

Minutes for December 2nd, 2022

Attendees

Confirmed Members

Collette, Brett Walker, GM & Int. Ops
G Adventures, David Green, VP
Sunwing, Joanne Dhue Director, C&C

Transat, Nicole Bursey, Commercial Dir.
Transat, Howard Liebman, VP GR
Westworld Tours, Leanne Haus, GM

The Chair acknowledges the commitment and ongoing efforts of CATO Executives: Richard Edwards (Treasurer) Nicole Bursey (TICO Director – CATO appointed) and Joanne Dhue (TICO Director – CATO appointed).

Executive

Chair thanked Stéphanie Bishop for all her past and continued support of CATO and welcomed the new Vice Chair David Green, VP Customer and Sales Operations & Managing Director Canada.

TICO

On November 22 CATO representatives Peter Lacy (CFO, GOWAY), Gurmehar Randhawa (VP Finance, G Adventures), David Green (VP, G Adventures) and Brett Walker (GM, Collette) met with Optimus SBR and expressed our views on TICO's funding framework and Compensation Fund.

We had met previously to ensure we were largely on the same page from a CATO perspective. Certainly, individuals were welcome to put forth any of their own opinions or concerns as well.

From this discussion, as well as any feedback from members, we are developing a position that clearly summarizes our collective stance. Your input is needed. If you have any thoughts or opinions, please post them in the TICO chat on the private members' site or email any of the executive.

As well members are encouraged to share feedback on TICO's funding model and/or Compensation Fund by [clicking here](#) .

Chair provided an overview of the discussions with Optimus SBR. A position statement is being worked on by those who attended the consultation and will be circulated to all sometime in the next week or so for review and comment. The development of a CATO position statement is intended to build consensus among members of what is most important. It may also be released to the press and used in our advocacy efforts which we continue to pursue outside of the TICO consultation.

David Green noted the recommendation by the group that Optimus SBR not only look at other regulated environments within Canada, namely the Office de la protection du consommateur and its associated fund but also similar regulatory regimes in England, Australia and elsewhere.

Howard Liebman reiterated this and noted the Quebec fund may not be the best example or the model for TICO however the Quebec fund is well funded and barring any black swan event, consumers would likely be made whole. Apart from having a well-funded fund in Quebec there doesn't exist the same caps and gaps as in Ontario.

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Howard also stressed the need to ensure there is some measure of consumer contribution to the funding of the fund despite the government's reticence for any new fees or perceived consumer tax.

Joanne Dhue highlighted the fact that consumer awareness would undoubtedly be elevated once consumers began to contribute to the fund. With a much more robust fund that fully covered consumers in the event of a registrant failure, consumers would be more savvy in their travel choices and this would benefit registrants and consumers alike.

A concern that has been brought to the executive's attention is non-compliance i.e. non-registrants believed to be operating in Ontario (TICO), Quebec (ATOC) or BC (CPBC).

Question for discussion: Should this be a concern of CATO? Meaning, should CATO refer to TICO any companies believed to be in violation of the Act and its Regs?

If so, there would need to be a litmus test. Some of the points could be:

- Is the company of concern a registrant?
- Is there evidence the company of concern sells direct B2C?
- Is there evidence the company of concern engages in false, misleading and/or deceptive advertising?
- If there is support for any action by CATO, what should be the process?
 - Should it an executive decision or decided by membership?
 - What would be the threshold? i.e. required number supporting any action or majority?

It was noted that our industry and CATO members welcome competition and benefit from it. However, the basis for this, is a level playing field for all. Within the realm of law, the Travel Act and its regulations, differences amongst competitors makes for a healthy and vibrant market, whereas those who are in contravention to the law, disadvantage registrants with an uneven playing field.

The general consensus was that it was not the role of CATO to vet, through any litmus test, companies that might be in contravention to the Travel Act and its regs. Many, however, felt that CATO should remain a domain where any such issues could be brought forward and discussed. Individual members could then decide whether to refer any perceived contravention on to TICO.

Nicole Bursey noted that TICO regularly does environmental scans of the market but most often any non-registrant or even registrant believed to be operating in the market unlawfully is disclosed to TICO by other registrants.

David Green mentioned that some issues such as false, misleading and/or deceptive advertising, not only overstep the principle of a level playing field but also create a negative perception by the public of the industry, or worse, implicate consumers. Such activities obviously have both a negative and undeserving effect on CATO members and the industry as a whole

Brett Walker, cited the example of Sinorama. Apart from Sinorama's violations of the Travel Act that were exposed by TICO after the company's insolvency in 2018, Sinorama had long engaged in suspicious pricing and advertising that defied reason.

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It was recommended that this issue be taken back to the executive for further discussion and consideration.

Bill 96

Brings significant amendments to the its precursor Bill 101 (Charter of the French Language). There is some concern about the extent to which businesses outside of Quebec may be impacted.

Among members' concerns, is that the public and employees can now seek redress before the Courts, and the Office Québécois de la langue française is gaining several new powers to ensure compliance with the requirements.

Open for any discussion.

The consensus is that this Bill requires all members understand its breadth and implications.

Howard Liebman commented succinctly "this is real". He stated, this Bill not only gives consumers redress through the courts, it also gives the Office Québécois de la langue française significantly greater powers of enforcement.

David Green mentioned the fines for non-compliance are between \$3,000 and \$30,000. The fines are doubled for a second offence and tripled for subsequent repeat offences. Any remediation or resolution of any offence must be immediate or within 24 hours. If any offense is not resolved within one day, it will constitute a separate offence for each day it continues.

Joanne Dhue stated that Sunwing are compliant and will continue to monitor their products and services to ensure ongoing compliance.

However, there are many CATO members who do not operate in Quebec and wish to ensure they are not ensnared through any actions outside of Quebec that might violate the law within Quebec.

David Green mentioned the possibility of English language brochures, warehoused in Ontario, that might be ordered by Quebec residents. Would this be in violation of the law? Was it necessary to put a stop on any and all communication with consumers in Quebec. Might there also be some implications to B2B or any transactions such as English invoicing that could flow-through to consumers.

Chair noted it might be valuable for CATO to get a legal opinion but also addressed the fact it would not be relevant to all members and therefore any such investment might not be universally accepted by members.

David Green then suggested that perhaps the better approach would be to convene as many legal experts and other pertinent resources amongst the CATO members and try and arrive at the best legal advice.

This issue was referred back to the executive as well for further consideration and direction.

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Sustainability

Sustainability Committee formed and upcoming poll to members (will be housed on the CATO private members' site).

Chair noted the committee will be Chaired by Emma Cottis who is now endeavoring to find member representatives and industry experts to serve on the committee. We are extremely fortunate to have Emma chairing this committee as she also chairs USTOA's sustainability committee. Emma has drafted the questions for a CATO poll which will aid the committee going forward.

Please go to the CATO private members site and complete five (5) quick YES/NO questions!