



March 19, 2020

The Honourable Marc Garneau, P.C., M.P.
Minister of Transport
330 Sparks Street
Ottawa, ON
K1A 0N5

Subject: Air passengers and financial stress

Dear Minister,

I am writing today concerning two issues of importance to many thousands of Canadian air travellers affected by government actions in response to the COVID-19 virus.

Let me first salute your government for its rapid response to this global pandemic, and acknowledge the extraordinary and complex work that is being undertaken by government and its private-sector partners, such as the airlines, to cope with the sudden and systemic shocks that have resulted.

That said, cases that our travel agent network have dealt with, as well as numerous media reports, show that in recent days many, many Canadians have had to pay thousands of dollars over regular prices in order to buy tickets to come back to Canada, as requested by the federal government. In a related issue, many carriers are offering only credits for future flights, most of which expire within a year, for flights cancelled due to government advisories or orders not to fly to certain destinations. In contrast, Via Rail Canada is offering full refunds to consumers wishing to cancel travel, regardless of when the ticket was purchased.

We believe these government actions are reasonable and warranted for public health reasons. But we equally believe that Canadians should not be hit with large financial penalties for decisions out of their hands, especially at a time when unexpected economic stress has become a fact of life for most Canadians.

We understand the industry is under immense financial pressure itself, and we accept that the enormous fares – as high as \$14,000 to fly from Australia – may have been an unintentional booking anomaly driven by a frantic surge in demand. But the result is still a huge and often unaffordable bill to affected consumers. We note the \$5,000 the government has made available to Canadians who need to book tickets urgently, and thank you for this measure. But we also know that this is not a grant – it is a repayable loan.

As for credits, we note that European Union policy in this area is clear, different than Canada's, and much better for travellers. It requires that airlines offer a full refund

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(<https://ec.europa.eu/transport/sites/transport/files/legislation/c20201830.pdf>). Customers may choose to accept a credit for future flight, but they should not be forced to. Again, we support a balanced approach that does not unduly further destabilize the carriers. It may well be that their systems are overwhelmed right now, they are properly focused on repatriating Canadians with special flights, and their cash flow cannot withstand a stream of cash refunds at the moment. But it is not fair to expect passengers to shoulder this either. They should be able to access a cash refund, if not now then in the coming months, whether it is the carriers or government that make them whole. To the extent that credits remain an option, they should not be allowed to expire as they would under normal circumstances. It may be more than a year before a Canadian's financial situation is good enough for her or him to contemplate another trip.

We know from the Prime Minister's social media feed that he talked yesterday with the CEOs of Air Canada and WestJet. Such dialogue is important. We request that you raise these issues with the carriers, and also consider whether some government relief is in order. We understand the carriers themselves may need financial relief, and we support this – but would expect that consumer concerns are taken into account too.

A signal now from the Government that these issues will be addressed, even if not for a few weeks, would go a long way towards relieving many thousands of Canadian travellers of the undue financial anxiety that these needed public health measures have imposed on them.

We are in the middle of an unprecedented crisis for everyone, including carriers, but as things stand now many consumers are getting sideswiped in the process. You have always been a champion of the Canadian traveller, Minister Garneau, and we ask you to step up once again.

We would be happy to answer any questions you or your staff might have. Please do not hesitate to contact me by telephone at (613) 863-2590 or email at ijack@national.caa.ca.

Sincerely,

A handwritten signature in blue ink, appearing to read 'IJ', is positioned below the text 'Sincerely,'.

Ian Jack
Vice President, Public Affairs
Canadian Automobile Association (CAA)

CC: Scott Streiner, Chair and Chief Executive Officer, Canadian Transportation Agency