



The Honourable Randy Boissonnault P.C., M.P.,
Minister of Tourism and Associate Minister of Finance
Innovation, Science and Economic Development Canada
235 Queen St
Ottawa, ON K1A 0H5

VIA EMAIL: tourisminfo-tourismeinfo@ised-isde.gc.ca

RE: Federal Tourism Strategy Consultation and Submission

Dear Minister,

On behalf of the business travel community please accept our input into government consultations that will inform a new Federal Tourism Growth Strategy. It is our hope that our perspective will lead to policy changes that will improve domestic and international travel processes in Canada making our country a preferred destination for business and leisure. In the event that you require additional information from our community, please do not hesitate to contact me.

I look forward to the release of the strategy and future opportunities for collaboration.

Sincerely,

Nancy Tudorache
Regional Vice President, The Americas
Global Business Travel Association



The Global Business Travel Association

The Global Business Travel Association, or GBTA, is the world's premier business travel and meetings trade organization headquartered in the United States. Our membership is comprised of hundreds of travel buyers and suppliers that manage more than \$345 billion USD in global business travel and meeting expenditures annually. In addition to our advocacy, GBTA delivers world-class education, events and research to more than 28,000 travel professionals and 125,000 industry stakeholders. With such a footprint in the travel sector and local economies, our association is recognized as a credible and trusted advisor to governments and organizations around the world on the matters of travel, trade and commerce.

GBTA Canada and what business travel means to Canada

GBTA Canada represents the interests of Canadians as it relates to business travel including;

1. Canadian businesses with a travelling workforce – business travellers – whereby employees travel to conduct business, foster relationships, expand opportunities, remain competitive, contribute towards economies, and generate tax revenues.
2. Travel suppliers, companies who supply a product or service for travel or travel-related elements for business travellers such as: airlines, hotels, travel management companies, car rental companies, travel insurance providers, travel technology companies, and alike.

GBTA Canada works on behalf of these groups, companies, business travellers, and travel service-related providers, to deliver sector-specific education, events, and research. It is important to note that business travel itself (and those who support it) is a distinct activity within the 'travel and tourism' ecosystem, and while there are overlaps in policy goals there should be no confusion about the separate economic impact of this group to national and local economies.

Examining pre-pandemic data (2019) on business travel shows why it is important to focus on policy objectives that would recover lost business travel activity:

1. GBTA Canada members spent over \$35 billion CDN on business travel alone. Business travel and the presence of these individuals in Canada supported 600,000 jobs annually contributing another \$40 billion CDN into the Canadian economy and over \$10 billion in tax revenue (\$5 billion federal and \$5.8 to provinces and municipalities in 2020);
2. Overall, business travel represented 2.5-3% to Canada's GDP; and
3. As a result of COVID-19 and associated travel restrictions, business travel dropped by as much as 90%, effectively stopping the positive impact of this activity and contributing to the loss \$2.9 billion CDN spending/month across Canada. As a result, approximately, 600,000 jobs were negatively impacted at airlines, restaurants, hotels, convention centres etc.

The economic impact alone of business travel, to say nothing of the outcome that follows in trade and commerce, supports our request that this sector should be carefully considered when the government undertakes improving policy around inbound 'travel and tourism' that will clearly have an impact on this activity, as well. Failing to improve what is necessary for facilitating business travel is a missed opportunity to also improve 'travel and tourism.' In other words, GBTA Canada believes that improving travel for business travellers can only improve the process for everyone coming to Canada.

Perception is reality and Canada is cultivating a bad reputation as a destination for business and tourism

In a recent article titled 'The Airports to Avoid'¹ by data journalist Anna Fleck, the author lists Toronto's Pearson International Airport as the airport with the most delayed flights in the world between May 26 – July 19, 2022.



Source: <https://www.statista.com/chart/27865/worst-offending-airports-for-delays/>

This poor result follows a number of measures introduced by the federal and its agencies to reduce delays and improve facilitation including the hiring of more CATSA security screeners, opening additional CBSA kiosks and eliminating health screening measures (although these have been re-introduced).

