



For Immediate Release

Atlantic Canada's airports ask for changes to Federal government rent and infrastructure policies

Halifax (October 19, 2016) – The House of Commons Standing Committee on Finance heard today in Halifax that smaller airports in Atlantic Canada are in need of assistance and that the federal government needs to change its policies on the rent it collects from airports and the funding support it provides for infrastructure improvements.

The situation faced by several of the region's airports were described in a presentation to the committee by the Atlantic Canada Airports Association as part of the pre-budget consultation process for the 2017 federal budget.

"Aviation in Atlantic Canada is a catalyst for business growth, tourism, trade and overall economic growth in our region," says Joyce Carter, president of the association and president and CEO of Halifax International Airport Authority. "We must see updated policies and programs that support the growth in air transportation."

Airports across Canada were privatized by the federal government beginning in 1992. Some were divested entirely to communities, while others were divested, but remained on federal land. These airports are run by community not-for-profit authorities who pay rent to the federal government.

"The federal government collects more than \$320 million a year in rent from Canada's airports," says Monette Pasher, executive director of Atlantic Canada Airports Association. "A small fraction of that, about 12 per cent, goes back as infrastructure funding support through the Airports Capital Assistance Program. But more rent monies need to flow back into the system for infrastructure support for smaller airports."

According to Pasher, rent deferral agreements with some airports are expiring and five airports in Atlantic Canada will begin paying rent this year, adding another financial burden on these small airports.

Pasher pointed out that smaller airports in Canada's National Airport System don't qualify for infrastructure funding support from the federal government under the Airports Capital Assistance Program or the Build Canada Program: "There are six small airports in Canada, four located in our region that don't qualify for federal funding support. They are essentially frozen out of all programs because they are located on

federal land. This is an inequity that needs to be fixed, they have essential safety and improvement projects that are in need of investment.”

Pasher says that these airports are more than prepared to invest their fair share, but revenue sources like passenger airport improvement fees simply won't cover 100 per cent of the capital costs at small airports. The infrastructure requirements are great and the passenger volumes are not large enough to sustain it. The solution, says Pasher, is stronger funding partnerships with both federal and provincial governments.

The Atlantic Canada Airports Association is proposing that the federal government eliminate rent payments for all airports with less than 3-million passengers annually, and that rent charges for larger airports be capped. They are also urging the federal government to give small NAS airports eligibility to apply for funding assistance in programs designed to assist small airports.

- 30 -

About the Atlantic Canada Airports Association

The ACAA represents 12 airports in Newfoundland and Labrador, Nova Scotia, New Brunswick and Prince Edward Island. The region's airports nearly 8 million passengers and approximately 60,000 metric tons of cargo annually and account for over 28,000 jobs in the region. Atlantic Canada's airports are significant economic generators with passenger and cargo traffic generating over \$3 billion annually into the Atlantic Canada economy.

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