canada Transportation Act* and the *Air Transportation Regulations*. The APPR minimum obligations are deemed to be included in airline tariffs.

In 2019–2020, the CTA received approximately 19,400 air travel complaints, of which over 12,700 were received following the coming into force of all provisions of the APPR. The CTA has seen a sharp year-over-year increase in air travel

complaint volumes, starting from 826 complaints in 2015. Historically, the vast majority of complaints have been resolved by facilitation and mediation, with a small proportion (about 1%) proceeding to adjudication. Additional information on these complaints is reported in the <u>Appendix: Reporting on Dispute Resolution Activities</u>.

This year, the CTA worked to promote awareness of the APPR rights and obligations to members of the public and industry—complemented by monitoring and compliance efforts—to help ensure that the new regime is well understood by all. The CTA also continued to place emphasis on informal dispute resolution, which is in the interests of both passengers and airlines, as it is less time-consuming and less costly, and helps achieve a satisfactory outcome for all. The CTA provided "user friendly" tools (including on its new dedicated website, airpassengerprotection.ca) and complaint forms to make sure Canadians can readily access the CTA's services in this area.

### Highlights from 2019-2020

#### **Sunwing inquiry**

The CTA launched an inquiry into delays, cancellations, tarmac delays and lost, delayed and damaged baggage affecting Sunwing flights. These were widespread service issues experienced by passengers on Sunwing flights to or from Toronto Pearson International Airport and Montréal Pierre Elliott Trudeau International Airport, between April 14 and 18, 2018. The inquiry was to determine whether Sunwing treated its passengers in a manner consistent with its terms and conditions of carriage for international flights, and whether those terms and conditions were reasonable.

The CTA issued its <u>determination (A-2019-58)</u> on April 8, 2019, ordering Sunwing to compensate passengers for out-of-pocket expenses incurred as a consequence

of the airline's failure to properly apply the terms and conditions set out in its Scheduled International Tariff.

A CTA designated enforcement officer also issued a <u>Notice of Violation</u> against the airline, and imposed an administrative monetary penalty of \$694,500. Sunwing has appealed the penalty to the Transportation Appeal Tribunal of Canada.

#### Reasonableness of WestJet's tariff

In August 2019, the CTA initiated an inquiry into whether WestJet's international scheduled tariff provisions related to schedule delays, schedule irregularities, and denied boarding are just and reasonable, taking into consideration the requirement for airlines to apply the minimum obligations set out in the APPR.

In December 2019, the CTA found that WestJet's tariff was unclear and that this lack of clarity precluded the CTA from making a final assessment regarding the reasonableness of the terms and conditions themselves. The CTA ordered WestJet to provide a proposed revised tariff containing terms and conditions that clearly articulate the specific obligations that WestJet undertakes toward its passengers, which must meet or exceed the minimal requirements of the APPR.

To allow WestJet to focus on immediate operational imperatives like repatriating Canadians stranded abroad, this proceeding was paused after the onset of the COVID-19 pandemic until June 30, 2020.

## Inquiry into complaints regarding reasons for flight delays or cancellations

On February 13, 2020, the CTA opened an inquiry into complaints from air passengers alleging that airlines were not accurately communicating reasons for flight delays or cancellations, as required under the *Air Passenger Protection Regulations*. The CTA had received multiple complaints regarding flights operated

since December 15, 2019, alleging that airlines had failed to accurately communicate the reasons for delays or cancellations.

The CTA's Chief Compliance Officer was appointed as inquiry officer. He is collecting and analyzing evidence on the delays and cancellations that are the subject of the complaints. Once evidence-gathering is completed, he will report his findings to the CTA panel conducting the inquiry. The inquiry focuses on 567 complaints involving flights operated by Air Canada, WestJet, Sunwing, Air Transat, Swoop and United Airlines.

To allow airlines to focus on immediate operational imperatives like repatriating Canadians stranded abroad, this proceeding was paused after the onset of the COVID-19 pandemic until June 30, 2020.

# Compliance monitoring and enforcement

The CTA regulates over 1500 service providers in the air, rail, marine and interprovincial bus sectors, and is responsible for verifying compliance with about 260 provisions enforceable by means of administrative monetary penalties (AMP). This number increases to about 520 provisions by 2022 as a result of regulatory and legislative changes. The CTA also issues enforceable orders in relation to these statutory and regulatory provisions to address disputes and findings of non-compliance.

