



After one year...

The Air Travel Complaints

Commissioner's Report

July 2000 to June 2001

Everyday problems that once loomed so large pale in the shadow of September 11, 2001.

The Air Travel Complaints Commissioner, on behalf of his office and the Canadian Transportation Agency, extends heartfelt sympathy to the families and friends of the souls aboard American Airlines Flight 11; United Airlines Flight 175; American Airlines Flight 77; and United Airlines Flight 93; and to the loved ones of the thousands of people who perished in New York and Washington.

The magnitude of such a tragedy reverberates throughout every aspect of our life, in all corners of the world and across all borders. In the coming months, air travel industries in every nation, including Canada, will continue to re-assess procedures to reflect the need to maintain and enhance the safety and protection of people who use their services. In such a time, the tolerance and understanding of everyone are called upon. Similarly, air carriers must now more than ever respond to the imperative of communicating with customers so that they are fully informed of their own responsibilities, as well as those of carriers, when travelling by air.

The Commissioner's report was prepared before the tragedy of September 11. Although now cast in another light, its contents and recommendations nonetheless are dedicated to the objective of improving the air travel environment, in the very best interests of all.

September 26, 2001



Commissaire aux plaintes
relatives au transport aérien

Air Travel
Complaints Commissioner

October 2001

The Honourable David M. Collenette, P.C., M.P.
Minister of Transport
Transport Canada Building - Place de Ville
330 Sparks Street
Ottawa, Ontario K1A 0N5

Dear Minister:

Pursuant to section 85.1 of the *Canada Transportation Act*, I have the honour of presenting to you the Report of the Air Travel Complaints Commissioner for the period from January 1, 2001 to June 30, 2001.

Yours sincerely,

A handwritten signature in cursive script that reads "Bruce Hood".

Bruce Hood
Commissioner

Encl.

COMMISSIONER'S MESSAGE

I fly a lot. Most weekends, I commute between my office in Hull and home in Erin, Ontario, flying between Ottawa and Toronto, the busiest air travel hub in Canada. Speaking engagements and meetings take me right across the country and occasionally to Europe. On more than one occasion I've found myself sitting beside other frequent air travellers who spend the entire flight complaining about complainers.

After all, they've never lost their luggage or been treated poorly by an airline employee. Sure, their flights have been delayed, but that's part of the scenario, especially in Canada where winter confounds every traveller. Most of their flights are uneventful, if not pleasant. So who are these people with their nightmare travel tales and why do they pick on Air Canada so much?

My frequent flyer seatmates have a point. Most air travel experiences are a simple question of getting from Point A to Point B, as quickly and efficiently as possible.

But occasionally things go wrong, and the people who complain about it when they do are fellow travellers, just like them. They might be on their first flight, or their twenty-fifth. They could be a business executive on a tight schedule who booked a ticket the night before on the Internet or a family on its way to a long-planned vacation arranged through their travel agent. Most likely they have checked their luggage—people with carry-on baggage are either the luckiest or the smartest travellers of them all. And the law of averages dictates that more often than not, they fly on Air Canada, the single largest air carrier in the country. The common denominator is that these people made their travelling arrangements in the expectation of an uneventful, if not pleasant, journey and didn't get it.

At the beginning of my term as Air Travel Complaints Commissioner, I thought I'd be dealing with a few hundred complaints at the most. Certainly not almost 3,000 in one year, an amount that has understandably taxed the resources that my colleagues at the Canadian Transportation Agency have developed to address complaints. I was surprised as well to learn that the number of complaints that we received over the last 12 months represent less than 2 per cent of the total tally of complaints sent directly to the air carriers.

If that figure sounds a bit implausible, consider British Airways. Like many other businesses, very few air carriers are willing to volunteer information about the complaints they get. Why accentuate the bad? But British Airways, which candidly revealed that it employs 200 people to handle as many as 300,000 complaints a year, actually encourages passengers to let it know if they are unhappy. The airline, one of the biggest and best in the world, operates on the premise that "a dissatisfied customer tells 22 people" and that 60 per cent of customers will leave because of bad service if they have an option. So British Airways considers a complaint to be "the most important research" tool it has to improve its service.

We can all learn from that kind of attitude. Air carriers that adopt a defensive posture with dissatisfied customers or worse, ignore their complaints, have more to lose than the patronage of a few passengers. They send a signal that inhibits every level of their organization, from top to bottom. In contrast, carriers that foster

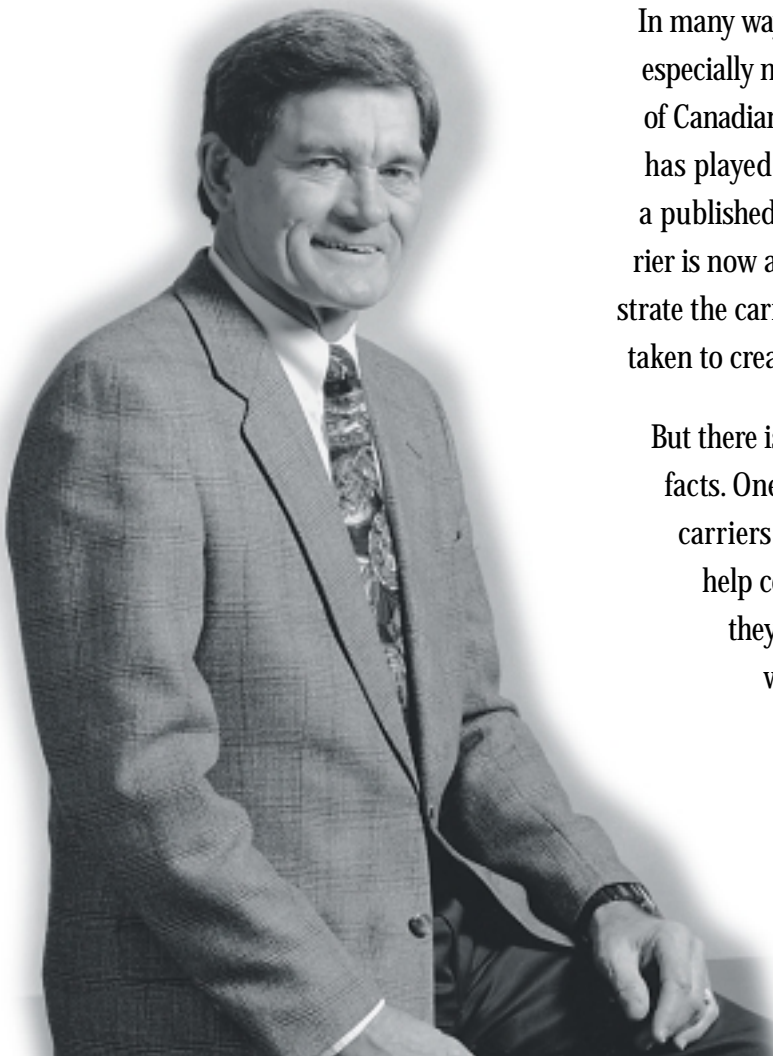
a culture of openness are more likely to achieve the degree of customer satisfaction every airline claims it strives to reach. Such a culture is rooted as much in how well employees react when things go wrong as it is in what employees do to make things right.

That's not to say that consumers would be doing air carriers a favour if they complained about every incident or procedure that rubbed them the wrong way. Passengers who make a mountain out of a molehill—and there are more than just a few who do—take away from those who raise serious and legitimate issues. In fact, at times we wondered “Whose rudeness came first, the passenger's or the air carrier's?” The same applies to those passengers who make unrealistic demands for compensation, even when they have a justifiable complaint. Nor is blame always clear-cut and simple. Airlines do not have endless resources or unlimited seats to give away. People also need to understand that safety must be an overriding priority of decision making in all circumstances.

A recurring lesson from the complaints in this report is that the seemingly smallest incident often affects the public's image of a carrier most. Easily the most common complaint I deal with, for example, involves an air carrier's quality of service and in particular the attitude of some of its employees. A carrier's frontline staff could cut the number of complaints about quality of service by more than half if they just did two things—*communicate courteously* with a passenger as soon as a problem occurs and be friendly and attentive while they're doing it.

In many ways, the air travel industry in Canada has improved, especially now that the worst days of Air Canada's integration of Canadian Airlines are behind us. Again, a change of attitude has played an important role. Air Canada's introduction of a published Customer Service Plan—and the fact that the carrier is now apologizing to passengers in writing—demonstrate the carrier's acknowledgement that steps needed to be taken to create a more positive travelling environment.

But there is more to be done. A good place to start is with the facts. One of the recommendations in this report is that carriers volunteer more information about themselves to help consumers understand the environment in which they operate. Canadians need to know what to expect when they travel by air—so that every flight they take can be as pleasant, or as uneventful, as it should be.



Bruce Wood

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This Report and other Canadian Transportation Agency publications are available on the website
[www. cta. gc. ca](http://www.cta.gc.ca)

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TABLE OF CONTENTS

Executive Summary	1
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INTRODUCTION

Air Travel Complaints Commissioner	6
Office of the Air Travel Complaints Commissioner	6
Canadian Transportation Agency	7
Complaint Process	8
Initiatives	9

PROGRESS REPORT

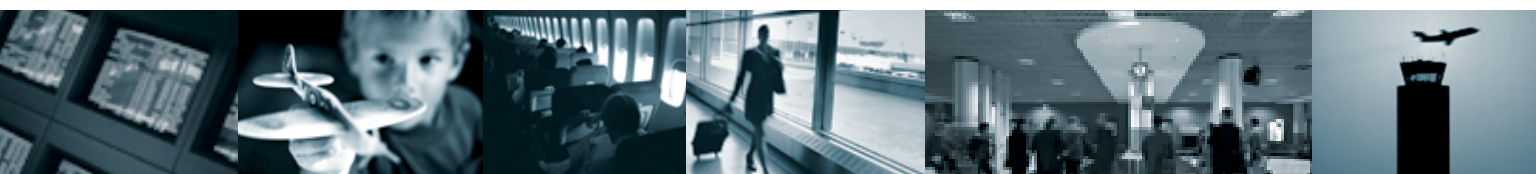
Review of First Report Recommendations	11
Recommendations and Responses from Air Carriers	11
Other Initiatives	15

FINDINGS

Number of Complainants	18
Complaint Classification	19
Complaints Against Carriers	22
Nature of Complaints	25
Major Areas of Dissatisfaction	30
Types of Remedies Sought	36

RECOMMENDATIONS

APPENDIX	40
1. <i>Canada Transportation Act</i> (5.85.1)	40
2. Categories of Findings	41
3. Other Findings	42
Complaints received by Province/Territory/Country	42
Frequency of Complaints	43
Complaint Status	44
Settlement of Level One Complaints	46
Settlement of Level Two Complaints	47
Satisfaction of Closed Complaints	48
Canadian and Foreign Carriers	49
MASTER CHART	50



EXECUTIVE SUMMARY

The Office of the Air Travel Complaints Commissioner was created in July 2000 by an amendment to the *Canada Transportation Act*. The role of the Commissioner is to resolve consumer complaints about the quality of services provided by air carriers that operate to, from and within the country.

The need for an impartial third party to settle disputes of a non-regulatory nature between passengers and air carriers was identified by the Government of Canada during the debate over the proposed acquisition of Canadian Airlines International Ltd. by Air Canada, a purchase that was finalized in December 2000.

During the second reporting period, from January 1, 2001 to June 30, 2001, the Commissioner received letters of complaint from 1,664 individuals, an increase of 33 per cent over the first reporting period. Since there was rarely one issue per letter, the Commissioner's office dealt with a total of 4,542 separate issues in 16 different categories, an increase in issues of 29 per cent over the first six months of his mandate.

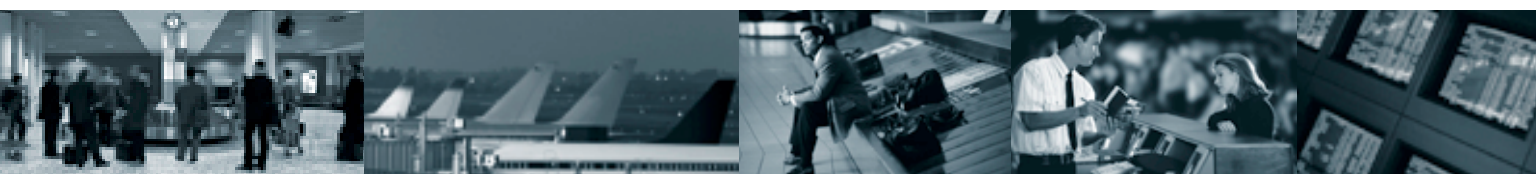
Based on conversations with carriers, the Commissioner estimates that he receives less than 2 per cent of the total number of complaints received by air carriers. However no firm numbers are available as carriers do not publicly divulge statistics involving complaints.

In the first year of operation, individual complaints sent to the Commissioner totaled 2,912 and involved 8,057 separate issues. By comparison, the Canadian Transportation Agency received 169 complaints or 17 times fewer in 1999.

As might be expected, Air Canada, the country's single largest air carrier, received the most complaints in the second reporting period. The carrier and its affiliates were named in 74 per cent of the complaints against Canadian carriers and in 69 per cent of all complaints against domestic and international carriers. During that same period, consumers complained about 3,138 separate issues involving Air Canada and its affiliates, or 69 per cent of the issues raised. Over the entire year, Air Canada and its affiliates received 71 per cent of the total complaints against all carriers and were named in 72 per cent of the total number of issues raised.

Canadians registered more complaints against Air Canada's regional and charter rivals in the second reporting period. The number of complaints lodged against these medium-sized Canadian carriers doubled, with five carriers accounting for 23 per cent of the total number of complaints against all Canadian carriers.

Overall, three issues—quality of service at 41 per cent; flight schedules at 19 per cent; and baggage problems at 9 per cent—dominated with 69 per cent of the total number of complaint issues raised during the second



reporting period. The same three categories accounted for 73 per cent of the total number of issues raised throughout the entire year.

In the Quality of Service category, passengers cited a lack of communication and a negative attitude of air carrier employees as the key areas of discontent.

In the Flight Schedule category, delays comprised a majority of 60 per cent of the issues during the second reporting period and 56 per cent over the first year, followed by cancellations and revised schedules.

In the Baggage category, delayed luggage accounted for almost half of the baggage issues in both reporting periods, followed by lost luggage at more than 25 per cent. The largest increase in complaints of this nature was damaged baggage, which rose by 47 per cent in the second reporting period.

Increases in complaints about other issues raised during the second period are noteworthy. The number of ticketing issues, including penalty fees, restrictions, travel vouchers, refunds and lost tickets rose by more than 50 per cent. Complaints about frequent flyer programs, particularly concerning redemption of points and reservation procedures, almost doubled, even though issues in that category represent little more than 5 per cent of the total number of issues. The Commissioner also received twice as many complaints concerning reservations, including complaints about the unavailability of seats and the cancellation of tickets.

The majority of complainants who wrote to the Commissioner sought either an explanation from the carrier or financial compensation for the difficulties they encountered.

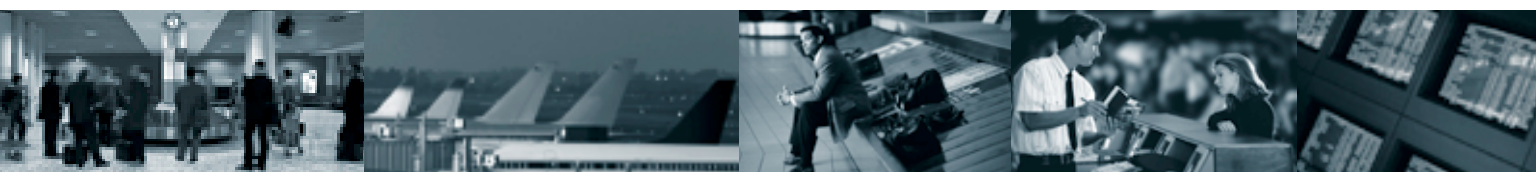
The Commissioner is also charged with the responsibility of identifying systemic trends in the quality of customer service. To assist in his evaluation of the Canadian air travel industry, the Commissioner conducted a survey of several major air carriers based on recommendations contained in his first report, which covered the period between July 5, 2000 and December 31, 2000. The respect shown by carriers for the Commissioner's mandate and the depth of their constructive replies illustrate a growing trend in the air travel industry to look for ways to provide better quality of service for their customers.

