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January 24, 2014

SENT BY ELECTRONIC MAIL

Mr. John Livey,
Deputy City Manager, City of Toronto
11th Floor, East Tower, City Hall
100 Queen Street West
Toronto, Ontario M5H 2N2

Dear John:

Re: Proposal by Porter Airlines for use of Bombardier CS100 jet aircraft at the Billy Bishop Toronto City Airport (the “Porter Proposal”)

The Toronto Port Authority (the “TPA”) has reviewed the November 21, 2013 City of Toronto Staff Report on the Porter Proposal and noted the many important issues raised by your team. The report, in particular, emphasised the need for an Airport Master Plan to be provided to the City of Toronto (the “City”) for input and review, as well as for amendments to the City’s Official Plan to incorporate the Billy Bishop Toronto City Airport (the “BBTCA”) into its future planning. We recognize that these two elements will help provide a clear vision and scope for the airport and its future development as an asset benefitting Toronto.

The TPA, as owner and operator of the airport, is respectful of the City’s mixed-use waterfront redevelopment planning mandate in place, and mindful of our ability to continue to operate the airport under the terms of the Tripartite Agreement among the TPA, the City and Her Majesty in Right of Canada as represented by the Minister of Transport (the “MOT”) in a productive collaboration with the City and, importantly, the local community. We see our mission as ensuring, in part, that the airport’s operations must co-exist and remain compatible with the City’s overall objectives. As a by-product of your work encapsulated in the November 2013 Report, the TPA proposes the following steps and conditions below (and as attached) with respect to the Porter Proposal in response to the requests and recommendations inherent in your November 2013 Report. In addition, we hope that our approach to City concerns underlying the terms and conditions below demonstrate our commitment to this collaborative and constructive approach.

As requested by you in conjunction with implementation of the Porter Proposal, if approved by each of the City, the TPA and the MOT, the TPA makes the following commitments to the City:

1. **Funding of Improvements to Existing City Infrastructure** – The TPA will seek new funding in an amount up to \$100 million for improvements in City infrastructure related to the BBTCA access and related vehicle traffic. Enclosed is a copy of the TPA’s letter to the Federal Government dated January 20, 2014 requesting funding for such improvements, to be invested at the City’s discretion under the terms and mandate of the federal government program in question.
2. **BBTCA Master Plan** – The TPA will complete an updated Master Plan for the BBTCA, reflecting any jet aircraft activity and corresponding runway extension which may be approved by the City, the TPA and the MOT. Such updated Master Plan will be completed in accordance with industry best practices and in consultation with the City. The TPA will provide a draft of such updated Master Plan to the City as soon as practicable and will participate in a process of public information meetings in respect of such plan. The TPA will also participate with the City in its consideration of amendments to the City’s Official Plan relating to the BBTCA.
3. **Passenger and Peak Hour Activity Caps** – The TPA will work with the City to assess, implement and enforce an interim annual cap on BBTCA-local passengers, and an interim hourly cap on commercial carrier slots (to mitigate against adverse impacts on local vehicle traffic which may be attributable to peak hour commercial aviation activity), in each case until the updated BBTCA Master Plan has been finalized and/or such cap is no longer necessary to address the legitimate concerns attributable to projected passenger volumes at BBTCA groundside access points (as a result of proposed infrastructure improvements). Such interim caps will need to be mutually agreed by the City, the TPA and the MOT. Any such restrictions would be in addition to those currently contained in the Tripartite Agreement, which, for example, prohibit aircraft generating excessive noise and already currently require the TPA to contain the overall frequency of annual aircraft movements within Transport Canada’s official 25 NEF (Noise Exposure Forecast) Contour. Such specific restrictions, plus all others, will continue.
4. **Engine Maintenance and Run-Up Noise** – The TPA will implement an appropriate engine maintenance and run up noise barrier/housing by the end of 2016 to mitigate the impact of engine test noise on surrounding communities. This project is contemplated in the TPA’s board-approved capital budget and will be included in the updated BBTCA Master Plan presented to the City.
5. **Waterfront School** – The TPA will continue to co-operate with and support the local community, including the Waterfront and City Schools, the Harbourfront Community Centre and the Toronto District School Board, in addressing any adverse impacts on the community attributable to the BBTCA, including traffic, noise and safety concerns.
6. **Funding of Runway Extension** – The TPA will provide or cause to be provided all funding sufficient for the TPA’s construction of any runway extension approved by the City, the TPA and the MOT, subject to an extension of the term of the Tripartite Agreement, if necessary to raise such financing.

