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NORTHERN, RURAL AND REMOTE AIR TRAVEL: A CRITICAL LIFELINE

**Report of the Standing Committee on Transport,
Infrastructure and Communities**

Peter Schiefke, Chair

**MARCH 2026
45th PARLIAMENT, 1st SESSION**

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Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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has the honour to present its

NINTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the *Competition Act* and air travel in northern, rural and remote communities of Canada and has agreed to report the following:

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SUMMARY

From May to October 2024, the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) held six meetings to study the *Competition Act* as it relates to northern, rural and remote air travel in Canada. Witnesses included representatives from airlines, airports, the federal government, municipal leaders and industry stakeholders.

Witnesses outlined their views on the challenges affecting air travel to northern, rural and remote communities in Canada. They also provided their opinions on a variety of potential solutions to address challenges to competition for northern, rural and remote air travel.

In particular, the Committee heard that more investment in critical infrastructure was required to improve reliability and safety of air travel. It also heard that the cost of providing air services to northern, rural and remote communities was significant, and the federal government could do more to reduce the financial and regulatory burden on airlines and airports.

Finally, the Committee was informed of the consequences of not taking more action for passengers and communities: higher fares, unreliable service and lack of availability, which hinder economic development and the viability of these important northern, rural and remote communities.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada study existing subsidy programs for air travel in Quebec, the United States and other jurisdictions; and that it consider implementing such a program for air travel to Canada's northern, rural and remote communities.

Recommendation 2

That the Government of Canada review the application of the user-pay model for airports located in northern or remote areas and instead recognize them as essential infrastructure serving the communities they support. Consequently, the federal government should adopt policies aimed at improving the affordability of regional and northern air transport, including by covering certain costs and exempting these airports from specific taxes.

Recommendation 3

That the Government of Canada establish a cost-sharing mechanism for security and air navigation fees so that revenues generated by high-volume flights and major airports contribute to reducing the fees imposed on regional flights and smaller local connections.

Recommendation 4

That the Government of Canada work with relevant stakeholders to reduce barriers for individuals interested in becoming pilots, air traffic controllers, aircraft maintenance engineers and other roles in the aviation industry.

Recommendation 5

That the Government of Canada, where appropriate, take measures to encourage airlines to enter into interline agreements to improve access to northern, rural and remote regions.

Recommendation 6

That Transport Canada work with relevant stakeholders to certify an alternative hard surface material such as, but not limited to, Canadian aluminum, that can be used for airport runways in northern, rural and remote communities.

Recommendation 7

That the Government of Canada consider reinvesting all revenues generated from airport rent payments into airport infrastructure projects, starting with northern, rural and remote communities, as recommended by the House of Commons Standing Committee on Transport, Infrastructure and Communities in its reports *Improving the Efficiency and Affordability of Canada's Airports* (February 2023) and *State of Competition in Canada's Airline Industry* (October 2025).

Recommendation 8

That the Government of Canada review existing and future air transportation regulations and policies to ensure that they adequately promote competition for northern, rural and remote communities.

Recommendation 9

Given the cost-prohibitive nature of the proposed cost recovery levy to the proposed *Air Passenger Protection Regulations*, that the Government of Canada review its application to northern, rural and remote communities.

Recommendation 10

That the Government of Canada work in partnership with provincial and municipal governments, as well as relevant stakeholders from the air travel industry, to address challenges facing air travel to northern, rural and remote communities.

Recommendation 11

That the Government of Canada, in its policies and decisions, treat air travel to northern, rural and remote communities as a critical lifeline.



NORTHERN, RURAL AND REMOTE AIR TRAVEL: A CRITICAL LIFELINE

INTRODUCTION

Following the economic deregulation of Canadian air travel in the 1990s and early 2000s, larger airports were entrusted to not-for-profit corporations known as airport authorities. Canada's National Airports System includes 23 of these airports and three airports owned and operated by territorial authorities, but hundreds more airports operate in Canada and provide essential air services to northern, rural and remote communities.

In recent years, air travel to these communities has faced significant challenges with the consolidation of airlines, rising costs, and aging infrastructure. Along with other important challenges facing this industry in general, the realities facing post-pandemic air travel to northern, rural and remote regions have had significant consequences on air passengers and communities alike.

On 16 April 2024, the Standing Committee on Transport, Infrastructure and Communities (the Committee) agreed to the following [motion](#):¹

That, pursuant to Standing Order 108(2), the committee undertake a study of the *Competition Act* as it relates to air travel and issues relating to multi-carrier and single carrier markets which serve northern, rural and remote communities in Canada including interline agreements; that witnesses, including industry representatives, relevant customer and community representatives and officials from the Department of Transport, be called to provide testimony over the course of at least six meetings, with the possibility of travel to a selected number of rural and remote airports to be included in the study; that the committee report its conclusions and recommendations to the House and that, pursuant to

1 As this report was not completed by the dissolution of the 44th Parliament, the Standing Committee on Transport, Infrastructure and Communities (TRAN) adopted, on 18 September 2025, a [motion](#) to undertake a study of the *Competition Act* and air travel in northern, rural and remote communities in Canada, and to consider the evidence and documentation received by the Committee during the previous Parliament. No additional evidence was gathered following TRAN's study during the 44th Parliament.



Standing Order 109, the committee request that the government table a comprehensive response to this report.

Between 30 May 2024 and 8 October 2024, the Committee held six meetings on this subject. It heard from 34 witnesses and received five briefs.

BACKGROUND: REALITY OF POST-PANDEMIC AIR TRAVEL

In assessing the competitiveness of air travel in northern, rural and remote communities, the Committee heard repeatedly about the ongoing impact of the COVID-19 pandemic. The pandemic had significant repercussions on service levels to many northern, rural and remote communities and had important financial consequences for many airlines and airports. In some cases, these impacts have persisted even years beyond the public health emergency.

In many parts of Canada, the impact of the pandemic on the air transportation industry was strongly felt. [Bruno Paradis](#), Chairman of the Board, Régie intermunicipale de l'aéroport régional de Mont-Joli, explained to the Committee how "Air Canada stopped serving our region during the COVID-19 pandemic." [Reg Wright](#), President and Chief Executive Officer, Gander International Airport Authority, asserted that "business fell off by 90%" during the pandemic.

Although many regions were impacted negatively, some were able to weather the storm created by the pandemic. For instance, [Michael Pyle](#), Chief Executive Officer, Exchange Income Corporation, Perimeter Aviation, told the Committee that his subsidiary carriers "were able to maintain our entire network during COVID, not abandoning a single destination during the pandemic." Similarly, [Robert Kendall](#), Chair, The Alternate Runway Materials Committee (appearing as an individual), mentioned that "[t]he pandemic did not affect any of the operations at the [northern] airports. If anything, it increased them."

Some witnesses discussed the support provided by the federal government to the air transportation industry during the pandemic. For example, [Serge Bijimine](#), Assistant Deputy Minister, Policy, Department of Transport, outlined the level of federal support offered for the benefit of the Committee:

[T]he government stepped in during the pandemic to help address regional connectivity. This included more than \$140 million for the remote air services program and more than \$200 million for the regional air transportation initiative. The government also put in place terms and conditions for the Canadian North merger with First Air to ensure both airlines could survive and continue to serve northern communities. Quite simply, these efforts kept the industry afloat and attempted to maintain connectivity.

