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CAFII ALERTS WEEKLY DIGEST: June 24 to June 30, 2022

June 30, 2022

The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news articles, analyses, editorials, and opinion commentary on insurance, regulatory, business/industry/economic, and societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members' awareness of the spectrum of recently published media content in those areas. Inclusion of a news article, analysis piece, editorial, or opinion column in the Weekly Digest in no way implies CAFII's support or endorsement of the interpretations, analyses, views, and/or opinions therein.

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NEWS ABOUT/FROM CAFII MEMBERS AND/OR PARENT COMPANIES

Scotiabank Suspends Its Sponsorship Of Hockey Canada Over Sexual Assault Allegations

By Simon Houpt, The Globe and Mail, June 28, 2022

Scotiabank suspends its sponsorship of Hockey Canada over sexual assault allegations - The Globe and Mail

Scotiabank is suspending its sponsorship of Hockey Canada after the national sport organization paid an undisclosed sum last month to settle allegations that eight Canadian Hockey League players sexually assaulted a young woman after a Hockey Canada Foundation gala in June 2018.

In an open letter published on Tuesday, June 28 in The Globe and Mail, Scotiabank president and chief executive Brian Porter said that, “like so many of you, I was appalled by the recent reports of alleged assault involving younger ambassadors of Canada’s game. The alleged behaviour in this current case is contrary to the beliefs and values that hockey is meant to embody, and those that we champion at Scotiabank, as Canada’s Hockey Bank.”

The letter said that Scotiabank believes it has “a responsibility as hockey lovers and sponsors to contribute to positive change in the sport. And, we are committed to ensuring that hockey is safe, inclusive, and accessible.”

The bank announced that it was canceling marketing and events around the IIHF World Junior Championship this August in Edmonton, and would redirect those funds to other charitable programs including the Canadian Women’s Foundation, which supports women who are the victims of gender-based violence.

It said it would suspend sponsorship activities “until we are confident the right steps are being taken to improve the culture within the sport – both on and off the ice.”

Earlier this month, the federal sports minister, Pascal St-Onge, ordered a forensic audit of the organization to ensure no public funds were used in the settlement, as Hockey Canada executives had pledged.

Last week, Hockey Canada president Scott Smith and chief executive Tom Renney told the Standing Committee on Canadian Heritage they did not know how many of the players had participated in an independent investigation into the matter.

The woman at the centre of the allegations had been seeking $3.55-million in damages from Hockey Canada, the CHL, and the unnamed players.

Last week, the Canadian government froze Hockey Canada's federal funding, saying the organization must sign on to the newly created Office of the Sport Integrity Commissioner, which oversees independent investigations of alleged abuse and mistreatment.

Scotiabank said in its letter that it expected Hockey Canada "to fully co-operate with the federal government's audit," and to ensure "our sponsorship funding was used as intended."

The bank has sponsored hockey activities for more than a decade, including such high-profile initiatives as the annual Hockey Day in Canada celebration on CBC. Last fall, the bank launched a Hockey For All marketing program to emphasize diversity, equity, and inclusion in the game, which included an undisclosed financial commitment to help make hockey more accessible.

In 2019, Scotiabank became one of Hockey Canada's international partners, a group of more than a dozen which includes Bauer, Chevrolet, Canadian Tire, Swiss Chalet, and Skip the Dishes. Premier partners of the organization include Esso, Nike, Telus, Tim Hortons, and the broadcasters TSN/RDS.

Government assistance accounted for only 6 per cent of Hockey Canada's revenue last year, according to the organization's 2020-21 annual report. Forty-three per cent of its revenue came from business development and partnerships such as the Scotiabank sponsorship.

Scotiabank Suspends Sponsorship Of Hockey Canada; Canadian Tire, Telus Withdraw Support From Men's World Juniors

By Simon Houpt, The Globe and Mail, June 29, 2022

https://www.theglobeandmail.com/canada/article-scotiabank-suspends-hockey-canada-sponsorship/

Hockey Canada is facing a growing revolt among some of its highest-profile sponsors, which are responding to the organization's payment of an undisclosed sum last month to settle allegations that eight Canadian Hockey League players sexually assaulted a young woman after a gala it held in June 2018.

Canadian Tire and Telus both announced late on Tuesday, June 28 that they would pull their support from August's IIHF World Junior Championship in Edmonton. That followed Bank of Nova Scotia's announcement earlier that morning that it would "pause" its Hockey Canada sponsorship.

The increasing blowback has severely damaged Hockey Canada's formerly lustrous brand, according to one marketing expert, as companies that previously chased a "halo effect" of association are now cutting their losses and removing themselves from a spiralling public relations crisis.

"We are appalled by the recent reports of assault involving members of the 2018 World Junior Championship team," says a statement sent to The Globe and Mail by Liz Sauvé, communications manager for Telus, which is one of Hockey Canada's five premier partners.

The telecom company said that, while it "will continue to support upcoming women's events and grassroots initiatives dedicated to supporting youth in hockey," it would pause its Hockey Canada sponsorship activities and those related to the World Juniors, and "will redirect those funds to Canadian organizations that support women affected by sexual violence."

The statement adds that Telus is "engaged with Hockey Canada to understand what specific changes are being made within their organization to drive positive cultural change and create a safe, inclusive hockey experience for all."

Stephanie Nadalin, vice-president of communications for Canadian Tire, said in a statement that the retailer was also withdrawing its sponsorship support for the World Juniors and "re-evaluating its relationship with Hockey Canada."

"We are deeply disappointed in Hockey Canada's lack of transparency and accountability around the assault allegations," the statement says. "We are calling on Hockey Canada to do better and live up to their commitment to change the systemic culture of silence in our nation's sport, and push to make it more inclusive and safe for all."

In an open letter published on Tuesday, June 28 in The Globe, Scotiabank president and chief executive Brian Porter said he was "appalled" by the allegations.

"The alleged behaviour in this current case is contrary to the beliefs and values that hockey is meant to embody, and those that we champion at Scotiabank, as Canada's Hockey Bank," the letter says.

The letter says Scotiabank believes it has "a responsibility as hockey lovers and sponsors to contribute to positive change in the sport" and is "committed to ensuring that hockey is safe, inclusive and accessible."

The bank announced it was cancelling marketing and events around the World Juniors and would redirect those funds to other charitable programs, including the Canadian Women's Foundation, which supports victims of gender-based violence. It will suspend sponsorship activities until it is "confident the right steps are being taken to improve the culture within the sport – both on and off the ice."

Scotiabank may have been spurred to act partly because of increasing expectations among consumers that it would be a voice for social change.

At a sports industry conference last fall, Lisa Ferkul, then the director of hockey sponsorship for Scotiabank, said the bank had begun to position itself as an advocate on issues related to diversity, equity and inclusion related to hockey. As a result, consumer research it commissioned suggested that "we almost have an obligation to speak out against the cultural issues that [hockey] was facing."

David Chong, a managing director of marketing consultancy MKTG Canada, which counts Scotiabank as a client, said companies "engage in sponsorships to get a halo effect" from associations with organizations such as Hockey Canada." But that can quickly turn: "You go into it thinking it's all going to be positive, but there are always risks and dangers – of conduct, morality, situations that will reflect negatively."

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In a statement e-mailed to The Globe, Imperial Oil Canada, whose Esso brand is a Hockey Canada premier partner, noted its concern about the allegations and said hockey "should be a sport where everyone feels safe," but did not indicate any intention to change its sponsorship plans.

In a statement issued on Tuesday afternoon, June 28, before Telus and Canadian Tire had announced their moves, Hockey Canada said it "values our relationship with Scotiabank, and we both respect and understand their decision regarding their sponsorship." It added that the organization "is on a journey to change the culture of our sport and to make it safer and more inclusive, both at the rink and in our communities. We have been on this journey for some time, but we agree that more needs to be done, and more quickly."

