

Ensuring Viability and Safety in Our National Airport System

Transport Canada is committed to an efficient, safe, secure, and environmentally responsible transportation system. In 1994, the federal government created the National Airports Policy to ensure a viable national airport system that would serve Canada well into the future. In doing so, the policy focused on moving Transport Canada's role in airports from owner and operator toward landlord and regulator. This shift aimed to ensure that Transport Canada would no longer operate airports that it was responsible for regulating. Since 1994 this safety measure has seen Transport Canada successfully transfer ownership of 128 airports to local interests including airport authorities, local governments, and societies across Canada.

To date there are 18 remaining airports yet to be divested. All are unique and require responsible planning for their long-term existence and success. For example, the Victoria Harbour water aerodrome is the only remaining water airport left to be divested from Transport Canada. The unique needs of each of the remaining airports require responsible planning for long-term viability. As recently as 2013, Transport Canada issued letters to interested parties to enter into discussion regarding the ownership and operation of the airport going forward. The intention stated is to assess the viable cost-effective options available.

Airports are a key economic asset not only to the national transportation system but also to the communities where they are located. The divestiture of the remaining airports is essential to the overall affordability of the national network of systems. It is also essential for the communities of the remaining areas that there is certainty over air transportation, as well as affordability and long-term sustainability with sensitivity to local interests. The divestiture of the remaining airports needs to be managed to ensure the economic, environmental, and safety objectives are achieved.

Policy Issues and Considerations

Of the 18 remaining Transport Canada owned airports at least seven of those are under review. However, the federal government has not allocated funding to divest the remaining airports.

The transfer process of the now expired Airport Divestiture Program included the Government of Canada seeking interest from relevant provincial/territorial governments, local/regional governments, airport commissions, or private organizations (in that order) to determine interest in the transfer of airports.

Once organizations were identified, then accepted by Transport Canada, letters of intent were signed. Although non-binding, this process reflected the acceptance of both parties to enter into negotiations. The process included negotiations, a confidentiality agreement, and information exchanges as a preliminary step in the process.

Airports, communities and taxpayers have all benefited since airport divestitures commenced. The overall tax burden is lightened when costs are shifted from government subsidies to user fees. This moves the costs from taxpayers to actual airport users. In addition, placing the responsibility of airports on local operators allows for more efficient response to local market conditions and development plans. Currently, setting fees and charges as well as regulation of ground transportation services are done through federal regulation. Local operation of airports allows for the ability to customize the level of service needed by the community. Long-term this has proven to be more viable and responsive to community needs as it can better match service levels to local demands and resources, further ensuring long-term viability of local airports.

The Transport Canada Airport Divestiture Program, which expired in 2007, was a successful program. A federally supported program is essential and the re-creation of a similar program to divest remaining airports with adequate funding is needed.

Recommendation

That the federal government create a new airport divestiture program and allocate appropriate funding.