## Highlights from 2019–2020

The CTA moved quickly to enforce the new <u>Air Passenger Protection Regulations</u> during the summer of 2019, in the weeks following the coming-into-force of the first set of APPR requirements. The CTA's enforcement officers conducted compliance verifications at airports across the country and involving a tarmac delay at the Rome—Fiumicino Leonardo da Vinci International Airport. These activities led to findings of violations for failure to display notices of passenger rights at airports and failure to provide certain standards of treatment during a tarmac delay, resulting in the issuance of notices of violations with administrative monetary penalties totaling \$60,000. CTA enforcement officers also issued cautionary notices for alleged non-compliance with certain communications requirements during flight delays. In all, in 2019–2020, the CTA found 192 violations, and issued notices of violations with administrative monetary penalties totaling \$849,700, as well as 16 warning letters or cautionary notices.

In 2019–2020, the CTA continued to modernize its compliance assurance program, drawing on best practices in the regulatory field to ensure the

effectiveness of efforts to monitor and enforce compliance with new and amended regulations, including the APPR and the ATPDR.

As part of this modernization initiative, a new <u>Compliance Monitoring and Enforcement Policy</u> was published on the CTA's website. The policy sets out the tools the CTA uses and the way it targets resources to ensure compliance by regulated entities with legal obligations.

This policy identifies a number of focus areas, including compliance with its orders, follow-up on credible information about possible contraventions of legal requirements, and the maintenance of mandatory liability insurance coverage by railway companies. The CTA applies a risk-based approach beyond these key areas to ensure that compliance monitoring and enforcement resources are directed at sectors, topics, or entities where the likelihood or impact of non-compliance is higher.

Another key focus was to expand the CTA's compliance data analytics capacity. This was achieved in part by partnering with the National Research Council's Data Analytics Centre Research Facility to learn from best practices and data science expertise, helping organize and analyze CTA data sets to better understand compliance patterns and trends.

## **Impacts of COVID-19**

Towards the end of this fiscal year, Canadians and people around the world experienced the onset of a global pandemic—a new coronavirus infection that led to COVID-19 illness. The pandemic has taken thousands of lives in Canada and hundreds of thousands around the world, resulted in significant disruptions to everyday life, and had significant impacts across most sectors of the economy. Given the direct and major implications of this extraordinary situation for travel and trade, the transportation sector is one of the most affected.

On January 30, 2020, the World Health Organization (WHO) declared a public health emergency of international concern<sup>5</sup>, and on March 11, 2020, it declared COVID-19 a pandemic<sup>6</sup>. In response, governments around the world grounded flights, locked down towns and cities and urged people to stay home in an effort to slow the spread of the disease.

On March 13, 2020, Canadians were advised to avoid all non-essential travel outside of Canada until further notice<sup>7</sup>. Beginning March 18, 2020, foreign nationals, with some exceptions, were prohibited from entering Canada if they arrived by means of an aircraft from a foreign country<sup>8</sup>. Subsequently, on March 21, 2020, Canada and the United States temporarily restricted all non-essential travel across its their shared borders<sup>9</sup>. These measures, combined with the closures of non-essential businesses and quarantine efforts, resulted in significant impacts on businesses—such as greatly reduced demand for services—and their employees across the entire transportation network in Canada—with similar impacts experienced across the globe.

Many industries have experienced economic hardship as a result of the pandemic. Airlines have laid off staff, reduced their capacity or suspended operations entirely, and sought government financial assistance to remain solvent. Airlines have projected significant worldwide declines in revenue passenger kilometres

and revenue losses for 2020. In Canada, airlines have been operating at significantly reduced capacity, facing both plummeting passenger and flight volumes as well as major liquidity challenges.

Canada's class 1 railways, CN and CP, have continued to operate, with shipments of some commodities (such as grain, coal, containers, farm products, chemicals) generally at levels comparable to previous years; and others such as motor vehicles and petroleum products declining considerably. At the time this report was finalized, goods are still being shipped as they are able to continue to flow through Canada's ports, although inflows and outflows may be impacted by closures elsewhere (such as ports and manufacturing centres).