Canadian Insurance Firms In U.S. Move To Extend Health Benefits After Roe V. Wade Overturned

By Clare O'Hara, Jason Kirby, and Tim Kiladze, The Globe and Mail, June 24, 2022

https://www.theglobeandmail.com/business/article-roe-v-wade-abortion-supreme-court/?utm_medium=email&utm_source=Streetwise&utm_content=2022-6-27_21&utm_term=Canadian%20insurance%20firms%20in%20U.S.%20move%20to%20extend%20health%20benefits%20after%20Roe%20v.%20Wade%20overturned%20&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHC0x7MiReEeeFJOJkTb

Two of Canada's largest insurers have joined the growing number of employers in the United States that are extending health benefits for their employees after a ruling by the U.S Supreme Court that will soon make abortion illegal in some states.

Both Sun Life Financial Inc. and Manulife Financial Corp., which have large operations in the United States, are joining a wave of U.S companies – including entertainment giant Condé Nast, JP Morgan Chase, Citigroup Inc., The Walt Disney Co., and Goldman Sachs – in announcing that they will add new travel benefits to their employee group health plans to cover the cost of out-of-state travel for legal abortions.

Sun Life Financial has about 6,000 U.S. employees. The company will now offer all employees – and their dependants – who are enrolled in its group health plan a "medical travel and lodging reimbursement benefit" for any covered medical treatment or procedure that is not available within 100 miles of their home, the company said on Friday, June 24.

"We believe strongly that everyone should have equal access to health care, and we support the right of every employee to receive medical treatment regardless of where they live," Sun Life spokesperson Rajani Kamath, said in an e-mail to The Globe and Mail.

Manulife said on Friday, June 24 that it will cover travel, lodging, and other costs for any employee, spouse, or dependant to travel outside of their state, together with a companion, "to secure access to reproductive health care" if the services are not provided in their home state.

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"We also understand that access to reproductive health care is a deeply personal matter, and we believe our colleagues should have the opportunity to make the choices they feel are best for themselves and their families," the company said in a statement.

On Friday, June 24, the U.S. Supreme Court overturned Roe v. Wade, a landmark 1973 ruling that established the constitutional right to abortion and legalized it nation-wide. The U.S. court also voted 6-3 to uphold a Republican-backed Mississippi law that bans abortion after 15 weeks of pregnancy. The result could now lead to abortion bans in roughly half the states in the U.S.

Four of Canada's five largest banks, which all have U.S. operations, either declined to comment or did not return requests for comment on their health insurance plans for U.S. employees. Royal Bank of Canada has about 14,000 U.S. employees, while Toronto Dominion Bank has 25,000 employees in its U.S. retail arm.

A spokesperson for Royal Bank said it is "committed to supporting the health and well-being" of all employees and is currently "assessing the impact of this decision on the health care options and benefits available to our U.S. colleagues."

Many companies in the United States were quick to respond to the ruling on Friday, June 24 because the decision was leaked to the public earlier this year when the U.S. media outlet Politico published a document that showed a potential majority decision by the court.

In early June, JPMorgan Chase notified its employees that it would add travel benefits for any covered service that can only be obtained more than 50 miles from home. Previously, health care travel benefits at the U.S. bank only covered a limited number of services requiring travel, including organ transplants, but as of July 1 the benefits will now include "all covered health care services" that can only be obtained far from an employee's home, including legal abortions.

It's as-yet unknown whether anti-abortion states will impose outright bans on their residents from seeking abortions out of state, or even whether such laws would be constitutional.

Justice Brett Kavanaugh, one of four justices who sided with Justice Samuel Alito's ruling, said states don't have the right to stop women from travelling to other states to obtain an abortion.

"May a state bar a resident of that state from travelling to another state to obtain an abortion?" he wrote. "In my view, the answer is no based on the constitutional right to interstate travel."

However, Justice Kavanaugh's concurring opinion is not legally binding.

What's even less clear is whether states can punish employers who pay for that travel.

In December 2021, Missouri state Representative Mary Elizabeth Coleman, a Republican, introduced a proposal that would allow citizens to sue abortion providers and anyone who helps a woman obtain one, even if it occurs outside Missouri. The proposal didn't get a vote but that could still happen there or in other anti-abortion states.

"Companies are looking hard at the scope of their benefits and to what extent there might be some legislation that tries to restrict that," said Teresa Johnson, partner at Arnold & Porter Kaye Scholer LLP in San Francisco. The firm is part of an alliance of more than 20 regional and national law firms that have pledged to provide free legal representation to women seeking abortions and to abortion providers.

"Limitations on travel that would penalize people from being able to travel for abortions are just one of the many leading-edge issues that are coming up in the post-Roe world," she said. "It feels like the list of questions this one decision striking down Roe is going to give rise to is a parade of horribles."

With Friday, June 24's decision, attention has also turned to the potential economic fallout from the ruling, with many economists arguing that abortion access is not just a social issue, but one that could have a lasting impact on the U.S. economy and women's financial well-being.

Last September, 150 economists filed an amicus brief with the Supreme Court arguing against the ban and outlining research on the effect of unwanted pregnancies on women's education, labour force participation, and earnings.

Among the research they cited was evidence that young women who obtained a legal abortion and delayed an unplanned start to motherhood by just one year saw an 11-per-cent increase in their wages later in their careers.

Likewise, research has also shown that access to abortion for young women who experienced an unintended pregnancy boosted the likelihood that they would finish college by nearly 20 percentage points.

"We know from our research and other studies that reducing abortion access is going to create a lot of economic and financial hardships for women," said Sarah Miller, an assistant professor of business economics and public policy at the University of Michigan and one of the economists to sign the amicus.

Recession Fears Plunge Banks' Stock Prices Into 20% Drop

TD Leads Slump, Falling To Lowest Point In Nine Months

By Bloomberg News, June 23, 2022

[Recession fears plunge banks into 20% drop | Wealth Professional]

Canadian banks' stock prices have fallen more than 20% from their record high set in early February as recession fears send investors fleeing.

The S&P TSX Financials Sector Index and the S&P/TSX Commercial Banks Index, which tracks the country's eight largest lenders, both dropped on Thursday, June 23, adding to another day of losses, after inflation in Canada surged to a four-decade high and US data pointed to rising unemployment and slumping manufacturing and services activity.

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Toronto-Dominion Bank, Canada's second-largest lender, led losses as it dropped as much as 3.6% to its lowest point in nine months. Canadian Imperial Bank of Commerce and Bank of Nova Scotia fell as much as 3.4% and 3.3%, respectively.

The commercial banks index hit its high on February 8 and was one of the S&P TSX Composite Index's strongest performers before spiraling as Russia launched its war in Ukraine on February 24 and central banks warned of a potential economic downturn.

Analysts are warning that banks' profits may not be as strong going forward. Canadian bank earnings estimates for 2023 could fall by 16% on average in the case of an economic downturn, according the RBC Capital Markets. Scotiabank and CIBC are among the Big Six bank stocks leading losses this year. Both banks, Canada's third- and fifth-largest banks, could have further to fall as they rebuild loan loss provisions previously released as pandemic restrictions unwound earlier this year.

Scotiabank's core earnings per share for 2023 could decline the most out of the group by 22.5%, RBC analyst Darko Mihelic said in a note to clients on Tuesday, June 21. The bank has released the most performing reserves of the group, while Bank of Montreal and National Bank of Canada would be the least impacted, with each bank's core EPS estimates falling by 12.6%.

"NA and BMO would be good defensive stocks to own heading into a recession," Mihelic said. "BNS and CM would likely suffer under bigger earnings declines and some consternation around housing in Canada and generally higher loan loss concerns."

Inflation in Canada climbed to 7.7% in May, reaching its highest point in 40 years, Statistics Canada said on Wednesday, June 22. The jump bolsters expectations that the Bank of Canada will deliver an aggressive rate increase next month.

Even so, Canada's banking regulator left a key capital requirement for large lenders unchanged on Wednesday, June 22, indicating that it believes that the banks can absorb potential losses even as economic risks mount.

Investors prefer banks that get a head start on building up their reserves, Mihelic said.

"The banks that begin to proactively build reserves ahead of peers will be rewarded as long as there are not bank-specific issues causing the reserve build," he said.

As recession fears mount and Canada's housing market cools, analysts, including those at Barclays and Desjardins, have been cutting their price targets on the country's largest lenders. Since March 4, the average price target on the commercial banks index fell 6.3%, with CIBC's target dropping 9.7%.

