



**Supplementary Opinion of the Bloc Québécois
on the Out of the Crisis report:
a study of the impact of COVID-19
in the air transport sector**

February 15, 2022

Introduction

First of all, the Bloc Québécois salutes the members of the Committee as well as the staff of the Library of Parliament for the professionalism they have shown and the work they have accomplished throughout this study and thanks all the witnesses and citizens who fueled the debate on what needs to be done to enable the air transport sector to emerge from the crisis.

However, it is the opinion of the Bloc Québécois that this report has omitted certain crucial elements which would have made it possible to clearly define what must be done to put in place a healthy environment for consumers and workers in the air transport sector at the end of this long troubled period.

The next few lines will serve to outline what we believe should have appeared in this report in addition to what is already there. First, a request for a firm commitment from the federal government to work with the government of Quebec and its municipalities to set up an air transport service for the regions of Quebec. Second, we should see a clear desire to strengthen protections against the anti-competitive actions of some players in the industry. And ultimately a real consideration for the issue of the sale of Air Transat.

In addition, to this additional opinion initially filed in June 2021, a new section was added in February 2022, relating to the independence of the Canadian Transportation Agency. Several pieces of evidence have resurfaced showing that the latter had been undermined, particularly since the start of the pandemic.

Work with Quebec, a concept absent from consideration

It is deplorable to note that the report completely omits the need to work in collaboration with Quebec, particularly in air transport in the regions. While Quebecers living in the regions are the

ones who know best what they need most in terms of air transport, this report once again vividly demonstrates the propensity of federalist parties to “Ottawa knows best”.

The Quebec government and municipalities formed a task force on the revival of regional air services in Quebec to study the problems caused by the abandonment of Air Canada's regional services and provide recommendations. However, the federal government seems to completely ignore these actions taken by the people directly affected by the current crisis and prefers to act, or not to act in many cases, unilaterally and solely on the basis of what he considers good or not.

The least thing would have been to recommend that the government work in collaboration with the Government of Quebec and the municipalities to put in place solutions that really meet the needs of the community. Unfortunately, no consideration has been given to this issue.

Strengthen the fight against anti-competitive actions, an emergency for the regions of Quebec

During the committee's studies, many witnesses from Quebec highlighted Air Canada's anti-competitive practices in the regions. Although the report mentions these concerns, particularly from Mr. Yani Gagnon (Pascan), and Mr. Serge Larivière (TREQ¹), no recommendation directly addresses this issue.

Admittedly, the committee expressed the wish that the government create a competitive environment in the air transport sector, but let us recall that before the pandemic, the Government of Canada had let Air Canada make rain or shine in the regions of Quebec and this for several years. To name only one of anti-competitive practices of Air Canada, when a competitor enters the market, Air Canada “is dumping” until said competitor is forced to leave the market. Once the result achieved, Air Canada is quick to bring its prices to a prohibitive level for many citizens in the regions.

As this situation continued for several decades ², it would have been important for the committee to adopt a clear recommendation to ban such practices. It is to the federal government to intervene to put an end to this situation. The action could be articulated around several measures such as strengthening the powers of the Commissioner of Competition so that he can intervene quickly when this kind of situation arises or even foresee serious consequences for carriers doing so.

In short, it seems obvious to us that the committee erred in failing to include recommendations on this subject in its report. Once again, this is a situation where the reality of Quebec is ignored by Ottawa.

Lack of interest from federalist parties in the sale of Air Transat

The wording of the study motion reads as follows: “That, pursuant to order 108 (2), the Committee undertake a comprehensive study of the effects of Covid-19 on the airline industry; that at least eight meetings be scheduled for this study; **that the impact of Air Transat's sale on the sector be the first point examined in the context of this study.**”

Unfortunately, this last portion of the motion never materialized, as the federalist parties present at the committee preferred to evade the issue as much as possible. On each occasion that the subject was raised during the various meetings of the committee, we were given a host of excuses to avoid getting to the bottom of things, for not discussing the

subject or to not handing over relevant documents to the committee. However, the sale of this Quebec flagship represented a key issue in Quebec. So, it does not make sense, in our opinion, that the committee did not take this seriously into consideration.