### **CTA COVID-19 related measures**

In the context of the unparalleled collapse of air travel worldwide and mass flight cancellations that resulted from COVID-19, the CTA quickly took steps to address the significant impacts on the airline industry and passengers.

Recognizing the importance of clear communication during these types of situations, the CTA published *Important Information for Travellers During COVID-19*, to ensure that the public and the industry received consistent guidance and updates during the pandemic.

As travel restrictions were being established rapidly and unpredictably around the world, and tens of thousands of Canadians were cancelling their departures or rushing to get home sooner than planned, the CTA made targeted and temporary adjustments to certain regulatory requirements to allow airlines more flexibility to modify flight schedules. And to allow airlines to focus on urgent operational demands such as repatriating Canadians stranded abroad, the CTA temporarily paused its interactions with airlines on dispute resolution, while continuing to accept complaints from passengers to be addressed in due course.

Finally, the CTA took steps to address a gap in Canada's air passenger protection framework brought to light by mass flight cancellations caused by COVID-19. The legislative framework establishes that when flights are disrupted for reasons outside the control of airlines, airlines must make sure passengers can complete their itineraries, but does not authorize the CTA to make regulations requiring refunds or vouchers if timely rebooking is not possible. This created a risk that some passengers could be left out-of-pocket for disrupted flights, particularly as airlines confronted a liquidity crisis due to plunging flight and passenger volumes. In light of this risk, the CTA released a non-binding statement suggesting that vouchers for future travel could be an appropriate approach as long as they didn't expire unreasonably soon, while noting that any passenger who thought they were entitled to a refund and didn't want to accept a voucher could file a complaint with the CTA, which would, of course, be considered on its merits.

Organizationally, the CTA has responded exceptionally well during a challenging period. All employees shifted over a single weekend in mid-March to work-from-home arrangements. They adapted quickly to the situation and from the start to the pandemic, the CTA has been able to maintain a full suite of services, supported by technological solutions, collaboration tools, electronic authorization processes and—above all—an agile and committed workforce. Frequent communications between management and staff were a key factor in the successful transition to remote work and uninterrupted service delivery.

## **Assessment of the Act**

The CTA is required to report on the operation of the Act—and any difficulties observed in its administration—through its Annual Report.

This year's assessment of the Act focuses on important changes that would better position the CTA to discharge its new responsibilities related to air passenger protection, shipper remedies, and accessibility. These fall into three main areas.

First, the CTA has observed that there are gaps in the legislative framework—some minor, some more significant—that make it difficult to fully achieve the mandates with which it has been tasked. Second, we lack important enforcement and compliance tools to make sure transportation service providers are complying with requirements—all the more apparent now that we have updated the full suite of regulations we administer. Third, some basic administrative changes to the Act—such as the ability to delegate routine issues from appointed decision—makers to staff—would allow the CTA to deliver services more efficiently.

## Gaps in the legislative framework

The most prominent gap in the framework relates to air passenger protection in the context of mass flight cancellations for reasons outside airlines' control. With the onset of COVID-19, it became apparent that legislation, regulations, and tariffs were developed in anticipation of relatively localized and short-term disruptions. None contemplated the sorts of worldwide mass flight cancellations that have taken place this year as a result of the pandemic. Given this, the CTA recommends it be given a clear authority to set more robust standards for passenger protection—including refunds—when flights are cancelled for reasons outside of an airlines' control.

We have noted other areas where the air passenger protection framework can be improved. For example, some tweaks to the informal dispute resolution process would be helpful in processing cases more quickly, which is all the more important with unprecedented complaint volumes. Speedy and informal dispute resolution of issues is in the interests of both passengers and airlines. However, the CTA cannot make the participants keep the outcome of facilitation confidential. This contrasts with the rules around mediation and means that parties may be reluctant to participate—which undermines efforts to resolve disputes as efficiently as possible. Similarly, after informal facilitation, the CTA encourages participants to go to the next step of mediation, but cannot require this—resulting in some cases going to a formal adjudication that may be unnecessarily time-consuming and difficult. The CTA recommends the Act be amended to make sure facilitation is confidential and to direct participants to mediation before a formal adjudication process.