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COVID-19 PANDEMIC RESILIENCE AND RECOVERY NEWS

Canadian Travellers Told To 'Pack Your Patience' As Inflation, Airport Chaos Threaten Tourism Industry's Rebound

Short-Term Gains Might Not Be Enough To Offset Long-Term Pains For Devastated Travel Sector, Experts Fear.

By Rosa Saba, Toronto Star, June 30, 2022

Ongoing chaos at airports combined with sustained high inflation is dampening the momentum of the travel industry's rebound from COVID-19, industry experts say, delaying a return to pre-pandemic numbers.

"The rising cost of gas, the rising price of everything, as well as what people are seeing at our airports, is certainly having a deterring factor," said Beth Potter, president and CEO of the Tourism Industry of Canada.

Potter said earlier this year that she was hopeful that 2022 would bring the full return of domestic travel as well as a decent recovery for international travel compared to 2019.

But now, a number of factors have her delaying that prediction, and she doesn't think domestic travel will reach 2019 levels until 2023.

"We're seeing pretty good numbers, but we're not seeing what we had hoped."

As COVID-19 restrictions on travel loosen around the world, the air travel industry has had trouble keeping up amid labour shortages and heightened demand.

Now, would-be travellers are eyeing the ongoing chaos at Canadian airports — piles of baggage, hours-long lineups, delayed or cancelled flights — and may be planning to travel another way, or not at all.

The momentum created by pent-up demand has led to a domino effect of trouble at airports, said Marty Firestone, president of Toronto-based insurance broker Travel Secure.

"Every single element of travel has been affected," he said.

On the upside, some Canadians who might otherwise wait to travel amid the troubles may be inclined to book trips anyway, said Firestone — many have credits from cancelled 2020 trips or extra savings to spend.

But they are also increasingly buying trip cancellation and interruption insurance, knowing full well that something could go wrong during their travels, he said.

According to Google search data, searches for "travel cancellation policy" in April 2022 were up 210 per cent and travel insurance-related searches were up 100 per cent in Canada compared to April 2019.

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Despite fears over persistent inflation and airport delays, some Canadians are travelling anyway, happy to be on the road or in the air after two years of staying home.

RBC economist Claire Fan said the latest data show that airline passenger traffic in Canada is at about 80 per cent of pre-pandemic levels, compared to 50 per cent at the beginning of the year.

"It's a really rapid rebound," she said.

Meanwhile, spending on all kinds of travel is above pre-pandemic levels, said Fan. Traffic usually trails bookings by a month or two, she added, so the numbers will likely keep rising as summer progresses.

However, she added, inflation and the ongoing capacity issues at airports have slowed that momentum a little.

Firestone and Potter have the same advice for those travelling this summer: "Pack your patience."

Meanwhile, the cost of living is going up, especially gas prices, food prices, and mortgage interest rates, impacting how much Canadians have to spend on travel and leisure.

According to a Google study commissioned by IPSOS, 91 per cent of Canadians say they are choosing the most cost-effective option when they travel.

In a recent survey on travel by PayPal Canada, 82 per cent of millennials said inflation is going to impact their vacation plans in 2022, including the duration of the trip as well as how much they spend while they're away.

Most millennials said they plan to stick to North America for their travel this year due to COVID-19 and inflation, with 25 per cent saying they plan to travel within Canada. Some 15 per cent of millennials surveyed said inflation will prevent them from travelling at all this year.

Around a quarter of millennials surveyed said they have worked cancellation policies into their budgets, while another quarter plan to buy trip protection insurance.

Over the short-term, demand will likely continue to be high, as many people are eager to travel, have savings or vouchers to spend, and have already booked their trips, Fan said.

Many higher-income Canadians saved discretionary income during the pandemic and are ready to spend it, she wrote in a June 8 report, pushing past concerns of inflation in the shorter term.

But in the longer term, the rise in the cost of living could dampen the tourism and travel industry's recovery, she said.

As the cost of everything goes up, "How much do households really have left to allocate discretionary spending over the longer run?" she said.

Ongoing labour shortages in the industry might make travel more costly, said Fan, as companies raise wages to try and recruit workers, or can't offer their services at full capacity to meet demand.

"A lot of these workers chose to exit these industries," she said. "They're not coming back."

Potter said the ongoing difficulties which the sector is having with hiring mean that some businesses, such as resorts, restaurants, and hotels, might not be able to operate at full capacity.

"We're very conscious about the return of the workforce. It just isn't coming back anywhere near the numbers that we need," she said.

Read Story (Subscription Required): https://www.thestar.com/business/2022/06/30/pack-your-patience-canadians-are-eager-to-travel-but-inflation-airport-chaos-and-labour-struggles-threaten-tourism-industrys-recovery.html

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Canada Extends COVID-19 Border Measures For Incoming Travellers

By Heidi Lee, Global News, June 29, 2022

https://globalnews.ca/news/8957197/canada-COVID-19-measures-incoming-travellers-extended/

Random COVID-19 testing of fully vaccinated travellers will continue to be paused at all airports until mid-July, the Public Health Agency of Canada (PHAC) said on Wednesday, June 29.

The Government of Canada also has extended current COVID-19 border measures for travellers entering Canada until at least September 30, including the mandatory use of the ArriveCAN app.

On June 10, Canada announced that it will end random COVID-19 testing of inbound international travellers from June 11 to June 30.

This measure is put in place in an effort to speed up airport operations and handle flight delays.

With the new extension, Canada will continue with its plan to move COVID-19 testing for air travellers outside of airports to select test provider stores, pharmacies, or by virtual appointment, said PHAC.

PHAC states that mandatory random testing continues at land border points of entry.

As for travellers who are not fully vaccinated, they will continue to test on the first and eighth days of their mandatory 14-day quarantine period.

Minister of Health Jean-Yves Duclos said the pandemic is not over and everyone must continue to make an effort to keep each other safe.

"It is also important for individuals to remain up to date with the recommended vaccinations to ensure they are adequately protected against infection, transmission, and severe complications," said Duclos.

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"As we have said all along, Canada's border measures will remain flexible and adaptable, guided by science and prudence."

Travellers are required to submit their travel information through the ArriveCAN app, regardless of their COVID-19 vaccination status, PHAC stated.

Air Canada To Make 'Meaningful Reductions' To Summer Flight Schedule

Airline President Blames 'Unprecedented And Unforeseen Strains On All Aspects Of The Global Aviation System'

By CBC News, June 29, 2022

[Air Canada to make 'meaningful reductions' to summer flight schedule | CBC News]

Air Canada will cut dozens of daily flights this summer as the airline grapples with a series of challenges amid soaring demand for travel.

"Regrettably, things are not business as usual in our industry globally, and this is affecting our operations and our ability to serve you with our normal standards of care," Michael Rousseau, the airline's president and CEO, said in a statement released on Wednesday, June 29.

"The COVID-19 pandemic brought the world air transport system to a halt in early 2020. Now, after more than two years, global travel is resurgent, and people are returning to flying at a rate never seen in our industry."

Rousseau said those factors are causing "unprecedented and unforeseen strains on all aspects of the global aviation system," leading to flight delays and crowded airport spaces.

And it's also spurring the airline to make "meaningful reductions" to its summer schedule "in order to reduce passenger volumes and flows to a level we believe the air transport system can accommodate," he said.

Dozens Of Fewer Round Trips Each Day

Peter Fitzpatrick, an airline spokesperson, told CBC News that the changes would see Air Canada reduce its schedule by 77 round trips — or 154 flights — on average, each day during the months of July and August.

Prior to these reductions, the airline was operating about 1,000 flights per day.

"Three routes will be temporarily suspended between Montreal and Pittsburgh, Baltimore and Kelowna, and one from Toronto to Fort McMurray," Fitzpatrick said.

Fitzpatrick said "most" flights affected by the changes are out of its Toronto and Montreal hubs.

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"These will be mostly frequency reductions, affecting primarily evening and late-night flights by smaller aircraft, on trans-border and domestic routes," he said.

But he said "international flights are unaffected, with a few timing changes to reduce flying at peak times and even out the customer flow."

'Not An Easy Decision'

Rousseau, the airline president, said Air Canada did what it could to prepare for these challenges, but it has to adjust its operations to the current circumstances.

"This was not an easy decision, as it will result in additional flight cancellations that will have a negative impact on some customers," Rousseau said.