7. **Tripartite Agreement Amendments** – The TPA acknowledges that amendments to the Tripartite Agreement will be required in connection with implementation of the Porter Proposal, and the TPA agrees that such amendments should be limited in number and complexity.

We look forward to continuing our work with the City on the Porter Proposal.

Yours truly,

TORONTO PORT AUTHORITY



Geoffrey A. Wilson
President and Chief Executive Officer

cc: The Hon. James M. Flaherty, P.C., M.P.
Minister of Finance

The Hon. Denis Lebel, P.C., M.P.
Minister of Infrastructure, Communities and Intergovernmental Affairs

The Hon. Lisa Raitt, P.C., M.P.
Minister of Transport

The Hon. Glen Murray, MPP
Minister of Transportation and Infrastructure

Enclosures: i) TPA Letter to Federal Government requesting City infrastructure funding dated January 20, 2014

ii) TPA Issues Response Document dated January 23, 2014

**Toronto
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January 20, 2014

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
Department of Finance
140 O'Connor Street
Ottawa, Ontario
K1A 0G5

The Honourable Denis Lebel, P.C., M.P.
Minister of Infrastructure
66 Slater Street, 8th Floor
Ottawa, Ontario
K1A 1M8

Dear Ministers Flaherty and Lebel:

Re: Billy Bishop Toronto City Airport enhanced utilization proposal

I write to you on behalf of the Toronto Port Authority (“TPA”) regarding the proposal of Porter Airlines for enhanced utilization of the Billy Bishop Toronto City Airport (“BBTCA”).

As you know, in May 2013, Toronto City Council passed a motion to direct City staff to review the Porter Proposal; a full report was provided to City Council on November 21, 2013. At Council’s direct request, the TPA funded the various consulting costs associated with this report. Over the past several months, City staff have received the TPA’s fullest cooperation in support of their assessment of the Porter Proposal. I believe it is fair to say that the TPA has done all that has been asked of it by City staff and Toronto City Council concerning the funding of monies, delivery of key reports and study inputs; including the engaging of our own consultants to assess the Porter Proposal. On December 6, 2013, as a by-product of recommendations in the City Report, the TPA announced that it would “fully engage in a joint review” of the Porter Proposal.

The BBTCA’s positive economic impact on the City and its residents is clear: to the tune of \$1.9 billion per annum and 5,700 direct and indirect jobs.¹ That said, the opportunity is upon us to enhance this already positive impact.

¹ <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Billy-Bishop-Toronto-City-Airport-Generates-Nearly.aspx>

Opportunity for government involvement

In its November 2013 Report, City staff outlined a variety of opportunities to be addressed by the TPA and Transport Canada, as you would expect. I will highlight two topics.

One key element of the Report involved infrastructure improvements that the City's staff and independent consultants believe are necessary for Eireann Quay, as well as Queen's Quay West, the Canada Malting development site and Ireland Park, for the Porter Proposal to succeed.

A range of groundside infrastructure improvements were considered in the City's Report. Based upon our recent discussions with City staff, it appears that up to \$100 million of groundside infrastructure improvements could be required on the City-side to optimize the flow of people, vehicle traffic and transit routes in and around the BBTCA's immediate neighbourhood. This is complicated by the fact that the TPA's government-approved borrowing limit is currently \$52.1million (excluding the quantum specific to our P3 pedestrian tunnel project, which is classified as its deferred purchase price), which, as you may recall, was increased from \$27 million in July 2012, in conjunction with our P3 pedestrian tunnel project.

The cost of the construction of the required 200 metre runway extensions (including the RESA component) of the project would be in addition to the groundside infrastructure undertaking called for in the City Report.