Post-pandemic, witnesses discussed the lasting impact that the air travel disruptions had on service levels in some communities. According to [Monette Pasher](#), President, Canadian Airports Council, although passenger traffic levels have been restored following the pandemic, “[w]e’re seeing larger aircraft and less frequency, and our regional airports are suffering [...] Airports that used to have over 10 flights a day are down to two or three.” [Mr. Paradis](#) told the Committee that Air Canada’s service had yet to be restored to Mont-Joli regional airport. [He](#) also stated that “very few airports have returned to the passenger volumes they had before the pandemic.” In the same vein, [Mr. Bijimine](#) explained that “many smaller communities [...] are still at 30% or 50% of pre-pandemic levels.” For his part, [Mr. Wright](#) said that “travel within the Maritimes has only recovered about 60%. It’s really been eviscerated.”

Some witnesses also discussed the financial impact of the pandemic on the air travel industry. As [Ms. Pasher](#) put it, “[i]t went on for so long, and I think we’re all still recovering financially from those impacts.” In relation to the 2024 shutting down of low-cost airline Lynx Air, according to [Mr. Bijimine](#), “the pandemic had a major impact on Lynx’s ability to survive.” This financial pressure, according to [Mr. Wright](#), was also being felt by airports, with “some on the precipice of closure.”

CHALLENGES TO COMPETITION FOR NORTHERN, RURAL AND REMOTE AIR TRAVEL

Economic and Financial Factors

Insufficient Subsidies

Many witnesses commented that the airline industry is insufficiently subsidized in proportion to the important role it plays as an essential service for northern, rural and remote communities. They discussed several programs that exist in other jurisdictions to illustrate what potential solutions could be implemented in the Canadian context.

Specifically, the Committee heard from witnesses about the Quebec government’s [Regional Air Access Program](#), with the [Goose Bay Airport Corporation](#) describing this program in their brief as “very attractive” and [George Andrews](#), Mayor of the Town of Happy Valley-Goose Bay, characterizing the program as “amazing.”² [Sébastien Benedict](#), Vice-President, Public Affairs and Communications, Alliance de l’industrie touristique du

2 Since this study took place, the Government of Quebec has modified its program to support regional flights. The testimony heard does not necessarily reflect the newly modified program.



Québec, provided an overview of the program for the Committee, explaining how it was commonly called “the \$500 tickets program” and it was introduced in April 2022:

Consumers need only go to the website of a participating air carrier and purchase a ticket directly. Their flight to a destination in one of the regions I just mentioned could depart from Quebec City, Montreal or Saint-Hubert airports. The carrier then simply contacts Quebec's Ministry of Transport and Sustainable Mobility to be reimbursed.

[Rex Goudie](#), Chief Executive Officer, Goose Bay Airport Corporation, also told the Committee that Quebec’s program “seems to be getting a favourable response [...] The benefit goes directly to the traveller.” However, [Mr. Benedict](#) explained that this program “isn’t viable in the long term” as it was quite costly, and the cost of flights to these regions should be addressed more directly. However, one of the benefits of such a program is that the savings are passed on directly to air passengers, rather than relying on airlines to lower prices, as elucidated by [Mr. Andrews](#).

Some witnesses and briefs pointed to other countries’ subsidy programs for air travel. [Ms. Pasher](#) described the American essential air service program for the benefit of the Committee and explained how it was funded in the amount of \$368 million and was “a subsidy based on a revenue guarantee.” The brief of the [Goose Bay Airport Corporation](#) asked that the essential air services programs of the United States and Australia “be reviewed and considered.” Similarly, [Mr. Goudie](#) recommended that the federal government “look at all subsidy programs with a view to looking at some of the best aspects that could be considered.”

Several witnesses spoke favourably regarding the utility of offering federal government subsidies for air travel. [Shelly De Caria](#), President and Chief Executive Officer of Canadian North Inc., explained that such subsidies would assist in offsetting the higher costs associated with offering air travel to northern, rural and remote communities, and would result in improved affordability for air passengers. Indeed, [Daniel Côté](#), President, Air Transport Committee at the Union des municipalités du Québec pointed to the subsidies provided by the federal government to other forms of transportation like rail in arguing that it was “fundamentally wrong” not to subsidize regional air transportation. [Sylvain Schetagne](#), Senior Researcher at the Canadian Union of Public Employees, recommended that subsidies be provided both to airports and air passengers to offset the high cost of travel to northern, rural and remote communities.

However, witnesses were not unanimous in their support of a subsidy program for northern, rural and remote air travel. For example, [Joseph Sparling](#), President of Air North, told the Committee that he was not “a big advocate of subsidies.” Rather, he expressed the view that policy and regulatory change would be preferable to subsidies.

High Operating Costs

Many witnesses raised high operating costs as a significant impediment to competition for northern, rural and remote air travel. Specifically, witnesses highlighted fuel prices, fuel shortages and airport rent as particularly challenging.

The price of fuel was identified by some witnesses as a significant financial challenge to airlines, particularly in northern Canada. [Nicholas Purich](#), Chief Financial Officer, Canadian North Inc., expressed that “[f]uel is one of the most significant expenses that we face in our operation on a day-to-day basis.” [Mr. Sparling](#) told the Committee that “[t]he price of fuel at our most northern turboprop stop is 47% higher than at our southernmost jet stop.” To address this issue, [Susan Wright](#), Director, Human Resources and Communications, North-Wright Airways, suggested that a “control mechanism for fuel prices” was needed.

Witnesses highlighted that not only was the price of fuel problematic for airlines, but fuel shortages posed a significant problem, especially for northern communities. [Ms. De Caria](#) explained that “Qikiqtarjuaq hasn’t had fuel quality assurance since December, so we’ve had to take extra fuel from Iqaluit in order to land there, which bumps bags and passengers.” [Ms. Wright](#) also identified “an incredibly volatile and inadequate supply of fuel” as a challenge for remote and northern communities. [She](#) explained to the Committee how fuel shortages contributed to higher costs.

Airport rent was identified by some witnesses as another contributor to the high operating costs associated with providing air travel to northern, rural and remote communities in Canada. [Philippe Noël](#), Vice-President, Public and Economic Affairs, Fédération des chambres de commerce du Québec, said that airport rents “are indeed quite high [...] we want to see lower rents charged by the federal government for that infrastructure.” [Jeff Morrison](#), President and Chief Executive Officer, National Airlines Council of Canada, similarly described airport rents as “high.” On this topic, [Ms. Pasher](#) suggested that the \$400 million that the federal government collects annually in airport rent “would be better reinvested in essential airport infrastructure.”

Many witnesses expressed the importance of keeping costs low to preserve affordability. As explained by [Ms. Pasher](#), “the more we reduce costs and burden on this system, the more affordable it will be for Canadians to fly and the better that will be for rural and remote communities as well.” In the same vein, [Michael Beaulieu](#), Vice-President, Canadian Store Operations at The North West Company, told the Committee that “[l]ower operating costs and conditions that favour larger, more efficient aircraft are needed to effect change.”



User-Pay Model

According to the federal government, “Canada’s air transport system is based on the user-pay model, which means that passengers ultimately pay the costs for the services they receive without passing those costs on to the taxpayer.”³ [David White](#), Chief Executive Officer of Keewatin Air LP, explained how the model works in practice to the Committee:

Broadly speaking, user-pay means exactly that: that the end-user or passenger pays not just for the cost of his or her transportation—or medical transportation or cargo shipment—but rather for the journey plus the imposed costs associated with the maintenance and support of every part of the aviation supply chain that supports their journey. These government-related fees can include air traffic fees, terminal charges, airport improvement fees and security fees. The list is endless.

