



# Greater Toronto Airports Authority

## Consultative Committee

Wednesday September 13, 2006 – Minutes

### ATTENDANCE:

#### Members

Lorrie McKee (Chair)	GTAA, General Manager – Government Affairs
Councillor Sandra Hames	City of Brampton
Doug Thwaites	City of Brampton, Resident
Bill Clark	Brampton Board of Trade
Councillor Maja Prentice	City of Mississauga
Suresh Thakrar	City of Mississauga Resident
John Wouters	Mississauga Board of Trade
Mike Lauber	Toronto Board of Trade
Patrick Olive	Durham Region
Richard Cockfield	Halton Region
Paul May	York Region
Charles Dorrington	Brampton/Mississauga District Labour Council
Heather Craig-Peddie	ACTA-Consumer Representative

#### Alternates

Murray McLeod	Peel Region
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#### Absent

Councillor Suzan Hall	City of Toronto
Councillor Denzil Minnan-Wong	City of Toronto
Martin Ross	City of Toronto, Resident

#### Resource Members

Dennis Cutajar	City of Brampton
Peter Viducis	City of Toronto
Susan Amring	City of Mississauga
Dave Mastel	NAV Canada
John Higham	Transport Canada
Suzan Trabert McKay	Mississauga Tourism
Phin Chai-Stundzia	Province

#### Also Present

Chris Clay	Mississauga News	Randy McGill	GTAA
Geoff Dobilas	GHK	Kim Stefanazzi	GTAA

### DISTRIBUTION:

Mayors & Regional Chairs: Brampton, Mississauga, Toronto, Vaughan, Durham, Halton, Peel, & York  
 Other Interested Parties: On Request

### NEXT MEETING:

November 15, 2006

### LOCATION

GTAA Administration Building, 3111 Convair Drive

### CONTACT

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## **1. PRELIMINARY ITEMS**

### **1.1 Welcome and Roll Call**

Lorrie McKee welcomed all present, including the new representative from Mississauga Tourism, Suzan Trabert McKay. Ms. McKee conducted the roll.

### **1.2 Approval of Agenda**

The agenda was approved as presented.

### **1.3 Review of May 17, 2006 Minutes**

The May 17, 2006 minutes were adopted.

### **1.4 Matters Arising from Previous Meetings**

Lorrie McKee updated members on recent events at the GTAA and reviewed outstanding matters from previous meetings.

#### **May 17, 2006**

- Copies of presentations from the May 17<sup>th</sup> meeting, as well as the ACTA report were provided with the minutes
- Mike Lauber requested that the Annual Public Meeting date be posted on the GTAA website. It was noted at the meeting that the information was not posted online but will be in the future. However, notice of the Annual Public Meeting was made public through newspaper advertisements and a press release was posted on [www.gtaa.com](http://www.gtaa.com). Copies of the notice has been attached to the minutes as **Item #1**
- Steve Shaw suggested an update on the Economic Development Study be presented. Geoffrey Dobilas of GHK will make a presentation and the update was included on the agenda as **Item 3.1**
- Steve Shaw invited members of the Committee to attend the opening of the Airport People Mover. This event was held on July 6<sup>th</sup>, and many CC members were able to attend. Lorrie McKee thanked the members who attended

#### **February 8, 2006**

- Heather Craig Peddie suggested that we provide more detailed information to the committee about how the GTAA sets its landing fees in relation to how they contribute to an airline's overall costs. Lorrie McKee explained that she will provide an overview of landing fees today when the rent issue is discussed. (**Item 3.2**)

#### **Previous Meetings**

- Suresh Thakrar had asked about information relating to the GTAA's ISO targets. Randy McGill, GTAA Manager of Environment will provide CC members with an overview of the GTAA's environment program and ISO targets. (**Item 3.3**)

## **2. REGULAR ITEMS**

### **2.1 Consultative Committee Update**

Attached to the agenda is the regular committee update providing traffic stats and updates on the NMC and CCTL. One item affecting Toronto Pearson has been the restrictions on gels, liquids and aerosols at the airport and the subsequent negative impact on revenues generated from retail and duty free sales. The GTAA has been working with Transport Canada and some positive changes have led to processes that allow passengers to purchase retail and duty free goods and liquids and gels. Some restrictions continue.