Another issue concerns the CTA's oversight of domestic air travel. The CTA is able to intervene, on its own motion (with the authorization of the Minister of Transport) if a concern arises regarding the reasonableness or clarity of an international air tariff. This allows the CTA to proactively address situations where, for example, a tariff has provisions that may be unfair or undermine the spirit and intent of passenger rights. However, the CTA is unable to intervene in the same way for cases involving domestic travel. The CTA must first wait for a complaint to be received before looking into possible issues, even if those issues are widely reported. An amendment should be made to the Act to allow the CTA to address concerns regarding domestic tariffs, consistent to the practice being applied for international tariffs.

On the rail front, the CTA has heard from multiple shippers about a possible barrier to their access to remedies available under the law. A number of remedies were brought forward under the *Transportation Modernization Act*, including Long-Haul Interswitching, paper-based Final Offer Arbitration with a higher dollar

limit, and the ability to seek reciprocal financial penalties from railway companies. Shippers have indicated that they are pressured to sign contracts that require them to waive their rights to access remedies as a condition of receiving service from a railway. If true, this practice undermines the very logic of including shipper remedies in the Act, particularly as shippers and railways may not always be on an even footing in bargaining. Given this, amendments may be needed to prohibit such contractual provisions, as well as any retaliatory actions against shippers that submit applications to the CTA.

The CTA has also noted some gaps in the framework for accessible transportation. Under the ACA, the CTA was provided the authority to investigate systemic issues on its own motion (with the approval of the Minister of Transport). This is an important tool that can be used to uncover reasons for recurring or systemic problems in accessible transportation and identify ways to correct them. However, the CTA is unable to award remedies or issue orders to address issues identified through such an investigation. In contrast, the CTA has this ability for proceedings related to air passenger protection and rail service. To make sure an investigation can result in concrete improvement in accessible transportation, the CTA needs remedy powers in this area too.

The CTA, and Canadians generally, lack some basic data on trends and issues in accessible transportation (e.g., the prevalence of travellers with disabilities, the types of accommodation needed, or most common accessibility complaints filed with airlines). An amendment to the Act to require transportation service providers to report on these issues would support the delivery of the CTA's mandate. It would also complement the requirement under the *Accessible Canada Act* for transportation service providers to consider and report on accessibility in their own operations in efforts to remove barriers. These data would be used to inform the CTA's activities including monitoring and compliance activities, regulatory development, and education and outreach.

Three other issues with the legislative framework bear mention. These cut across different CTA mandates. First, there is an ability for a party—generally, industry—to petition government to overturn CTA decisions. It is not clear why this is in the Act, given there is a right of appeal of CTA decisions to the Federal Courts of Appeal. It compromises the institutional independence of the CTA in making sometimes difficult, but necessary, decisions as a quasi-judicial tribunal. Second, it allows litigants with deep pockets multiple avenues to challenge CTA decisions.

Second, the CTA must seek the authority of the Minister of Transport before launching a proceeding on its own initiative—in contrast to other agencies that can act independently. This restriction compromises the CTA's independence and wrongly signals that there is Ministerial oversight of the decisions it makes as a tribunal. The CTA recommends that these issues be addressed in the Act as soon as possible.

Third, following the Supreme Court of Canada decision in *Vavilov* in 2019, the standard of review of many tribunal decisions, including the CTA's, has been increased from reasonableness to correctness, as the Act does not explicitly give direction on this issue. This fundamental change brought by *Vavilov* has the potential to undermine years of CTA decisions, in turn creating instability for stakeholders. In line with that decision, the Act should be amended to specifically state that the intended standard of review for CTA decisions is reasonableness. This approach recognizes the CTA's long-standing expertise in areas under its mandate.

## **Enforcement and compliance issues**

The CTA is entering a period of unprecedented responsibility for monitoring industry's compliance with comprehensive requirements in air passenger protection and accessibility. Some changes are needed in order to better enable us to enforce these requirements.

First, administrative monetary penalties (AMPs) are a tool commonly used by regulators to efficiently enforce legal requirements and create incentives for compliance. The Act set the current maximum amount for AMPs for non-accessibility violations in 1996. This amount is outdated and should be increased—from \$25,000 for corporations and \$5,000 for individuals—to \$250,000. This is in line with the maximum AMP for violations of accessibility-related requirements.