Most witnesses who discussed the user-pay model were pessimistic regarding its utility in the context of air travel for northern, rural and remote communities. [Bernard Gervais](#), Executive Director of the Northern Air Transport Association, for example, told the Committee that the user-pay model was insufficient to adequately modernize and revitalize northern aviation infrastructure. [John McKenna](#), President and Chief Executive Officer of the Air Transport Association of Canada, similarly asserted that the unique reality of northern, rural and remote communities, with sparse populations and large territory to serve, meant that “[t]he user-pay model is not and cannot be applicable to those markets.” Indeed, both [Mr. Morrison](#) and [Mr. White](#) linked the user-pay model to the lack of competition in Canada’s air travel system.

Some witnesses had suggestions for the Committee regarding the user-pay model. [Mr. Sparling](#) recommended that the user-pay model be reconsidered. Similarly, [Ms. De Caria](#) recommended that “[t]here could be a system-wide cost review to understand how the user-pay model of aviation infrastructure funding in Canada impacts consumers.”

Charges, Fees and Taxes

Witnesses told the Committee that the numerous charges, fees and taxes imposed on airlines and air passengers pose a challenge to competition for northern, rural and remote air travel. [Douglas McCrea](#), President, Central Mountain Air, described some of these fees for the benefit of the Committee:

3 Government of Canada, [Deputy Minister’s appearance at the Committee of the Whole \(CoW\) House of Commons, June 05, 2025](#), May 2025.

In addition to the already high cost of operation, Canadian air carriers face a myriad of external taxes, visual and buried fees, including airport rent, AIFs [Airport Improvement Fees], PFCs [Passenger Facility Charges], TSCs [Air Travellers Security Charges], GDS [Global Distribution Systems] and NAV CANADA fees and single-supplier de-icing fees, to name a few.

[Mr. McKenna](#) told the Committee that these charges, fees and taxes “are added directly to the price of tickets or indirectly through fuel excise taxes, carbon taxes, regulatory costs, outrageous APPR [*Air Passenger Protection Regulations*] compensation and charges, and non-subsidized services.” [Myles Cane](#), Senior Vice-President, Operations, Summit Air Ltd., speaking on behalf of his charter airline, made a similar point that “our elevated costs must be passed on to our customers, who in turn pass on their elevated costs to their clients.”

Specifically, several witnesses discussed the impact of the consumer carbon price (carbon tax) on airfare pricing.⁴ [Mr. Beaulieu](#) told the Committee that the carbon tax “makes up about 13% of the fuel surcharge component of our cargo contracts. It definitely plays a role in higher food prices.” [He](#) described how transportation costs get passed down to consumers in northern communities when they purchase food and other items. [Ms. Wright](#) indicated that a reduction in any taxes or fees, including the carbon tax, was “welcome.”

Realities of the Air Transportation Industry

Labour Shortages

Several witnesses discussed the impact of labour shortages, especially as it relates to pilots, and told the Committee that they constituted a significant challenge to competition for the northern, rural and remote air transportation sector.

Along with many other witnesses, [Mr. Purich](#) described the pilot shortage as a “significant issue in our industry.” [He](#) elaborated how the turnover among pilots has increased by “about four times” since the pandemic, which has meant that the training required for pilots has also increased fourfold, and these increased costs are ultimately borne by air passengers. [Mr. Kendall](#) quantified the financial impact of this, stating that the cost of training a pilot was \$140,000 at the commercial level. [Mr. McKenna](#) told the Committee that this shortage especially affected regional carriers because the larger airlines can poach pilots from regional airlines. To address the pilot shortage, [Andy Cook](#),

4 Since this testimony was heard, the Government of Canada has [removed the consumer carbon price](#), effective 1 April 2025.



Associate Director General, Civil Aviation at the Department of Transport, explained how some airlines were developing a “cadet program” with training institutes.

More generally, [Mr. Sparling](#) told the Committee that “the labour shortage is industry-wide.” [Mr. McKenna](#) recognized a labour shortage among aircraft maintenance engineers, while [Mr. Côté](#) identified a labour shortage within NAV CANADA that has resulted in some service disruption to airports. [Mr. McKenna](#) underlined the severity of the labour shortage for aircraft maintenance engineers, stating that it was more dire than the pilot shortage and that “[p]lanes will soon be grounded because there is no one to prepare them for flight and pilot them.” [Mr. Wright](#), for his part, told the Committee that there was a labour shortage “of qualified personnel in control towers, in the maintenance hangar, behind the counter, below the wing, at the border and in other key areas.”

Some witnesses discussed possible causes for the labour shortages, including immigration policy and recent regulatory changes. [Mr. Sparling](#) cited unintended consequences from the Temporary Foreign Worker Program as a possible cause of the general labour shortage in the aviation industry. [Mr. McKenna](#), on this subject, explained how some of the airlines he represents have hired individuals who must return to their country of origin “because the terms under which they came here are now being revoked.”

[Justin Lemieux](#), Vice-President, Operations and Business Development at Propair Inc., blamed the *Canadian Aviation Regulations* on flight crew hours of work for exacerbating the challenges posed by the labour shortage in the air transportation sector. [Jeff Stout](#), President and Chief Operating Officer at North Star Air Ltd., agreed that these regulations worsened the pilot shortage and stated that North Star Air Ltd. had to hire 13% more pilots as a result of the making of these regulations.

Some of the witnesses who appeared before the Committee described measures that their airlines were taking to directly address the pilot shortage. [Mr. Pyle](#) described how his airline, Perimeter Aviation, has attempted to target the recruitment of Indigenous pilots by opening flight schools in three communities and providing free pilot training. Similarly, [Mr. Stout](#) said that his airline was providing “bursaries to community members interested in becoming pilots.”

Witnesses proposed several solutions to address the labour shortages in the air transportation industry. One solution that was proposed to the Committee by [Mr. Stout](#) was the acceleration of the recognition of foreign credentials so that qualified individuals from other countries can have those qualifications recognized in Canada. [Mr. McKenna](#), for his part, recommended that a federal funding program be created “for qualified Canadian students attending professional flight schools or for post-secondary institutions providing aircraft maintenance engineer programs.”

Lack of Interline Agreements

The advantages and disadvantages of interline agreements between airlines were discussed by several witnesses. [Mr. McCrea](#) provided this overview of interline agreements:

Interline agreements allow a passenger to travel on multiple airlines on one travel itinerary instead of two or more. It simply allows a reduction with no duplication of fees and the ability to through-check luggage to a passenger's final destination.

Indeed, in a written submission, the [Government of Newfoundland and Labrador](#) outlined how an interline agreement between Air Canada and Provincial Airlines fulfilled a gap in service between Labrador and Nova Scotia. [Mr. Sparling](#) also identified several benefits for air passengers, including the avoidance of duplication of fees and taxes, the ability to check luggage to the final destination, and better passenger protections in case of delay or cancellation. [Ms. Wright](#) agreed that interline agreements were “a good thing” for passengers as they provided one itinerary for the totality of a trip, but she cautioned that interline agreements could be problematic for small airlines who “cannot carry the same terms and conditions as a fellow interline company” and may not have the same tiered approach to services and fares as a larger airline.