"But doing this in advance allows affected customers to take time to make other arrangements in an orderly manner, rather than have their travel disrupted shortly before or during their journey, with few alternatives available."

Rousseau offered his "sincere apologies" to customers for any delays they have faced or will face.

"I also assure you that we very clearly see the challenges at hand, that we are taking action, and that we are confident we have the strategy to address them," he said. "This is our company's chief focus at every level."

A majority of domestic flights have been delayed at some of the country's busiest airports in recent days, according to the analytics firm Data Wazo.

Data Wazo says 54 per cent of flights to six large airports — Montreal, Calgary, Toronto's Pearson and Billy Bishop airports, Ottawa, and Halifax — were bumped off schedule in the seven days between June 22 and 28.

Some 38 per cent of the flights were delayed while 16 per cent were scrapped altogether.

Airlines and the federal government have been scrambling to respond to scenes of endless lines, flight disruptions, and daily turmoil at airports — particularly at Pearson — a problem the aviation industry has blamed on a shortage of federal security and customs officers.

Passport Delays, Customs Chaos, Lost Baggage All Wreaking Havoc On Travel Industry

Opinion by Rita Trichur, The Globe and Mail, June 23, 2022

If only passport backlogs were the sole problem facing Canada's beleaguered travel industry.

Anyone who has had the misfortune of flying to or from Toronto Pearson International Airport in recent months knows that securing a passport is merely the prelude to travel torture.

There are long queues at check-in, security, and customs. But there are other hassles, too, such as lost baggage and that clunky ArriveCan app. The cumulative effect of those problems is wreaking havoc on our travel and tourism industry despite the re-opening of the economy.

That the chaos has lasted this long is inexcusable and risks besmirching Toronto's image as a financial centre and a tourist destination just as businesses of all kinds are trying to bounce back from the COVID-19 pandemic.

Think about it. People have been cooped up at home for more than two years. They're aching for a break or at least a change of scenery.

So, if this is how Canada rolls out the welcome mat for the world's tourists and business travellers, why would anyone ever want to come back?

Just look at what happened at this week's Collision technology conference in Toronto. A number of foreign delegates missed the event because of lengthy delays in obtaining entry visas, Postmedia reported this week.

One can only wonder how much business was lost – not only for tech entrepreneurs but also for other companies operating in and around Toronto.

"I'll focus on business expansion in Europe, instead of Canada," one affected business owner told Postmedia in an interview.

Ouch.

The Globe and Mail has also heard about other grievances.

"Is Toronto always like this?" two British tourists asked me after they braved interminable lineups for customs and taxis at Pearson airport.

They don't know the half of it.

Earlier this month, as I was travelling to Paris for The Globe, I saw an elderly woman faint after she was forced to wait an hour to check in her luggage. Apparently, the baggage hall at Terminal 3 was so full that afternoon, they could no longer accept new suitcases.

We were eventually told just to leave our suitcases in a pile on the floor. So much for the prevailing wisdom about the dangers of leaving one's luggage unattended.

What could possibly go wrong?

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Federal officials have taken great pains to point out that these travel snafus are a global phenomenon, but many of us know first-hand that the situation isn't nearly as dire at other airports.

My colleague Eric Atkins, for instance, interviewed Air Canada passenger Victoria Pullen, who endured long delays disembarking her plane and clearing customs in Toronto after flying in from New York's LaGuardia Airport. Her experiences at the two airports is a tale of contrasts.

"That whole experience at LaGuardia was really efficient," Ms. Pullen said. "Didn't have to wait for anything. But in Toronto it was just, 'What is wrong with this airport? Where are the employees? Why can't we get them?' I don't get it."

No one does. That's why it is high time for the federal government to use common sense to solve these problems.

For starters, the ArriveCan app, which passengers must use to input their vaccination status and travel details, needs to go. Border city mayors and the International Air Transport Association are among those calling for its demise.

"The ArriveCan app and other restrictions continue to be a barrier to the free flow of people across the northern border," said U.S. Congressman Brian Higgins in a statement.

"My office regularly receives calls from Western New Yorkers frustrated and confused by the technology and frequently changing, disjointed requirements for crossing between the U.S. and Canada. Consequently, to bypass the uncertainty and hassle it creates, many are avoiding making the trip across the border entirely."

The app isn't user friendly. In addition to the confusion it causes foreigners, it creates anxiety for older travellers.

Most importantly, it does nothing to stop the spread of infection, especially when other countries have dropped vaccine mandates and lifted masking requirements for air travel.

It's time to face facts: COVID-19 zero is no longer an attainable goal. That's why Canada needs to align its travel rules with those of other countries, especially the United States.

Ottawa must also stop offering Canadians contradictory advice about how to apply for passports.

Telling people that passport applications should be submitted well in advance of making travel plans is not helpful, especially if proof of travel is required for urgent pickup service.

"We continue to thank Canadians for their patience, and encourage individuals to plan ahead to ensure they have a passport before making travel commitments," Karina Gould, Minister of Children, Families and Social Development, said in a statement this month.

I bet those comments are going over like a lead balloon with Canadians who applied for their passports back in March and still haven't received them.

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Clearly, it's our government officials – not ordinary people – who struggle with planning ahead.

Read Story (Subscription Required): https://www.theglobeandmail.com/business/commentary/article-travel-tourism-problems-passport-delays-airport-chaos/?utm_medium=email&utm_source=Coronavirus%20Update&utm_content=2022-6-24_19&utm_term=Coronavirus%20Update%3A%20COVID-19%20pandemic%20inflamed%20problems%20overwhelming%20Canadian%20hospitals%2C%20health%20professionals%20say%20&utm_campaign=newsletter&cu_id=Ts6FwhWx6n2rSHC0x7MiReEeeFJOJkTb

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Luggage Piles Join Long Airport Lines In Fresh Woes For Summer Travel

By Allison Lampert, Reuters, June 29, 2022

Piles of luggage beside baggage belts in airports from Canada to Europe are driving further demand for ground handlers, and adding to summer travel chaos as airlines scramble to bring back workers lost during COVID-19.

Once a cost-cutting and outsourcing target for aviation, ground handlers are now being offered raises, as frazzled passengers take to social media to complain about missing baggage.

The hiring can't come fast enough as a rebound in travel and badly-needed airline revenue this summer is being weighed by congestion, rising costs, and labour strife, after a two-year pandemic vacuum.

The International Association of Machinists and Aerospace Workers (IAMAW), which represents ground handlers, including baggage and cargo handlers, for Air Canada among other carriers, said some Canadian workers are being offered raises and double pay to work beyond eight-hour shifts, a union official said.

"It's created a bit of a bidding war," said Dave Flowers, an IAMAW national president in Canada specializing in air transportation.

Flowers said there is no one explanation for the lost baggage, which is rather the result of staff shortages and flight delays that have created a "spiral effect," resulting in cases of passengers waiting up to seven days to get their bags back.

It's not clear when such problems would be resolved.

While Dublin airport has cut security delays at departure gates, some arriving passengers are complaining of lost bags and posting pictures online of piled-up luggage.

An Irish Independent journalist who posted a photo of luggage on Twitter, said some bags strewn on the ground had travel dates from weeks and months ago.

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A spokesman for the Dublin Airport Authority said on Monday, June 27 that the problem was symptomatic of staff shortages running throughout the industry.

Fabio Gamba, director of the Airport Services Association, a trade group for the independent ground and air cargo handling industry, estimated that in 2019 there were roughly 220,000 to 240,000 people in ground handling in Europe.

Around 2020, there were fewer than 100,000, as ground handlers sought more stable jobs in other industries with better pay and working conditions.

"The industry has been looking at ground handling as the last element in the whole value chain of air transport," he said, adding he has seen examples of ground handlers being offered 15% higher pay.

Air Canada, which has its own employees who handle baggage at Toronto's Pearson International Airport, said the resumption in travel has led to "more instances of delayed bags" as passenger numbers surge. It is now carrying around 120,000 or more people per day on average, compared with 23,000 a year ago.

According to data agency Data Wazo, around half of Canada's domestic flights were delayed or canceled since June 22.