Second, the enforcement framework for the CTA does not sufficiently reflect that we have a dual role as a regulator and as a tribunal. Notably, even if CTA Members find, in adjudicating a complaint, that an airline violated the *Air Passenger Protection Regulations*, an AMP cannot follow more or less automatically on the basis of this conclusion. Instead, a staff enforcement officer needs to undertake a separate examination to support enforcement action, which is not an efficient use of public funds, negatively affects passenger protection, and is unnecessarily process-heavy for the airline involved. This could easily be remedied by allowing enforcement officers to rely on the CTA's adjudicative findings when determining whether to levy an AMP.

## Creating more efficient and up-to-date processes

With the CTA's mandate growing, it must be able to discharge its responsibilities as nimbly as possible. The CTA has observed a few legislative constraints that detract from either efficiency or best practice in carrying out its mandate.

Unlike many other tribunals and regulators, the CTA does not have the legal authority to delegate routine matters, with minimal scope for discretion, to staff. This includes routine regulatory matters such as the issuance of uncontroversial air licences, charter permits, uncontested coasting trade applications and wet lease applications that involve a straightforward review of standard documentation by CTA staff to assess whether the application meets legislative

and regulatory requirements. As a result, the CTA's Members must spend time on these matters—time that could be better invested in dealing with more significant and complex dispute adjudications and regulatory determinations. In a period of rising case numbers, receiving delegation authority is of increased importance.

Current legislative provisions also introduce extra steps and potential delays when the CTA's Chair—who assigns panels of Members to hear cases—wants to draw on the expertise of a particular individual on the roster of those individuals eligible to be appointed as Temporary Members for a specific case or category of cases. All those individuals are appointed to the roster by the Governor in Council on the recommendation of the Minister of Transport. The same provisions limit the ability of the Chair to expand, or decrease, the number of Temporary Members based on file volumes. The CTA would be able to respond with greater efficiency if the Chair was authorized to draw Temporary Members directly from the roster, rather than being required to ask the Minister of Transport to appoint them; the three-person cap on the number of Temporary Members was removed or raised; and Temporary Members were permitted to serve more than two consecutive one-year terms.

As well, due to a 2017 Federal Court of Appeal (FCA) decision, the CTA must now seek leave of the court whenever it wants to participate in an appeal of its decisions. The Act should be amended to provide the CTA, as the expert tribunal and regulator, with an automatic right to make meaningful representation in appeals of its decisions. Clarifying that the CTA's participatory right includes the right to respond to all arguments raised in an appeal, including at the leave stage, would help ensure that the record before the FCA is as complete as possible.

Finally, the Act should be amended to allow the CTA to act on behalf of the Crown in discharging the duty to consult with Indigenous persons. This would be in line with Supreme Court of Canada jurisprudence and provide greater clarity and efficiency in the event that the Crown's duty to consult is triggered in a proceeding, such as those relating to railway line construction or relocation.

# Appendix: Reporting on dispute resolution activities

## Highlights from 2019–2020

For the fourth year in a row, the CTA received a record number of airline complaints—19,392.

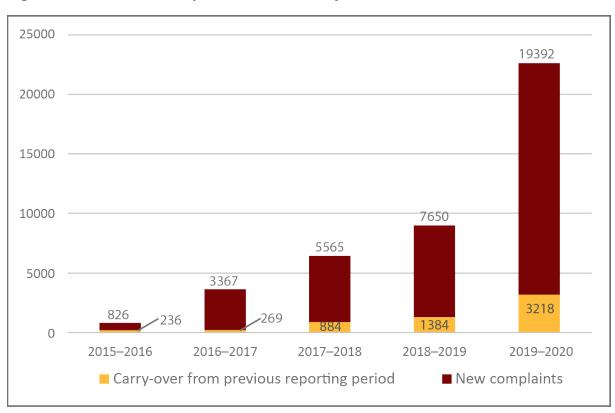


Figure 4: Air Travel Complaints Received by Fiscal Year

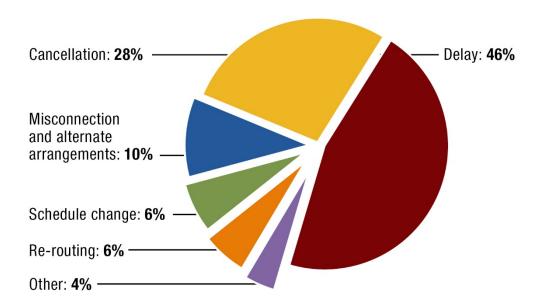
Looking back, the CTA processed 9,143 complaints in 2019–2020 which included complaints against 113 airlines from 62 countries worldwide. Of this figure, 677 complaints were withdrawn, outside of the CTA's jurisdiction, or not filed against specific airlines. Of all cases processed, 99% were handled through informal facilitation and mediation services, and 1% through formal adjudication.