Updates on the Routes Conference in Dubai and the Airport Development Program (ADP) were also included. The GTAA is scheduled to open Pier F, the international hammerhead in January 2007 marking the completion of the \$4.4 billion ADP which was completed on time and on budget, and with no government funding.

### **2.2 Traffic Statistics**

June 2006 saw overall traffic increase by 2.8% compared to June 2005. Year-to-date increase is at 3.0%. We also have July and August numbers in and we continue to see growth. Year-to-date July 2006 is at 2.9% and August 2006 is up 4.0%. Toronto Pearson forecasted 30.8 million passengers for 2006. The 12 months total to June 2006 totals about 30.4 million. Growth needs to continue at 3% per month to hit that forecast, a very reachable target.

### **2.3 Complaint Statistics**

Complaint statistics, including runway utilization summaries were included with the agenda

## **3. GTAA UPDATE**

### **3.1 Economic Development Study**

This important study for the GTAA should provide a very concrete action plan focused on ensuring that both the airport and the neighbouring municipalities meet their economic development objectives. The CC will act as the steering committee for the project.

Work on the study to date has included significant data collection, including the acquisition of a data base of businesses around Toronto Pearson, a review of the air services environment, a review of the economic development strategies for Brampton, Toronto and Mississauga, and a best practices review of 5 other airports. As well, GHK has been meeting with interested stakeholders seeking feedback and this process will continue with a series of workshops next week. Geoff Dobilas provided more details on the study work and status. A copy of the presentation is attached to the minutes as **Item #2**.

Members had questions about the airports included in the best practices review. It was noted that while Chicago O'Hare International Airport was not one of the airports chosen by the team for review, but that, further research can be conducted to determine the value of assessing its approach to economic development. Geoff Dobilas also noted that governance issues make Pearson somewhat different from the airports studied. London and Manchester are privately

owned, while Hong Kong is run by the authority under the Economic Development and Labour Bureau, and Atlanta is municipally owned.

Discussion also focused on the list of actions employed at other airports and which of these the GTAA were already pursuing and which might be easily implemented at Toronto Pearson.

Paul May remarked that the consultation only included Brampton, Mississauga and Toronto. Geoff Dobilas noted that this study compliments other completed work and represents one step in a process which may lead to further outreach. Consultation also included organizations and associations that had a GTA wide focus.

### **3.2 Airport Rent – Update**

Lorrie McKee reported that the GTAA continues to pursue a fair rent deal for Toronto Pearson and thanked members of the committee that have supported the GTAA. The new formula announced in May 2005 by the previous Liberal government clearly unfairly burdens Toronto. The new formula is based on a graduated income tax model that taxes airport revenues as opposed to the previous model based on passenger levels.

In opposition the Conservative Party of Canada supported a fair deal for Toronto. While there has been no reduction yet, Transport Minister Cannon supports the GTAA's proposed solution, as do many other stakeholders. The decision now rests with Finance Minister Flaherty whom the GTAA met with in August and reiterated the importance of the issue to the Minister.

Lorrie McKee also indicated that Heather Craig-Peddie had requested an overview of landing fees. Given the connection between fees and charges and airport rent, she outlined the formula to the CC. A copy of the landing fees presentation is attached to the minutes as **Item #3**. While Toronto Pearson uses a simple and transparent formula for the calculation of landing fees, many other airports provide lower landing fees, yet add a series of additional charges. It was noted that these differences make airport cost comparisons difficult, but attempts to compare all costs have shown Toronto Pearson to be in line with major international airports.

Charles Dorrington remarked that Air Canada recently laid-off 150 Toronto based employees, but none in Montreal. The Air Canada president said that due to Toronto's high landing fees they may consider moving their operations to Montreal. Lorrie McKee expressed that the comment was of great concern to the GTAA. However, airport expenses represent a very small portion of an airline's total costs, approximately 3 – 5%. Airlines' major costs are labour and fuel. This underscores the importance of the airport rent campaign and the need to ensure that Toronto Pearson is competitive. Air Canada will always continue to fly through Toronto, but they may make operational decisions to bypass Toronto when they can or downgrade the aircraft size.

Members discussed the method by which airport rent is calculated under the old and new formula and it was noted that the old formula is passenger based, while the new formula is revenue based and will see Toronto Pearson taxed at the highest bracket. The GTAA solution would see the rent paid by the GTAA reduced by roughly one third.