Based on an analysis of the second reporting period, the Commissioner recommends that:

- 1. Air carriers publicly disclose monthly service performance records for a series of indicators, including arrival and departures, lost and delayed baggage, incidents of denied boarding, flight cancellations and rescheduling, and number of enplaned passengers.**



- 2. Air carriers provide better training in customer service, including dispute resolution and people-handling skills, from the top echelon of management to the front-line employees.**
- 3. Air carriers empower employees to make judicious decisions about a problem that arises at the first point of contact; and further authorize them to provide compensation, when warranted, in the form of travel certificates, upgrades, air currency mileage, or other gestures of goodwill.**
- 4. Air carriers provide comment cards at check-in counters and on board flights so that consumers can notify the air carrier's management of instances where service is either above or below quality standards; and further that air carriers reward exemplary service and discipline less-than-satisfactory service.**
- 5. Air carriers provide the public with the number of aircraft seats they make available in each category, including frequent flyer programs and seat sales, for each market served by the carrier.**
- 6. Air carriers publicly display customer service plans, as well as the terms and conditions of travel contained in their tariffs so that consumers understand what they can and should expect from the carrier. The documents should be publicly available and posted on carrier websites and at airports. Employees should also be made aware of content in the plans and tariffs that involve areas of their responsibility.**
- 7. In planning their flight schedules, air carriers consider increasing recommended connection times to reflect the ongoing problem with flight delays.**
- 8. In cooperation with interested stakeholders such as the travel agency community, air carriers actively seek ways to better contact and inform all passengers of major changes to flight schedules (including lengthy delays, cancellations and revisions) in advance of their arrival at the airport.**
- 9. Air carriers and other air travel stakeholders participate in a forum arranged by the Commissioner to discuss the potential of setting basic standards for issues that are outside the formal contract of carriage, as set out in the tariffs of carriers.**



INTRODUCTION

For more than a year, Canadian air travellers have had good reason to wonder if the carrier that took them on their last trip would still be in business for their next. No sooner had Air Canada finalized the purchase of Canadian Airlines International Ltd. in December 2000, when an established medium-sized carrier was sold to a competitor. Within months, a discount carrier and a specialty business-class airline created in the highly competitive environment vanished as suddenly as they arrived. As a further challenge, carriers emerging from this corporate upheaval were faced with the prospect of an economic downturn that threatened the stability of discount and business-class markets alike.

Against this backdrop, the second report of the Air Travel Complaints Commissioner continues to chart consumer concerns during one of the most tumultuous restructuring eras in the history of Canada's air travel industry. Created in July 2000, the Commissioner's office spent its first six months handling complaints from consumers caught in the midst of the complex integration of the country's two largest national airlines into one formidable giant. With many of the most difficult aspects of that process largely over, the period between January 1, 2001 and June 30, 2001 tells a different, but no less compelling, story. Combined, the two reporting periods cover an industry in transition.

The acquisition of its largest rival left Air Canada with an overwhelming 80 per cent of the domestic market. But it also opened the door to niche competitors as well as to the creation of a smaller and more focussed full-service carrier. Once fearful that competition would wilt in the shadow of Air Canada, consumers were instead offered a range of travelling options as several medium-sized discount carriers jockeyed for a share of the market with expanded routes and competitive fares to regions across the country.

Among the industry players were Montreal-based Royal Aviation Inc. and its competitors Air Transat and Canada 3000, which expanded their traditional base as domestic and international charters to include new and non-traditional routes. Similarly, regional carriers such as the Calgary-based WestJet and CanJet Airlines, a division of the IMP Group Ltd. out of Halifax, ventured into the lucrative Ontario market, attracted by the increased consumer demand for no-frills low-cost air travel. In another challenge to Air Canada's dominance, Toronto-based charter Skyservice Airlines Inc. launched Roots Air in March 2001 as a less-expensive, business-class alternative.

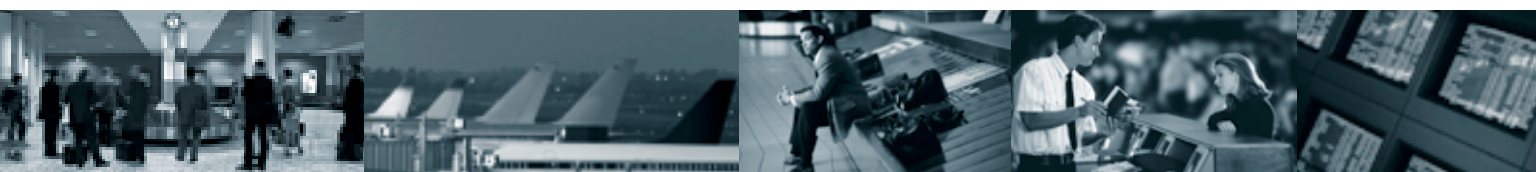
Just as quickly, the air travel scene shifted once again. In April 2001, Canada 3000 purchased its two smaller competitors, Royal and CanJet, to become the country's second largest carrier, with as much as 30 per cent of the market share. By increasing its fleet from 15 to 25 aircraft, the carrier extended its reach to 21 Canadian cities with 69 city-to-city connections, compared to Air Canada and its regional carriers, which serve 70 cities in Canada with 140 direct city-to-city links.



Reporting that intense low-cost competition on short-haul flights had shriveled its own market share, Air Canada in turn announced it was entering the discount market and launched negotiations with Skyservice for a partnership in its start-up carrier, Roots Air. After 39 days of operation, Roots Air service was halted.

Passengers were by no means left at the gate throughout this corporate reshuffling of Canadian airspace. The emergence of discount alternatives broadened the public's air travelling range of options on major routes in terms of quality as well as quantity. Acknowledging the heightened public concern about deteriorating quality of service, Air Canada issued a 180-day commitment in August 2000 to fix its problems and re-establish a higher level of customer satisfaction. In May 2001, the carrier followed through on a promise and unveiled its long-awaited Customer Service Plan, the centrepiece of the carrier's evolving efforts to strengthen its communications policies and better respond to and compensate passengers with legitimate complaints.

As developments in the air industry continue to unfold, it is obvious that the Commissioner's office is playing an increasingly important role. This is reflected in the larger number of consumer complaints being received. As this report indicates, air travel consumers expect and deserve quality service for their money, not only from the country's largest airline but also from every carrier with whom they choose to fly.



AIR TRAVEL COMPLAINTS COMMISSIONER

“There is definitely a need for an Air Travel Complaints Commissioner in Canada, and I am pleased to say that my first (and, no offense, but hopefully last!) interaction with your office was straightforward, helpful, and effective.”

Passenger, May 2001

Office of the Air Travel Complaints Commissioner

The Commissioner’s primary mandate is to respond to and attempt to resolve complaints raised by consumers against domestic and foreign air carriers that operate to, from or within Canada. By establishing a clear determination of the facts involving a complaint and acting as a mediator when no other remedy can be found, the Commissioner serves as a bridge between disputing parties.

In addition, the compilation and analysis of the complaints by the Commissioner on a biannual basis provides an invaluable and unique source of information for both the air travel industry and the travelling public. The data collected and analysed by the Commissioner helps to establish solid service standards that benefit the entire air travel industry. At the same time, Canadians are provided with information that they need to measure the quality of service they receive.

Mandate

- To review and attempt to resolve written air travel complaints that have not already been resolved by an air carrier to the satisfaction of the air travel consumer, in circumstances where no other remedy exists.
- To mediate or arrange for mediation of air travel complaints when appropriate and provide a report to the complainant and the air carrier.
- To provide a report, at least twice yearly, to the Governor in Council through the Minister of Transport.

Section 85.1, *Canada Transportation Act*



Canadian Transportation Agency

Under section 85.1 of the *Canada Transportation Act*, the office of Commissioner is a part of the Canadian Transportation Agency, a quasi-judicial administrative tribunal that regulates various modes of transportation under federal jurisdiction, including air, rail and marine.

With the powers and rights of a superior court, the Agency can issue binding decisions in the handling of complaints that involve a possible contravention of various regulations the Agency administers. Some categories of complaints, such as issues of pricing, unreasonable terms and conditions of carriage and allegations of unruly passenger behaviour are referred directly to a panel of Agency Members.

In terms of air travel complaints, the Agency deals with five key areas:

Accessible Transportation: Undue obstacles

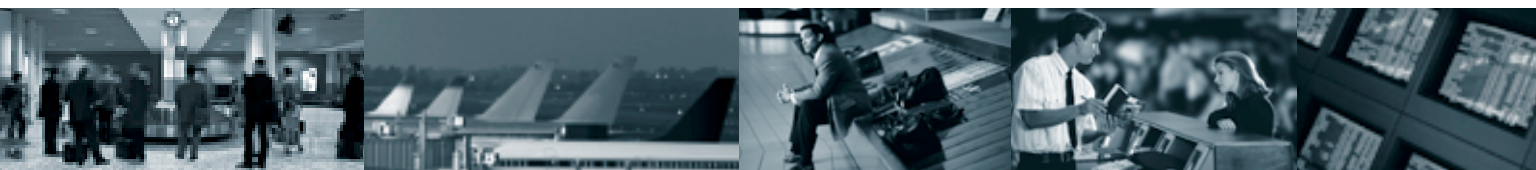
Pricing: On routes with no or limited competition, the Agency may order a carrier to reduce a fare or cargo rate and, if practical, issue a refund if the Agency determines the price of either to be unreasonable. The Agency may also take action if it is determined that an inadequate range of fares or rates has been offered.

Tariffs: If the Agency finds that a carrier has failed to apply any of its terms and conditions of carriage as published in its tariff, it can order the carrier to apply those terms and conditions and, if appropriate, reimburse a passenger for any expenses incurred. The Agency may also act on complaints in cases where a passenger feels that a carrier's terms and conditions are unreasonable.

Unruly Passengers: In terminals or on board flights

Reduced service: A second-last or last carrier serving a community must provide a specified period of notice if it discontinues service on a route or significantly reduces frequency of service.

Complaints involving some Agency-related issues such as airfares on domestic routes where there is no or only limited competition are included in the Commissioner's findings.



Complaint Process

The Commissioner handles a wide range of complaints about air travel experiences and seeks to resolve disputes through effective dialogue and co-operation. To assist in the investigation of a complaint, the Commissioner has the authority to request that a carrier produce any document or record that is relevant to a complaint.

The majority of complaints handled by the Commissioner involve issues that relate to the quality of service provided by a carrier; baggage handling; and flight schedules.

A letter of complaint frequently contains more than one issue. For example, a passenger who complains about a lack of proper access for a disabled passenger, an issue that falls under the purview of the Agency, is also likely to comment on other issues that arose during the encounter, such as the attitude of a discourteous airline employee. In cases of overlapping or multiple jurisdictions, issues that pertain to the Commissioner's mandate are dealt with by the Commissioner and the remaining issues are forwarded to the appropriate federal or provincial authority.

Under the Commissioner's complaint handling process, complainants are required to submit a formal written complaint by mail, fax, electronically by e-mail or by completing an official complaint form on the Agency's website.

Mission Statement

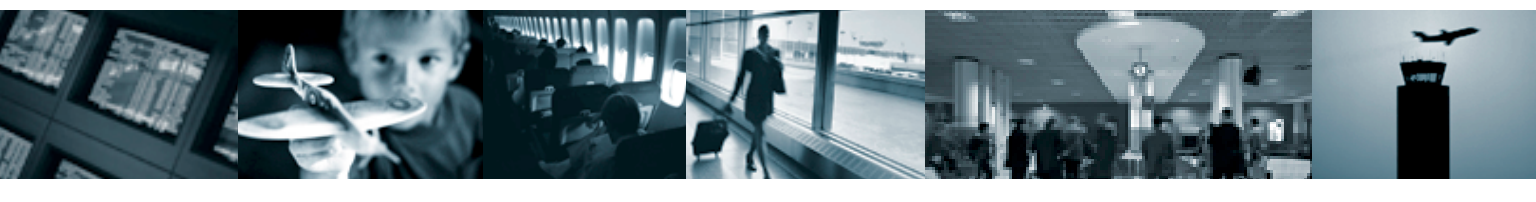
To facilitate the resolution of each air travel complaint in a timely manner to help improve the level of customer satisfaction with air travel.

Like most businesses, airlines realize that commercial success relies on the quality of the services they provide to their paying customers. Typically, most large or medium-sized air carriers employ customer service representatives who are especially designated and trained to handle complaints from passengers using the carrier's service.

The Commissioner recommends that a dissatisfied consumer first contact the air carrier with a documented complaint to give the carrier an opportunity to resolve the issue on its own. If a complainant does not follow that procedure and instead sends the written complaint to the Commissioner alone, the complaint is recorded as a Level One complaint and forwarded to the carrier.

If the carrier does not settle the dispute at that stage, the Commissioner will re-open the matter at the consumer's request, moving it to Level Two complaint for resolution.

In many cases, consumers turn to the Commissioner for help after attempts to resolve a dispute on their



own have failed. These complaints are also classified as Level Two complaints. In most of these cases, the Commissioner's office will launch an investigation to gather the facts needed to achieve a satisfactory resolution to the problem. If necessary, and only as a last resort, the Commissioner can mediate or arrange a mediation to settle the matter.

The Commissioner's office is comprised primarily of employees from the Complaints Investigation Division, a branch of the Agency. During the second reporting period, the staff included five complaint officers, six complaint investigators, an assistant and a manager. The Commissioner may also seek assistance from other Agency-based personnel for guidance on specific issues such as tariffs and pricing matters or for legal advice.

Initiatives

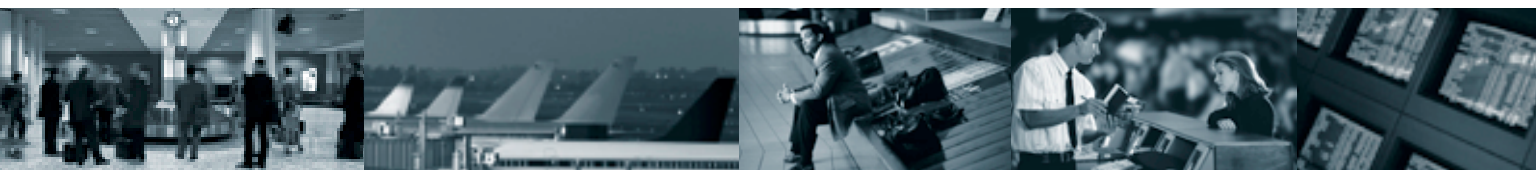
The Commissioner works from the premise that fully informed air travellers are not only more aware of their responsibilities, they are also more in control of their particular circumstances and better able to avoid or deal with difficulties they might encounter. Similarly, air carriers that are sensitive to the needs of their passengers are more capable of avoiding disputes in the first place, or at least better able to settle complaints in a prompt and respectful way.

Accordingly, an open and flexible relationship with the public and the air travel industry is of vital importance. To achieve the broadest reach of the air travel spectrum, the Commissioner's office employs a number of communications and information-sharing initiatives to serve and inform as well as to respond to the public and the air travel industry.

During the first year of operation, more than 10,000 consumers telephoned a toll-free call centre (1-888-222-2592) staffed by bilingual agents who respond to questions and handle orders for publications concerning the Agency, the Commissioner's office, the complaints process and other matters related to air travel.

An Air Travel Complaints website (www.cta.gc.ca) offers access to information about the Commissioner's office and the Agency; the complaints handling process; the air travel industry, including telephone and fax numbers and addresses of customer service representatives of various carriers; and various helpful Agency publications such as the *Air Travel Complaints?* pamphlet and the *Fly Smart* brochure. Consumers with Internet access can either file a complaint online or download a complaint form to mail or fax to the Commissioner. Between July 5, 2000 and June 30, 2001, a total of 1,126 formal complaints, or 39 per cent of the total, were filed electronically.

In response to the growing interest in the role and unique function of the office across the country and throughout the world, the Commissioner speaks to various organizations and conducts numerous interviews



for newspapers and other print media in addition to his appearances on radio and television talk shows. As well, the Commissioner is represented within Agency's presentations at trade and travel shows across Canada.

To announce the release of his first report in March 2001, the Commissioner sent letters and e-mails to the 1,248 consumers who had filed complaints with his office during the first reporting period. In turn, the Commissioner received numerous responses. Included along with letters from still unsatisfied complainants, were notes of appreciation including a letter from one complainant who wrote, "Accountability can be a wonderful thing" after the Commissioner intervened in a dispute over lost luggage.

In another follow-up initiative, the Commissioner asked several air carriers to respond to the six recommendations contained in the first report. Results from the voluntary survey are discussed in more detail in the following pages. As well, the Commissioner met with or corresponded with representatives from numerous airlines, in an effort to improve the lines of communication for the betterment of the air travel industry and the public it serves.



PROGRESS REPORT

“Frankly, it’s not in our interest to have only some of the airlines doing a good job. Just like safety, the industry’s service reputation depends on the public having complete confidence in the industry’s commitment to our passengers.”

*Don Carty, Chairman, President and CEO of American Airlines
to a U.S. House of Representatives subcommittee on aviation, June 20, 2001.*

REVIEW OF FIRST REPORT RECOMMENDATIONS

In July 2001, the Air Travel Complaints Commissioner asked several major air carriers serving Canadians to respond to recommendations contained in his report delivered to Parliament four months earlier. The voluntary survey, conducted for information purposes only, covered a range of issues, from the complaint handling process and the public disclosure of service performance records to the more specific issues of baggage handling and changes to flight schedules.