Given the rapid increase in complaints filed, those carried forward from the previous year, and the March stay of proceedings against airlines, a large number of complaints (13,467) were carried over for processing into 2020-2021.

It should be noted that there are often multiple issues identified within each complaint. The following is synopsis of air travel complaint issues based on data from completed complaints.

Consistent with previous years, flight disruption and baggage remained the top two issues within the CTA's jurisdiction that were raised by passengers in complaints. Issues related to flight disruptions rose by 87% over the previous year, while baggage-related issues increased by 19%.

Figure 5: 2019–2020 Flight disruption issues



Approximately 74% of the flight disruption issues were related to flight delays and cancellations. The remaining 26% of the issues concerned misconnections and other issues, such as re-routing and schedule changes.

Delayed
44%

Liability
18%

Damaged
15%

Lost Charges
9%
8%

Other
4%

Quality of

Figure 6: 2019–2020 Baggage issues

Over 44% of baggage-related complaints were about delays due to baggage arriving late at its destination; 18% involved claims regarding airlines' limits of liability; 9% were related to lost baggage; and another 15% about damaged baggage.

# Complaints filed pursuant to the *Air Passenger Protection Regulations*

As noted above, the APPR came into force in two phases—on July 1 and December 15, 2019.

Requirements of July 15, 2019, include damaged or lost baggage; clear communications; denied boarding; tarmac delays; and the transportation of musical instruments. Requirements as of December 15, 2019, include compensations for delayed or cancelled flights; and the seating of children under the age of 14.

service/ handling While the CTA has received an increasing number of complaints over the past several years, it experienced a significant increase since the coming into force of the APPR. For example, of the 19,392 complaints received during the 2019–2020 reporting period, 4,019 were filed between July 15 and December 15, and 12,701 were filed between December 15 and March 31.

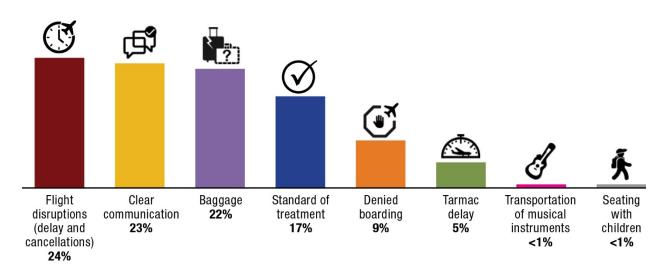


Figure 7: 2019–2020 APPR issues (from processed complaints)

Of all 9,143 complaints processed, 1,549 were processed pursuant to the APPR. Of all issues raised in these complaints, flight disruptions, clear communications and baggage were the top three.

More meaningful data will become available as the CTA moves to process the large number of complaints carried over for processing into 2020–2021.

# Airlines against which complaints were processed during 2019–2020

This table does not include cases withdrawn, declined, or out of jurisdiction (OJ). Air Travel Complaints facilitation does not have "declined" as a resolution. Therefore, only cases with OJ and withdrawn as a resolution were excluded.

Table 3: Airlines against which complaints were processed during 2019–2020

Carrier	Nationality	Total
9736140 Canada Inc.	Canada	1
ABC Aerolineas, S.A. DE C.V.	Mexico	48
Aegean Airlines S.A.	Greece	1
Aer Lingus Limited	Ireland	5
Aeroenlaces Nacionales S.A. de C.V.	Mexico	1
Aerovias de Mexico S.A. de C.V.	Mexico	57
Aerovias del Continente Americano S.A.	Colombia	11
Air Canada	Canada	3,055
Air China Limited	China	39
Air Creebec Inc.	Canada	2
Air India Limited	India	21
Air Inuit Ltée/Air Inuit Ltd.	Canada	1
Air Italy S.p.A.	Italy	11
Air Liaison	Canada	1
Air New Zealand Limited	New Zealand	4
Air North Charter & Training Ltd.	Canada	1
Air Serbia	Serbia-Montenegro	1
Air Tahiti Nui	French Polynesia	1

