

# HOUSE COMMITTEE ADDRESSES KEY AIR TRANSPORT ISSUES

The House of Commons Standing Committee on Transport, Infrastructure, and Communities (TRAN) undertook this Spring a study “on ways to reduce red tape and costs on rural and urban Canadian airports to make air travel more affordable and accessible”.

We salute this initiative as there have been too few committee studies on ways to help aviation better serve the Canadian traveller.

The obvious focus for the past two years has been on getting through the pandemic and now on a recovery in a vastly different socio-economic environment where consumer behavior has been forever modified. Not only is it very difficult to predict the future demand for air travel, our industry and the travelling public are facing cost increases that could completely alter the demand very quickly.

Business travel is certain to feel the effects of the widespread use of videoconferencing in-lieu of in-person meetings. Reduced business travel, increased costs, personnel shortages and reduced levels of service by government service providers are certainly not helping us find a way out of this post pandemic maze.

Insufficient government services, at the Department, at airports security, and at customs, are only adding to the chaos. The fact that Canada seriously lagged behind our trading partners in reducing health restrictions did not help create the winning conditions that we so urgently need.

Many of the suggestions put forward before this Committee certainly merit consideration. Although ATAC stands firmly against the privatisation of the National Airport System airports, as doing so in some countries has led to serious increases in costs, much could be gained, however, by doing a deep dive into many options for airports that can't be sustained by the user-payer model. This is particularly the case for regional and northern airports.

To limit further serious damage to the air industry and help us work towards full recovery, the Government needs to change its approach to help us better serve Canadians in the post pandemic environment. The first thing that must be done is to stop treating the air transport industry differently than all other modes of transport in Canada.

The Government must stop considering the air transport industry as a revenue stream. No other mode of transport is aggrieved like the air transport industry. Why on the one hand does the Government draw over \$1 billion a year from fees and charges in aviation not found in any other mode of transport, and on the other hand finance passenger rail to the order of hundreds of millions of dollars.

Total Via Rail passenger count in 2020 was 1.15 million, a 75% drop over 2019. This resembles the percentage loss of air passengers in the same period. Yet, Via Rail received operational and capital subsidies of \$669 million in 2020, that is \$582 per passenger.

Need I remind this Committee that rail carries less than 5 million passengers on a good year as compared to close to 150 million passengers in aviation.

One could easily conclude that aviation is subsidizing rail in this country.

## **To limit the crippling damage to the air industry, the Government of Canada must:**

- Stop using aviation as a revenue stream.
- Failing to do so, the Government needs to at least reinvest aviation revenues generated by fees and charges back into aviation.
- Consider regional aviation as a vital link in Canada's connectivity.
- Invest in regional and northern air infrastructure as the user-pay model just can't sustain operations in these regions that depend almost entirely on aviation. This is key to their ability to provide the services needed to support the free flow of passengers. Not only do these airports offer a vital socio-economic link to the rest of Canada but many of them are important feeders of international passengers to and from other airports in Canada.
- Establish a federally backed funding program for all students attending professional flight school or post secondary institutions providing Transport Canada approved Aircraft Maintenance Engineer programs that are accredited by provincial acts such as in Ontario Private Career College. This is what is needed to attract the increased number of pilot and maintenance trainees required to address future shortages that are on our doorstep today.
- Privatize CATSA at no cost to the air transport industry or their passengers. In other words, abandon the idea of imposing on passengers via the industry a price tag of \$600 M for assets already paid for many times over by passengers through the Air Travellers Security Charge over the years.
- Consider NAV CANADA as an essential service and support it should we go through another such catastrophic drop in revenue because of a national crisis.
- Rather than spend money on politically motivated projects such as high frequency rail that traffic volumes would never justify nor sustain, the Government needs to develop in cooperation with industry a National Air Transport Policy focused on multimodality.
- Keep in mind that air transportation is now a way of life, in fact a way of survival for many, not a luxury but an economic enabler.