¹ <https://www.statista.com/chart/27865/worst-offending-airports-for-delays/>



During the same time period, CNN Travel noted that Toronto Pearson International ranked fourth worse in terms of cancellations.² These cancellations are ahead of planned air carrier network schedule cuts that likely will not be counted as 'cancellations' hiding the true number of cancellations in the coming months.

In addition to these reports, other reputable international media outlets reported similar stories about Canada and its major airport. The New York Times³, The Wall Street Journal⁴ and the BBC⁵ all released reports in the last several months highlighting poor passenger facilitation, flight delays and outright cancellations making reliable air travel to or through Canada nearly impossible. In addition to these challenges, recently renewed random COVID-19 testing for fully vaccinated travellers, takes anywhere from 2-8 hours to complete and this is if a traveller isn't required to isolate for 10 days due to a positive test. All of these challenges are painting Canada as a place to avoid unless you enjoy long queues and not knowing exactly when you'll be able to return home.

Here at home, the CBC notes that Pearson International Airport is suffering from a public relations problem⁶. In its recent business article, 'Toronto's Pearson airport has a PR problem: It's known as the worst airport in the world,' the national news outlet highlights the fear that those in the industry have been worrying about for months, that travellers will choose to bypass Toronto. The repercussions for tourism are clear, if Canada's airport are unpleasant, why would anyone chose to vacation here despite world class attractions? For business travellers who depend on efficient travel, why would they continue to choose do business personally in Canada (and spend money on hotels and restaurants) if the barriers to enter are so high and unpredictable?

The truth is Canada is losing potential future visitors for business and leisure. Of course, capturing missed opportunities is nearly impossible to quantify however, if our reputation and the intensity with which it is being reported in Canada and around the world is to be believed, the government's main focus needs to be to address the contributing factors. In fact, GBTA members believe government policies to be the single largest barrier to business travel.⁷

² <https://www.cnn.com/travel/article/world-airports-most-summer-2022-delays-cancellations/index.html>

³ <https://www.nytimes.com/2022/07/16/world/canada/toronto-pearson-airport-flights.html>

⁴ <https://www.wsj.com/articles/toronto-airport-is-worlds-worst-for-delays-amid-current-travel-chaos-11658674800?mod=e2tw>

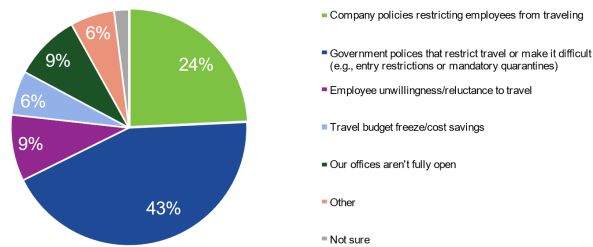
⁵ <https://www.bbc.com/news/world-us-canada-62216557>

⁶ <https://www.cbc.ca/news/business/toronto-pearson-airport-delays-1.6534360>

⁷ <https://www.gbta.org/Portals/0/Documents/poll/Feb22/Coronavirus%20Recovery%20Poll%20Results%20Deck%20%20February%2024%202022.pdf>

Government Policies Still Viewed As Greatest Barrier to Business Travel

What is the single greatest barrier to business travel?



Q. In the current environment, what do you view as the single greatest barrier to business travel? Please select one. (n=762)

Source:

<https://www.gbta.org/Portals/0/Documents/poll/Feb22/Coronavirus%20Recovery%20Poll%20Results%20Deck%20%20February%2024%202022.pdf>

As non-government organizations do their best to address labour shortages, with airlines going so far as to cancel scheduled flights to reduce the burden on limited resources, the federal government must invest in necessary government agency staffing and technology to achieve globally competitive service standards. In addition, the government must also work with its international partners such as the US to ensure their agencies operating in Canada live up to their border agreements. Other issues around technology and public health measures must be aligned with global standards. If these are not addressed, no amount of world-class attractions or improved conferences will make a difference in improving Canada's status as a place to do business or visit.