Carrier	Nationality	Total
Air Transat A.T. Inc.	Canada	417
Alaska Airlines, Inc.	United States of America	7
ALIA - The Royal Jordanian Airline plc (Royal Jordanian)	Jordan	9
Alitalia - Società Aerea Italiana S.p.A.	Italy	23
All Nippon Airways Co., Ltd.	Japan	5
American Airlines, Inc.	United States of America	88
Asiana Airlines, Inc.	South Korea	3
Austrian Airlines AG	Austria	18
Avianca Costa Rica, S.A.	Costa Rica	4
Bearskin Lake Air Service LP, représentée par son commandité/as represented by its general partner, Bearskin GP Inc.	Canada	4
Beijing Capital Airlines Co., Ltd.	China	1
Bradley Air Services Limited	Canada	4
British Airways Plc	United Kingdom	31
Brussels Airlines NV/SA	Belgium	12
Calm Air International LP, représentée par son commandité/as represented by its general partner, Calm Air GP Inc.	Canada	2
Canadian North Inc.	Canada	4
Caribbean Airlines Limited	Trinidad and Tobago	4
Cathay Pacific Airways Limited	Hong Kong	34
China Airlines Limited	Taiwan	10
China Eastern Airlines Corporation Limited	China	24
China Southern Airlines Company Limited	China	16

Carrier	Nationality	Total
Compagnie Nationale Royal Air Maroc	Morocco	127
Compañia Panameña de Aviacion, S.A.	Panama	13
Condor Flugdienst GmbH	Germany	16
Corsair	France	11
Cubana de Aviacion S.A.	Cuba	2
Delta Air Lines, Inc.	United States of America	74
Deutsche Lufthansa Aktiengesellschaft (Lufthansa German Airlines)	Germany	111
EgyptAir	Egypt	15
El Al Israel Airlines Ltd.	Israel	1
Emirates	United Arab Emirates	21
EPE SPA Air Algérie	Algeria	16
Ethiopian Airlines Enterprise	Ethiopia	14
Etihad Airways P.J.S.C.	United Arab Emirates	40
Eva Airways Corporation	Taiwan	20
Flair Airlines Ltd.	Canada	476
Fly Jamaica Airways Limited	Jamaica	45
Hainan Airlines Company Limited	China	4
Harbour Air Ltd	Canada	1
Hong Kong Airlines Limited	Hong Kong	17
Iberia, Lineas Aereas de Espana, S.A. (Iberia Air Lines of Spain)	Spain	7
Icelandair ehf	Iceland	24
Jet Airways (India) Limited	India	103
K.D. Air Corporation	Canada	7

Carrier	Nationality	Total
Koninklijke Luchtvaart Maatschappij, N.V. (K.L.M. Royal Dutch Airlines)	Netherlands	43
Korean Air Lines Co. Ltd.	South Korea	4
Kuwait Airways	Kuwait	2
LATAM Airlines Group S.A.	Chile	6
Middle East Airlines Airliban S.A.L.	Lebanon	1
Norweigan Air International Limited	Ireland	7
Oman Air	Oman	11
OpenSkies	France	56
Pacific Coastal Airlines Limited	Canada	6
Pakistan International Airlines Corporation	Pakistan	24
PAL Airlines Ltd.	Canada	5
Perimeter Aviation	Canada	4
Philippine Airlines, Inc.	Philippines	29
Polskie Linie Lotnicze LOT SA (LOT Polish Airlines SA)	Poland	37
Porter Airlines Inc.	Canada	72
Primera Air	Iceland	4
Qantas Airways Limited	Australia	3
Qatar Airways (Q.C.S.C.)	Qatar	38
Ryanair Ltd.	Ireland	1
Sata Internacional - Serviços e Transportes Aéreos, S.A.	Portugal	65
Saudi Arabian Airlines Corporation	Saudi Arabia	2
Singapore Airlines Limited	Singapore	2
Société Air France	France	60

