

Canada's Airports: Working for Travellers, Working for Communities in an Era of Climate Change and Adaptation



*Written Submission for the Pre-Budget Consultations
in Advance of the 2020 Federal Budget*

Summary of Recommendations	
Small Airport Infrastructure Funding for Safety and Security	
Airports Capital Assistance Program	<ul style="list-style-type: none"> • Increase annual funding for ACAP to \$95 million, and make accessing the program simpler, more transparent, success more predictable, and the program more consistently useful for eligible airports. • Adapt project eligibility categories and requirements, as needed, to ensure it meets the new challenges airports face in adapting to climate change impacts on safety and security infrastructure and equipment.
National Transportation Infrastructure and Regional Connectivity/Congestion	
National Transportation Infrastructure	<ul style="list-style-type: none"> • Increase and extend funding to national transportation and transit infrastructure programs to reduce urban and regional congestion and help travellers and workers get to the airport more efficiently through regional rail and transit. • Ensure programs for national transportation infrastructure, including regional rail and transit, are sufficiently flexible that the federal government is able to act more independently with potential partners.
Disaster Mitigation and Adaptation	
Disaster Mitigation and Adaptation Fund	<ul style="list-style-type: none"> • Review Disaster Mitigation and Adaptation Fund program eligibility to ensure that airports and communities with a legitimate need have access.
Environmental Cleanup of Federally-Mandated Toxins	
Federally-Mandated Toxins in Firefighting Foam	<ul style="list-style-type: none"> • In consultation with Canada's airports and other affected stakeholders, develop and fund a program for remediation, decontamination and disposal of assets contaminated with PFAS due to their federally-mandated use.

Pre-Budget 2020: Canada's Airports, Working for Travellers, Working for Communities

The Canadian Airports Council (CAC) has 54 members, including all 21 privately operated National Airports System (NAS) airports and 23 Airports Capital Assistance Program (ACAP) eligible small airports. CAC members handle virtually all of the nation's air cargo and international passenger traffic, and 95% of domestic passenger traffic.

In 2016, with 140 million passengers travelling through Canada's airports (up 112% from 1988), airports directly contributed \$48 billion in economic output, \$19 billion in GDP, 194,000 jobs and \$6.9 billion in tax revenue to all levels of government.

Per the call by the House of Commons Committee on Finance for submissions for Federal Budget 2020, the CAC's recommendations respond to the theme of *Climate Emergency: The Required Transition to a Low Carbon Economy*. Given the narrowness of the committee's focus in its budget considerations for next spring, the following represents only the subset of industry priorities that relate to environmental responsibility, climate change and adaptation.

Canada's airports are more efficient and sustainable than they were even just a decade ago. Fourteen of Canada's airports are signatories to the Airport Carbon Accreditation program, which independently assesses and recognizes airports' efforts to manage and reduce their CO₂ emissions. As well, in consultation with their communities and stakeholders, airports are making significant financial investments in electric ground support equipment and vehicles, as well as in LEED-certified new buildings.

Canada's airports are already experiencing the impact of climate change. Wild fires, flooding, extreme snowfall, and high fluctuations in ground temperature have all had, or threatened to have, a financial impact on airports in the past year, in terms of operations, but also infrastructure integrity and ongoing maintenance.

Small Airport Infrastructure Funding for Safety and Security

Transport Canada's National Airports Policy in the 1990s acknowledged that smaller airports have challenges raising funds to sustain operations and investments to maintain critical infrastructure and meet ever-evolving safety and security regulations.

The **Airport Capital Assistance Program (ACAP)** helps eligible airports keep pace with their infrastructure and equipment needs. While the complexity and sophistication of regulatory requirements has increased over the years, ACAP funding has not. In fact, ACAP's total funding envelope of about \$38 million a year has not increased in almost 20 years while inflation in construction materials, labour, winter operations and emergency equipment for ACAP eligible projects has far out-paced general inflation.

While not all climate change-related challenges are addressed by ACAP, many are and climate change is contributing negatively to the overall cost environment in which ACAP-eligible airports must continue to provide a safe and secure environment for travellers, workers and the community. Boosting ACAP funding would provide these airports greater flexibility in responding to demands like:

- Higher fluctuations in temperatures are wreaking havoc on runways and taxiways, increasing costs for ongoing maintenance and accelerating the need for major runway resurfacing projects at shorter intervals.
- Changing snowfall patterns put strains on airport winter maintenance requirements, but funding isn't always supporting the specific needs at ACAP eligible airports (i.e. adequacy of snow removal equipment eligible for funding based on airport size). This comes amidst higher operational costs from greater ongoing attention required to winter runway conditions.
- Wildfires and flooding not only threaten the actual infrastructure of small airports, they highlight the important role Canada's airports play as transportation hubs during natural disasters.

ACAP provides funding for airports with between 1,000 and 525,000 passengers a year for safety and security related infrastructure and equipment in one of three categories, as outlined below.

1st Priority: Safety-related airside projects such as rehabilitation of runways, taxiways, aprons, associated lighting, visual aids, sand storage sheds, utilities to service eligible items, related site preparation costs including; directly associated environmental costs, aircraft firefighting equipment and equipment shelters which are necessary to maintain the airport's level of protection as required by regulation.

2nd Priority: Heavy airside mobile equipment (safety related) such as runway snowblowers, runway snowplows, runway sweepers, spreaders, winter friction testing devices, and heavy airside mobile equipment shelters.

3rd Priority: Air terminal building/groundside safety related, such as sprinkler systems, asbestos removal, barrier-free access.