To foster more interline agreements, [Mr. Sparling](#), for his part, reminded the Committee of its recommendation made in the year 2000 that interline and code-share agreements be mandatory between all Canadian scheduled airlines.⁵ In a similar vein, [Mr. McKenna](#) recommended that “airlines linking the major Canadian hubs to the larger northern markets such as Yellowknife and Whitehorse should be strongly encouraged to also service the less lucrative, smaller, northern, outlying markets, perhaps through interline agreements.” [Mr. McCrea](#) suggested that a “more open interlining architecture amongst large and small carriers should be advanced, allowing fair pricing strategies, reduced airport fees and a more seamless travel experience for the traveller.”

However, [Ms. Wright](#) warned the Committee that interline agreements could render smaller airlines responsible for a problem that is out of their control. [She](#) raised the example of baggage weight as something that would be more challenging for smaller airlines to guarantee at the levels offered by larger airlines like Air Canada and WestJet.

5 In fact, the Committee’s report entitled [Restructuring Canada’s Airline Industry: Fostering Competition and Protecting the Public Interest](#) was published in December 1999.



Consolidation and Mergers

In recent years, several Canadian airlines serving northern, rural and remote communities have merged. This consolidation of airlines has had both positive and negative impacts, as described by witnesses.

[Mr. McKenna](#), for example, cited the merger of First Air and Canadian North as a “prime example of the consolidation of air operator resources that is needed to maintain service to small and very remote communities.” [He](#) explained how that merger ultimately resulted in an increase in service to remote communities. [Mr. Schetagne](#) also discussed this merger in a positive light, describing how First Air and Canadian North “merged to maintain services” to northern, rural and remote communities. [Mr. Bijimine](#) added that this merger was an example of how the federal government played a role in ensuring continuity of air service to northern communities.

On the other hand, [Mr. Sparling](#) told the Committee that the consolidation of airlines have centralized regional air services, “with many communities losing jet service in favour of turboprops and some communities losing service entirely.” Indeed, as the [Goose Bay Airport Corporation’s](#) written submission argued, with service to the Labrador region being provided by only one carrier, there are important consequences on affordability and reliability for air passengers, as described later in this report.

Inadequate Infrastructure

Runways

Several witnesses discussed challenges to competition stemming from the state of runways at Canada’s northern, rural and remote airports. Airport runways can be built from several different materials, including gravel, asphalt, concrete and aluminum, and each of those materials poses unique challenges. Witnesses told the Committee why the existing gravel runways in northern communities were insufficient to serve those communities, and how other runway materials should be considered to improve competition.

[Mr. Kendall](#) said that in the Arctic alone, there were more than 90 gravel runways, and these runways posed a challenge to competition because many modern aircraft were not certified for gravel runway operations. [He](#) explained how “the main advantage of upgrading these airports to non-gravel surfaces is to improve the safety for all types of aircraft and return jet service back to the Arctic communities.”

[Ms. De Caria](#) told the Committee that the gravel runways used in the North contribute to higher costs. [She](#) explained how, in Cambridge Bay, which has a gravel runway, airplanes must be “gravel kit-equipped” to be able to land. [Mr. Sparling](#) also described how gravel runways limit an airline’s ability to upgrade its fleet and invest in its infrastructure. [Mr. McCrea](#) stated that gravel runways can result in damage to aircraft. Furthermore, asphalt runways pose their own challenges, with [Mr. Paradis](#) explaining to the Committee how “they require a lot of work, such as brushing and sweeping, to prevent ice from forming.” As [Ms. Wright](#) put it, “gravel is the worst.”

[Mr. Kendall](#) discussed his experience on the Alternate Runway Materials Committee, which was struck to “investigate suitable wearing surfaces that would work as efficiently as asphalt or concrete.” [He](#) explained how upgrading airports to non-gravel surfaces would improve safety and service to northern communities.

Some witnesses spoke optimistically regarding the feasibility of aluminum runways for these communities. [Gina Bento](#), Founding Chief Executive Officer, Arctic Aviation (appearing as an individual), for her part, raised that aluminum runways have been used by other jurisdictions like the United States since the 1970s. [She](#) described how her organization was “looking at whether or not aluminum surface runways have the track record necessary for us in Canada to feel comfortable to put this in as a potential solution in the north.” As [she](#) explained, the upfront costs of aluminum were much higher than asphalt, but eventually aluminum resulted in significant savings:

An asphalt runway will cost about \$35 million to lay today. An aluminum runway will cost about \$90 million. However, at year 20, they break even. At year 40, we are looking at an \$80 million savings if you were to put an aluminum runway in the north versus asphalt. The key issue is not just in terms of the overall totality of the cost; it’s also the yearly maintenance. If we lay asphalt, we need to maintain it on a yearly basis.

Indeed, [Mr. Kendall](#) also noted that an aluminum runway has been developed for commercial use, and it was twice as strong as the military version and “will be able to deal with permafrost issues, and it’s going to last for years.” [Mr. Cook](#), on behalf of the Department of Transport, indicated that his department was still working on the issue of alternate runway surfaces with industry and stakeholder groups.

In general, some witnesses spoke about the condition of existing runways in pessimistic terms. [Mr. Gervais](#), for example, described the runways in some northern, rural and remote communities as being “in a state of disrepair,” and [Ms. Wright](#) explained how the slush on gravel runways caused damage to propellers that results in seasonal disruptions.

Some witnesses also cited the short length of existing runways as a challenge. [Ms. Wright](#) stated that the length of runways needed to be increased, and she explained



how longer, paved runways would increase the number of passengers that her airline could serve. [Mr. Noël](#) elaborated on this idea for the Committee, explaining how, at the Îles-de-la-Madeleine Airport, cargo aircraft cannot land on a runway that is too short, and emergency transportation aircraft also required longer runways.

[Vincent Millette](#), Director of National Air Services Policy at the Department of Transport, mentioned that the federal government has refurbished “several runways in the north” through the [National Trade Corridors Fund](#), which funds infrastructure projects like airports and transportation facilities.

Weather Reporting

Another challenge identified by many witnesses was the weather reporting. [NAV CANADA](#), as it explained in its written submission, is responsible for providing “weather information briefings and products” to northern and remote communities. To do so, NAV CANADA employs several types of infrastructure to create aviation weather products like aerodrome routine meteorological reports, aerodrome forecasts and graphical area forecasts. As [Ms. Wright](#) elaborated, weather reporting can either be done via a camera or a Community Aerodrome Radio Station agent.

On this subject, in its written submission, [Calm Air International LP](#) outlined the impact of the weather reporting services it receives, explaining that it “cancels over a hundred flights a year into communities solely because we do not have current weather or runway condition reports.” [Mr. Gervais](#) described weather services for northern and remote communities as “deficient,” while [Mr. Stout](#) referred to a “lack of precise weather reporting.” [Ms. Wright](#) also expressed concern with a lack of weather reporting, and [she](#) told the Committee that some weather reporting was not available after 5:00 p.m. in describing navigational systems as “a little bit primitive.” [Mr. Beaulieu](#) expressed how the lack of weather reporting was challenging for planning.

To address this issue, in a written submission, [Calm Air International LP](#) recommended that all airports in Nunavut “be upgraded to have weather available 24 hours per day.” However, in its written submission, NAV CANADA explained how it was using new technology and leveraging partnerships to improve weather reporting.

