



LET'S TALK BUDGET

2024 CONSULTATION

FEBRUARY 2024



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Canadian Airports Council: Let's Talk Budget 2024 Consultation

Representing over 100 airports, including all of the National Airports System (NAS) airports and most passenger service airports in every province and territory, the Canadian Airport Council (CAC) is responsible for handling all of the nation's air cargo and international passenger traffic and 90% of domestic passenger traffic.

Formed in 1992, as the devolution of airports to local control was beginning, the CAC has established itself as the reliable and credible federal representative for airports on a wide range of significant issues and concerns. CAC's mission is to ensure that airports of all sizes are advocated for through collaboration with the Government.

CAC is supportive of the Government's ambition to ensure the safety and accessibility to all travellers while doing their part to help achieve the shared goal of decarbonization. For many communities, airports are the centre of what drives their economic growth with job creation, tourism, and infrastructure opportunities that benefit the broader region. We are supportive of the actions that Government has made towards building sustainable communities around airports and keeping life more affordable for Canadians.

We are mindful that our sector's runway to recovery is dynamic, and that is why we are pleased to share the following recommendations for your consideration and further discussion.

Recommendation 1: Protect the Viability of Canada's Airports and Airspace

- Strengthen the regulatory framework to protect Canada's airspace from obstruction.

Buildings, structures and objects near an airport can become an obstacle to air navigation if they intrude into air space used for flight, emit signals that interfere with communications equipment or generate steam, smoke or wind that can impact visibility and create turbulence. Obstacles around airports can create safety hazards in certain conditions, and also limit operations where a safe approach or departure path for aircraft cannot be achieved. Both international and Canadian regulation and standards specify criteria to be followed in aerodrome and air navigation design to ensure that aircraft maintain certain vertical and/or horizontal clearance from obstacles in order to facilitate the safe operation during all phases



of flight, including the critical phases of departure and arrival, and where emergency procedures must be used.

Canada's current site-specific Airport Zoning Regulations (AZR) protect some parts of approach and departure paths from the intrusion of obstacles in the more immediate vicinity of an airport. However, the nature of departures and arrivals at airports has changed from what was envisioned at the time that AZRs were established, and the obstacle clearances required do not always align with those protected by the AZRs. The air space required for outside the AZR, is susceptible to being compromised by obstacles of significant height and other incompatible land uses for which there is no legal restriction.

A solution is required that 1) provides a means for airports and Nav Canada to be made aware of proposed objects that may cause an intrusion to the approach and departure surfaces, in advance of construction, to determine if they will be an obstacle to air navigation, and 2) provides a means to prevent and/or mitigate the impact of an obstacle that is deemed to be a hazard to air navigation outside of existing AZR.

This will ensure that airport accessibility, capacity and growth is not limited by airspace constraints.

- Extend Airport leases by 50 years to foster long term investment in airport economic development.

Providing an extension to the current lease terms allows Canadian airports to continue to finance major capital investments as required and maintaining the airports in good order, condition and repair as required by the lease terms and conditions. Improving the ability for airports to access debt reduces the likelihood of increases to airport improvement fees (AIF) and/or other user charges as a means of funding capital programs.

Recommendation 2: Infrastructure

- Enable airports to build needed infrastructure to meet growing passenger demand and deliver on their roles as gateways to travel and trade, by:

Re-investing airport rent paid to the federal government back into airport infrastructure, so airports can invest for growth and unlock economic potential for Canadians. A reinvestment of \$400 million into airport infrastructure annually would create an economic impact of \$612 million, create nearly 2,400 jobs with an average salary per job of \$79,700, and contribute approximately \$160 million in GDP.



Ensure airport eligibility in all major federal infrastructure programs.

Recapitalize the Airport Capital Assistance Program (ACAP) to \$95 million annually to ensure it meets the growing needs of small airports from coast to coast.

Recommendation 3: Enhance the Passenger Journey

- We recommend that the Government of Canada create a domestic Trusted Traveller program for low risk travellers with benefits for members at the air border and aviation security screening.

A domestic Trusted Traveller program will reduce wait times at airport bottlenecks like CBSA and CATSA screening. Furthermore, an increase in known travellers in the aviation system could better utilize existing passenger programs like Verified Traveller and NEXUS.

- We would like the federal government to expedite the implementation of an end-to-end digital travel journey to seamlessly verify and manage identity through various processes in the travel continuum.

Recommendation 4: Support Revenue Generating Activity

- Support airports' ability to generate revenue, including through new streams such as modernizing the Customs Act permit for international airports to offer Arrivals Duty Free for inbound international travellers and allowing Dual Shop Stores (DSS).

Recommendation 5: Implement the Sustainable Aviation Fuel Roadmap

- As this government focuses on decarbonization, CAC wants to help contribute to their goals of achieving net zero to this by working together to implement the Sustainable Aviation Fuel (SAF) roadmap, promoted by the Canadian Council for Sustainable Aviation Fuels (C-SAF). Development of the SAF would help Canada and airports alike meet their national targets.

We hope to lend our domestic and international airport experience and expertise to contribute to a modern regulatory environment that enables investment into the transportation sector. We are committed to deepening our engagement with you, and to working together collaboratively to improve the air passenger journey for all Canadians.

We thank you for your consideration of our recommendations for Budget 2024.