The Greater Toronto Airports Authority, which manages Canada's largest airport, said a combination of flight delays, airline staffing shortages, and baggage system mechanical disruptions are behind the recent "challenges."

Canadian Transport Minister Omar Alghabra told reporters on Wednesday, June 29 that he recently raised the concerns of the ongoing travel headaches with the country's largest airports and airlines.

"They know that they need to add more resources and they're working on that," he said.

Read Story (Subscription Required): https://www.theglobeandmail.com/business/international-business/article-luggage-piles-join-long-airport-lines-in-fresh-woes-for-summer-travel/

New Federal Task Force To Review Canada's Immigration, Passport Delays

By The Canadian Press, June 25, 2022

https://globalnews.ca/news/8947290/new-federal-task-force-review-government-delays-wait-times/

The federal government has created a special task force to help tackle the major delays with immigration applications and passport processing that have left Canadians frustrated.

In a statement announcing the new task force, Prime Minister Justin Trudeau said the federal government knows the delays are unacceptable, and will continue to do everything it can to improve the delivery of services in an efficient and timely manner.

Trudeau said the new task force will help guide the government to better meet the changing needs of Canadians, and continue to provide them with the high-quality services they need and deserve.

Ten cabinet members will spearhead the new committee, which will review how services are delivered, and identify gaps and areas for improvement.

The committee will be expected to make recommendations outlining short- and longer-term solutions that would reduce wait times, clear out backlogs, and improve the overall quality of services provided.

In addition, the task force will monitor external issues, such as labour shortages around the world, which contribute to travel delays at home and abroad.

Customs Officer Union Demands More Hires As Travel Turbulence Continues

'We Don't Understand How The Situation We Have Now Wasn't Entirely Predictable,' Says Union President Mark Weber

By Christopher Reynolds, The Canadian Press, June 27, 2022

https://nationalpost.com/news/national/customs-officer-union-demands-more-hires-as-travel-turbulence-continues/wcm/027a4bb8-5598-4460-8631-4fe9cede764c

The federal border agency is not moving fast enough to fill staff shortages that have bogged down airport traffic and revved-up passenger frustration, the union representing customs officers says.

"With no end in sight to delays affecting travellers at airports and border crossings across the country, it's clear the Canada Border Services Agency (CBSA) has no plan to get travel back on track any time soon," the Customs and Immigration Union said in a release on Monday, June 27.

The federal government has been scrambling to respond to scenes of endless lines, flight delays, and daily turmoil at airports, a problem which the aviation industry — and now unions — blames on a shortage of federal security and customs agents.

The agency's "summer action plan," which imposes mandatory overtime and suspends non-essential training, amounts to "poorly planned half-measures" without long-term solutions, the union said.

It is calling on the CBSA and Public Safety Minister Marco Mendicino to increase the number of border officers and commit to a long-term plan which addresses travel delays amid the labour crunch.

The union's demand for between 1,000 and 3,000 more hires comes after it wrapped up its first round of bargaining with Ottawa over a new collective agreement, with problems around clogged airports and border crossings poised to increase during peak travel season.

The CBSA has said it is making more workers and student officers available, along with additional automated kiosks in Toronto's Pearson airport customs area.

Earlier this month, Ottawa suspended randomized COVID-19 testing at airports — a process that slowed the flow of passengers — and added more public health staff to verify that travellers have completed their ArriveCan app submissions upon landing.

Union president Mark Weber said kiosks fail to make up for the major decrease in front-line airport officers since 2016.

"Our volumes go up every year. Summer is a season, it's not an emergency. We don't understand how the situation we have now wasn't entirely predictable and not addressed before we get to this kind of desperate situation," he said in an interview.

The bottlenecks are mounting despite passenger volumes at land crossings and airport customs sitting at about three-quarters of pre-pandemic levels, he said.

Land checkpoints are not exempt from the delays hitting Canada's biggest airports, with "significant wait times" at busy crossings, Weber added.

"At our busiest ports, somewhere like Windsor, it's not rare to see two to three-hour wait times for cars to get through."

Pack Your Patience: Region Of Waterloo International Airport Seeing Record Number Of Travelers

High Demand Comes As YKF Also Looks To Nearly Double Available Parking And Add New Shuttle Service

By Casey Taylor, CityNewsEverywhere, June 23, 2022

['Pack your patience': Region of Waterloo International Airport seeing record number of travelers - CityNews Kitchener]

You may have seen the lineup outside your local passport office -- there are a lot of people looking to jet off on summer holiday.

Pent-up pandemic demand has seen major bottlenecks at some of the country's largest airports, but it is also good news for more regional centres.

"Pack your patience, it's going to be a record summer," said Chris Wood, Director of the Region of Waterloo International Airport (YKF), adding that the airport is already seeing record numbers of travellers.

He said the historic highs are expected to continue through the summer and while that's 'fantastic', it does also pose a few challenges.

"With more passengers comes everything needing to expand, including more parking and we are teetering right now on being full," Wood said.

Wood said it's a good problem to have, though, and the airport is already moving to meet the need with a new parking lot already under construction which would nearly double the amount of available parking.

"With that, we will [also] have a need to shuttle people back-and-forth from that lot to the terminal," said Wood. "It'd be about a 90 second drive but it's not walkable and we wouldn't want passengers to do that."

And that's where the Region of Waterloo steps in to help.

Regional council on Wednesday, June 22 voted to green light a new shuttle service which it says should be running by about September.

Canada's COVID-19 Death Rate Was Much Lower Than In Most Other Countries. What Did We Get Right?

Opinion By The Globe and Mail Editorial Board, June 29, 2022

https://www.theglobeandmail.com/opinion/editorials/article-canadas-COVID-19-death-rate-was-much-lower-than-in-most-other/

An analysis published on Monday, June 27 in the Canadian Medical Association Journal provided the cheering news that, in spite of the deaths, illnesses, lockdowns, school shutdowns and travel restrictions during the first two years of the pandemic, Canada's response to COVID-19 was better than those of most countries.

The report compared Canada to Belgium, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, Britain, and the United States – countries that have similar economies, systems of government, and health care capacity.

In a nutshell, Canada's rate of COVID-19-related deaths was 919 per million, the second lowest of the group, behind Japan. The U.S. rate was three times higher, at 2,730 per million. In Britain, it was 2,330 per million; in Italy, 2,480 per million. Canada also had the second lowest per-capita infection rate.

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The report gives the credit for our relative success to two things: tough restrictions and high vaccine uptake.

In the first year of the pandemic, Ottawa and the provinces imposed "among the most sustained stringent policies regarding restrictions on internal movement, cancellation of public events, restrictions on public gatherings, workplace closures, and international travel controls" of the countries in the report.

Once vaccines became widely available, Canada overcame a slow start to lead the most successful first- and second-dose vaccination campaign of any of its peers. By February of this year, just 64 per cent of Americans of all ages had received both shots, versus 80 per cent of Canadians. (Among Canadian adults, the figure today stands at 90 per cent.)

This is not to say that Canada's response was perfect. Far from it. We spent two years publishing editorial after editorial urging the feds and some provinces (notably Ontario, Quebec, and Alberta) to do better, and pointing to the success of others (notably Nova Scotia). There will forever be arguments about whether some measures were too strict, or not strict enough, or brought in too late, or lifted too quickly. Or whether the side effects of the lockdowns, on everything from mental health to education and child development, were worth it.

But on balance, and graded on a curve, Canada's inevitably imperfect response was notably less imperfect than that of most other countries – especially on the metric that matters most: lives saved.

What's important now, however, is not to dwell on the past but to take the lessons of the last two years and apply them to the situation today.

Canada is unlikely to resort to lockdowns and widespread school shutdowns again as a means of controlling the spread of the virus. Thanks to vaccines, it shouldn't be necessary.

But how to convince Canadians to get much-needed third shots? That's the big question now. The booster campaign has stalled out, obstinately stuck at just under 50 per cent of the population, and falling behind many of our peer countries.

The report suggests that booster uptake could be improved "if governments and public health leaders provide more and clearer information about the protective effect of boosters" – a message that got through about the first two doses, but which is clearly missing when it comes to boosters.

Third shots, a long-term plan for better ventilation in indoor spaces, and the possibility of temporarily bringing back mask mandates during periods of high viral spread, are likely to form the bulwark against resurgences of COVID-19 in the coming months and years.