The City has made it clear that the TPA, as the airport's operator, needs to arrange for the financing of these two key elements of the proposal to enhance the airport's utilization levels.

As a self-financing government business enterprise, the TPA's financial resources are finite, and the government has not granted the TPA sufficient borrowing capacity to undertake all of the work associated with the City Report. To remind, the TPA's airport revenues are generated through i) fees (such as landing fees or rent) from our carriers, charter operators and the general aviation sector, and ii) the \$20 Airport Improvement Fee ("AIF") that is paid by all departing commercial passengers and can only be used for capital expenditures related to the airport.

Things are going extremely well on the financial front at the TPA. For fiscal 2012, TPA earned a net income of \$19.6 million; to put that in perspective, in 2007, the year the Federal government began to make changes to the composition of the TPA Board of Directors, the TPA's operating loss was ~\$1.8 million. A \$20+ million earnings turnaround in the space of five years, despite a global recession in the midst of this period, is something we are all proud of. That said, the agency does not have the financial capacity to pursue this project on its own, should it receive a "green light" from City Council.

With the initiation of our self-financed P3 pedestrian tunnel project in March 2012, about 40% of the existing BBTCA \$20 AIF is dedicated to service the tunnel concession (until 2033).

According to our preliminary analysis, the remaining (i.e. non-tunnel) portion of the AIF can prudently support the runway extension-related infrastructure upgrades associated with the Porter Proposal, plus the ongoing capital expenditure needs of the airport's operations. However, the TPA does not have the financial capacity to support, or finance, what could amount to \$100 million of groundside infrastructure improvements sought by the City of Toronto.

At this point in time, it is clear that this project cannot proceed without the support of one of more other levels of government. To that end, we are requesting that the Federal, and perhaps your Provincial government partners, consider contributing towards the groundside infrastructure work under the terms of the *Building Canada Fund*, the *Gateways and Border Crossings Fund*, *P3 Canada Fund*, or other appropriate vehicle.

Background

When Porter first made its announcement on April 10th, the TPA advised that it would not consider any change of use to the airport until a determination is first made by the elected representatives on Toronto City Council regarding Porter's proposed changes to the Tripartite Agreement; with a particular focus on runway length and type of permissible aircraft. We reaffirmed this position during our Annual General Meeting held September 4th, but in response to questions from some members of Toronto City Council, the TPA agreed to publicly outline what our specific considerations would be should City Council decide to approve the Porter Proposal and refer it to the TPA and Transport Canada as the two other partners in the 1983 *Tripartite Agreement*.

The first consideration was the views of the citizens of Toronto, since they would make up much of the business case for the change of aircraft type. Without the interest and support of Torontonians in a jet service at Billy Bishop, there's no business case for the Porter Proposal. Which is why the TPA asked Ipsos to add that question to last year's annual TPA survey. The answer was 60% in favour and 37% opposed, which is not dissimilar to the 62-31 results we received when we asked Torontonians in 2009 what they thought about the then-proposed P3 pedestrian tunnel.

In October, the TPA outlined the balance of its considerations via an address to the Toronto Region Board of Trade, should we find ourselves in a position of having to formally consider the Porter Proposal. These included:

- **Maintaining the 1983 Noise Restrictions:** the TPA supports maintaining the current NEF 25 noise contour and the ICAO noise ceiling, which represents one of the most strict noise regimes globally and has been in place since 1983 for the benefit of every Torontonian.