The survey was based on the recommendations that the Commissioner made after his analysis of consumer complaints between July 5, 2000 and December 31, 2000.

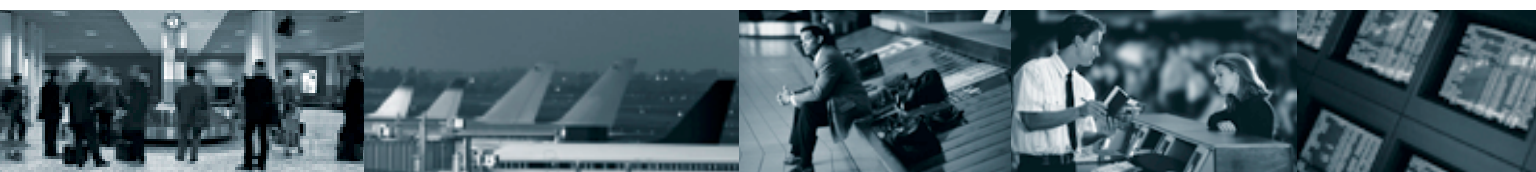
The carriers addressed each recommendation in a cooperative and respectful way. Of the total contacted only two international carriers did not respond. Some measures described by the carriers were already in place at the time of the Commissioner’s report; others are in the planning or early implementation stages.

Highlights of the some of the responses described below are preceded by each of the six recommendations.

RECOMMENDATIONS AND RESPONSES FROM AIR CARRIERS

- 1. The Commissioner strongly recommends that air carriers be more willing to acknowledge that a problem has occurred as soon as that problem has been brought to their attention, and that disputes with their customers be resolved in a more timely and meaningful way.**

Air carriers interpreted this recommendation in two significantly different ways. As the Commissioner intended, American carriers assumed that acknowledging a problem “as soon as that problem has been brought to their attention” means at the first point of contact, when and where the problem has occurred. In contrast, Canadian carriers assumed that the Commissioner had urged air carriers to acknowledge a problem as soon as the passenger files a complaint in writing to their complaint-handling department.



Even so, responses from carriers included a number of creative measures and procedures used to tackle complaint problems. American carriers outlined several “empowerment” initiatives in which front-line employees are authorized to make on-the-spot decisions in order to resolve a dispute. At **United Airlines**, for example, reservation and customer service agents as well as flight attendants are authorized to provide compensation in the form of travel certificates, upgrades and air currency mileage. **Northwest Airlines** provides comment cards to customers to record complaints or compliments and gives passengers the option of sending an e-mail directly to the airline manager where the situation occurred.

Canadian air carriers are increasingly aware of the value of an effective and speedy complaint handling process. **Air Transat** has doubled its number of customer service agents responsible for dealing with customer correspondence and complaints and cut the response time for complaints from a month to within one week of receipt. As a proactive measure, **Air Canada** now has its flight crews report a problem as soon as it occurs, allowing customer service agents on the ground to draft a specific letter of apology that is handed to passengers as they leave the aircraft. The letter, which identifies problems such as malfunctioning toilets and imperfect food, is attached to a “Customer Solutions Information Sheet” which passengers are asked to fill out so that the carrier can send another letter with “a goodwill gesture” to compensate for any disruption.

2. The Commissioner strongly recommends that air carriers immediately inform passengers if there are any changes to scheduled flight times or route diversions—whether their customers are waiting in the terminal, in a plane on the tarmac or in the air.

Air carriers acknowledge that flight delays are among the most pressing problems carriers face in terms of customer relations. **Skyservice Airlines**, a charter carrier with no control over passenger bookings and contacts, prepares a letter of apology, with an offer of compensation as a goodwill gesture, that it delivers to delayed passengers either as they board the aircraft or when they arrive at their destination. Noted a Skyservice spokesperson: “This method seems to work well with appeasing customers as it demonstrates our commitment to service by ... proactively offering compensation instead of reacting to a complaint.”

Many scheduled air carriers are addressing the problem by increasing the frequency of delay announcements. In its Customer Service Plan, **Air Canada** announced that it would provide 15-minute updates in airports and onboard flights and offer Aeroplan points for its 5.7 million members as compensation for flights delayed more than 2.5 hours. **United Airlines**



took customer service one step further and is installing flight information screens that display up-to-date information and options for other flights, *including other airlines*. Like an increasing number of air carriers, the airline informs passengers of flight changes with a pro-active paging system that includes e-mail, cellular phone, personal digital assistant or alphanumeric pagers.

3. The Commissioner strongly recommends that air carriers provide passengers with easier access to terms and conditions of carriage as detailed in their tariffs.

Most major foreign airlines—including **Korean Air; US Air; United; Northwest; American Airlines; and KLM Royal Dutch Airlines**—provide copies of their tariff upon request to customers at all sales and airport offices. They also post their terms of carriage on their website.

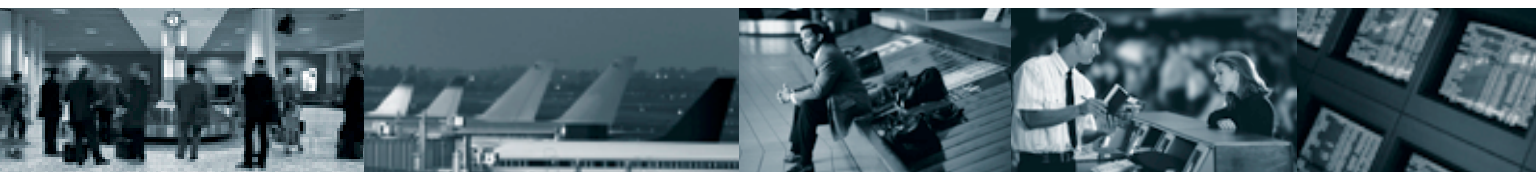
Canadian air carriers are not as forthcoming. **Air Transat** and **First Air** will forward a copy of the applicable tariff upon request. **WestJet** will do the same, but for a fee. **Air Canada** is thinking about posting electronic versions on its website but presently only provides copies upon request at its major ticket offices.

4. The Commissioner recommends that air carriers empower their employees to deal with a wide range of situations.

For air carriers, empowerment is in the eye of the beholder. Most airlines recognize that their front-line employees can no longer hide behind a pass-the-buck excuse when dealing with an irate customer. How much authority and to whom should it be given, however, are often questions of degree, wrapped in a public relations spin.

At one end of the spectrum is **United Airlines**, which empowers all flight attendants, reservation agents and customer service agents to not only handle customer problems and complaints at the first point of contact but also provide a range of compensation, including travel certificates, upgrades, air currency and mileage. At the other end of the spectrum are those airlines that restrict decision-making to senior management.

In between are varying arrays of “customer first” policies. **US Air**, for example, has implemented a Customer Relations Program in every airport that empowers employees to resolve a wide range of consumer problems, including compensation if appropriate, at their first point of contact. **First Air** authorizes its employees to make on-the-spot decisions based on the philosophy that “when in doubt, make a decision that supports the customer.” **British Airways** instigated an



‘Improve the Experience’ empowerment program with the objective of resolving customer issues in one telephone call without having to resort to a higher authority.

Air Canada provides its front-line employees with a three-step process to deal with customer concerns. According to the carrier: “If the agent is unable to provide an equitable solution acceptable to the customer, a trained lead agent will further assist the agent on the customer’s behalf. The lead agent, in turn, can call on the assistance of a customer service manager if required. The goal is to avoid transferring our customer and to provide better customer service.”

5. The Commissioner recommends that air carriers find a better system of handling luggage and finding it when it is lost or delayed.

Baggage is the bane of every air carrier. There is even an acronym—PAWOBS—for passengers arriving without baggage. Most major air carriers use the services of companies that specialize in tracking lost luggage, in addition to increasingly sophisticated technology on the ground. **Northwest Airlines**, for example, is testing radio frequency technology for tracing purposes to scan luggage as it is loaded onto the aircraft. In early 2001, **Air Canada** centralized its baggage operation in Montreal and implemented the first phase of a Precision Loading System in Toronto that uses hand-held scanners to improve baggage tracing.

6. The Commissioner recommends that air carriers make available regular and timely reports of their service performance.

The U.S. Department of Transportation publishes service performance indicators of major American carriers on its government website. The monthly compulsory records include on-time performance (arrivals and departures) records, as well as incidents of lost and delayed luggage, denied boarding or overbooking and flight cancellations. Many carriers, including **United Airlines**, **US Airways**, and **Northwest Airlines**, also publish the data on their own websites. **American Airlines** has grouped the statistics under easy-to-read service categories on its website.

Canadian air carriers are not legally required to report statistics about their performance service—and, with the exception of **WestJet**, apparently have little intention of voluntarily supplying the information. **Air Transat** wrote to the Commissioner that it was not prepared to act unilaterally by publishing its own service performance but suggested that the proposal be sent to the Air Transport Association of Canada (ATAC) for consultation.



Air Canada replied that it considers performance service records to be of a competitive nature and thus confidential information. Further, the airline stated that it does not support “public comparison” to other carriers. In the air carrier’s opinion, a comparison of a major carrier such as itself to smaller carriers with fewer aircraft and limited, if any, interline agreements and alliances would be “inappropriate and inaccurate, not to mention misleading.”

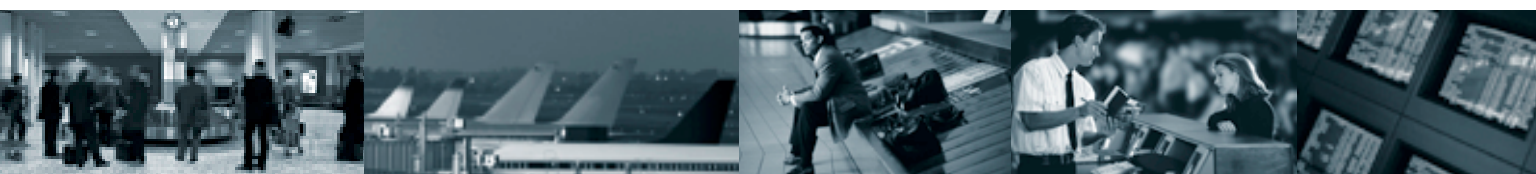
WestJet publishes a selective sampling of statistics on its website, telling the public that the carrier “wants you to know how we measure up.” Included in the statistics are the percentages of **WestJet** flights that arrive on time (85.56 per cent) and the percentage that were cancelled (0.57 per cent) over a 12-month period ending in March 2001. The site also includes rolling 12-month and 30-day averages of the number of flights and the percentages of on-time arrivals and cancellations.

OTHER INITIATIVES

Air Travel Complaints Commissioner’s Initiative: In June 2001, the Commissioner and senior Agency staff participated in a Forum on Canadian Air Transportation Statistics sponsored by Transport Canada and involving key stakeholders in the air industry. In an Agency submission following the forum, the Commissioner elaborated on the data needed to fulfill the intent of the recommendations made in his first report, outlining key statistical areas that would enhance the evaluation process of air carrier services for consumers.

Covering domestic, international and transborder flights, the data required would be reported by air carriers on a quarterly basis, four to six weeks after the end of each quarter and would include:

- a. On-time performance (arrival and departures) of major Canadian scheduled carriers by airport, by time of day, by city pair;
- b. Lost and delayed luggage, including retrieval times;
- c. Incidents of denied boarding (e.g. overbooking);
- d. Flight cancellations and rescheduling;
- e. Number and nature of consumer complaints, in meaningful and carefully defined categories;
- f. Number of enplaned passengers; and
- g. Number of seats that carriers make available by each fare category for each market served by the carrier.



Other Countries: Airlines in Europe have developed the *Airline Passenger Service Commitment* following consultation with representatives of air travellers, European governments and the European Commission. The agreement contains non-legally binding commitments to deliver defined standards of service to air travellers. The code covers 14 areas before, during and after travel and describes the level of service air travellers may expect consistently from signatory airlines.

In the United States, legislators are reviewing the results of the voluntary actions of the airlines in a landmark effort to collectively further address customer service needs brought to their attention in early 2000.



“A passenger is not very interested in yesterday’s statistics—rather, today’s performance.”
Passenger, E-mail to the Commissioner, January 2001

FINDINGS

In as pleasant and uneventful way as possible, air travellers want to arrive at their destination safely, on time, and with all of their belongings intact. When this does not happen for whatever reason, passengers expect a courteous explanation, an apology and, if warranted, prompt and proper compensation. On its own, an individual complaint is an isolated incident. A combination of voices expressing dissatisfaction with a specific aspect of the air travel industry is a signal of a much larger problem.

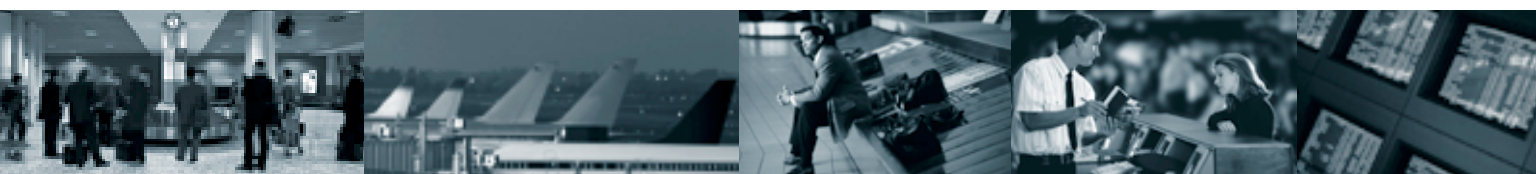
A breakdown and analysis of the number and nature of complaints received by the Commissioner’s office during its first year of operation offers more than valuable insights into the state of Canada’s air travel industry. By establishing a benchmark of service standards, passengers are better able to understand their rights, as well as their responsibilities. By reviewing complaints, carriers in turn have the opportunity to take the appropriate action to improve their performances.

The findings of this report include a comparative breakdown of statistics compiled over two reporting periods. Statistics from the most recent reporting period, between January 1, 2001 and June 30, 2001, stand as a snapshot of the post-acquisition period after Air Canada purchased its rival, Canadian Airlines International Ltd. However, an even more comprehensive picture of the air travel industry emerges when those statistics are compared to and combined with the findings of the first reporting period, from July 5, 2000 to December 31, 2000.

Detailed analysis of air travel complaints between July 5, 2000 and December 31, 2000 are contained in the Commissioner’s first report, which is available on the Agency’s website or by mail upon request. The format of the Commissioner’s second report has been revised to reflect the expansion of some issues and to introduce new elements of comparative study.

The Commissioner’s reports focus on domestic and foreign carriers that operate to, from or within Canada. As of December 31, 2000, a total of 884 Canadian carriers, 764 U.S. carriers and 109 carriers from other nations operated under a variety of licences issued by the Agency. Only those carriers with complaints registered against them between July 5, 2000 and June 30, 2001 are included in the report.

Breakdowns of some categories as well as other information are included in an Appendix, rather than within the main body of the report. Whenever possible, the findings in the Appendix are synopsised in the



relevant categories. As well, percentages in all categories have been rounded to the nearest decimal point. In some instances, the total percentage may not equal 100 per cent.

Changes in the air travel industry, such as the emergence of new carriers and routes and the disappearance of others through acquisitions, mergers or the discontinuation of services, could arguably affect some figures. But those changes are part of the normal ebb and flow of any business environment, no less so than of an industry that is still in a relative state of flux.

*"I know that most people are very angry at the time,
but when it actually comes time to put pen to paper, they can't be bothered.
I was always told that one letter speaks for approximately 250 people,
so if just one or two take the time to contact your office it will all be worth it."
Passenger, Letter to the Commissioner, June 2001*

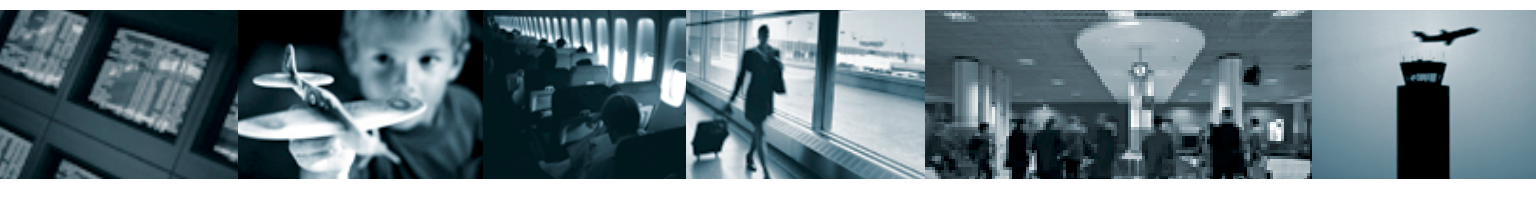
NUMBER OF COMPLAINANTS

The Commissioner received 1,664 written complaints from individual air travel consumers between January 1, 2001 and June 31, 2001, an increase of 33 per cent over the previous six-month reporting period.

