FACT SHEET | CANADA'S AIRPORTS

Overview

Canada's airports model places the cost burden of operating airports on those who use them, *not* on the federal government. In Canada, users pay a larger share of the costs than those in other jurisdictions — but all revenues go back to services travelers use, as opposed to going to shareholders. In most international jurisdictions, airports draw on taxpayer dollars — in Canada, airports pay into the federal purse.

Airport revenue comes from three sources:

- Aeronautical revenue: Charges to air carriers (landing and terminal fees).
- Non-Aeronautical revenue: Charges to businesses operating on airport land (restaurants, hotels, etc.).
- Airport improvement fees (AIF): Charges on airline tickets; this money only goes to infrastructure improvement projects that benefit users.

Canada's national airports system (NAS) operating model, which has been in place since the early 1990s, is distinct from models elsewhere: in Canada, the federal government owns the land upon which the country's 21 NAS airports operate, and each airport authority pays rent to the federal government, calculated based on a percentage of every dollar of gross revenue earned (total can be up to 12 per cent). The individual airport authorities themselves operate as private not-for-profit organizations, with locally appointed boards. All the revenue they retain is reinvested in the airport in question.

Sector Challenges | National Summary in Context

- Total generated towards Canada's annual GDP (2019): $19 billion
- Jobs supported through the sector across the country: 355,000
- Projected revenue losses in 2020 and 2021: $5.5 billion
- Additional debt in 2020 and 2021: $2.8 billion

Recommendations

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Provide sustained financial support for airport safety, security and transit infrastructure including:

- Quickly restore international air service authority to over 20 airports in time for the winter travel season, allowing Canadians to fly directly to sun and holiday destinations and smaller communities to welcome tourists, friends and relatives from abroad for the first time in almost two years.
- Provide clear guidelines for the October 30th federal vaccine mandates for travellers and workers, answer critical questions such as which airport workers will be included and how vaccine verification will occur, and confirm that the federal government will continue to pay for these measures, lest the burden fall on travellers.
- Work with the U.S. government to restore the resources and hours of operation by U.S. preclearance at eight Canadian airports. Canada-U.S. travel demand is growing. But, preclearance hours were significantly reduced during the pandemic and have yet to be restored. This is not only delaying flights, but affecting future air service development between the two countries.
- Extend the financial supports given to airports until traffic has recovered and debt levels are reduced to sustainable levels. This includes a multiyear moratorium on ground lease rent and the continuation of the programs that support regional air access and provide operational support, including the Airport Capital Assistance Program (ACAP), the Regional Air Transportation Initiative (RATI) and the Airport Relief Fund (ARF).
- Continue and recapitalize the Airport Critical Infrastructure Program (ACIP) that supports the development of sustainable and strategic infrastructure, including investments in critical infrastructure related to safety, security or connectivity.
- Ensure the National Trade Corridors Fund’s project consideration process is sufficiently flexible to fund regional transportation initiatives, such as transit and regional rail, which can reduce vehicle traffic and contribute to greener communities.