Airports Capital Assistance Program

Several witnesses discussed the challenges posed by the [Airports Capital Assistance Program](#) (ACAP). [Ms. Pasher](#) described to the Committee how the ACAP was created in 1995 and was funded in the amount of \$38 million per year to support almost 200 small

airports. As [Mr. Wright](#) explained, the funding provided by the ACAP was available to divested airports like Gander International Airport.

Some potential changes in relation to the ACAP were also raised to the Committee's attention. [Mr. Côté](#) recommended that the ACAP be improved, stating that "the budget envelope is largely insufficient to meet needs" and "the reference amounts for the purchase of mobile equipment do not reflect the real costs." [Ms. Bento](#) agreed with Mr. Côté's assessment that the program was underfunded, explaining that the current levels of funding for airport infrastructure were "not conducive to helping Arctic aviation for structure building." [Mr. Wright](#) also added that the funding had not increased in decades and was too low. [Ms. Pasher](#) was the only witness to propose a specific amount by which the ACAP should be increased; she recommended that it be increased to \$95 million annually.

More generally, [Laurent Corbeil](#), Adviser, Public and Economic Affairs, Fédération des chambres de commerce du Québec, suggested that the federal government "can get more financially involved in improving air transportation infrastructure and services."

Regulatory Barriers

Canadian Aviation Regulations

Witnesses told the Committee that there were some regulatory barriers in place hindering competition for northern, rural and remote air travel, including the provisions of the [Canadian Aviation Regulations](#) (CARs) respecting flight crew member hours of work and rest periods. These rules were last amended in 2018, and they set out the maximum flight times for flight crew members, among other rules.⁶

[Ms. De Caria](#), for instance, said that these rules "have heavily impacted what we are able to fly in a day, in comparison to what we were doing two years ago." [Ms. Wright](#), on behalf of North-Wright Airways, described how these rules "have had the largest impact on operators like ourselves to be able to grow [...] [w]e have actually become less competitive, and I see that with other operators as well." [Mr. Cane](#) also explained that these regulations resulted in increased administrative costs without improving safety.

Some witnesses expressed concern in relation to other parts of the CARs. In their written submission, [Calm Air International LP](#) identified upcoming regulations on when pilots can attempt approaches at all airports as a concern. The [Government of Newfoundland](#)

⁶ [Regulations Amending the Canadian Aviation Regulations \(Parts I, VI and VII – Flight Crew Member Hours of Work and Rest Periods\)](#), SOR/2018-269, 7 December 2018.



[and Labrador](#), in its written submission, told the Committee that 2019 amendments to the CARs had important impacts on air travel in Labrador.

In sum, several witnesses told the Committee that existing federal regulations did not adequately consider the reality faced by northern, rural and remote communities. [Mr. Cane](#), for example, described how, in recent years, regulations have not taken into account northern communities. In a written submission, the [Goose Bay Airport Corporation](#) recommended that regulatory barriers, including duty time, be reviewed and developed “through a northern lens.” Similarly, [Mr. Sparling](#) expressed how regulations should “make it easier for small players to survive.” As [Ms. De Caria](#) put it, “[p]eople need to understand our communities in order to make those [regulatory] adjustments.” [Mr. McKenna](#), in the same vein, told the Committee that regulations “are not adapted” to northern air carriers, while [Ms. Wright](#) said that the flight crew hours of work regulations were “not written for the north.”

[Ms. Wright](#) explained how the pace of recent regulatory change has placed an unreasonable burden on small airlines:

Operators are also generally very small family-orientated companies and have a hard time handling the incredible pace of change within our federally regulated sector. The past four years alone have meant more work on management to adhere to new regulations, versus working to grow and better offer services to our customers, who rely on us to do so. These regulatory changes are all significant and are beneficial to us in the federally regulated sector, but it’s important to recognize that the pace of new regulations coming into effect draws a lot of resources from smaller airlines to keep up. The past four years have consumed resources in adhering to big regulation changes, such as flight and duty regulations, pay equity, workplace violence, disabilities and access regulations, CTA passenger rights and so forth. A lot of these new regulations come with a lot of fines, and we are definitely struggling to keep up with this systematic regulation change, which has a huge impact on us.

Air Passenger Protection Regulations

Some witnesses identified the [Air Passenger Protection Regulations](#) (APPR) as posing a challenge to competition for northern, rural and remote air travel. First made by the Canadian Transportation Agency in 2019, the APPR impose obligations on air carriers in the case of delay, cancellation and denial of boarding. They also create rules governing the assignment of seats to children, baggage and the advertisement of air services.

In June 2023, the [Budget Implementation Act, 2023, No. 1](#) received Royal Assent, and it amended the *Canada Transportation Act* to make changes to the air travel complaints process, among other measures. In December 2024, shortly after the Committee’s study

on northern, rural and remote air travel had concluded, [proposed regulations](#) amending the APPR were published in the *Canada Gazette* as part of the consultation period before the making of regulations.⁷ According to its Regulatory Impact Analysis Statement, the proposed amendments would “clarify air carriers’ obligations when there is a flight disruption.”⁸

Witnesses discussed the impact of these legislative changes, with [Mr. McKenna](#) commenting that the APPR would result in significantly escalated costs if the proposed changes were implemented. [He](#) said that the costs associated with the APPR “would drive those markets to be not profitable at all [...] [i]t will drive costs up to the point where people will be saying that certain routes are not profitable, so they just can’t do them anymore.” [Mr. Morrison](#) also added that these changes “would have a negative impact on regional and remote connectivity.”

More generally, the level of compensation provided to air passengers under the APPR was described as “outrageous” by [Mr. McKenna](#).

Difficult Physical Environment

Many of the challenges identified by witnesses to competition for air travel to northern, rural and remote communities were immutable characteristics associated with those physical environments, like climate, geography and population density (or lack thereof).

Climate, including climate change, was identified by some witnesses as a significant challenge to the air travel industry. [Ms. De Caria](#), for example, pointed to the need for specialized equipment to operate in harsh climates as contributing to the high cost of providing air service to northern communities. [Ms. Bento](#) told the Committee that climate change was causing melting of the permafrost, leading to “grave soil destabilization.” In the same vein, [Mr. Beaulieu](#) said that “melting permafrost and prolonged wet seasons mean our shipments are often delayed because runways are out of service for extended periods of time.” The resulting damage to northern airports was significant. According to [Ms. Bento](#), the Iqaluit Airport, which was opened in 2017, sustained over \$300 million in damage from the cracking of asphalt. [She](#) also explained that airports that are not paved must resort to using turboprops, which carry far fewer cargo and passengers, “have less range, are less fuel-efficient and are noisy.”

7 To date, these regulations have not been made.

8 [Regulations Amending the Air Passenger Protection Regulations](#), 21 December 2024, in *Canada Gazette*, Part I.



The Committee also heard how Canada's unique geography contributed to challenges not necessarily seen in other markets. In a written brief, [NAV CANADA](#) described how "[t]he sheer distance between domestic city pairings," combined with other factors, resulted in a landscape where the economies of scale that exist in other jurisdictions do not exist in Canada. This is combined with the fact that Canada is the second-largest country in the world, as [Mr. Bijimine](#) reminded the Committee, which posed challenges to competition. [He](#) stated that "[l]ess than one percent of Canada's population lives above the 60th parallel, but this territory comprises 40% of Canada's land mass," which certainly does not facilitate affordable or competitive air travel.