Of those, the Commissioner dealt with 1,474 written complaints, or 88 per cent of the total. The remaining 190 complaints were outside the Commissioner's jurisdiction and were forwarded to the appropriate federal or provincial authority, including the Agency.

During the first year of operation, individual complaints totaled 2,912. By comparison, the Agency received 169 complaints in 1999, or 17 times fewer than the number of complaints received by the Commissioner.

Jurisdiction of Complaint	Number of Complaints Received		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
ATCC	1129	1474	91.0	88.0	30.6
Agency	64	93	5.0	6.0	45.3
Other Jurisdiction	55	97	4.0	6.0	76.4
Total	1248	1664	100.0	100.0	33.3



Since July 5, 2000, the Commissioner acted upon a total of 2,603 complaints, or 89 per cent of the total number received. Overall, 43 per cent of complaints under the Commissioner's jurisdiction were resolved at the close of the second reporting period.

The Commissioner estimates that he receives less than 2 per cent of the total number of complaints received by air carriers, based on conversations with them. However no firm numbers are available, as carriers do not publicly divulge statistics involving complaints.

The increased volume of complaints suggests a growing public awareness of the Commissioner's role in the handling and resolution of air travel complaints. Similarly, the dramatic increase in the 12-month total over complaints received by the Agency in previous years illustrates the obvious need for the kind of dispute resolution process that the Commissioner provides.

COMPLAINT CLASSIFICATION

For the purpose of analysis, complaints sent to the Commissioner are divided into three broad categories: Level One, Level Two and other Jurisdictions.

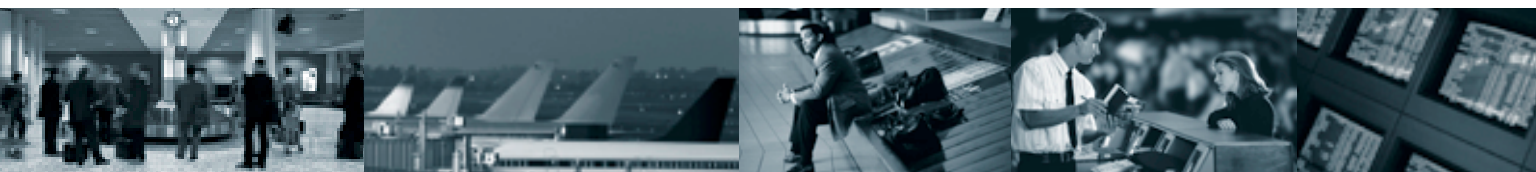
Level One Complaints: These complaints are from passengers who wrote directly to the Commissioner without first contacting the carrier in question, or who wrote to both the carrier and the Commissioner at the same time.

Complaints investigation staff send complaints of this nature to the carrier to resolve within 60 days and, in turn, copy the reply to the Commissioner. Further intervention by the Commissioner is only necessary if the carrier does not respond or if a complainant is dissatisfied with the carrier's reply. If that happens, the complaint returns to the Commissioner and is designated as a Level Two complaint.

Level One complaints represented 59 per cent of the total number of complaints during the second reporting period. By the end of the period, 58 per cent of the files were closed, virtually all of them with a reasonable or partially reasonable settlement. *

Over a one-year period, the 1,680 Level One complaints received by the Commissioner represented 58 per cent of the total number of complaints.

*(Please see details in the Appendix under Findings, Level One Status and Settlement graphs)



Level Two Complaints: These complaints are from passengers who turned to the Commissioner for help after they had contacted the carrier and either were not satisfied with the carrier's response or did not receive a reply within the specified time frame.

Level Two complaints are analysed by officers of the Complaints Investigation Division to ensure that the file includes all of the pertinent documentation, including details of the incident and the type of recourse being sought by the complainant. Before proceeding with an investigation, the carrier's tariff is reviewed, precedents are identified and additional information is sought when necessary. If the Commissioner determines that no further action is warranted, the complainant is advised accordingly and the file is closed.

If further action is warranted, the carrier in question is asked for written comments on the issues raised in the complaint. During the course of the investigation, the Commissioner's office works closely with the carrier and the complainant to try to obtain a satisfactory resolution. If no solution is found, the Commissioner may deal directly with the carrier on an issue.

During the second reporting period, 468 complaints, or 28 per cent of the total, fell under this category. Only 11 per cent were resolved by the end of the second reporting period, largely because of the length of time required to investigate and settle each complaint. Work on these complaints is continued until they are resolved.

In every instance, complaints that were resolved concluded with a reasonable settlement that either satisfied or partially satisfied more than 70 per cent of the complainants.*

During the 12-month reporting period, the 842 Level Two complaints processed by the Commissioner represented 29 per cent of the total number of complaints.

*(Please see details in the Appendix under Findings, Level Two Status, Settlement and Satisfaction graphs.)



Level Type	Number of Complaints Received		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Level One	701	979	56.0	59.0	39.7
Level Two	374	468	30.0	28.0	25.1
Other Jurisdiction	173	217	14.0	13.0	25.4
Total	1248	1664	100.0	100.0	33.3

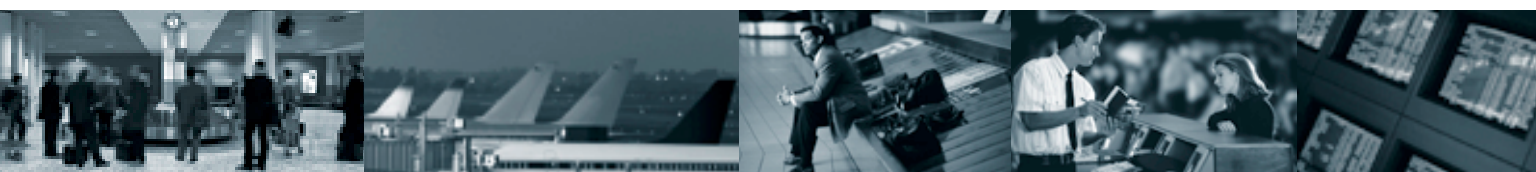
Other Jurisdiction: These complaints did not fall within the Commissioner's jurisdiction. In other instances, they were of a general nature, such as a comment, and did not require further intervention.

Complaints that deal in whole or in part with issues that are the responsibility of other government departments or agencies are forwarded to the relevant authorities. For example, safety or transportation policy issues are referred to Transport Canada; issues of false advertising or anti-competitive behaviour are passed on to the federal Competition Bureau; and complaints involving tour operators or travel agencies are sent to the appropriate provincial authority.

While many complaints that deal in whole or in part with regulatory matters are handled under the Commissioner's informal process, some categories of complaints are referred directly to a panel of Canadian Transportation Agency Members. These categories include complaints involving accessible transportation; discontinuance of a domestic air service; pricing; unreasonable terms and conditions of carriage; and allegations of unruly passenger behaviour, commonly known as air rage.

Finally, complaints or comments that do not refer to a specific flight or incident and are of a more general nature are acknowledged and recorded. The Commissioner periodically sends these letters to the appropriate carrier for their information purposes.

Complaints of this nature represented 13 per cent of the total number of complaints for the second reporting period as well as over the entire year.



COMPLAINTS AGAINST CARRIERS

Complaints against Canadian Carriers:

Five carriers accounted for the bulk of complaints filed against 13 Canadian carriers during the second reporting period, with 1,484 complaints or 96 per cent of the total for Canadian carriers. Air Canada and its regional affiliates alone were named in 74 per cent of the total number of complaints. Overall, complaints against Canadian carriers rose by 37 per cent from the first six months of the Commissioner's term.

Statistics for some air carriers have been adjusted to reflect the changes in the air travel industry since the end of the first reporting period. For example, overlapping complaints involving Canadian Airlines have been added to Air Canada statistics and are identified simply as totals for Air Canada. As well, statistics for Air Ontario, Air Nova, Air BC, Air Alliance and Canadian Regional have been combined and are now reflected in the total number of complaints against Air Canada Regional.

Canadian Air Carrier	Number of Complaints Received		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Air Canada	897	1088	79.5	70.3	21.3
Air Canada Regional	30	57	2.7	3.6	90.0
Air Transat	69	162	6.1	10.5	137.8
Canada 3000 Airlines	53	103	4.7	6.7	94.3
Royal Aviation	30	74	2.7	4.8	146.7
Skyservice	11	12	0.9	0.8	9.1
WestJet	2	5	0.2	0.3	150.0
Other Canadian Carriers	25	32	2.2	2.1	28.0
No Specific Carrier Identified	22	26	2.0	1.7	18.2
Total	1128	1547	100.0	100.0	37.0

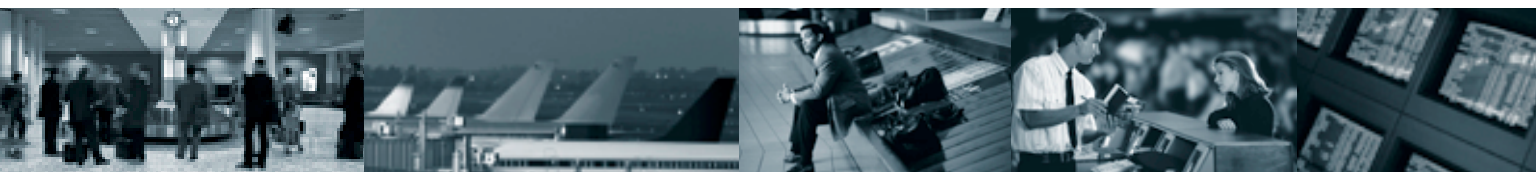


As might be expected, Air Canada and its affiliates, the dominant carrier in Canada in terms of size and passenger volume, accounted for the majority of complaints with a total of 1,145 or 74 per cent of total complaints against Canadian carriers, and 69 per cent of complaints against all domestic and foreign carriers. Of the total complaints, 57 were filed against Air Canada's regional affiliates, almost double the number received during the first reporting period.

Five regional and charter carriers accounted for 356 complaints, or 23 per cent of the total number of complaints against Canadian carriers.

Complaints about Air Transat and Royal Aviation more than doubled in the second reporting period. Air Transat increased by 135 per cent, from 69 complaints to 162; Royal Aviation's complaint total climbed by 147 per cent from 30 to 74. Complaints against Canada 3000 Airlines increased by 94 per cent, from 53 complaints in the first reporting period to 103 in the second.

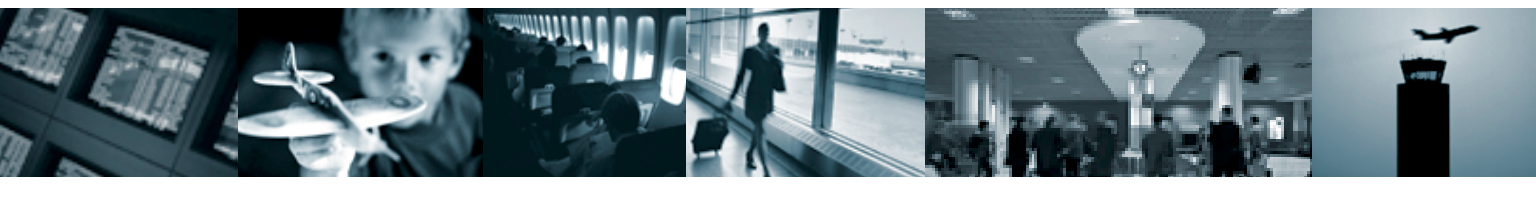
Over a 12-month period, Canadian carriers garnered a total of 2,675 complaints, or 92 per cent of the total number received by the Commissioner, with Air Canada and its affiliates accounting for 2,072 complaints or 71 per cent.



Complaints against Foreign Carriers:

Foreign carriers accounted for only 7 per cent of the total complaints during the last six months and 8 per cent over the entire 12-month reporting period. Twenty-two of the more than 850 foreign carriers licensed by the Agency received 75 per cent of the total number of complaints of those lodged in their category.

Foreign Carrier	Number of Complaints Received		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
United Airlines	3	11	2.5	9.5	266.7
KLM	7	10	5.8	8.6	42.9
American Airlines	16	8	13.3	6.9	- 50.0
Continental Airlines	1	8	0.8	6.9	700.0
Lufthansa	9	8	7.5	6.9	-11.1
Alitalia	9	6	7.5	5.2	-33.3
British Airways	6	6	5.0	5.2	0.0
Mexicana Airlines	1	4	0.8	3.5	300.0
Alaska Airlines	1	4	0.8	3.5	300.0
Royal Air Maroc	3	4	2.5	3.5	33.3
US Air	5	3	4.2	2.59	-40.0
Air France	6	3	5.0	2.6	-50.0
China Airlines	0	3	0.0	2.6	300.0
Ansett Aviation	0	3	0.0	2.6	300.0
Olympic Airways, S.A.	4	3	3.3	2.6	-25.0
Cathay Pacific	0	2	0.0	1.7	200.0
Cubana	4	2	3.3	1.7	-50.0
Delta Air Line	1	2	0.8	1.7	100.0
El Al Israel Airlines	0	2	0.0	1.7	200.0
LACSA	11	2	9.1	1.7	-81.8
Northwest Airlines	3	2	2.5	1.7	-33.3
Other	30	20	25.0	17.2	-33.3
Total	120	116	100.0	100.0	-3.3



NATURE OF COMPLAINTS

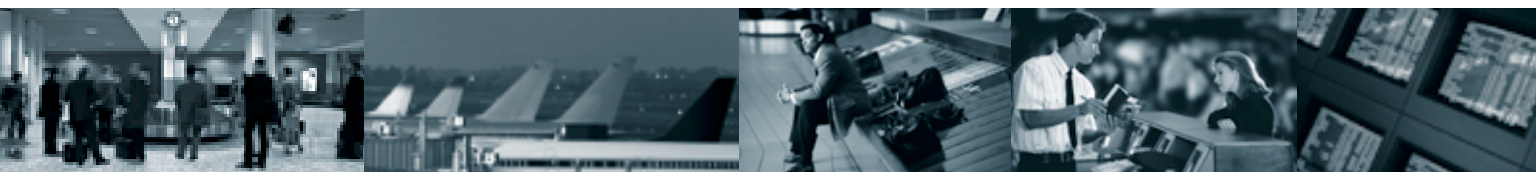
Complaint Issues: All Carriers

Air travellers who wrote to the Commissioner during the second reporting period complained about 4,542 separate issues in 16 different categories, a 29-per-cent increase in the number of issues over the first six months.

A total of 8,057 separate complaint issues were raised throughout the Commissioner's first 12 months. Since passengers usually list more than one issue in their complaints, the total number of issues is significantly greater than the total number of individual complaints.

Overwhelmingly, passengers once again complained most about the quality of service they received at some point of their air travel experience either before, during or after their flight.

Issue Type	All Carriers Number of Issues		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Quality of Service	1582	1892	45.0	41.7	19.6
Flight Schedule	669	827	19.0	18.2	23.6
Baggage	406	439	11.6	9.7	8.1
Ticketing	163	260	4.64	5.72	59.51
Reservations	112	255	3.2	5.2	127.7
Frequent Flyer Program	122	238	3.47	5.24	95.08
Safety	100	203	2.9	4.5	103.0
Denied Boarding	111	170	3.2	3.7	53.2
Airfares	152	153	4.3	3.4	0.7
Charges (services/taxes)	27	39	0.8	0.9	44.4
Unruly Passengers	14	28	0.4	0.6	100.0
Cargo	28	21	0.8	0.5	-25.0
Unaccompanied Minors	12	11	0.3	0.2	-8.3
Allergies	4	5	0.1	0.01	25.0
Other	13	1	0.4	0.0	-92.4
Total	3515	4542	100.0	100.0	29.2



Similarly, complaints about flight scheduling and baggage issues dominated letters written to the Commissioner. Together, the three issues accounted for 70 per cent of the total number of issues raised during the second reporting period.

Increases in complaints about other issues are noteworthy. In particular, complaints involving ticketing issues, which include penalty fees, restrictions, travel vouchers, refunds and lost tickets, rose by more than 50 per cent. Complaints about frequent flyer programs almost doubled, even though issues in that category represent little more than 5 per cent of the total number of issues. Under the reservation category, complaints about availability of seats, cancellation of tickets or failure to deliver pre-confirmed seating more than doubled, from 112 to 255. Complaints in the denied boarding category, which includes over-booking or late check-ins increased by more than 50 per cent, from 111 to 170.

Complaint issues in other jurisdictions included issues involving safety, the seventh most common complaint issue, which doubled in the second reporting period. Airfares remained virtually the same at 153 while air-rage issues doubled, from 14 to 28. Cargo issues fell by 25 per cent, as did issues involving unaccompanied minors, which fell by 8 per cent.