So too will the public's acceptance of new generations of vaccines that target the virus's variants. We may need to regularly boost everyone, and not just the most vulnerable, in the years to come. Or we may not. It's still uncertain. The best course of action will depend on how the virus evolves, and how vaccine science progresses.

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In a way, it was simpler to lock down the country when the pandemic struck, and promise Canadians that vaccines eventually would liberate them. The message was exceptionally clear. But things have turned out slightly differently than expected.

The current vaccines greatly reduce the dangers of a COVID-19 infection but do not confer full immunity. The enemy is diminished but still dangerous. All this complexity and uncertainty may make it harder to enlist Canadians in the ongoing fight, but doing so will be the only way to build on Canada's successes to date.

Fears Of A COVID-19 Summer Surge Prompt Experts To Call For A Return To Masking

By Wency Leung, The Globe and Mail, June 29, 2022

https://www.theglobeandmail.com/canada/article-COVID-19-resurgence-mask-mandate/

It's time to bring back indoor mask-wearing requirements, some health professionals say amid concerns of a potential surge in COVID-19 cases this summer.

In fact, according to Alberta emergency physician Chuck Wurster, public health authorities across the country dropped the mandate prematurely.

"There wasn't any indication that it was safe to do that," Dr. Wurster said, pointing to the influx of COVID-19 patients he has seen in the emergency department as never really having stopped. "Masks should always be the first thing that we use and the last thing that we get rid of."

Over the past month, countries such as the U.S., Israel, Portugal, France, and Italy have seen a rise in COVID-19 cases. And with the emergence of even more infectious Omicron subvariants, particularly BA.4 and BA.5 – which appear able to evade immune protection – there are concerns that Canada, too, will be hit with another wave in the coming months.

Currently, masks are required in Canada for airplane and train passengers, but in most settings, they are no longer compulsory. Mandating them again in indoor public places is one immediate way to fend off another potential surge, according to some doctors.

"I can't see why we would be immune from the trends that are happening in the U.S. and Europe," said Kashif Pirzada, a Toronto emergency physician.

Dr. Pirzada said he understands that people are tired of public health mandates, but it wouldn't be necessary to wear masks everywhere, or forever. He believes that they should be required in such places as grocery stores, on public transit, medical clinics, and anywhere people who are vulnerable have no choice but to go; everywhere else could have a strong recommendation for masks.

Tehseen Ladha, an Edmonton-based pediatrician with a master's degree in public health, also spoke to the continued necessity of mask mandates, given that the number of COVID-19 cases has not sufficiently declined.

"In the past few months, instead of going from peak to valley with the waves, we've sort of just been going wave to wave and not really getting down very low with the community transmission," Dr. Ladha said.

As of June 18, there were 15,047 new weekly COVID-19 cases in Canada. While that's down from 288,771 cases per week at the peak of the Omicron wave in January, the new case counts are about what they were in November.

There's a perception that high case counts are no longer a big deal, since they won't result in deaths and severe illness, Dr. Ladha said. But, she noted, the two outcomes persist. As of June 20, there were 3,350 people hospitalized daily across the country, roughly the same number as in late December. As of June 18, there were 137 weekly deaths, near the level recorded on January 1.

Dr. Ladha spoke of the strain on the health care system, exemplified by lengthy ambulance and emergency department wait times.

"Putting any additional stress on the system right now, it's just not sustainable," she said.

Masks can reduce some of that pressure, not only by protecting people against COVID-19, but also against many other illnesses that are driving them to seek medical attention right now, Dr. Wurster said. Cases of influenza and other respiratory illnesses have jumped since mask mandates were lifted: "It's like the unleashing of the hordes," he said.

Building health care capacity will take time and complex solutions. But wearing a mask is not a huge inconvenience, and is a relatively simple and immediate way for people to keep themselves and each other safe, Dr. Wurster said.

Public health authorities say mask use is a personal choice, but they have continued to recommend masks in public indoor settings. Even so, Michelle Driedger, a professor of community health sciences at the University of Manitoba, has encountered increasingly fewer people wearing them.

Some are just tired of the pandemic, she said, but even reluctant mask-wearers followed the rules when they were in place. A rule "is a very different kind of thing than a strong recommendation," she said.

Dr. Driedger said it can be hard for individuals to follow recommendations around mask-wearing when others around them are not. When leaders, such as school teachers or principals, stop wearing masks, it sends the message to others that they don't need to.

And from the recent focus groups she has been conducting among the Red River Métis citizens in Manitoba, people no longer hear about the pandemic, she said. The lifting of COVID-19 measures and a lack of public health messaging have not given people the impression that they need to worry about infection: "Many of them are like, 'Is COVID-19 still going on?'" she said.

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While vaccines are effective for preventing severe illness, Dr. Pirzada said they're not great for stopping waves. New Omicron subvariants BA.4 and BA.5 appear to have the ability to evade immune protection gained from prior infection and vaccines, especially if that protection has declined over time, according to the European Centre for Disease Prevention and Control.

In Canada, the singular reliance on vaccines to control COVID-19 "obviously hasn't worked," Dr. Ladha said. "It's important to realize that we need layers of protection – and masks are an essential layer."

She said many people still don't understand that COVID-19 is transmitted by air, as she often sees hand sanitizer everywhere in public places yet people going around unmasked.

"If we have ways to clean the air, then maybe in the future, we won't need masking as much."

Theoretically, people can stop wearing masks if the likelihood of them getting infected is low, Dr. Wurster said. But the problem is inadequate testing and data, which make it impossible for them to know when that is.

"One of the biggest ironies of this whole masking thing is to have people assess their own risk" about whether to wear one, he said. "But no one can, because we don't give anyone any data. The public has no information about how risky it is."

Private Air Travel Takes Off — But Can It Stay Aloft?

By Christopher Reynolds, The Canadian Press, June 26, 2022

https://www.ctvnews.ca/business/private-air-travel-takes-off-but-can-it-stay-aloft-1.5963802

Three years ago, Chris Nowrouzi's private charter airline served mainly ultra-wealthy leisure travellers and the upper echelons of the corporate world.

Now, 27 months into a global pandemic that closed borders and battered airlines, his Toronto-based FlyGTA caters to a broader swath of families and groups wary of the health risks and airport hassle of commercial air travel — and who have cash to spare.

"After the pandemic, definitely we saw an increase of numbers all across the board," said Nowrouzi, the company's CEO and co-owner. "And the major increase that we've seen is families."

Aiming to more than double its seven-plane fleet over the next few years, FlyGTA is now rolling out service to 20-plus destinations with scheduled charter flights — nearly half in Florida or the Caribbean. Customers can sign up as a group and jet off to West Palm Beach from Toronto for about $25,000 one-way, taxes and fees included — or $3,125 per person in a group of eight, the maximum capacity. That compares to Air Canada fares that currently range from $1,260 to $3,620 for the same trip in a business-class seat in July.

Amid scenes of daily frustration at Canadian airports, FlyGTA is part of a swelling sector of fleet operators and producers that hope to transform a COVID-19-era trend toward mile-high comfort into a long-term upswing for private flight.

While carriers have struggled since March 2020, use of business jets rose by 23 per cent in the United States and 53 per cent in Europe last quarter compared with a year earlier, according to the U.S. Federal Aviation Administration and Eurocontrol. Those leaps build on large increases in 2021.

Flight delays and cancellations, wariness of potential COVID-19 exposure and surging wealth among the ultra-rich — the world's 2,755 billionaires saw their combined wealth rise by US$5 trillion since March 2021, a January report from Oxfam International says — have helped drive demand for private aircraft.

The taste for luxury has seen buyers snap up used business jets as well, leaving the total number for sale at 3.1 per cent of the worldwide fleet as of late February, its lowest level in more than 25 years, according to market data firm Jetnet IQ — and making new products a likelier option, which bodes well for private plane makers such as Bombardier Inc.

The Montreal-based company increased its backlog of business aircraft orders by 11 per cent to US$13.5 billion in its first quarter. The "strong bookings" reflect "continued strengthening in the private jet market coming out of the pandemic with activity levels now exceeding 2019," ATB Capital Markets analyst Chris Murray said in a note to clients last month.