Population density was another factor identified by witnesses as posing a challenge to competition for air travel in Canada's northern, rural and remote communities. [Mr. Sparling](#) explained that Canada is a "small market," while [Mr. Bijimine](#) highlighted how Canada's population density was "quite low, at just over four persons per square kilometre" and, in comparison, "the EU is at 106 persons per square kilometre, and the U.S. is at 34 persons per square kilometre." In the context of Labrador, [Mr. Goudie](#) explained how its sparse population meant that "all the communities in Labrador are remote" and as a result, "air travel is not a luxury but an essential part of our everyday lives."

Need for Better Partnership with the Federal Government

Some witnesses emphasized the need for better cooperation between federal and provincial governments to address the various challenges to competition for air travel to northern, rural and remote communities.

In describing the current state of federal-provincial relations in the air transportation industry, [Mr. Bijimine](#) told the Committee that the Council of Ministers, composed of the transport ministers of all provinces and territories, discuss transportation issues, and bilateral meetings are held from time to time between the federal government and other governments.

However, in the context of the Quebec government's Regional Air Access Program, [Mr. Benedict](#) expressed concern with the fact that the program used provincial funds to lower the price of tickets for air passengers, while the federal government imposed charges and fees on the cost of those same tickets. [He](#) said that both levels of government "should review this dynamic because it isn't working."

In a similar vein, [Mr. Paradis](#) explained how the fact that some airports in Quebec are municipal, provincial or federal "causes unfair competition because our own levels of

government compete with us for carriers and flights in our regions.” To address this issue, [he](#) recommended that the federal government be “more involved” to ensure consistent and reliable air services to regions and work with all stakeholders. [Mr. Noël](#) also suggested that the federal and Quebec governments work together to address the pilot shortage.

Other witnesses described how there was room for improvement in how the federal government engages with partners in the air travel industry and other relevant non-governmental stakeholders. In describing the current state of federal relations with stakeholders from the air travel industry, [Mr. Bijimine](#) explained how the transport minister “is in constant contact with airlines, such as Air Transat and Air Canada, as well as with [airport] representatives.”

However, some witnesses felt that the federal government could better engage with relevant stakeholders. For instance, [Mr. Côté](#) told the Committee that his organization “deplore[s] the absence of the federal government” in regard to the suspension of several regional routes in Quebec. [He](#) also called for the strengthening of the federal government’s commitment to improving regional air service. [Mr. Cane](#) commented that consultations between the federal government and relevant stakeholders “is now a box-checking exercise rather than one that is designed to pursue meaningful input.”

IMPACT OF THE LACK OF COMPETITION IN THE AIR TRAVEL SECTOR

Impact on Passengers

Availability

A large number of witnesses provided evidence to the Committee related to the impact on air passengers of a lack of competition for air travel to northern, rural and remote communities. A key factor that was cited as affecting passengers was the availability of flights, or otherwise put, service frequency. It follows that the more flights that are offered to air passengers, the easier it is to make travel plans that are convenient and timely, which can affect whether an individual books a flight at all. A lack of flight availability can also render air travel more difficult in the case of delay or cancellation, as there are fewer alternative options for passengers to complete their trip in a cost-effective and timely manner.

The Committee heard from witnesses how flight availability affects northern, rural and remote communities. [Herbert Pond](#), Mayor of the City of Prince Rupert, quantified the



issue in explaining how, in the 1980s, there were five jets per day in Prince Rupert, British Columbia, but there is only one turboprop now. [Ms. Pasher](#) also reiterated how frequency is an important concern for her, with airports “that used to have over 10 flights a day are down to two or three.” [Mr. Côté](#), for his part, explained that “current flight schedules don’t meet users’ needs either, making regional air transportation even less attractive.”

Several witnesses offered explanations for why availability was impacted by the lack of competition in the northern, rural and remote regions. [Ms. De Caria](#), for example, explained that the weather conditions, infrastructure challenges and geography “make it difficult for any airline to maintain frequent and reliable service while keeping prices affordable.” As [Ms. Bento](#) described, this issue affected northern, rural and remote communities the most because the turboprop airplanes cannot make as many stops as a jet airplane. In fact, [she](#) said, “these planes fly with less range and are much slower” which resulted in fewer flights. [Mr. McKenna](#), [Mr. Lemieux](#) and [Mr. Noël](#) all attributed the choice of regional airlines of lowering service frequency to the labour shortages affecting pilots and aircraft maintenance engineers.

[Michael Spence](#), Mayor of the Town of Churchill, explained the impact of low flight availability on his community of Churchill, Manitoba, in the context of medical travel:

Naturally, the challenge that we face today is the fact that we only get two flights per week during the non-traditional tourism season, such as October and November. It creates a lot of issues in terms of medical travel.

For instance, if I went to the doctor on Monday and got my blood work done on Monday—or Tuesday, for that matter—in some cases it does not make its way to Winnipeg until Friday. [...]

What’s happened is that it has really affected the economy. When you only have two flights per week, it really strains the economy on the accommodation sector, the services, the people wanting to fly in and out, and the tourism industry, for that matter, that is not able to fulfill its arrangements for bookings. Therefore, it becomes really challenging. I think it really puts us back as a community, especially as a tourism destination and with people who want to travel out.

To address the issue of low service levels, [Mr. Côté](#) recommended that there be minimum service levels required in each region. [Mr. Spence](#), for his part, suggested that air service run from his town of Churchill “at least five times per week.” [Ms. De Caria](#) recommended that “[i]nvestments in better facilities and equipment would enable more frequent and reliable flights.”

Affordability

The affordability of airfare was another significant impact cited by witnesses as a consequence of the lack of competition. As [Mr. Sparling](#) explained, “[a]ir travel is very price-elastic,” so the affordability of airfares can have a significant impact on demand for air travel. Indeed, [Mr. Benedict](#) said that price was “the first criterion that influences tourists’ choices when they buy an airline ticket.”

Many witnesses pointed to the high price of air travel in comparison with other jurisdictions. For example, [Mr. Benedict](#) told the Committee that a flight from Montreal to Rouyn-Noranda has double the charges as an equivalent American flight.

Some groups who contributed to the Committee’s study quantified the impact on the price of airfare with data. The written submission of the [Goose Bay Airport Corporation](#) explained that they commissioned a fare analysis of six northern airports that found that these airports had average fare increases of 34.2% in 2024 compared to 2019. In their written submission to the Committee, the [Town of Happy Valley-Goose Bay](#) cited this same fare analysis, which demonstrated that “airfares at Goose Bay increased by an average of 33.1% in 2024 over 2019 fares.” [Mr. Andrews](#) told the Committee that in Wabush, which is in western Labrador, the increase was an average of 47.3%. In summarizing the fare analysis, [Mr. Goudie](#) expressed that “[w]hile we understand that the cost of operating in northern regions is more expensive, we find it hard to justify or support the huge increases.”

[Mr. Sparling](#) commented that “airfares are more significantly determined by costs than by competition.” [He](#) outlined how the cost of flying to small markets is what caused high airfares, and that increased competition could actually be “counterproductive in a small market.” In fact, [Mr. Sparling](#) explained how for his airline, Air North, the net percentage margin for routes where there was no competition was lower than jet routes where there was competition from other carriers.

Some witnesses were of the view that airfare pricing was less directly attributable to any one factor. For example, [Gladys Atrill](#), Mayor of the Town of Smithers, provided the examples of Smithers and Terrace-Kitimat airports, in British Columbia, where both the air miles and aircraft were similar yet airfares for flights to Smithers were more expensive.