Complaint Issues: Air Canada and Affiliates

Passengers who complained about Air Canada most often pinpointed the same three issues that dominated complaints during the Commissioner's first six months, when the air carrier was in the midst of the turbulence created by its acquisition of Canadian Airlines. This time, the quality of service provided by Air Canada was called into question by complainants in more than 40 per cent of the issues raised, followed by the airline's scheduling and baggage handling procedures.

The proportion of complaints in the top three issues, however, has remained constant over the two reporting periods. In fact, the number of complaints involving the issue of flight scheduling actually decreased by about 2 per cent. An equal number of people complained about baggage during the second reporting period as did in the first six months. In the quality of service category, the number of complaints increased of by 7 per cent.

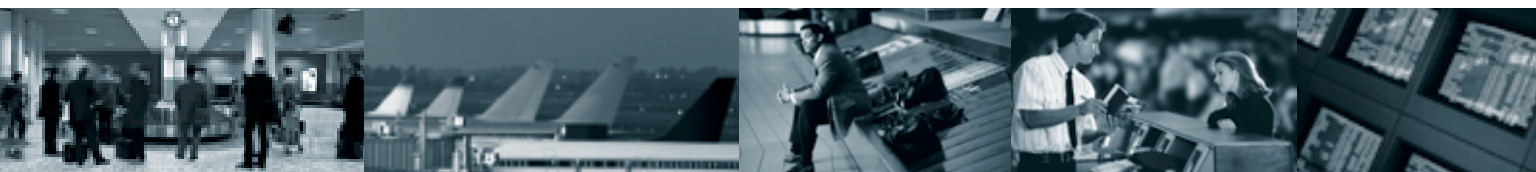
There was a significant increase in the number of complaints that involve Aeroplan, Air Canada's frequent flyer program. Although complaints about the program represented little more than 7 per cent of the total against the carrier, consumers lodged almost twice as many complaints during the second period as they did in the first. Among the reasons for the increase in the number of complaints were Air Canada's lack of sufficient staffing, as well as the continued integration of Canadian Airlines' frequent flyer program. Aeroplan was the fourth most frequently mentioned issue in complaints against Air Canada.



Other noticeable increases were complaints about Air Canada's reservations procedure, which also more than doubled. Ticketing, the fifth most common issue, increased by 63 per cent while complaints from passengers who said they were denied boarding increased by 79 per cent.

*"My mother's travel agent made reservations for her trip from West Palm Beach Florida to St. John's. The leg from Boston to St. John's was on Air Canada. When my mother called Air Canada to reconfirm her reservations the day before leaving West Palm Beach, the alert agent realized that my mother was saying "St. John's" but the reservations on the computer were to "Saint John." He clarified this and managed to correct the reservations. Had he not caught the travel agent's mistake, an 86-year-old woman would have had a disastrous trip ending up in a strange city. Kudos to Air Canada and the agent."
Passenger, Letter to Air Canada and the Commissioner, October 2000.*

Issue Type	Air Canada and its Affiliates Number of Issues		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Quality of Service	1216	1301	45.7	41.5	7.0
Flight Schedule	514	506	19.3	16.1	-1.6
Baggage	298	298	11.2	9.5	0.0
Frequent Flyer Program	119	230	4.5	7.3	93.3
Ticketing	116	189	4.4	6.0	62.9
Reservations	91	186	3.4	5.9	104.4
Fares	137	137	5.2	4.4	0.0
Denied Boarding	72	129	2.7	4.1	79.2
Safety	37	90	1.4	2.9	143.2
Charges	11	30	0.4	1.0	172.7
Cargo	21	20	0.8	0.6	-4.8
Unaccompanied Minors	9	7	0.3	0.2	-22.2
Unruly Passengers	8	12	0.3	0.4	50.0
Allergies	4	3	0.2	0.1	-25.0
Other	6	0	0.2	0.0	-100.0
Total	2653	3138	100.0	100.0	18.0



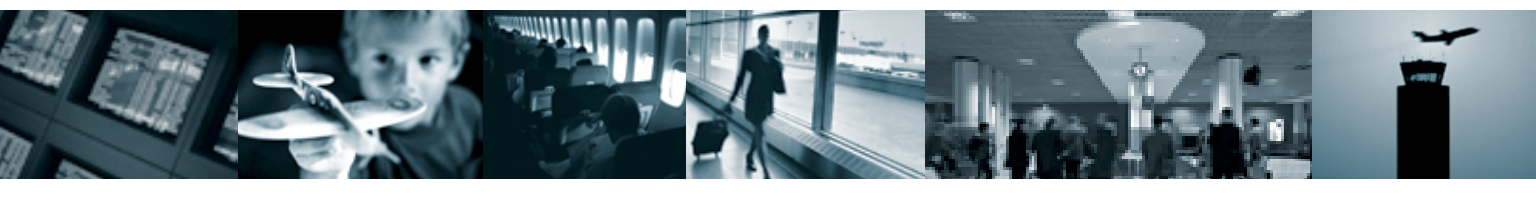
Complaint Issues: All Other Canadian Carriers

In the first reporting period, 559 issues were cited in complaints against other Canadian carriers, compared to 2,649 against Air Canada. During the second reporting period, the number of complaint issues against the other carriers almost doubled in number, compared to an 18-per-cent increase of issues in complaints against Air Canada. Over a 12-month period, other Canadian carriers accumulated 1,665 issues of complaint or 21 per cent of the total.

Issue Type	All Other Canadian Air Carriers and No Carrier Identified/Number of Issues		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Quality of Service	249	486	44.5	43.9	95.2
Flight Schedule	107	260	19.1	23.5	143.0
Baggage	48	81	8.6	7.3	68.8
Reservations	16	52	2.9	4.7	225.0
Ticketing	23	51	4.1	4.6	121.7
Denied Boarding	22	23	3.9	2.9	4.6
Fares	9	14	1.6	1.3	55.6
Charges	12	8	2.2	0.7	-33.3
Frequent Flyer	2	6	0.4	0.5	200.0
Allergy	0	2	0.0	0.2	200.0
Other	119	204	7.1	12.3	71.4
Total	559	1106	100.0	10.0	97.9

The number of issues raised in the complaints increased in virtually every category. The most common complaint against the smaller carriers concerned quality of service issues, which accounted for 44 per cent of the total issues of complaint.

Complaints that involved flight schedules more than doubled, from 107 complaints in the first reporting period to 260 in the second. Complaints about baggage issues, which accounted for only 7 per cent of the total, increased nevertheless by 69 per cent.

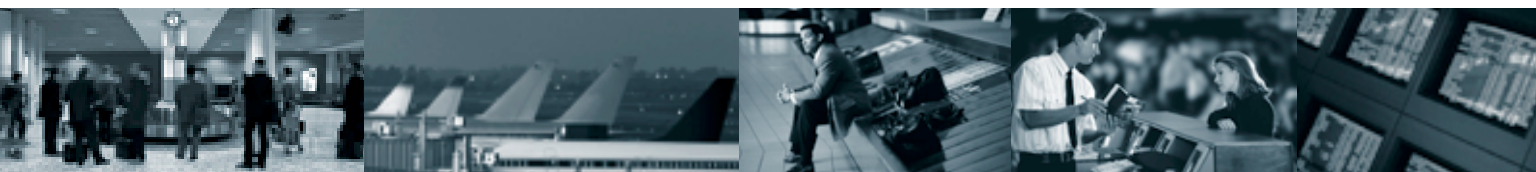


“I travel very extensively (over 200,000 air miles a year) and the key to resolving problems is being able to “vent one’s spleen” to a real person.”
Complainant’s e-mail message to the Commissioner.

Complaint Issues: Foreign Airlines

The number of issues raised in complaints against foreign air carriers remained constant in most categories over the two reporting periods. Exceptions were complaints involving scheduling of foreign flights, which increased by 27 per cent; and reservations, which doubled from eight complaints to 16. Quality of service complaints actually declined.

Issue Type	Foreign Air Carriers Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Quality of Service	117	105	39.4	35.2	-10.3
Flight Schedule	48	61	16.2	20.5	27.1
Baggage	60	60	20.2	20.1	0.0
Ticketing	24	20	8.9	6.7	-16.7
Denied Boarding	16	18	5.4	6.0	12.5
Reservations	8	16	2.7	5.7	100.0
Other	24	18	4.0	3.1	-25.0
Total	297	298	100.0	100.0	0.3



MAJOR AREAS OF DISSATISFACTION

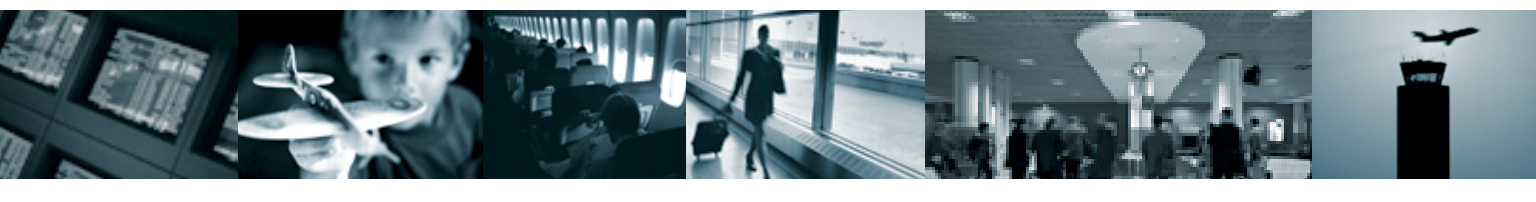
Quality of Service Issues:

Unquestionably, the majority of Canadians with complaints against air carriers that provide a service in this country have a poor regard for the personal quality of service they receive. Complaints about quality of service were leading issues for both domestic and foreign air carriers.

During the second reporting period as well as over a 12-month span more than 40 per cent of complaint issues focused on the quality of air carrier services at differing points of the travel experience.

Issues in the quality of service category included a negative attitude of ground and in-flight personnel lack of communication about delays and cancellations; careless handling of baggage; and interminable waits on the telephone. Complainants also recounted problems encountered in the handling of complaints; the state of the carrier's equipment; line-ups at the check-in counter; and the quality and availability of meals.

Issue Type	All Carriers Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Lack of Communication	528	529	33.4	28.0	0.2
Attitude	390	493	24.7	26.1	26.4
Telephone Delay	180	210	11.4	11.1	16.7
Handling of Complaint	63	184	4.0	9.7	292.1
Line-ups/ Waiting	187	153	11.8	8.1	-18.2
Meals	100	150	6.3	7.9	50.0
Equipment	72	74	4.6	3.9	2.8
Other	62	99	3.9	5.2	59.7
Total	1582	1892	100.0	100.0	19.60



*“If you could somehow encourage and revitalize your employees to want to help your customers, to **respond with respect**, and try to solve their problems without **passing the buck**, it would speak volumes about the sincerity of your customer service initiatives.”*
Passenger in a letter to Air Canada and copied to the Commissioner, May 2001

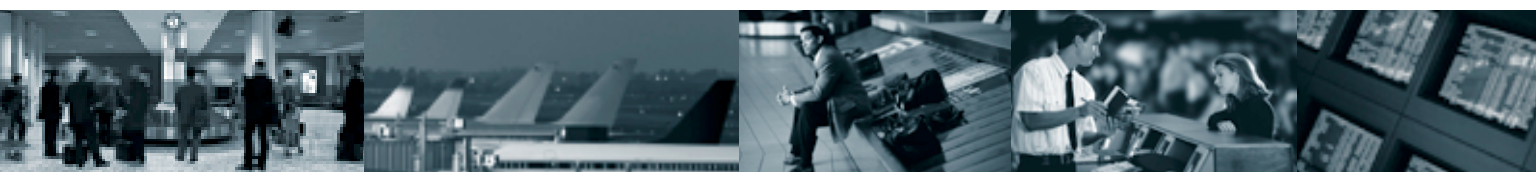
Once again, a lack of communication was the primary irritant, accounting for 28 per cent of the complaints in the quality of service category. More and more Canadians, however, are upset by negative attitudes of some air carrier employees, a category that increased by 26 per cent during the second reporting period. When complaints about telephone delays are added to the mix, the three categories account for almost two-thirds of quality of service complaints.

Increasingly, consumers appear to recognize that they have every right to expect better treatment from air carriers and should complain if they don't get it. Of all the percentage increases, none is higher than the increase in the number of complaints about the *handling* of complaints by air carriers, which almost tripled during the second reporting period. A frequent lament from consumers is that following through on a complaint is often as stressful as the incident that sparked it. As one complainant wrote to the Commissioner: “Many of us feel somewhat intimidated to bring legitimate issues to the attention of the airline.”

A passenger who flew more than 300,000 air miles using 14 different airlines in 2000 wrote a letter to the Commissioner praising Air Canada as the best service airline of the lot. The example he used to illustrate the reason for his accolade may have been a small gesture, but it meant a lot. On a stopover in Honolulu during a three-week, around-the-world trip, the Vancouver business executive left the book he was reading in the seat pocket. He returned to discover that cleaners had taken the book. Assuming the book to be irretrievably lost, he ordered another. “I should have known better. Air Canada not only tracked my book down, they had it waiting for me when I flew into Vancouver on my way home! I was paged and presented with my lost book.”

Although a kind gesture is appreciated when things go wrong, courtesy alone is often not enough to compensate for a problem that could have been averted in the first place. Assigned to a broken seat on a fully booked flight from Toronto to Tel Aviv, a complainant who was forced to hold his infant son in his arms for the entire journey complimented the helpful flight attendant who added cushions to make the seat more comfortable. But as the complainant quite rightly pointed out, the carrier should have repaired the defective seat before the flight departed.

One bright spot: complaints about the kind of interminable line-ups and lengthy waits that plagued the period of adjustment as Air Canada absorbed the operations of Canadian Airlines actually decreased by almost 20 per cent during the second reporting period.



Flight Schedule Issues:

Time is a critical component of any plan involving travel, especially by air. How much time is enough is a question experienced air travellers build into their business or pleasure schedules—whether it is to allot the time needed to check in for a flight, make a connection, retrieve baggage, clear customs or, in Canada, to make allowances for inclement weather.

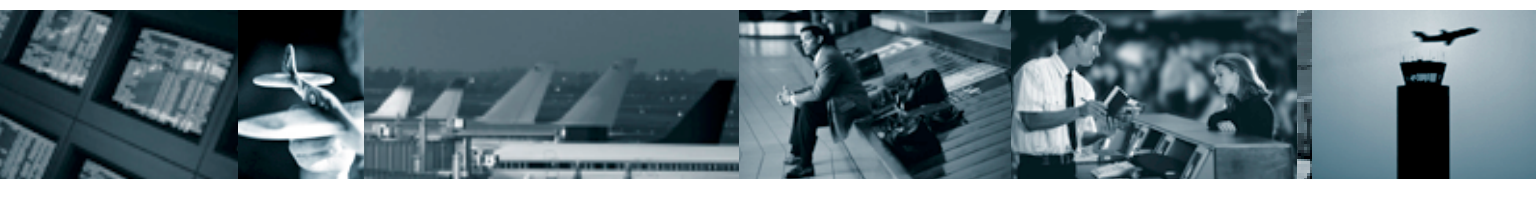
Similarly, air carriers must juggle the unexpected with the unavoidable. Increased congestion on airport runways means air carriers have a much narrower margin of time to fix what has gone wrong or make up for time that is lost through no fault of their own.

Where carrier and customer clash most frequently is in the issue of delays. A majority of 60 per cent of flight schedule complaints involved delays that plague nearly every major air carrier at virtually every airport. Nor is the problem likely to abate. Over a 12-month period, delays accounted for 58 per cent of all complaints involving flight schedule issues.

Most often, passengers who wrote to the Commissioner said that what bothered them most was being left in the dark about the reason for the delay. Others were irked at the runaround they received at from airline personnel about how long the delay was expected to last.

In one complaint, a London, Ontario couple flying to Edmonton for a family gathering sat staring at their parked aircraft through the departure lounge window through a series of seemingly inexplicable delays that lasted six hours. Finally, the carrier's customer service representatives, still offering no reason for the delay, issued lunch vouchers to the couple and more than 120 other waiting passengers. When the passengers returned, the aircraft had not only disappeared from the gate but the flight had been cancelled. Wrote the passenger: "If only you could realize how frustrating (the mildest term I can employ as a descriptor) these indefensible actions were." Only months later, after an intervention by the Commissioner, did the air carrier

Issue Type	All Carriers Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Delay	375	496	56.1	60.0	32.3
Cancellation	193	169	28.9	20.4	-12.4
Revised	101	162	15.1	19.6	60.4
Total	669	827	100.0	100.0	23.6



explain that a progressive delay—caused when mechanics are unable to accurately determine the repair time until each step of the process is completed—was the reason for the hold-up of that particular flight. Perhaps if the passengers had been told that at the outset, the carrier might have had at least two fewer dissatisfied customers.