Current challenges for business travel

Most business travel is measured in hours and days – not weeks as one expects when travelling for leisure. As a result, efficiency through passenger facilitation is critical to maximizing the amount of productive time for meeting stakeholders or site visits, over non-productive time spent in processing lines at airports. Another increasingly important factor for business travel is the availability of sustainable options for things such as transportation (beyond the airport) and accommodations. In large part, these two factors, facilitation and sustainability, contribute to how attractive a country or city is in which to do business, and anything that works counter to these factors only harms the reputation of a business destination and should be viewed as a barrier to travel, trade and commerce.



Passenger Facilitation

Passenger facilitation at any airport is a complex activity that depends on many entities including federal government agencies, air carriers and the airport itself, to work together to ensure the safety and security of not only passengers but the country itself. The Canadian Government and several agencies however, do hold sole authority in security screening departing passengers and processing arriving international passengers for security, immigration and health. GBTA Canada recognizes this challenge and asks for bold leadership to deliver the necessary resources to bring passenger wait and processing times to acceptable standards so that air carriers can once again offer extensive networks and reliable schedules. Without such networks and schedules, providing access to other business centres around the world, business travellers, investors, and tourists, will look to destinations that are more accessible than Canada and our recovery will suffer at the gain of other countries who invest in these services.

Canadian Air Transport Security Authority

The recent recruitment of approximately 1000 CATSA security screening officers is commendable however, this number is only meant to address the current passenger levels at airports that is already reduced. If we are to adequately service the number of pre-pandemic passengers, and those for planned growth, CATSA must work with its stakeholders to understand what is required to deliver acceptable screening times. Considering that CATSA and carriers operate on User-Pay basis, charged directly to passengers, there is very little reason for screening officers to not match the level of passengers at any given time.

Canada Border Services Agency

Another area that requires immediate remedy is the movement of passengers through arrivals halls that are often at capacity at Canadian airports. Movement of these passengers are subject to the ability of CBSA officers to process travellers in a timely manner while they perform duties related to security, immigration and health. This is no easy task when air carriers often concentrate arrivals at certain times in the day however, if the government accepts that travel - business travel and tourism - is a considerable economic contributor, it must invest in providing more officers to boost throughput, and reduce air carrier delays at gates and on the tarmac that result in major network disruptions in the form of delays and cancellations. Staffing at CBSA is a legacy issue but in today's post-pandemic recovery environment it is having a disproportionate impact hindering air carriers' ability to provide reliable travel schedules, including for those in transit that require efficient processing to ensure they are able to make connecting flights. If this issue cannot be immediately solved, there is little hope that passenger volumes could ever return or surpass pre-pandemic levels.

US Customs and Border Protection and NEXUS

Staffing is also a concern at US Customs and Border Protection (USCBP) inspection points at Canadian airports but especially Toronto Pearson International Airport. Insufficient staffing at these inspections points also causes long queues throughout the airport and lead to cancelled flights, missed connections, and other negative impacts to air carrier schedules and the passenger experience. While many stakeholders, including GBTA Canada, lobby USCBP to improve staffing levels in Canada, no stakeholder is more influential in this relationship than the Canadian Federal Government. Improving this issue primarily depends on government-to-government dialogue and GBTA Canada encourages the Canadian government to prioritize a request for more USCBP officers. Furthermore, a longstanding dispute



between the Canadian Government and USCBP concerning the presence of armed USCBP officers at Canadian Nexus offices must be resolved. These offices have been closed since 2020 leaving travel to the US as the only option for Canadians to currently obtain a NEXUS card. This has a disproportionate impact on business travellers who are more likely to be frequent cross-border travellers and is unacceptable for a program based on the principle of reciprocity.

COVID-19 Measures and the ArriveCAN App

GBTA Canada recognizes that the world still finds itself in the midst of a pandemic with new variants of the original COVID-19 strain evolving by the day. At this stage however, the Canadian Government must acknowledge that the world today is more knowledgeable of COVID-19 and better prepared to reduce negative health outcomes than in March 2020. GBTA Canada encourages the government to match its testing policies with the best practices of its international peers in order to provide a consistent regulatory experience for the traveller without reducing the benefits of such measures. Current random testing is cumbersome and can take days to complete despite government pronouncements that it can be completed in ‘three easy steps.’ For those needing to depart Canada within days, many travellers are unwilling to take the chance of not being able to return to their homes at the end of their business trip or vacation. For those of us who do travel internationally, we know personally what a burden the test creates and the additional stress throughout the trip awaiting that final test result to “allow” us to go home and because of this many are avoiding Canada. GBTA Canada supports the World Health Organization (WHO) recommendation for a risk-based approach to the facilitation of international travel by lifting measures—such as testing and/or quarantine requirements—for individual travellers who are fully vaccinated, at least two weeks prior to traveling, with COVID-19 vaccines listed by the WHO for emergency use or approved by a stringent regulatory authority.