Meanwhile, airlines captured just 80 per cent of premium travel last year, down from 90 per cent before the pandemic, according to Alton Aviation Consultancy managing director Umang Gupta, indicating that private travel now accounts for a larger slice of the market.

"It's a very niche market. But the niche seems to be creeping down the income scales, where you have a lot more options today," said John Gradek, head of McGill University's aviation management program.

"If you're booking a seat from Toronto to Vancouver on Air Canada on business class, and it's $3,000 or $4,000, you get six or seven of your buddies together to fly and it's cheaper to fly on a private jet than it is on a commercial airliner."

The growing array of purchase options includes charter, "jet card" loyalty-style programs, full ownership, and "fractional ownership."

Charter flights involve hiring a plane and crew for a custom trip. Jet card programs, which function like a premium charter membership, see customers pay in advance for the privilege of a fixed hourly rate and guaranteed availability, with dozens of companies serving North America.

Full ownership refers to an outright plane purchase by a corporation or individual. And fractional ownership means buying a share of a plane under a multi-year deal that covers costs such as crew wages and maintenance, on top of an hourly rate for time on board.

Companies such as Calgary-based AirSprint, Mississauga, Ontario-based Jet-Share, and HondaJet's newly formed Jet It Canada all sell fractional ownership.

In 2020, the relatively affordable fractional and charter flights made up an unprecedented majority of private flight hours in North America, overtaking full ownership, according to an Argus International business aviation report.

Meanwhile, total business jet flight activity surged past 2020 levels by 41 per cent last year and topped pre-pandemic levels by 7.2 per cent.

As well as accessibility, health concerns remain top of mind for many amid the pandemic. “We are hearing that some (corporate) boards are asking their directors to fly private for health reasons,” said Helane Becker, an analyst for banking firm Cowen.

Then there’s the pure convenience and — alluring decadence — of private flight.

“There is no wait time to get on the aircraft,” said Nowrouzi. “Your passports are checked and you get right on the aircraft and you depart.

“On your arrival, customs agents come out to the aircraft,” he added, building a case for the revival of air travel’s bygone glamour.

“Back in the ’70s, when commercial flying was new, people would fly for the experience and the destination. But somewhere along the way the experience kind of went away.”

Even the old-fashioned route of buying a jet outright is more feasible for corporations, leasing companies, and the odd individual, with the list price for new HondaJet and Cessna jets starting between US$3 million and US$4 million.

“Those airplanes will fly Montreal-Miami nonstop,” Gradek said.

A couple of clouds mark the horizon, however.

One is the price of jet fuel, which is poised to remain high this year in lockstep with oil costs.

“And then there’s the Greta Thunberg factor” — a growing awareness of aviation’s carbon footprint and the attendant “flygskam,” Swedish for flight shame, which pressures would-be flyers to think twice about heading skyward — Gradek said.

But with the pandemic and airport chaos raging, going private may seem all the easier to rationalize, said former Air Canada chief operating officer Duncan Dee.

“For folks that can afford it — high net worth individuals and corporate clients — that becomes an alternative that is much more justifiable.”

Setting A New Standard': Flixbus Continues To Grow In Ontario

The Transit Company, Which Came To Kitchener In April, Is Out To Make Public Transit Better, With Free Wifi, Power Outlets And Carbon Offsetting

By Taylor Pace, CityNewsEverywhere, June 24, 2022

'Setting a new standard': FlixBus continues to grow in Ontario - CityNews Kitchener

Since launching in Canada three months ago, FlixBus has continued to grow, expanding their routes in Ontario and BC.

The carbon-friendly transit company began as a start-up in Germany in 2011, founded by entrepreneurs Jochen Engert, André Schwämmlein, and Daniel Krauss, who were intent on making sustainable travel comfortable and affordable.

Today, they operate in 40 countries worldwide.

In 2018, FlixBus launched in the U.S., and it branched out to Canada for the first time this year, offering trips from Kitchener to Toronto and surrounding areas in April.

According to managing director Pierre Gourdain, Kitchener was on the top of their list from the moment they set their sights on the Canadian market.

"It's a concentration of everything we love about Canada: a fast-growing, young, and vibrant community with many college-aged professionals and international students who embrace alternative transportation options," he said. "Kitchenerians are adopting Flix in droves and we're truly excited to bring our unique business model to a market that had a clear need for safe, affordable, and sustainable inter-city bus service."

Right now, they run about 12 trips per week in the area, and are hoping to add more soon.

They are continuing to expand service throughout Ontario, with launches planned over the next several weeks, including a new stop at Scarborough Centre on the Toronto-Ottawa line, and a new line between Toronto and London with a stop in Hamilton starting on June 30.

"With Canada Day just around the corner and a two-year hiatus on public celebrations ending, we encourage Canadian travellers to get out there and enjoy the festivities. Our network is an affordable way to check out the Toronto Jazz Festival on Canada Day weekend, take in the sights and sounds of Niagara Falls, or join the big holiday celebrations in Ottawa. It's an easy way to save money in a time of high gas prices, take the stress out of travel, and keep those Canada Day plans on track."

They also launched their first cross-border routes between New York City and Toronto, and Seattle and Vancouver in May.

They believe that some of this growth is attributed to rising gas prices, which have surged more than 20 per cent since April.

"Passengers are discovering that leaving their cars at home and using the bus instead for long trips can be a real money-saver," he said. "For instance, a FlixBus trip from Kitchener to Toronto costs as low as $12.99, while the fuel prices for the same distance (114 km) in a car … with today's gas prices would cost approximately $25."

But he says that they are also setting a new standard for inter-city travel, to make "buses not just an affordable option, but the preferred choice."

"We need to give them something that makes the trip not just cheaper, but also better. Think new buses, free Wi-Fi, power outlets at every seat, tech solutions like the ability to track your bus on the FlixBus App, and more," he said.

Passengers are able to purchase carbon offset credits when booking, to compensate for their trip's minimal emissions by donating to environmental organizations. In North America, they've partnered with atmosfair to give customers the option to travel carbon-friendly for an additional (optional) cost of one to three per cent the original ticket price.

The additional cost acts as a donation to the National Forest Foundation to "give passengers a tangible way to reduce their carbon footprints."

They are also in the process of testing "new green bus technology" in the hopes that they can become the first bus company in North America to run a full carbon neutral bus route.

After just three months in service, Gourdain says Canada is already one of their top markets in North America, with thousands of passengers each month.

"Expect the green FlixBus to become a much more familiar sight on Kitchener and Waterloo roads in the months and years to come," he said. "We're just getting started! FlixBus is here to stay in Canada."

OTHER CAFII MEMBER-RELEVANT INDUSTRY/BUSINESS/SOCIETAL NEWS

Her Insurance Company Refused To Pay Her Disability Benefits For Six Years — And Spied On Her. A Jury Awarded Her A Record $1.5M In Damages

After A Five-Week Jury Trial, Sara Baker Was Awarded $1.5 Million In Punitive Damages From Blue Cross Life Insurance Company Of Canada.

By Alyshah Hasham, Toronto Star, June 28, 2022

Hospital director Sara Baker suffered a stroke in 2013 that her doctors said left her unable to work, but for six years her insurance company refused to pay her long-term disability benefits and spent 375 hours covertly surveilling her.

On Friday night, June 24, after a long-delayed five-week trial, a jury awarded Baker $1.5 million in punitive damages by Blue Cross Life Insurance Company of Canada — what her lawyers say is the highest known amount an individual has been given in Canada, exceeding the high water mark of $1 million set by the Supreme Court of Canada in 2002.

“It is an important award and a repudiation of insurance company tactics towards Sara and it will hopefully serve as a deterrent to other insurance companies,” said her lawyer Stephen Birman of law firm Thomson Rogers in a press release. “It’s David and Goliath when you take on an insurance company. Sara’s resolve will hopefully help others in the future.”

The jury also reinstated Baker’s benefits and awarded her $40,000 in aggravated damages for her mental distress.

“When a jury has the opportunity to make a decision on these issues, you really hear from the community in terms of what they think of the conduct of a corporation or insurance company,” said Howard Blitstein, a personal injury lawyer at Howie, Sacks and Henry, who was not involved in the case.