In two other categories, a decrease by 12 per cent in the number of complaints about flight cancellations was offset by a significant jump of 60 per cent in complaints involving the revision of flight schedules by carriers. Noting that the “cancelled flight” syndrome occurs with some regularity, one complainant questioned why carriers did not have a protocol that placed at least one check point on baggage as well as a crew member who was responsible for ensuring that baggage is transferred from one aircraft to another.

Baggage Issues:

Everyone knows that luggage can get lost or delayed—they just hope it won't be their own.

Despite the limited liability air carriers claim for the delay, loss or damage of baggage, many airlines employ an increasingly sophisticated array of devices to ensure the safe transport and delivery of luggage, including radio frequency scanners to track lost pieces. Still, the consistently high number of complaints about delayed, damaged or lost luggage over a 12-month period suggests that carriers have yet to find a way to assure passengers that their luggage is as important to the carrier as it is to the traveller.

Delayed baggage accounted for almost half of baggage issues in both reporting periods, followed by lost luggage at more than 25 per cent. The largest increase in complaints was damaged baggage, which rose by 47 per cent, from 49 to 72 complaints.

Issue Type	All Carriers Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Delayed	206	210	51.0	48.0	2.0
Lost	119	114	29.2	26.0	-4.2
Damaged	49	72	12.0	16.4	46.9
Excess	17	24	4.2	5.5	41.2
Liability	9	10	2.2	2.3	11.1
Size limits	6	9	1.5	2.1	50.0
Total	407	439	100.0	100.0	7.9

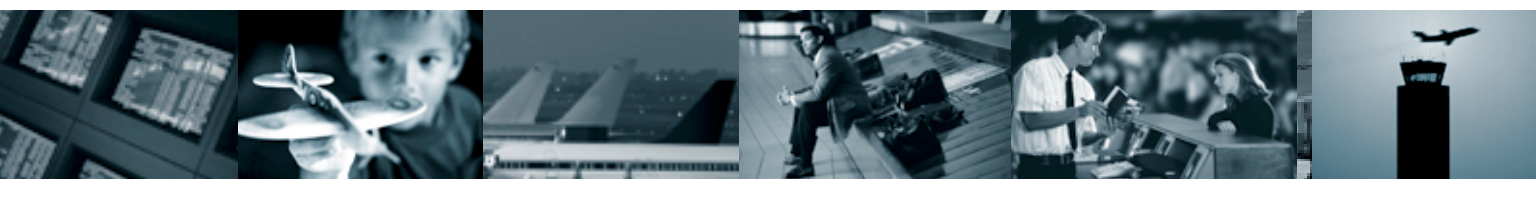


While the actual loss or delay of luggage can cause a high degree of stress and inconvenience, most baggage complaints focus on the attitude of many carriers during the relocation or replacement process. One passenger spent much of his family's California vacation on the telephone tracking down a baby stroller lost in transit. He complained that each call to the airline required a complete recounting of the details, even though he took pains to cite the file number at the beginning of each conversation. "Some of those calls were even answered by the same agent," wrote the passenger. More than two weeks after the family returned home, the stroller was returned without an explanation.

The Complaint: Arriving home from a business trip to Vancouver, a Calgary high tech executive was greeted by the sight of his expensive leather overnight bag chugging forlornly around the Air Canada baggage carousel. Mangled beyond repair, the \$1,200 bag looked as though it had been dragged across the Rockies, with a gaping rip the length of the zipper and a gigantic hole at one shredded end. Noticing that clothing and several personal items had obviously fallen out along the way, the passenger photographed the bag and filed a claim for his lost and damaged goods at the baggage services counter. That was perhaps the last straightforward aspect of his struggle for compensation.

The next day, the passenger took his bag as instructed to a local Air Canada service contractor, where he was told it would take two weeks for a replacement bag to arrive. After several calls over the next two months, the passenger, a frequent flyer, finally purchased a comparable piece of luggage and told the service contractor to suspend efforts to replace the bag. He had more luck with action on his \$1,039 claim for his lost and damaged contents. When the final settlement cheque arrived three weeks later, however, it was for \$590 and not the full amount. In a letter to the Air Canada ombudsman and the Commissioner, the passenger said he was satisfied with the settlement for the lost contents and proposed that he be reimbursed \$918.06 for the replacement bag. "I find it unacceptable that it has taken me over two and a half months for me to be compensated for the loss of the bag," he wrote.

The Resolution: Following the intervention of the Commissioner, Air Canada issued the passenger a cheque for \$910 to cover the cost of the replacement bag--\$8.06 less than the passenger's documented claim.



Frequent Flyer Issues:

Frequent flyer programs have become a popular promotional tool that large air carriers use to develop consumer loyalty. While the premise of the award program is simple—the more air miles passengers pay for, the more “free” air miles they are given for other trips—many frequent flyers find that redeeming those points and booking a seat on the flight of their choice can be a logistical nightmare.

Overall, frequent flyer programs were the fifth most common issue of complaint handled by the Commissioner during the second reporting period. Even more striking, however, was that complaints increased by 95 per cent (from 122 to 238) over the first six months, the largest percentage increase of any complaint issue.

Most complaints within the frequent flyer category involved the two separate issues of redeeming points for air travel and booking a reservation using points. The two issues represented almost half of the category total. The number of complaints about points redemption doubled from the first reporting period to the second, while complaints about booking a reservation more than tripled, from 21 to 77 complaints.

Issue Type	All Carriers Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Points redemption	39	78	32.0	32.8	100.0
Reservations	21	77	17.2	32.4	350.0
Space Available	20	19	16.4	8.0	-5.0
Other	42	64	34.4	26.9	52.4
Total	122	238	100.0	10.0	95.1

The emergence of frequent flyer points as a source of contention among air travellers was perhaps inevitable. When Air Canada absorbed Canadian Airlines, it gained its established rival’s base of clients, many of whom were members of Canadian’s own points program. The merger of the two frequent flyer programs increased the number of new Aeroplan customers and also, in some cases, the points that a member of both programs had accumulated. Consequently, Air Canada had more Aeroplan members with more redeemable points than the carrier had available designated seats. The glut of frequent flyers also placed a strain on the carrier’s service representatives, whose workload increased as both new and long-time Aeroplan members called to book a flight or inquire about the status of their plans.



TYPES OF REMEDIES SOUGHT

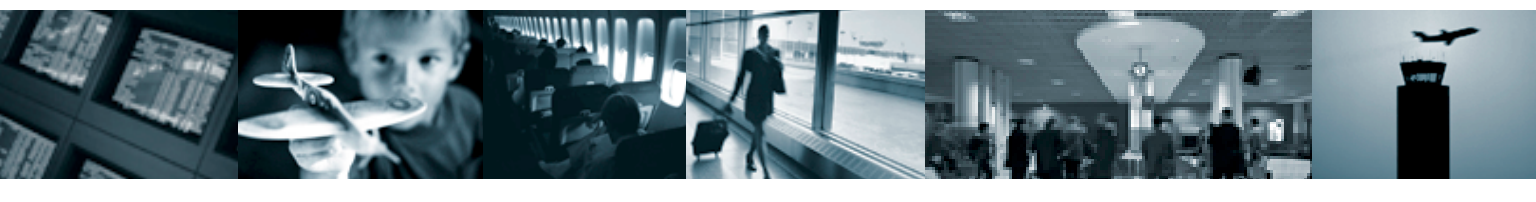
An explanation and an apology go a long way to satisfy an aggrieved air traveller but often money travels even further. One angry complainant included a \$10 parking charge in his claim after he drove 80 kilometers to an airport in an unsuccessful effort to settle a dispute that numerous telephone calls had also failed to resolve. Another demanded an explanation along with compensation “or whichever your public relations staff comes up with first.”

Twice as many complainants want an explanation as expect an apology. Almost one third of the remedies sought over each period involved a demand that carriers account for their actions, whether it was an explanation for delayed baggage, a cancelled flight or inferior service. Understandably, consumers expect responses from carriers to be courteous, prompt and straightforward.

Passengers who have lost possessions through no fault of their own demand and expect to be reimbursed in a fair and reasonable manner. The second highest category, compensation, was the desired remedy in 21 per cent of complaints over the 12-month period.

Other passengers demanded ticket refunds, which almost doubled from 168 in the first reporting period to 321. Overall, refunds were sought in 14 per cent of the complaints during the 12-month period. Vouchers for future travel, the fifth most popular remedy, were demanded in only 6 per cent of the complaints during both the second reporting period and overall.

Issue Type	Remedies Sought in Complaints Number Seeking that Remedy		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
An Explanation	505	655	32.5	32.0	29.7
Compensation	507	613	32.7	30.0	20.9
Refund	168	321	10.8	15.7	91.1
Apology	222	296	14.3	14.5	33.3
Future Travel Voucher	100	127	6.4	6.2	27.0
Regulatory Change	40	25	2.6	1.2	-37.5
Air Carrier Policy Change	10	10	0.6	0.5	0.0
Total	1552	2047	100.0	100.0	31.9



RECOMMENDATIONS

Based on his findings, the Commissioner recommends that:

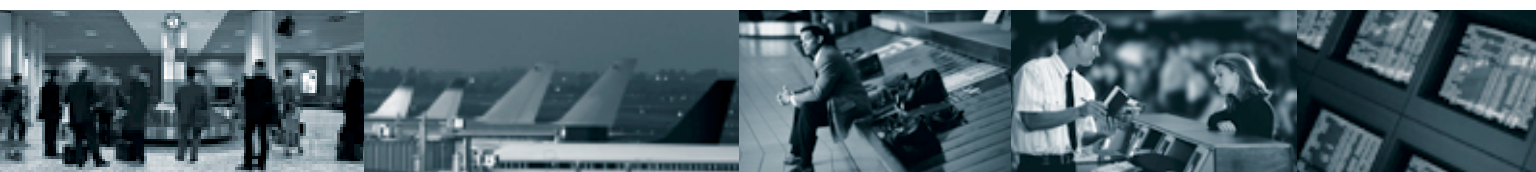
- 1. If scheduled air carriers in Canada are not voluntarily willing to provide public accounts of their monthly service performance records, legislation should be considered requiring them to do so. Categories of performance indicators, to be reported by each carrier at least quarterly within four to six weeks of cut off, would include:**
 - On-time performance (arrivals and departures) of major Canadian scheduled air carriers by airport, by time of day, by city pair;
 - Lost and delayed baggage (including retrieval times);
 - Passengers denied boarding, due to overbooking and other situations;
 - Flight cancellations and rescheduling;
 - Number and nature by category of consumer complaints received by major Canadian scheduled air carriers; and
 - Number of enplaned passengers.

Full disclosure of performance records would allow the public to evaluate a carrier's quality of service on an informed and reasonable basis. It also would help interested parties to better understand the challenges that face the air travel industry, from a carrier's perspective. Voluntary disclosure of vital service statistics would reflect the Canadian air travel industry's collective and individual commitment to providing the highest level of service for its customers.

- 2. Air carriers provide better training in customer service from the top echelon of management to the front-line employees. Such training would include instruction in dispute resolution and people-handling skills.**

Quality service comes from a culture of excellence that permeates every level of a business, especially one that has direct contact with its customers. Knowing how to defuse a difficult situation is key to solving problems before they escalate into a full-fledged complaint.

- 3. Air carriers empower employees to make judicious decisions about a problem that arises at the first point of contact; and further authorize them to provide compensation, when warranted, in the form of travel certificates, upgrades, air currency mileage, or other gestures of goodwill.**



Front-line employees are the closest to the action. Train them properly, utilize their input, treat them with respect and give them the responsibility they deserve—and they will create as positive an impression as any promotional or advertising campaign.

- 4. Air carriers provide comment cards at check-in counters and on board flights so that consumers can notify the air carrier's management of instances where service is either above or below quality standards. Further, that air carriers reward exemplary service and discipline less-than-satisfactory service.**

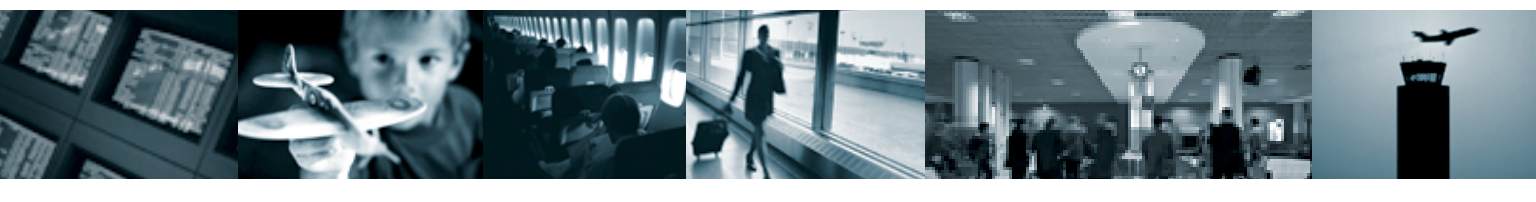
Air carriers might be surprised by the number of people who want to say nice things about them but forget about it when they get home. They could also benefit from discovering where passengers think they could improve their services. Comment cards that include a return e-mail address are time-friendly for the passenger and a positive public relations tool for the carrier, allowing it to demonstrate an interest in the well being of its customers.

- 5. Air carriers provide the public with the number of aircraft seats they make available in each category, including frequent flyer programs and seat sales, for each market served by the carrier.**

Typically, carriers set aside 10 per cent of seats on designated flights for frequent flyers who use points for tickets. At the moment, there is no way of knowing how many seats on any one flight are actually occupied by frequent flyers and seat-sales compared to full-fare passengers. As more and more frequent flyers accumulate more and more air points they have difficulty redeeming, there will be more and more complaints.

- 6. Air carriers publicly display customer service plans, as well as the terms and conditions of travel contained in their tariffs so that consumers understand what they can and should expect from the carrier. The documents should be publicly available and posted on carrier websites and at airports. Employees should also be made aware of content in the plans and tariffs that involve areas of their responsibility.**

The most progressive and responsive customer service plan in the world is simply words on paper if the customer is unaware of its existence. The same is true for a carrier's commitment to follow through on the promises made within the pages. It is not enough to distribute booklets in ticket offices—carriers should give their plans and tariffs the public disclosure and prominence they deserve.



- 7. In planning their flight schedules, air carriers consider increasing recommended connection times to reflect the ongoing problem with flight delays.**

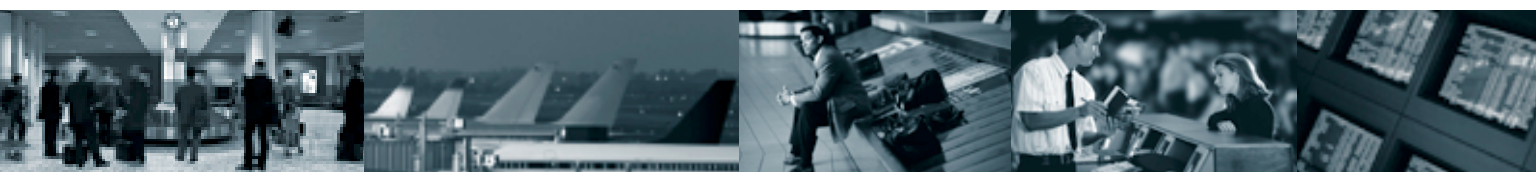
Increased air traffic has put a strain on aging airport infrastructures around the world. Even in the best of times, modernizing air traffic control and adding new runways, taxiways and terminals are costly and time-consuming ventures. Until the infrastructure reflects the needs of the air travel industry, however, carriers should proactively anticipate delays by building more time into scheduling connecting flights on high-traffic routes.

- 8. In cooperation with interested stakeholders such as the travel agency community, air carriers actively seek ways to better contact and inform all passengers of major changes to flight schedules (including lengthy delays, cancellations and revisions) in advance of their arrival at the airport.**

Many air carriers with frequent flyer programs now notify members who have given them contact numbers for such purposes. This courtesy should be extended to all passengers by offering them the option of leaving contact numbers when they make a reservation, either through the carrier's reservations office, a booking agency, or over the Internet.

- 9. Air carriers and other air travel stakeholders attend a forum arranged by the Commissioner to discuss the potential of setting basic standards for issues that are outside the formal contract of carriage, as set out in the tariffs of carriers.**

By pooling the expertise and experience of its members, the air travel industry could reach a reasonable and workable understanding of common problems relating to delayed and/or cancelled flights. For example, how should a carrier react to claims by their customers about a missed business meeting, a missed wedding, a missed cruise departure, or a missed day of vacation?



APPENDIX

1. CANADA TRANSPORTATION ACT (S. 85. 1)

Designation

85. 1 (1) The Minister shall designate a temporary member to act as the Air Travel Complaints Commissioner for the purposes of this section.

Filing of complaints

(2) A person shall file in writing with the Air Travel Complaints Commissioner a complaint against a licensee in respect of its air service if the person made the complaint to the licensee and the complaint was not resolved to the person's satisfaction.