Furthermore, while GBTA Canada believes in the utility of the ArriveCAN app for use in security and health screening, the use of this technology must be reviewed. Without a review and improvements made to the app, the government risks the reputation of the technology and its future potential.

Changing Perceptions on Sustainable Travel

Business travel brings people together and fosters economic growth within and across national boundaries. For this to continue, however, the industry must ensure people can effectively connect in-person and conduct business globally while doing what is right for society and the planet. To this end, GBTA recently released a report on sustainability: *The State of Sustainability in the Global Business Travel Sector*.⁸ This benchmark study finds business travellers and suppliers opinions are changing and they are willing to change their travel habits for more sustainable practices. This presents an opportunity for Canada to position itself as an attractive choice for the growing number of travellers (business and leisure) who are searching for destinations that can provide sustainable options. GBTA Canada recommends that the government explore the potential of intermodal transportation and improving reporting mechanisms so that industry and consumers can make better informed choices for in line with their values of sustainability.

⁸ <https://www.gbta.org/the-state-of-sustainability>

1. Intermodal Transportation

Canada is a vast country and reaching destinations beyond hub and network airports can be difficult while trying to maintain a low carbon footprint. The good news is that Canada still benefits from a vast railway network that is exploring high-frequency rail on a number of routes. GBTA Canada strongly suggests that the Canadian Government work with rail and air carriers to explore seamless intermodal travel. Not only could this help reduce a traveller's carbon footprint but it could also revitalizing legacy rail routes and open new destinations for investment throughout the country.

2. Understanding Carbon Impact

Consumers' choices must be empowered, through more transparent information about the sustainability and environmental footprints of the destinations/tourism services. Suppliers are also asking for information to be more transparent in this regard to meet their own reporting needs. The Canadian Government should help to facilitate a standard method to substantiate green claims in travel and facilitate data collection across the travel and tourism sector in order to make the information available to all. For example, the International Aviation Transport Association (IATA) is developing a carbon calculator however, to make it more effective further globally aligned standards are needed. Canada could lead the conversation towards harmonizing data collection for travellers and travel suppliers around the world.

Canada and the Future of Travel and Tourism

Canada's pre-pandemic trajectory in travel and tourism was at an all-time high with over 21.1 million arrivals doing business in or exploring our country in 2019. This was no accident but a direct result of a concerted effort and significant investment by air carriers, airports, governments and other stakeholders across that country that made Canada an attractive and accessible place. Today, notwithstanding the impacts of the pandemic, the sector finds itself, in fact, closer to the conditions of 2015. If Canada is to resume its place as a leader in the world and attract business, as well as tourism dollars, the Canadian Government must acknowledge the role that travel and tourism plays in the Canadian economy and recognize that as a partner it must invest as much as other stakeholders in the system. Without the federal government at the table and investing in the areas where it has exclusive control, Canada as a destination for business or tourism will fall behind and lose much of the associated economic benefits gained by stakeholders who previously invested in good faith.



GBTA Canada Recommendations

In order to repair and improve Canada's reputation as a business and leisure destination, the federal government must:

1. Invest in necessary government agency staffing and technology to achieve globally competitive service standards – this is especially true for CATSA and CBSA.
2. Work with its international partners, such as the US, to ensure their agencies operating in Canada live up to their border agreements.
3. Review and improve the ArriveCAN app before its reputation is so harmed that it risks the future utility of the app and its associated benefits.
4. Align public health measures with its global peers and the World Health Organization's own recommendations so not to unfairly impact the traveling public.
5. Launch a government taskforce to review travel through a holistic and multi-departmental approach.