- **Better Slot Utilization, not Necessarily More Flights:** the TPA would ensure that Porter's plan serves to improve utilization of the airport's existing commercial slots. We don't foresee a major expansion of the airport's current commercial flight activity levels.
- **No Negative Impact On The Environment:** The Porter Proposal can't have a negative impact on the air and water quality that Torontonians currently expect and enjoy. That Billy Bishop has been powered by Bullfrog Power's green electricity since 2010, the first airport in Canada to make this commitment, speaks to the TPA's credentials in this area.
- **Every Bit As Livable For Our Neighbours:** Porter's Proposal must ensure that the area surrounding Billy Bishop is no less livable than any other multi-purpose neighbourhood in Toronto. The TPA has a strong historical commitment to environmental stewardship and we have implemented important measures so that all Torontonians can continue to enjoy our mixed-use waterfront. On a yearly basis, the TPA removes million pounds of debris from Toronto's inner harbour, keeping it clean, safe and navigable. And we recently spent \$1 million creating a fish habitat at Tommy Thompson Park. We've taken meaningful steps to reduce the effects of airport noise on our neighbours. This initiative includes the installation of the first of two acoustic barriers at the airport, a noise management office that follows international best practices, state-of-the-art flight-tracking technology and the publication of monthly noise reports on our website. We have two public committees to ensure active Stakeholder engagement. The 20 different recent community sessions have led to substantial infrastructure improvements at the airport and along Eireann Quay to reduce noise and congestion. We are also investing in our community. The TPA is proud to support Harbourfront Centre's school visits program, for example, as well as the neighbourhood community centre's "Room 13 Project", which is a superb initiative that supports inner city youth through art education. Nothing in the Porter Proposal can undercut these efforts.
- **Improving Vehicle Traffic Flows:** Traffic is a problem across Toronto, which has nothing to do with the success of Billy Bishop. We believe Eireann Quay is ripe for a solution to vehicle traffic as well as the additional traffic associated with Build Toronto's pending residential redevelopment of the Canada Malting site. We have seen some beautiful plans from potential developers that would fix the flow of traffic around the airport, while preserving the local school and community centre as part of a stunning residential redevelopment of the Canada Malting site. We support Build Toronto's Eireann Quay Redevelopment Initiative.
- **There Must Be A Business Case:** We recognize the reality that in 2009, for example, almost 1 million Canadians made the trek to Buffalo to catch a flight; this represents more outbound departures than Billy Bishop handled that year. Buffalo-Niagara International Airport is spending \$8 million to expand their parking lots, to deal with the fact that Canadian vehicles now represent 47% of the airport's long term parkers, up from 8% in 2002. We understand why Porter believes that Torontonians

would rather fly out of Billy Bishop then drive to Buffalo to catch a 7:00 a.m. US Airways flight to Los Angeles. That said, there needs to be a business case, not just for Porter, but for the TPA as the agency charged with paying for all airport-related capital expenditures. The tunnel met that test, as the Porter Proposal must, too.

- **Growing Toronto's Economy:** Porter's Proposal should improve upon the existing positive economic impact that the airport is already having on the Toronto region. The fact that Massachusetts Governor Deval Patrick recommended last Fall that Toronto City Council approve the Porter proposal, observing that "connections actually matter", is an example of how some of our key trading partners look at the situation.
- **Aircraft Agnostic:** The TPA is open to any aircraft that meets the strict tests of the existing noise standards as required under the Tripartite Agreement. We don't have to pick between Bombardier and Boeing, per se. As it has for 30 years, the TPA will continue to prohibit aircraft that don't comply. "Open Sky" treaty agreements do not guarantee access nor prevent an airport operator from prohibiting noisy commercial aircraft, despite what some may say, as we've proven for decades.
- **Preserving Access for Recreational Boaters:** Should City Council approve Porter's Proposal, the TPA is determined that sailboats and other recreational users will experience no meaningful impact on the waterway. We will maintain the same high levels of harbour safety that we have today. And we see no scenario where the navigational channel markers in the Western Gap would have to materially change, even with a 200 metre runway extension, preserving the channel's use by two of the Port Authority's other key stakeholders: tour operators and recreational boaters. It is the channel markers in the Western gap, and not the Marine Exclusion Zone per se, that actually guide boaters – whether they be motorized or sail-powered.
- **Preserving Private Aviation Access:** Private business and hobbyist aviators must and will continue to have appropriate access to Billy Bishop. We are working with a group of hobbyist fliers to enhance the utility of the airport for that segment of our customer base, using the original TCCA terminal as the foundation of this initiative.
- **Tripartite Agreement Amendments:** In the event that Council votes in favour of the Porter proposal, the TPA, Transport Canada, and the City of Toronto should agree that amendments to the governing Tripartite Agreement would naturally include items that would enable these objectives. The extension of the Tripartite Agreement beyond its current expiration in 19 years provides for a capacity to finance and amortize the runway extension. To be clear, the absence of such an amendment makes it unlikely that the airport could undertake such large scale, long term capital investments as proposed. According to the Ipsos Reid poll from July 2013, 52% of Torontonians believe "we should amend the agreement now and extend it beyond