Due to chronic underfunding, in practice only projects in the first two categories are being funded today. Many of the 200 airports eligible for ACAP have stopped applying for projects they believe won't be approved.

The Regional Community Airports Council of Canada estimates that the current demand is about \$95 million a year, an estimate that takes into account both the inflation in materials, equipment and labour for ACAP eligible projects but also pent-up demand from chronic

underfunding of the program. The CAC supports this assessment and is working with RCAC and other regional aviation groups to highlight the important role of ACAP and seek additional funding for the program.

The CAC requests government:

- ***Increase annual funding for ACAP to \$95 million, and make accessing the program simpler, more transparent, success more predictable, and the program more consistently useful for eligible airports.***
- ***Adapt project eligibility categories and requirements, as needed, to ensure that ACAP-eligible airports are supported for new climate adaptation impacts on safety and security infrastructure and equipment.***

National Transportation Infrastructure and Regional Connectivity/Congestion

The **National Trade Corridors Fund (NTCF)** was designed to increase the flow of Canadian trade through our transportation system and borders. This is the first national infrastructure fund open to National Airports System (NAS) airports, and several CAC member airports have received funding under the program.

Several airports have proposed projects that meet NTCF objectives to reduce trade and mobility bottlenecks, and address capacity issues in regional transportation. Some initiatives have moved ahead, with about \$100 million in investments for air projects funded under the NTCF. However, there are still a number of proposed projects for which the federal government could play an active funding role but so far has elected not to.

Most notably to the issue of climate change, many of Canada's airports in urban areas are pursuing investments into regional rail and transit programs that would take millions of travellers and airport workers out of cars and off of congested local roads and highways. For a variety of reasons, many airports today find themselves with limited access to transit; it has been a priority of airports over the past decade to fix this problem. This includes projects like the Toronto Pearson's regional transit hub and the Light Rail Transit extension to Ottawa International Airport.

While the NTCF, and **Public Transit Infrastructure Fund** are providing critical funding already, there is tremendous demand under these programs and they should be expanded.

Meanwhile, airports continue to self-fund most on-airport infrastructure projects out of user fees, a key feature of the Canadian airport model. This includes committing their own funds to support the on-airport portion of regional transportation projects, for a truly public-private model for transportation infrastructure investment that is working well for Canada.

The CAC requests government:

- ***Increase and extend funding to national transportation and transit infrastructure programs to reduce urban and regional congestion and help travellers and workers get to the airport more efficiently through regional rail and transit.***
- ***Ensure programs for national transportation infrastructure, including regional rail and transit, are sufficiently flexible that the federal government is able to act more independently with potential partners.***

Disaster Mitigation and Adaptation

The **Disaster Mitigation and Adaptation Fund** (DMAF) was announced in May 2018 as a 10-year national program to invest \$2 billion in projects that help communities better withstand natural disasters such as floods, wildfires, seismic events and droughts – the frequency and intensity of which have been exacerbated by climate change.

Under the fund, eligible projects must be at least \$20 million in scope, involve new or modification of existing public/national infrastructure and meet at least one of several criteria for national significance. These include reducing impact on critical infrastructure and essential services, the health and safety of Canadians, significant disruptions in economic activity and increased attention to vulnerable regions.

As we have seen around the country, Canada's airports are directly affected by these disasters, while airports also play a critical role during these events in community evacuations and the provision of emergency services. Already the DMAF is upgrading airport infrastructure in Canada's North, where \$22 million is being provided in federal and territorial funding to Inuvik Mike Zubko Airport in the Northwest Territories to help the airport continue to safely serve the needs of travellers and the community amidst climate change.

However, restrictions in program eligibility may disadvantage some airports– most notably the 21 privately operated National Airports System airports -- for which this fund could play a valuable role in mitigating the impact of climate change and reducing the financial burden of natural disasters on travellers and communities.

The CAC requests government:

- ***Review Disaster Mitigation and Adaptation Fund program eligibility to ensure that airports and communities with a legitimate need have access.***

Environmental Cleanup of Federally Mandated Toxins

CAC airport members are committed to being responsible partners with their communities by operating their facilities in environmentally responsible ways and strive for compliance with all

applicable regulations. However, in ensuring the safety of the traveling public, Transport Canada required airports to provide aircraft rescue and firefighting (ARFF) services with firefighting foam containing the toxic substances Perfluorooctanoic Acid (PFOA) and Perfluorooctyl Sulfonate (PFOS) within the family of **Per- and Polyfluoroalkyl Substances (PFAS)**. Canada's airports have used firefighting foam with these compounds from the time they were owned and operated by the federal government. Transport Canada has continued to mandate the use of these compounds, which are used not only in emergencies but also in training, since the transfer of airports to communities, airport authorities and provinces.

The CAC has recently been successful in securing an exemption from the requirement to use this toxic foam going forward, and are sourcing alternatives. However contaminants from decades of use remain and the CAC has recommended a working group be formed with airports, Transport Canada, Environment Canada and Climate Change, and other involved parties to aggressively pursue options for isolation and remediation of equipment, buildings and land contaminated by PFAS.

Also to be determined is financial compensation for costs associated with remediation, decontamination and disposal of affected airport assets. As these are legacy issues dating from when Transport Canada operated airports, the CAC believes that the federal government should take responsibility for the financial costs associated with their clean up.

The CAC requests government:

- ***In consultation with Canada's airports and other affected stakeholders, develop and fund a program for remediation, decontamination and disposal of assets contaminated with PFAS due to their federally-mandated use.***