Review and mediation

(3) The Commissioner, or person authorized to act on the Commissioner's behalf, shall review and attempt to resolve every complaint filed under subsection (2) for which no other remedy exists and may, if appropriate, mediate or arrange for the mediation of a complaint filed under that subsection.

Production of documents

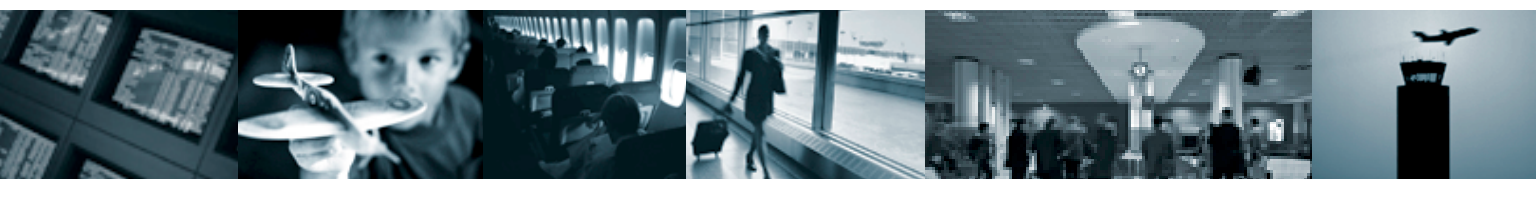
(4) On request by the Commissioner or a person authorized to act on the Commissioner's behalf, a person shall produce for examination by the Commissioner any document, record or thing that is in the possession or under the control of the person and is, in the opinion of the Commissioner, relevant to a complaint.

Report to Parties

(5) The Commissioner or a person authorized to act on the Commissioner's behalf shall provide to the parties a report that outlines their positions and any settlement that they reached.

Publicly available report

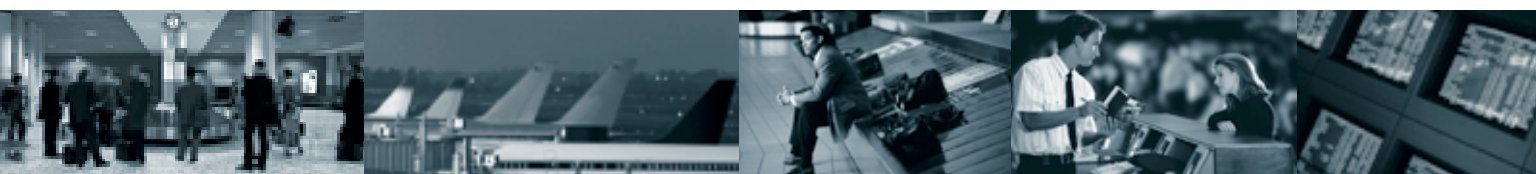
(6) The Commissioner shall, at least semi-annually, prepare a report to the Governor in Council through the Minister setting out the number and nature of complaints filed under subsection (2), including the names of the licensees against whom the complaints were made and describing the manner in which they were dealt with and any systemic problems observed. The Agency shall include the Commissioner's report in its annual report.



2. CATEGORIES OF FINDINGS

One of the first steps in the complaint handling process is to determine which of 16 categories of issues apply to a complaint. Within those issues are further breakdowns that help to pinpoint the nature of the complaint.

<i>Allergies:</i>	food; perfumes/scents; pets
<i>Baggage:</i>	damaged; delayed; excess; liability; lost; size/limits
<i>Cargo:</i>	animals; damaged; delayed; lost
<i>Charges:</i>	Nav Canada; taxes; too many
<i>Denied Boarding:</i>	compensation; late check-in; over-booking; reconfirmation; travel documents
<i>Fares:</i>	bereavement; inadequate range; level; seat sale; senior
<i>Frequent Flyer Program:</i>	points redemption; reservations; space available
<i>Quality of Service:</i>	attitude; conduct of fellow passengers; equipment; handling of complaint; lack of communication; line-ups/waiting; meals; telephone delays
<i>Reservations:</i>	availability of seats; cancellation; non-delivery of pre-confirmed seating
<i>Safety:</i>	fitness of aircraft; malfunctioning equipment; noise level; passenger health; seat configuration
<i>Schedule:</i>	cancellation; delay; revised schedule
<i>Smoking</i>	
<i>Ticket:</i>	charges (change fees/penalties); code-sharing; lost; refunds; restrictions; travel vouchers
<i>Unaccompanied Minors:</i>	charges; quality of services
<i>Unruly Passenger:</i>	conduct of crew; conduct of passenger; ignore crew instructions; refusal to transport; safety; security issues.
<i>Unknown</i>	



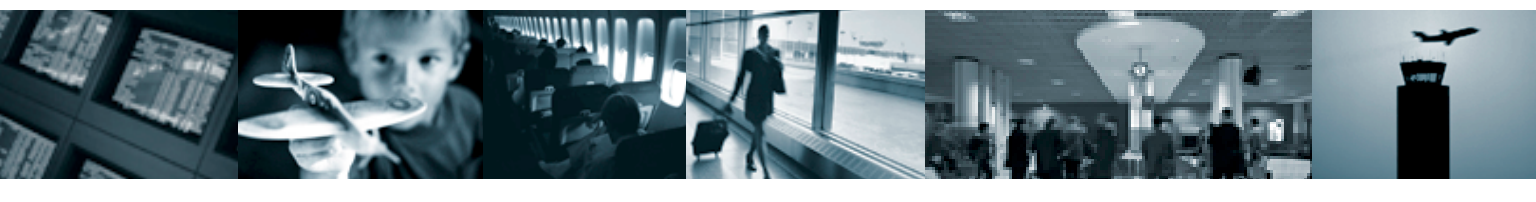
3. OTHER FINDINGS

Complaints Received by Province/Territory/Country

Residents from every province and territory sent written complaints to the Commissioner during the second reporting period. Once again, the bulk of complaints, 44 per cent, originated in Ontario, the most densely populated province and the busiest air travel hub within Canada.

While the percentage of Ontario-based complainants decreased by 4 per cent over the first six months, complaints in general increased from all regions of Canada, with the exception of Prince Edward Island. Complaints from British Columbia and Nova Scotia almost doubled in number during the second reporting period, while 65 per cent more Albertans wrote to the Commissioner. Despite significant air travel traffic to and from Quebec, especially Montreal and Quebec City, complaints from Quebec represented little more than 5 per cent of the total.

Issue Type	Number of Complaints		Percentage		
	July/Dec. 00	Jan./June 01	July/Dec. 00	Jan./June 01	change
Newfoundland and Labrador	28	32	2.2	1.9	14.39
Nova Scotia	28	53	2.2	3.2	89.3
Prince Edward Island	7	2	0.6	0.1	-71.4
New Brunswick	22	26	1.8	1.6	18.2
Quebec	85	91	6.8	5.5	7.1
Ontario	610	738	48.9	44.4	21.0
Manitoba	42	56	3.37	3.4	33.3
Saskatchewan	21	35	1.7	2.1	66.7
Alberta	161	221	12.9	13.3	37.3
British Columbia	170	333	13.6	20.0	95.9
Yukon	2	10	0.2	0.6	400.0
Nunavut/NWT	6	9	0.5	0.5	50.0
United States	48	34	3.9	2.0	-29.2
Foreign (non-USA)	18	24	1.44	1.44	33.3
TOTAL	1248	1664	100.0	100.0	33.0

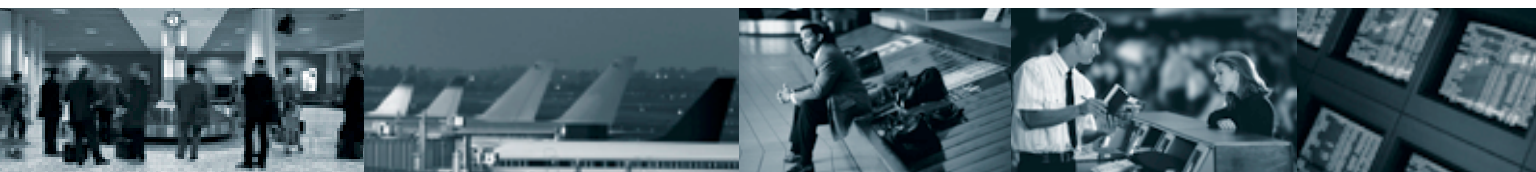
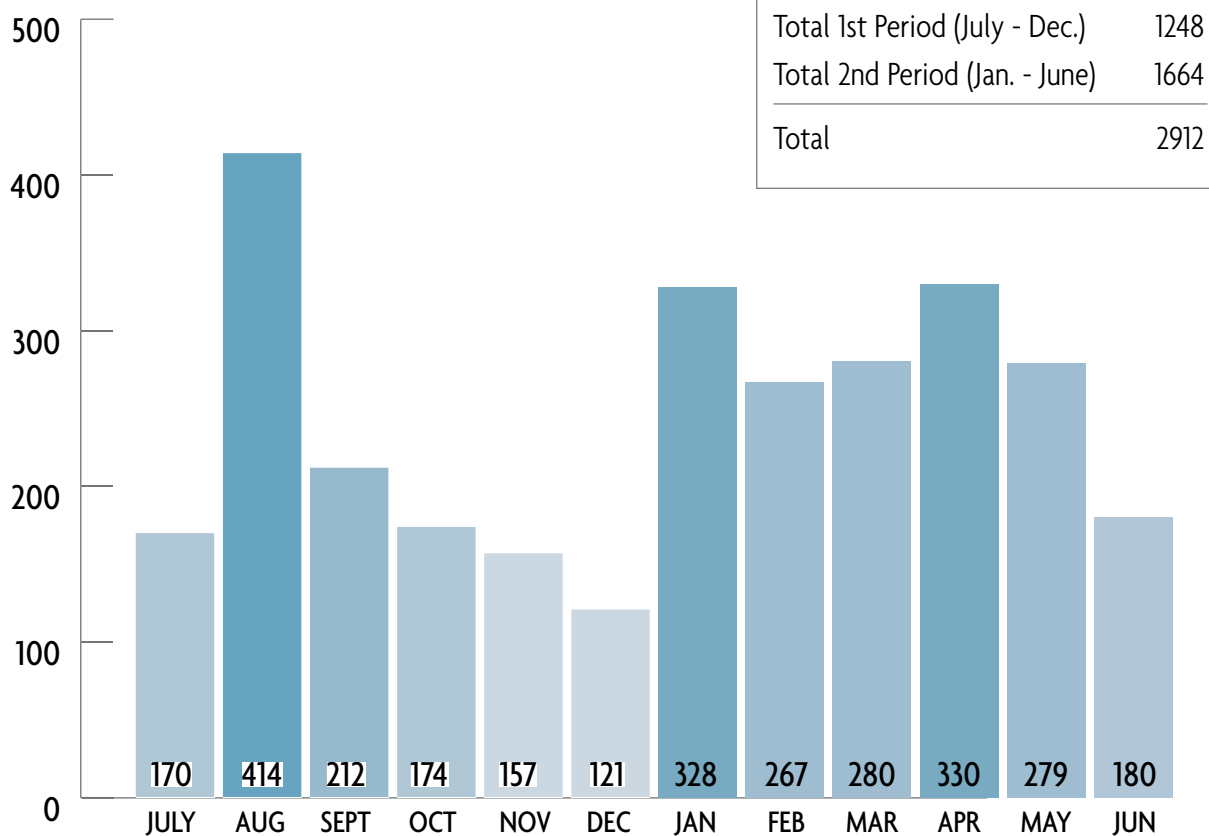


Frequency of Complaints

During the second half of the reporting year, complaints not only increased in number in comparison to the first six months but were also more evenly spread over the reporting period, averaging 70 complaints per week. This suggests that the air travelling public is more aware of the Commissioner's function as an impartial third party in disputes with the air travel industry.

A number of factors can be attributed to spikes in complaint frequency during certain months. As noted in the Commissioner's first report, increases in the number of complaints during the months of August and September 2000 correspond to extensive media coverage of Air Canada's acquisition of Canadian Airlines as well as to the creation of the Commissioner's office itself. Increases in January 2001 and again in March and April 2001 follow peak air travel periods during holidays and school breaks, when heavier passenger loads are more likely to generate complaints. The sudden dip in June 2001, however, may simply reflect the installation of a new queue system by the Commissioner's office to upgrade the complaint handling process, in which case a number of complaints were likely registered in the following month.

Complaints received by month



Complaint Status

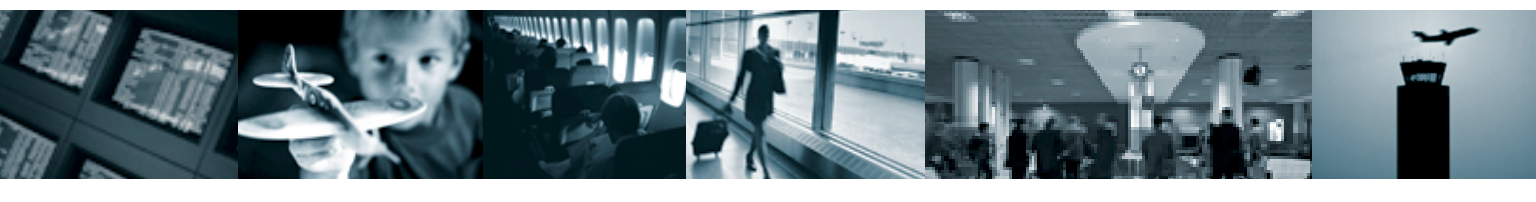
Understandably, complaints take varying amounts of time to investigate and resolve. When the first reporting period ended on December 31, 2000, a total of 527 or 42 per cent of 1,248 complaints received had been resolved.

The remaining 721 open files were carried over to the second reporting period, which began on January 1, 2001. Of those, 383 complaints were resolved and the file closed by the end of the reporting period on June 30, 2001.

The final 338 unresolved complaints from the first reporting period remain open.

Complaints Received: July to December 2000

Status of Complaint	Total
Closed July 5 - Dec. 31, 2000	527
Closed Jan. 1 - June 30, 2001	383
Still Active June 30, 2001	338
Total	1248



Status of Level One and Level Two complaints, January 1, 2001 to June 30, 2001

- a. **Level One:** At the end of the second reporting period on June 30, 2001, files were closed on a total of 571 Level One complaints, or 58 per cent of the total number in that category.

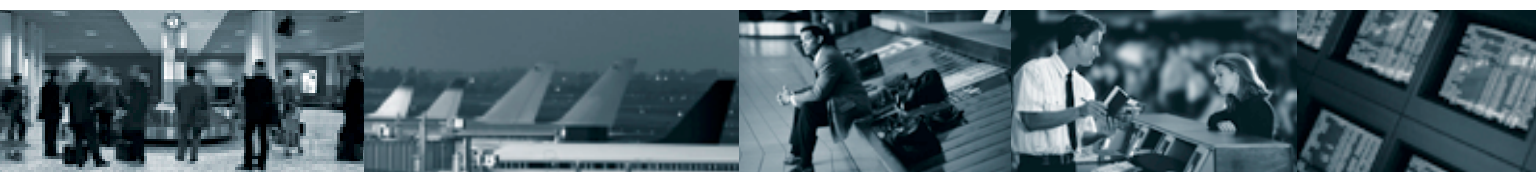
Level One Complaints: January to June 2001

Status as of June 30, 2001	Complaints Received	Percentage
Closed by June 30, 2001	571	58.3
Active at June 30, 2001	408	41.7
Total	979	100.0

- b. **Level Two:** At the end of the second reporting period on June 30, 2001, files were closed on a total of 51 Level Two complaints, or 11 per cent of the total number in that category. The remaining 417 Level Two complaints are carried over into the next reporting period. Level 2 complaints require more time to close because of the need to investigate the complaint.

Level Two Complaints: January to June 2001

Status as of June 30, 2001	Complaints Received	Percentage
Closed by June 30, 2001	51	10.9
Active at June 30, 2001	417	89.1
Total	468	100.0



Settlement of Level One Complaints

a. Level One: January 1, 2001 to June 30, 2001

During the last reporting period, from January 1, 2001 to June 30, 2001, virtually every Level One complaint was closed with a settlement that was considered by the Commissioner's office to be reasonable or partially reasonable. Only four complaints were resolved unsatisfactorily. Two complaints were either dismissed or withdrawn.