Carrier	Nationality	Total
Société Tunisienne de l'Air	Tunisia	12
South African Airways SOC Limited	South Africa	2
SriLankan Airlines Limited	Sri Lanka	1
Sunwing Airlines Inc.	Canada	1,160
Swiss International Air ines Ltd.	Switzerland	25
Swoop Inc.	Canada	370
TAM - Linhas Aereas S.A.	Brazil	1
Thai Airways International Public Company Limited	Thailand	1
Transportes Aéreos Portugueses, S.A.	Portugal	27
Türk Hava Yollari Anonim Ortakligi (Turkish Airlines Inc.)	Turkey	64
Ukraine international Airlines	Ukraine	17
United Airlines, Inc.	United States of America	111
Van City Seaplanes Ltd.	Canada	1
Vietnam Airlines JSC	Vietnam	1
Wasaya Airways Limited Partnership, by its General Partner Wasaya General Partner Limited	Canada	1
WestJet	Canada	987
Wow air ehf.	Iceland	55
Xiamen Airlines Co., Ltd.	China	2
<b>Total</b> (out of 9,143 total complaints processed)		8,466

- <sup>4</sup> Transport Canada, 2018, *The Government of Canada addresses Greyhound Canada's discontinuation of bus routes*, Transport Canada, viewed April 20 2020, <a href="https://www.canada.ca/en/transport-canada/news/2018/10/the-government-of-canada-addresses-greyhound-canadas-discontinuation-of-bus-routes.html">https://www.canada.ca/en/transport-canada/news/2018/10/the-government-of-canada-addresses-greyhound-canadas-discontinuation-of-bus-routes.html</a>.
- World Health Organization, 2020, Statement on the second meeting of the International Health Regulations (2005) Emergency Committee regarding the outbreak of novel coronavirus (2019-nCoV), World Health Organization, viewed April 20 2020, <a href="https://www.who.int/news-room/detail/30-01-2020-statement-on-the-second-meeting-of-the-international-health-regulations-(2005)-emergency-committee-regarding-the-outbreak-of-novel-coronavirus-(2019-ncov)">https://www.who.int/news-room/detail/30-01-2020-statement-on-the-second-meeting-of-the-international-health-regulations-(2005)-emergency-committee-regarding-the-outbreak-of-novel-coronavirus-(2019-ncov)</a>.
- <sup>6</sup> World Health Organization, 2020, *WHO Director-General's opening remarks at the media briefing on COVID-19 11 March 2020, World Health Organization,* viewed April 20 2020, <a href="https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020">https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020</a>.
- <sup>7</sup> Global Affairs Canada, 2020, *Government of Canada advises Canadians to avoid non-essential travel abroad*, Global Affairs Canada, viewed April 20 2020, <a href="https://www.canada.ca/en/global-affairs/news/2020/03/government-of-canada-advises-canadians-to-avoid-non-essential-travel-abroad.html">https://www.canada.ca/en/global-affairs/news/2020/03/government-of-canada-advises-canadians-to-avoid-non-essential-travel-abroad.html</a>.
- 8 Global Affairs Canada, 2020, Government of Canada advises Canadians to avoid non-essential travel abroad, Global Affairs Canada, viewed April 20 2020,
  <a href="https://www.canada.ca/en/global-affairs/news/2020/03/government-of-canada-advises-canadians-to-avoid-non-essential-travel-abroad.html">https://www.canada.ca/en/global-affairs/news/2020/03/government-of-canada-advises-canadians-to-avoid-non-essential-travel-abroad.html</a>.
- <sup>9</sup> Canada Border Services Agency, 2020, *Statement from the Office of the Prime Minister on COVID-19 U.S.-Canada joint initiative: Temporary restriction of travellers crossing the U.S.-Canada border for non-essential purposes*, Canada Border Services Agency, viewed April 20 2020, <a href="https://www.cbsa-asfc.gc.ca/agency-agence/pm-covid19-eng.html">https://www.cbsa-asfc.gc.ca/agency-agence/pm-covid19-eng.html</a>.

Due to the emergency restrictions put in place to combat COVID-19, select data in this section from Transport Canada and Statistics Canada could not be updated at the time this Annual Report was tabled.

<sup>&</sup>lt;sup>2</sup> Consumer Price Index – Air transportation – Statistics Canada. Table 18-10-0004-07 Consumer Price Index, monthly, not seasonally adjusted – August 2019 release of September 18, 2019.

<sup>&</sup>lt;sup>3</sup> https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04522.html