Councillor Prentice asked if Minister Flaherty gave any indication why Toronto Pearson is being treated so differently from the other airports. Lorrie McKee indicated that while the formula is the same for all airports, an airport of Toronto's size and revenues is severely penalized.

Bill Clark reiterated the Brampton Board of Trade's support on this issue, and he was pleased to see all the support letters that were attached to the agenda. Lorrie McKee again thanked those who campaigned on behalf of the GTAA on the rent issue.

### **3.3 GTAA ISO Target & Environmental Program Presentation**

Randy McGill provided a presentation on the GTAA's ISO targets and Environmental Program. A copy of the presentation is attached to the minutes as **Item #4**.

Mike Lauber inquired about asbestos on the property. Randy McGill noted that upon takeover from Transport Canada the GTAA had to remove a significant amount of asbestos in T1 and T2 and introduced more energy efficient lighting in T2, thereby improving the lighting and recouping the installation costs through electricity savings. Similarly, the GTAA has gone to significant lengths to remove much of the transformers filled with PCB's that Transport Canada was intending to remove as per federal guidelines.

### **3.4 Proposed 2007 Schedule**

A copy of the proposed 2007 schedule is attached to the minutes as **Item #5**.

## **4 COMMUNITY UPDATE**

### **4.1 Voting Members Update**

Mike Lauber mentioned that the Toronto Board of Trade will write another letter on rent, and it may be published in their magazine.

Paul May noted that York Region is working on the process to update their transportation master plan and the first round of public meetings will be in late November. If anyone is interested they can contact Paul May or check York Region's website.

Pat Olive indicated that the Camaro is coming to GM in Oshawa. Durham is having a prosperity workshop on October 11<sup>th</sup>, and noted that the GTAA is invited. He also noted re-development in downtown Oshawa, including a new courthouse and arena, and that Seaton is undertaking an Economic Development Study.

John Wouters commented that the Mississauga Board of Trade has gone through some fundamental changes with a new Chairperson, a new building, and it is much more streamlined.

Doug Thwaites pointed out that the new Rose Theatre in Brampton is opening soon.

Murray McLeod remarked that Peel completed a long range transportation plan, which identified the airport area as a major employer and key transportation node in Peel. Peel Region will be inviting the GTAA's Marc Turpin to attend their Transportation Planning working groups.

Heather Craig Peddie reported that consumers should benefit with Tango fares back in the agency distribution system, stemming from the rally and summit that was held. ACTA has begun lobbying on a number of issues, including Bill C-11 which replaces the old Bill C-44, transparency in airfare advertising, and also a reduction in airport rent. ACTA plans on working more closely with all Canadian airports and looks forward to the economic development study consultation opportunities. A report from ACTA is attached to the minutes as **Item #6**.

Richard Cockfield mentioned that the OMB Hearings on Halton's Official Plan have been completed and approved, and they are embarking on a new process for a three year work-plan to update the new Places to Grow Act. There will be public consultation early next year. He added that Halton will be undertaking an Economic Development study with four local municipalities which is being finalized and expected to go to local and regional council within the next month. He will bring it forward to the GTAA.

Bill Clark indicated that he will be attending the upcoming economic development workshop as the representative from the Brampton Board of Trade.

Mike Lauber updated the CC on the imminent launch of Porter Airlines out of the Toronto City Centre Airport. The Toronto Port Authority has completed new docking facilities on both sides of the gap and will operate a new two level ferry, which would be ready for the start of operations. Porter Airlines will operate a Q400, which is a 70 seat aircraft. Their routes are targeted at 500 miles, or 90 minutes flying time, which is a reasonable duration for people on a turbo prop. Porter expects to break even with 20 passengers, and it is a highly efficient plane.

#### **4.2 Technical Members Update**

Suzanne Trabert McKay gave the committee an overview and update on Mississauga Tourism and noted that they have been developing their marketing programs and are excited to be working with the GTAA. Ms. Trabert McKay underlined the importance of the airport to Mississauga's tourism and commented on their relationships with the City of Mississauga and Tourism Toronto.

#### **5. CORRESPONDENCE**

Lorrie McKee referred all to the rent issue correspondence.

#### **6. OTHER BUSINESS**

There was no other business.

#### **7. PUBLIC COMMENTS**

There were no public comments

#### **8. ADJOURNMENT**

The meeting was adjourned at 6:15 p.m. The next GTAA CC Meeting will be held at 4:00 p.m. on Wednesday, November 15, 2006.