To address the issue of high airfares, [Mr. Côté](#) proposed that floor and ceiling prices be implemented to set a minimum and maximum price for air travel as this would prevent large airlines from “dumping.”



Reliability

The impact of the lack of competition in the air travel sector was also discussed in relation to the reliability of travel to northern, rural and remote communities, where events like flight delays and cancellations are much more common than in other markets.

Several witnesses and written submissions painted a picture of how reliability posed a significant challenge for northern, rural and remote air travel. [Mr. Andrews](#), for instance, described reliability as “critical.” The written submission of the [Town of Happy Valley-Goose Bay](#) provided data on the reliability of flights to the local airport authority, where they found that 54% of scheduled flights were delayed by at least 30 minutes within a period of 103 days. [Mr. Sparling](#), for his part, described how weather delays rendered “northern operations more challenging.”

[Mr. Andrews](#) illustrated for the Committee the impact of the lack of reliability on air passengers travelling to or from northern, rural and remote communities:

You sit in Halifax on the daily flight that happens, and it's a departure at around 10 o'clock in the evening. You're sitting watching your cell phone, waiting for the ding, because you know that there's going to be a delay or that a flight's going to be cancelled, either because of duty time or for some other reason. Most times it's the duty time. Crew unavailability is another one. On what is a very expensive trip already, that adds another \$200 or \$300 for a taxi and a hotel, so the travel side is difficult. Yes, we are connected by road, but it's a 15-hour drive to Baie-Comeau. It's a ferry and several hours, 10 or 12 hours to drive to St. John's, so that's difficult.

Impact on Communities

Witnesses emphasized the impact of the lack of competition in the air travel sector on northern, rural and remote communities. They identified several impacted areas: Indigenous communities, economic development, tourism, medical travel, and food security, among others.

Some witnesses highlighted the unique challenges posed by the current landscape of air travel for Indigenous communities in Canada. [Mr. Spence](#), for example, told the Committee that his community of Churchill, Manitoba, was historically connected through trade routes to certain other communities in the north, and “[t]his traditional linkage between our communities has now been effectively severed by air travel schedules that don't factor in these kinds of traditional community linkages.”

[Mr. Sparling](#), for his part, made a link between air travel and reconciliation, in raising that the ownership of several airlines by First Nations communities provide the opportunity for those communities to “participate in northern economies.” The [Goose](#)

[Bay Airport Corporation](#), in its written submission, also highlighted the importance of air travel for Labrador's Indigenous community, which represented 60% of the region's population. To encourage more competition in the air travel sector, [Mr. Spence](#) recommended "removing barriers to entry, monitoring predatory behaviours and looking for ways to provide financial support for local Indigenous-owned start-ups."

The importance of a competitive air travel industry for economic development was also mentioned by many witnesses. For example, [Mr. Andrews](#) argued that the cost of airfare was a barrier to business development. [He](#) specifically identified flight times, affordable fares and more routes as "vital to investment in and expansion of [...] current business opportunities within our community." [Mr. Goudie](#) also explained that the lack of competition in this industry discouraged businesses from investing or expanding in Labrador because of "the high cost of travel and the lack of choice." [Mr. Noël](#) provided his perspective in telling the Committee that flight frequency was important for the delivery of goods and the transportation of businesspeople, and he suggested that the federal government view airport infrastructure as "economic development tools."

Tourism, especially to Canada's remote regions, was another impacted sector identified by witnesses. [Mr. Spence](#) told the Committee how his community of Churchill, Manitoba, was an international tourism destination, but tourism operators must hire private aircraft to meet demand, which in turn fostered resentment among residents who had difficulty accessing comparable air transportation. In Quebec, [Mr. Benedict](#) explained how access to remote regions was limited and inaccessible to international tourists. To encourage more tourism to these areas, [he](#) recommended that infrastructure like car rental services and transportation within these regions be established "by working with travel agencies or agencies that sell all-inclusive travel packages."

Medical travel was cited by several witnesses as being significantly impacted by the lack of competition for air travel to northern, rural and remote communities. In these regions, air travel is often necessary to attend medical appointments, which, as explained in the written submission of the [Town of Happy Valley-Goose Bay](#), can be particularly challenging in the case of flight delay or cancellation, especially for seniors and others who are low-income who may not be able to easily afford alternative travel arrangements. Medical evacuation flights were described as a "lifeline to these remote communities" by [Calm Air International LP](#), which recommended improvements to Nunavut airports to ensure these services. [Ms. Pasher](#) cited statistics to illustrate how important medical travel was for these communities: "there are 9,000 people from Yukon who travel to Vancouver each year for medical appointments, and Yukon's total population is fewer than 50,000 people."



Finally, food security was raised by some witnesses as another important consequence of the lack of competition for northern, rural and remote air travel. In discussing how transportation costs were passed down to those who bought groceries, [Mr. Cane](#) shared with the Committee that he was aware of 56 communities that “require all of their fresh foodstuffs to be flown in.” [Mr. Beaulieu](#) similarly stated that transportation costs were ultimately borne by grocery shoppers in northern communities. To address the high cost of transporting food by air, [Mr. Spence](#) suggested that airport infrastructure be added to facilitate the delivery of food to northern Canada, while [Mr. Beaulieu](#) recommended that supply chains be strengthened and costs reduced.

Air Travel as an Essential Service

Throughout the Committee’s study, many witnesses emphasized the essential nature of air transportation for northern, rural and remote communities in Canada.⁹ Given its importance to air passengers and communities alike, as outlined above, witnesses highlighted the critical importance of air travel and its competitiveness.

In relation to northern air carriers, [Mr. Gervais](#) highlighted that “they provide an essential service to the largest proportion of Canada’s landmass and to many communities that have no road access and/or are not served by mainline carriers.” Similarly, [Mr. Stout](#) described his airline as “an essential lifeline for the communities we serve.”

On behalf of the town of Happy Valley-Goose Bay, a community that is simultaneously northern, rural and remote, [Mr. Andrews](#) told the Committee that, “[f]or my residents, air travel is an essential service, not only to access things like health care and educational opportunities but also to build business connections and economic development.” For rural and remote air travel, [Ms. Pasher](#) explained that:

For Canadians in rural and remote communities, air service is not a luxury but an essential part of their everyday lives. Take, as an example, Canadians who live in Nunavut, where there are more than 25 communities that are fly-in and fly-out. They’re only accessible by air. They depend on aviation for medical service, for fresh food on their shelves and for other critical supplies. However, the reality remains that many of

9 TRAN, *Evidence*, 44th Parliament, 1st Session: [Shelly De Caria](#), President and Chief Executive Officer, Canadian North Inc.; [Bernard Gervais](#), Executive Director, Northern Air Transport Association; [Sylvain Schetagne](#), Senior Researcher, Canadian Union of Public Employees; [Monette Pasher](#), President, Canadian Airports Council; [Susan Wright](#), Director, Human Resources and Communications, North-Wright Airways; [Philippe Noël](#), Vice-President, Public and Economic Affairs, Fédération des chambres de commerce du Québec; [George Andrews](#), Mayor, Town of Happy Valley-Goose Bay; [Rex Goudie](#), Chief Executive Officer, Goose Bay Airport Corporation; [Douglas McCrea](#), President, Central Mountain Air; and [Myles Cane](#), Senior Vice-President, Operations, Summit Air Ltd.

our rural and remote communities continue to face barriers to air travel, ranging from limited flight options to prohibitive costs.