As part of this transaction, thousands of jobs, a major head office and even competition in the market were at stake. Unfortunately, the Liberals and Conservatives have made every effort to ensure that the subject is never studied, preferring to protect the Minister of Transport so that he can make his own decision, without us having been able to get hold of all the information he had in his possession.

In our democracy, the role of the opposition is to hold the government to account for its decisions. This role is based on a principle of transparency which is crucial for public confidence in our institutions. By refusing to carefully consider the issue as part of the study, the committee has failed in one of its main objectives: to provide a space for accountability on the part of the government on the issues entrusted to it.

Faced with this observation, we can only be critical of the functioning of the Government of Canada where the Liberal and Conservative parties are only exchanging power without ever taking into consideration what matters to Quebec. This ongoing situation since the beginning of the confederation is only one more reason for Quebec to leave Canada in order to be able to look after its own interests without having to depend on a political system that only exists to perpetuate itself. The Air Transat sale case in this study is just one more example of this situation.

The independence of the Canadian Transportation Agency, a less and less tenacious mirage

During this study by the Standing Committee on Transport, Infrastructure and Communities, several witnesses expressed their concerns about the independence of the Canadian Transportation Agency (CTA). Mr. Gábor Lukács (Travellers' Rights) presented it as follows: "The last time we testified before this committee, we pointed out that the Canadian Transportation Agency had lost its independence and that its passenger protection activities had been compromised. The COVID-19 pandemic has confirmed the magnitude of these problems."

In this sense, we have attempted, in the context of this study, to shed light on this situation. Therefore, the committee adopted, at the initiative of the Bloc Québécois, the following motion:

"That, pursuant to Standing Order 108 (1) (a), an order of the Committee be issued requesting that correspondence exchanged between Transport Canada, including the Minister of Transport and the Canadian Transportation Agency regarding the cancellation of airline tickets and air passengers' right to reimbursement be provided to the Clerk of the Committee within thirty (30) days of the adoption of this motion."

Of the correspondence that was submitted to the committee because of this motion, some were largely crossed out by Transport Canada (TC) and others were omitted. It took an intervention on the part of the Bloc Québécois for TC to hand over the omitted documents to the committee. Again, TC crossed out the omitted documents. Already, it was worrying at that time, to see a department hide information from a parliamentary committee when it was fully entitled to it. In the circumstances, this concern was the subject of recommendation number 21 of this report asking the CTA to show its credentials.

Since then, documents “forgotten” by TC have revealed that a meeting had taken place during the preparation of the appropriations message between the Deputy Minister of TC, the President of the CTA and a person whose identity TC had tried to hide. It took an order from a judge to reveal the identity of this person: it was none other than the chief of staff of the Minister of Transport at the time.

Thus, it is clear that TC has done everything possible to camouflage a very close proximity between the OTC and politics. This whole operation was obviously orchestrated to protect the appearance of independence of the OTC when it no longer plays its role of protecting air passengers. It is therefore more than urgent that a major investigation into the independence of the CTA be carried out in order to restore the independence of this body responsible for applying the Air Passenger Protection Regulations.

Conclusion

Finally, this report will have neglected three important elements in the context of this study, thus demonstrating Canada’s lack of consideration towards Quebec for many issues which are dear to it. Quebec’s interests in these matters would have been better served by an independent Quebec that would not have ignored these important issues.

However, we owe it to ourselves to highlight the other elements of the report which provide recommendations that we believe to be sound, particularly regarding the reimbursement of airline tickets and aid to the air and aerospace sector. Consequently, we now wish to see the government act to enable air transport to recover from this crisis and respond favourably to the elements of this report and of this supplementary opinion.

Recommendations of the Bloc Québécois

That the Government of Canada works in collaboration with the Government of Quebec to establish priorities for solid regional air transport containing a significant amount of competition.

That the Government of Canada intervenes to prevent Air Canada and other large carriers from engaging in practices that undermine regional air competition.

That an independent inquiry be put in place to restore the independence of the Canadian Transportation Agency.