Blitstein said that punitive damages are rarely awarded, and while juries do not give reasons for their decisions, the amount chosen would be specifically intended to punish the insurance company for its failure to pay Baker’s benefits despite her paying premiums for years, and for taking a high-handed approach to her case.

“The trial was scheduled three times,” Baker said in the press release. “The first time it was delayed because the insurance company insisted on a jury, which could not happen during the pandemic early on.

“I would not wish the distress this has caused me on anyone. I just hope it will lead to insurance companies listening more closely and being more careful when others tell them they need help.”

Blitstein noted that $1 million in 2002 would be basically equivalent to $1.5 million today, given inflation, which places the amount within the realm of an expected amount.

It is striking that it was the insurance company who wanted a jury trial, with the plaintiff losing a motion to have the trial proceed judge-alone when jury trials were still suspended in early 2021 due to the pandemic, said Joseph Campisi, a personal injury lawyer who teaches insurance law at Osgoode Hall law school, who was also not involved in the case.

“For the most part, juries are very conservative and they don’t tend to award a lot,” he said. “So it’s almost poetic that it backfired on them.”

Campisi said he does not know the detailed facts of the case but if there is an appeal, the amount of the award could be upheld if the facts support it, he said.

As debate continues over whether to allow civil jury trials in Ontario, both Blitstein and Campisi said this is the kind of civil case that can benefit from a jury trial, where the community view of a company's conduct can send a message. There are, however, many others that lack that public interest component and are best suited to a judge-alone trial, Blitstein said.

Read Story (Subscription Required): https://www.thestar.com/news/gta/2022/06/28/her-insurance-company-refused-to-pay-her-disability-benefits-for-six-years-and-spied-on-her-a-jury-has-now-awarded-a-canadian-woman-a-record-15-million-in-damages.html

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Don Forgeron To Retire From Insurance Bureau Of Canada

By Alyssa DiSabatino, Canadian Underwriter, June 23, 2022

[Don Forgeron to retire from Insurance Bureau of Canada (canadianunderwriter.ca)]()

Don Forgeron will retire as president and CEO of the Insurance Bureau of Canada after a tenure of almost 30 years.

He will also retire as a member of the IBC's board of directors.

The search for Forgeron's successor will begin in July, and he will continue to lead the company until his successor is onboarded in late 2022.

"It has been an honour to serve as IBC's president and CEO," Forgeron said in a press release. "IBC has grown to become a credible and trustworthy voice for governments, regulators, and consumers who rely on insurers to provide protection to Canadians when they need it most.

"We've made progress on fixing broken auto insurance systems to work better for drivers. We've built on the momentum for a national flood insurance program to protect homeowners from the impacts of our changing climate. And IBC and its members have continued to show that a strong, competitive insurance industry is a force for good in the lives of Canadians," he continued.

From 1999 to 2002, Forgeron served as IBC's vice-president of strategic development of investigative services. He was vice-president of Atlantic from 1993 to 2008, vice-president of Ontario from 2008 to 2009, and was appointed as president and CEO in 2009, according to his LinkedIn profile.

In his early career, he worked for Alberta's Department of Environment and the National Research Council in Nova Scotia.

Forgeron is a founding member and current president of the Global Federation of Insurance Associations (GFIA) and leads an international working group at GFIA.

He is a Cape Breton University graduate and completed management studies at the University of Toronto, Harvard, and McGill universities.

"I'm proud of what IBC and the industry have accomplished during my tenure," Forgeron said.

"Under Don's leadership, IBC has become an invaluable voice for important issues affecting the P&C insurance industry," Heather Masterson, president and CEO of Travelers Canada and chair of IBC's board of directors, said in a press release. "Over the years, Don has been integral to the expert counsel, consumer education programs, and strategic initiatives that IBC offers our industry – the importance of which has never been more evident than during the unprecedented events of the past couple of years.

"We wish Don and his family all the best for his retirement and look forward to continue working with IBC on issues that make a true impact on the industry and consumers," she stated.

RESEARCH/THOUGHT LEADERSHIP/TECHNOLOGY/DIGITIZATION NEWS

Canada's Inflation Rate Is Punishing Now — But It Will Drop To Half Its Current Level By This Time Next Year

Key Factors In Our Soaring Consumer Price Index — Shelter Costs And The Price Of Oil — Are Already Both In Retreat, Writes David Olive, Leading To A Lowering Of The Inflation Rate Before The End Of The Year.

Opinion by David Olive, Toronto Star, June 25, 2022

The important thing to know about today's punishing inflation is that it won't even last to the end of the year.

The report this week of 7.7 per cent inflation in May was alarming, to be sure. We are enduring the highest rate of price increases in 39 years.

But the key factors driving inflation are in retreat.

We can expect inflation to drop to about half its current level by this time next year.

Relief from inflation will come even sooner than that. Between now and next spring, inflation may tick up a bit over the summer before declining in the fall and dropping to a range of 3 per cent to 4 per cent by May or June.

One of the biggest inflation drivers has been soaring shelter costs.

But after about two decades of relentless price inflation, Toronto house prices have dropped as much as 20 per cent in recent weeks.

That deflation is not entirely due to the Bank of Canada's most aggressive cycle of interest rate hikes in decades, begun earlier this year.

It also results from a "buyers' strike" among prospective owners finally balking at outrageous prices.

And that phenomenon is becoming widespread in the economy, helping drive down inflation as consumers become more judicious in their spending.

The inflation-fighting resolve of the Bank of Canada is not to be doubted. It already is planning to raise its key lending rate to about 2.0 per cent by year end, an eightfold increase in borrowing costs in just one year.

Indeed, to curb what it regards as excessive demand in the economy, the Bank of Canada is prepared to raise its key rate as high as 3.5 per cent by the end of next year. That would be a 14-fold increase in borrowing costs in just two years.

It has been said lately by economists that the Bank of Canada is trying to scare Canadians into expecting ever higher borrowing costs.

That may or may not be the intent, but it is the effect. And it is designed to put an end to the current expectation of ever higher prices, which causes prices to rise even further.

That the opposite is now occurring is evident in the historic drop in Toronto housing prices. That sharp decline was prompted merely by the expectation of higher mortgage rates even before they were in place.

It's worth noting that there is a lag factor in the impact of rising interest rates. They will have their maximum effect in curbing inflation only after a few months' time.

The same applies to another inflation driver, the global supply chain gridlock.

The good news is that delays in shipping at super-ports in China and on the North American West Coast are now easing considerably.

But it will be a few more months before the ports are operating at full capacity, and goods are once again in abundant supply at reasonable prices in Toronto stores.

That is also true of oil and labour shortages.

Without much notice, the West Texas Intermediate (WTI) benchmark price for oil has dropped by a remarkable 16 per cent from its March peak, to about $103 (U.S.) per barrel at this writing.

The reason you haven't yet seen price relief from that at the pumps is that oil refineries are still shuttered from the pandemic recession or have not yet recovered to full capacity.

There has always been a lag time between price changes at the wellhead and the pumps. The current lag time is longer than usual because so much of the world's refining capacity was shut down during the pandemic.

But this, too, is a temporary condition, as operators work to get their refinery runs up to 100 per cent.

And we can expect an easing in labour shortages as Canada welcomes about two million New Canadians by 2025, in one of the largest immigration inflows in history.

Bolstering that positive factor is the new national daycare program, which will liberate parents to join the paid workforce.

Finally, the war in Ukraine is estimated to account for about 0.5 per cent of the Canadian inflation rate.

If a sustainable ceasefire can be achieved between Moscow and Kyiv sooner than later, that would put an even more favourable cast on the inflation projections above.

The short-term outlook is not entirely bright.

Wringing all but two per cent or three per cent of inflation out of the economy will require a reduction in the recent strength in wage gains, and a rise in the current decades-low jobless rate.

And there is a risk that the Bank of Canada could overshoot in its interest rate hiking, triggering a recession.

The prospect of a mild recession in 2023 or 2024 is a matter of speculation, of course.

But achieving "price stability," as economists call low inflation, is not.

That inflation will be beaten is a given.

Read Story (Subscription Required): https://www.thestar.com/business/opinion/2022/06/25/canadas-punishing-inflation-rate-should-be-wrestled-to-the-ground-by-years-end.html