Settlement of Closed Complaints: Level One

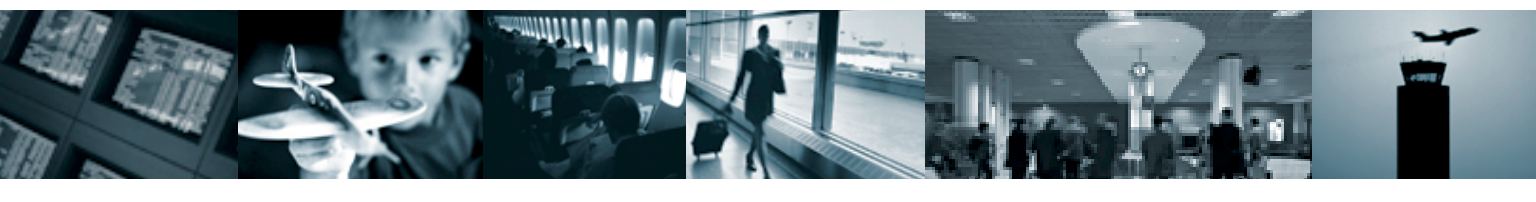
Staff Analysis of the Settlement Closed as of June 30, 2001	Complaints with that Settlement	Percentage
Reasonable	511	89.5
Partially Reasonable	54	9.5
Not Reasonable	4	0.7
Dismissed/Withdrawn	2	0.4
Total	571	100.0

b. Level One: July 5, 2000 to June 30, 2001

An overwhelming majority of 95 per cent of the 618 Level One complaints that were resolved between July 5, 2000 and June 30, 2001 closed with a reasonable or partially reasonable settlement. Only 13 complaints, or 2 per cent, were considered by the Commissioner's office to have closed without a satisfactory outcome. A further 19 complaints, or 3 per cent, were dismissed or withdrawn.

Settlement of Closed Complaints Received during the First Reporting Period: Level One

Staff Analysis of the Settlement Closed between July 5, 2000 through to June 30, 2001	Complaints with that Settlement	Percentage
Reasonable	555	89.8
Partially Reasonable	31	5.0
Not Reasonable	13	2.1
Dismissed/Withdrawn	19	3.1
Total	618	100.0



Settlement of Level Two Complaints

a. Level Two: January 1, 2001 to June 30, 2001

During the last reporting period, from January 1, 2001 to June 30, 2001, 98 per cent of the 51 Level Two complaints closed with a settlement that was considered by the Commissioner's office to be reasonable or partially reasonable. No complaint was resolved unsatisfactorily.

Settlement of Closed Complaints: Level Two

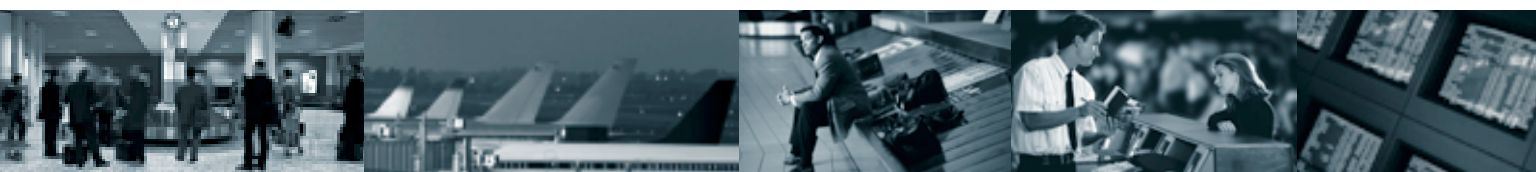
Staff Analysis of the Settlement Closed as of June 30, 2001	Complaints with that Settlement	Percentage
Reasonable	48	94.1
Partially Reasonable	2	3.9
Not Reasonable	0	0.0
Dismissed/Withdrawn	1	2.0
Total	51	100.0

b. Level Two: July 5, 2000 to June 30, 2001

Throughout the 12-month period, 85 per cent of the resolved Level Two complaints were settled with a reasonable or partially reasonable settlement. Only two complaints were considered by the Commissioner's office to have closed without a satisfactory outcome. A further 19 cases, or 13 per cent of complaints, were dismissed or withdrawn.

Settlement of Closed Complaints: Level Two

Staff Analysis of the Settlement Closed between July 5, 2000 through to June 30, 2001	Complaints with that Settlement	Percentage
Reasonable	113	78.5
Partially Reasonable	10	6.9
Not Reasonable	2	1.4
Dismissed/Withdrawn	19	13.2
Total	144	100.0



Satisfaction of Closed Complaints

a. Level Two: January 1, 2001 to June 30, 2001

Of the 51 Level Two complaints that were closed during the second reporting period, 73 per cent were resolved to the full or partial satisfaction of the complainants involved. Eight complainants, or 16 per cent, were not satisfied with the results.

Satisfaction Level of Closed Complaints: Level Two

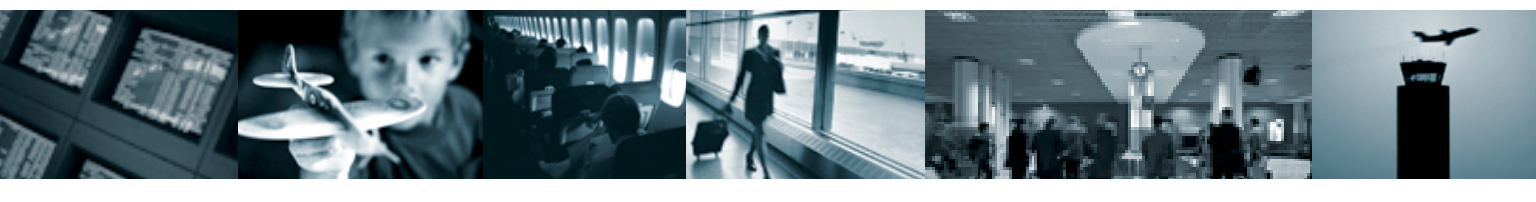
Staff Analysis of the Satisfaction Level Closed as of June 30, 2001	Complaints with that Satisfaction	Percentage
Satisfied	34	66.7
Partially Satisfied	3	5.9
Not Satisfied	8	15.7
Not Known	5	9.8
Dismissed/Withdrawn	1	2.0
Total	51	100.0

b. Level Two: July 5, 2000 to June 30, 2001

Throughout the 12-month period, 66 per cent of the 144 resolved Level Two complaints were settled to the satisfaction or partial satisfaction of the complainant. Twenty consumers, or 14 per cent of the total, were not satisfied by the outcome. A total of 19 complaints, or 13 per cent, were withdrawn or dismissed.

Satisfaction Level of Closed Complaints: Level Two

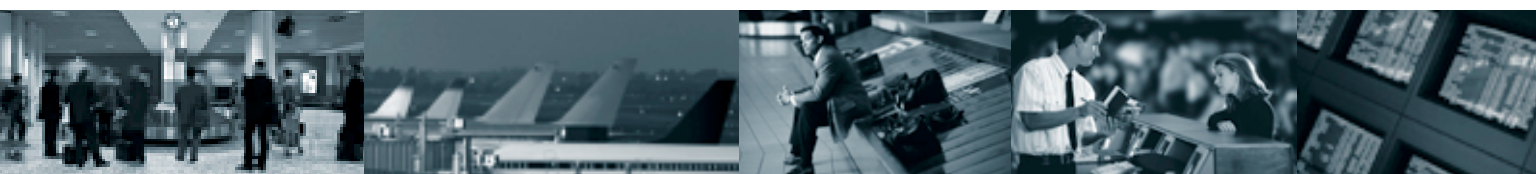
Staff Analysis of the Satisfaction Level Closed between July 5, 2000 through to June 30, 2001	Complaints with that Settlement	Percentage
Satisfied	83	57.6
Partially Satisfied	12	8.3
Not Satisfied	20	13.9
Not Known	10	6.9
Dismissed/Withdrawn	19	13.2
Total	144	100.0



Canadian and Foreign Carriers

The following is a breakdown of complaints against Canadian carriers compared to the total number of complaints against foreign carriers.

Nationality	Carrier	Air Canada Affiliates	July/Dec. 00	Jan./June 01	Change
Canadian Carriers	Air Canada		897	1088	21.3
		Air Canada Regional	30	57	90.0
	Subtotal - Air Canada and its Affiliates		927	1145	23.5
	Air Transat		69	162	134.8
	Canada 3000		53	103	94.3
	Royal Aviation		30	74	146.7
	Skyservice		11	12	9.1
	Calm Air		3	1	-66.7
	First Air		3	6	100.0
	Air Inuit		2	0	-200.0
	Interprovincial Airlines		2	0	-200.0
	WestJet		2	5	250.0
	30,000 Island Air		1	0	-100.0
	Air Labrador		1	0	-100.0
	Air Montréal		1	1	0.0
	Central Mountain Air		1	1	0.0
	Alta Flights (Charters) Inc.		0	1	100.0
	CanJet		0	5	500.0
	Air Georgian Limited		0	2	200.0
	Régionnair Inc.		0	1	100.0
	Capital City Air Inc.		0	2	200.0
	Subtotal - Other Canadian Air Carriers		179	376	110.1
No Carrier Specified	Subtotal - No Carrier Specified		22	26	18.9
Foreign Carriers	All other Carriers		120	117	-2.5
Total			1248	1664	33.3



MASTER CHART

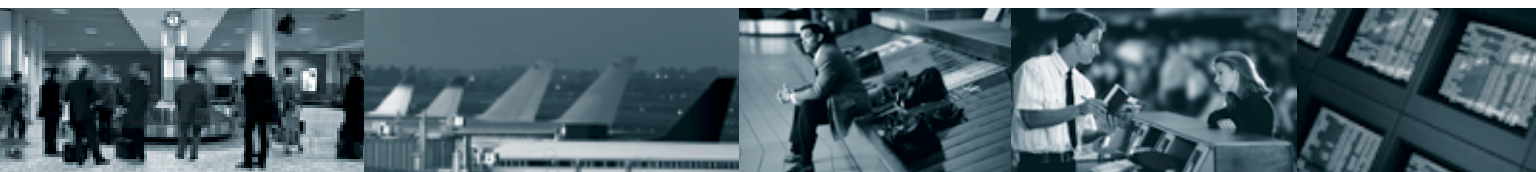
ISSUES: RP1 - July 5, 2000 to December 31, 2000

RP2 - January 1, 2001 to June 30, 2001

CARRIER	ALLERGIES		BAGGAGE		CARGO		CHARGES		DENIED BOARDING		FARES		FREQUENT FLYER		QUALITY OF SERVICE	
	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1
Aeroflot								1							1	2
Aerolineas Argentinas			1												1	
Air Afrique				2												
Air Canada + Canadian	3	4	278	285	19	21	29	11	116	67	135	136	229	119	1234	1175
Air Canada Regional			20	13	1		1		13	5	2	1	1		67	41
Air China				1											2	
Air France			4	3		1		1	2	2					5	8
Air Georgian			3												4	
Air Inuit				1		2						2				1
Air Labrador																
Air Montréal																1
Air New Zealand									1							
Air Pacific												1				
Air Transat	1		25	21		3	4	1	5	6		1			221	92
Air Charters Inc.																
Alaska Airlines				1					2						2	
Alitalia			6	7						2					8	9
Alta Flights (Charters)			2												2	
American Airlines			2	7					1	3					8	11
American West			1												2	
Ansett Worldwide															2	
Bradley Air Services			2	1							3	2			2	1
British Airways			1	1				1		1		2			11	8
British Midland				2												4
BWIA																
Calm Air				2								1				1
Canada 3000			28	13		1		6	10	8	3		1		125	72
CanJet			1											6		
Capital City Air											1				2	
Cathay Pacific														1		
Central Mountain Air			1							1					2	1
Czech Airlines					1					1					2	2
China Airlines															3	
China Southern																2
Continental Airlines			7	1					1						8	2
Corsair				1												
Cubana			3						1	2		1				3

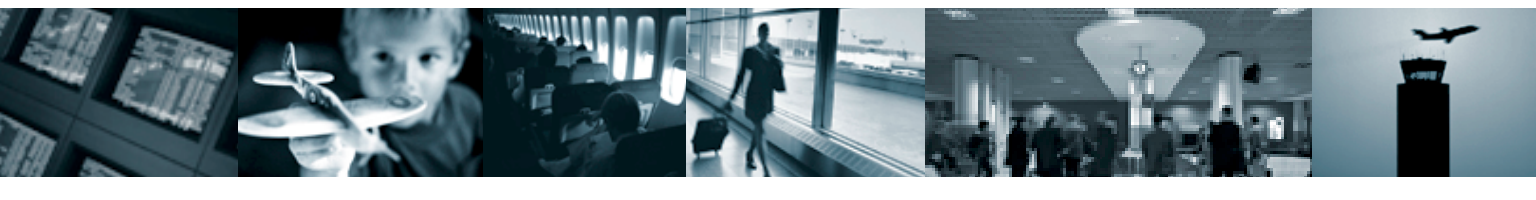


RESERVATION		SAFETY		SCHEDULE		SMOKING		TICKET		UNKNOWN		UNACCOMPANIED MINORS		UNRULY PASSENGERS		TOTAL ISSUES		TOTAL # OF COMPLAINTS	
RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1
				1												2	3	1	1
																2	1		
																2			2
180	89	84	35	478	486			178	116		6	5	9	12	8	2980	2567	1088	897
6	2	6	2	28	28			11				2				158	92	57	30
1																3	1	1	1
					2											11	17	3	6
																7		2	
																	6		2
	1																1		1
			1					1									3		1
																1		1	
																	1		1
15	5	54	25	125	42			6	7			2		4		462	203	162	69
1																1		1	
1				3				1								9	1	4	1
1			1	9	3				2							24	24	6	9
																4		1	
	1			5	21			1	2							17	45	8	16
																3		1	
		1		3												6		3	
		1		2												10	4	6	3
1	1			3				1	1							17	15	6	6
								1								1	6	1	2
									3								3		2
		1			1											1	5	1	3
11	3	8	11	64	29			18	8					6	1	274	152	103	53
	1	4														5			
				1				1								5		2	
	4														5		2		
				1												4	2	1	1
								2								5	3	1	1
				3												6		3	
					1												3		1
2		2	1	6	2				1					2		28	7	8	1
									1								2		2
	1			1	1		2									6	9	2	4



MASTER CHART (continued)

CARRIER	ALLERGIES		BAGGAGE		CARGO		CHARGES		DENIED BOARDING		FARES		FREQUENT FLYER		QUALITY OF SERVICE	
	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1
Delta Air Lines											1				1	4
EL AL Israel Airlines															1	
Emirates Airlines			1												2	
Finnair				2												4
Gulf Air									1						1	
Guyana Airways																
Iberia Air Lines of Spain																
Interprovincial Airlines				1												4
Iran Air									2							
Japan Airlines			1													
K.L.M.			5	2			1	2	2		1				5	6
Korean Air Lines			1				1								1	
Labrador Airways																
LACSA			3	12						2					2	17
Lufthansa			2	5					2		1		1	10	10	
Malaysian Airline			1												1	
Martinair Holland															1	
Mesa Airlines																
Mexicana			3												1	4
Northwest			3	2											1	
Olympic Airways			3	1					1						2	3
Pakistan International																6
Régionair																
Royal	1		14	3			2	2	5	2	4	1	2		102	49
Royal Air Maroc			3	2											2	1
Royal Jordanian										1						
SABENA																1
Skyservice Aviation			4	4					2	3	1				11	18
SkyWest Airlines			1												1	
TACA International				5											1	2
Thai Airways																1
TWA Airlines			2												2	
United Air Lines			5	2			1		1				2		11	3
US Airways Inc.			1							1					3	4
WestJet Airlines							1	1			1				4	1
30,000 Island Air																
Carrier not Specified			1	2	1		2	2		2	2	2	3	2	5	8
TOTAL	5	4	439	406	21	28	39	27	170	111	153	152	238	122	1892	1582



RESERVATION		SAFETY		SCHEDULE		SMOKING		TICKET		UNKNOWN		UNACCOMPANIED MINORS		UNRULY PASSENGERS		TOTAL ISSUES		TOTAL # OF COMPLAINTS	
RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1	RP2	RP1
				2	2				1							4	7	2	1
				1				1								3		2	
																3		1	
																	6		2
																2		1	
1																1		1	
									1								1		1
					1												6		2
																2		1	
			1													1	1	1	1
2	1	1		1	1			2	1							18	15	10	7
	1								3							2	5	1	2
1																1		1	
				1				2								8	31	2	11
1	1		2	1	2			3	1							20	22	8	9
																2		1	
1								1								3		1	
					1												1		1
1			1		2											5	7	4	1
				1	2				1							5	5	2	3
1	1			1	2				1							8	8	3	4
	1		2		1				1								11		3
			1												1		1		
18	4	17	9	56	22			16	4			2	1		3	239	100	74	30
		2		2	1											9	4	4	3
									1								2		1
																	1		1
2	1	12	2	5	10	1					1		1	3		41	40	12	11
																2		1	
								1	1							2	8	1	4
			1										1				3		1
																4		2	
2			1	13	1			3								38	7	11	3
				3	3			1	2							8	10	3	5
1				1	1			5						2		12	6	5	2
									1								1		1
4		9	5		1			5	2		4			1		33	30	26	22
255	112	203	100	827	669	1	2	260	163		11	11	12	28	14	4542	3515	1664	1248