The essential nature of air travel for Canada's remote communities was also highlighted by several witnesses. [Mr. White](#) explained how his airline "work[s] from coast to coast as essential service providers in some of Canada's most remote communities and, by extension, some of Canada's most challenging aviation environments."

Regarding regional air transportation, [Mr. Côté](#) told the Committee that "[i]t's an essential service for land use and the development of Quebec and its regions." [Mr. Benedict](#) further specified that "regional air transport is an essential service if we want to occupy our land." [Mr. Paradis](#) agreed that regional air travel was an essential service and explained to the Committee that the essential nature of regional air service meant that "we should consider providing airports with a certain basic revenue, which would enable us to revise landing fees upward or downward."

Other witnesses, like [Ms. Atrill](#) and [Mr. Noël](#), described the airports themselves and related infrastructure as essential to northern, rural and remote communities. [Mr. Noël](#) described how airport infrastructure was "essential to economic development in remote regions."

Indeed, some witnesses, including [Mr. Paradis](#), [Mr. Andrews](#), and [Mr. Goudie](#), recommended that the Committee or the federal government recognize air travel as an essential service. [Ms. Pasher](#), for her part, recommended that "air travel should be viewed through a lens of the essential role it plays in our economy."

APPENDIX A: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

44th Parliament – 1st Session

Organizations and Individuals	Date	Meeting
Air North Joseph Sparling, President	2024/05/30	118
Canadian North Inc. Shelly De Caria, President and Chief Executive Officer Nicholas Purich, Chief Financial Officer	2024/05/30	118
Northern Air Transport Association Bernard Gervais, Executive Director	2024/05/30	118
Town of Smithers Gladys Atrill, Mayor	2024/05/30	118
Union des municipalités du Québec Daniel Côté, President, Air Transport Committee Marie-Dominique Giguère, Project Manager	2024/05/30	118
As an individual Gina Bento, Founding Chief Executive Officer, Arctic Aviation	2024/06/06	120
Air Transport Association of Canada John McKenna, President and Chief Executive Officer	2024/06/06	120
Canadian Union of Public Employees Sylvain Schetagne, Senior Researcher	2024/06/06	120
Keewatin Air LP David White, Chief Executive Officer	2024/06/06	120

Organizations and Individuals	Date	Meeting
National Airlines Council of Canada Jeff Morrison, President and Chief Executive Officer	2024/06/06	120
North Star Air Ltd. Jeff Stout, President and Chief Operating Officer	2024/06/06	120
As an individual Robert Kendall, Chair, The Alternate Runway Materials Committee	2024/06/11	121
Alliance de l'industrie touristique du Québec Sébastien Benedict, Vice-President, Public Affairs and Communications	2024/06/11	121
City of Prince Rupert Herbert Pond, Mayor	2024/06/11	121
Gander International Airport Authority Reg Wright, President and Chief Executive Officer	2024/06/11	121
Canadian Airports Council Monette Pasher, President	2024/06/13	122
Department of Transport Serge Bijimine, Assistant Deputy Minister, Policy Andy Cook, Associate Director General, Civil Aviation Jennifer Little, Director General, Air Policy Vincent Millette, Director, National Air Services Policy	2024/06/13	122
Propair Inc. Justin Lemieux, Vice-President, Operations and Business Development	2024/06/13	122
Fédération des chambres de commerce du Québec Laurent Corbeil, Adviser, Public and Economic Affairs Philippe Noël, Vice-President, Public and Economic Affairs	2024/10/01	128

Organizations and Individuals	Date	Meeting
North-Wright Airways Susan Wright, Director, Human Resources and Communications	2024/10/01	128
Régie intermunicipale de l'aéroport régional de Mont-Joli Bruno Paradis, Chairman of the Board	2024/10/01	128
Town of Churchill Michael Spence, Mayor	2024/10/01	128
Central Mountain Air Douglas McCrea, President	2024/10/08	130
Goose Bay Airport Corporation Rex Goudie, Chief Executive Officer	2024/10/08	130
Perimeter Aviation Michael Pyle, Chief Executive Officer, Exchange Income Corporation	2024/10/08	130
Summit Air Ltd. Myles Cane, Senior Vice-President, Operations	2024/10/08	130
The North West Company Michael Beaulieu, Vice-President, Canadian Store Operations	2024/10/08	130
Town of Happy Valley-Goose Bay George Andrews, Mayor	2024/10/08	130

APPENDIX B: LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

44th Parliament – 1st Session

Calm Air International LP

Goose Bay Airport Corporation

Government of Newfoundland and Labrador

NAV CANADA

Town of Happy Valley-Goose Bay

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 12 and 21](#)) from the 45th Parliament, 1st Session and ([Meetings Nos. 118, 120, 121, 122, 128 and 130](#)) from the 44th Parliament, 1st Session is tabled.

Respectfully submitted,

Peter Schiefke
Chair

Supplementary Opinion

Northern, rural and remote air travel: Challenges and opportunities to enhance competition

The Bloc Québécois concurs in part with the findings presented in this report. However, it regrets the absence of genuine structural measures to address the challenges of air transportation in northern, rural, and remote regions.

Therefore, it proposes that the Government of Canada amend the Aeronautics Act (1985) to enable willing regions to establish a regional air transport authority.

The establishment of such an authority would ensure better access to air services in remote regions by organizing routes based on the collective needs of the territories, rather than solely on the commercial logic of carriers.

As an autonomous public institution, this authority would have the legitimacy and leverage required to negotiate service obligations, long-term agreements, and stable fares, thereby preventing small communities from being at the mercy of a single carrier able to unilaterally suspend or reduce flights. This would notably translate into:

1. Identifying essential routes and guaranteeing minimum flight frequencies—even for unprofitable lines—with seasonal adjustments to prevent service disruptions;
2. Targeting subsidies toward infrastructure critical to communities, providing a stable framework for negotiating and compensating deficit routes;
3. Securing a minimum service threshold where market forces alone fall short, thereby ensuring territorial equity.

In this regard, the Bloc Québécois reiterates the need to review and expand the definition of "remote regions," particularly in areas where air travel remains the only rapid means of access to major centers. Such a revision would better reflect the vastness of Quebec's territory and the large number of municipalities of all sizes situated far from major metropolitan hubs.

Furthermore, it would acknowledge the socio-economic disparities that hinder access to essential services—such as accessible healthcare and quality education—and render these territories more eligible for enhanced federal support in air transportation.

With respect to airport rent revenues, the Bloc Québécois reiterates the Committee's recommendation from its reports *Improving the Efficient and Affordable Operation of Canadian Airports* (February 2023) and *State of Airline Competition in Canada* (October 2025): to reinvest these funds fully into airport infrastructure.

The Bloc Québécois maintains that airport rent revenues should be prioritized for the maintenance, development, and modernization of airports to ensure the durability, efficiency, and competitiveness of these infrastructures essential to regional mobility and economic vitality.

Yet under the current model, a significant portion of these revenues flows to the federal Treasury without being redirected to the aviation sector, depriving regional airports of vital resources needed to maintain facilities, modernize equipment, enhance connectivity, and reduce operating costs.

Prioritizing the direct reinvestment of federally collected airport rents would ensure the sustainability and competitiveness of these vital regional facilities. This structural measure, aligned with the principle of territorial equity, would particularly benefit Quebec's more vulnerable communities by fostering their mobility and economic development.