2033 to ensure the long-term viability of the Airport.”² Only 12% of Torontonians believe we “should let the agreement expire and close down the Airport.”

85% of Torontonians believe the airport is an asset to the City.³ We know that you and your colleagues have embraced this asset, and we appreciate the support. We look forward to working together on mutually agreeable improvements to the operations at Billy Bishop Toronto City Airport.

We stand ready to meet to discuss this opportunity further.

Respectfully,



Mark McQueen
Chairman

cc: The Honourable Lisa Raitt, P.C., M.P.
Minister of Transport

The Honourable Glen Murray, MPP
Minister of Transportation and Minister of Infrastructure

² <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

³ <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Miscellaneous/TPA-survey-for-posting.pdf>

TECHNICAL SUMMARY

Date: January 23, 2014

To: Christopher Dunn – Project Manager
Waterfront Secretariat, City of Toronto

From: Gene Cabral, Executive Vice-President, Toronto Port Authority

Subject: Summary of Items Raised in City Staff Report and Public Consultation Meetings
Porter Airlines Request on Jet Aircraft and Airport Redevelopment at BBTCA

The following provides a detailed summary response to items raised by City of Toronto staff and or items raised by the public during consultations pertaining to Porter Airlines' request to amend the Tripartite Agreement to permit flight operations by jet aircraft and to expand and redevelop the Billy Bishop Toronto City Airport to accommodate flight operations by the Bombardier CS100.

A. ENVIRONMENT / PUBLIC HEALTH / OPEN SPACES

A.1. An updated bird strike assessment should be conducted to detail the effects of existing and increased bird populations on airplane take-off and landing activities including the birds at Tommy Thompson Park and the Leslie Street Spit.

In accordance with Transport Canada (TC) Airport Certification requirements and the Canadian Aviation Regulations, Part III subpart 2 – Airports, the Toronto Port Authority (TPA) maintains a comprehensive Wildlife Management Plan (WMP) for the Billy Bishop Toronto City Airport (BBTCA). This WMP has been approved by TC and is in accordance with the Airports Safety Management System. The Wildlife Management Plan details the scope of the wildlife management control program and is monitored on a daily basis. Furthermore, to assist in the on-going wildlife management control program in the vicinity of the airport, the TPA utilizes Falcon Environmental Services, a recognized industry leader in aviation Wildlife Management Control.

In accordance with the Canadian Aviation Regulations and the BBTCA Safety Management System, significant changes in the airport's operating environment, such as a change in critical aircraft type, will require a review of the Wildlife Management Plan. This analysis would be undertaken in unison with the changes in the Airport Certification and Airport Operations Manual following any airfield expansion works.

A.2. Participants in consultation expressed concern about the environmental impact costs of expansion.

Environmental mitigation and sustainability is a priority in the TPA's operation of the BBTCA. BBTCA is the only airport in North America that is 100% powered by renewable energy, through Bullfrog Power. BBTCA's two (2) air carrier commercial operators (Porter Airlines and Air Canada) utilize the Bombardier Q400 aircraft for service. This aircraft type is among the world's leading aircraft for reduced emissions and noise. The Health Impact Assessment prepared by the City also highlighted significant emissions improvement from the Bombardier CS100. One of the study's conclusions was that health-care costs related to noise and air impacts are not expected to increase.

A.3. Some participants in consultation indicated that the general noise from the City was more disruptive than that from the airport.

The Health Impact Assessment prepared by the City found “the background noise pollution in study area is already elevated” and “exceed health guidelines which have been established to prevent annoyance, sleep disturbance and impaired learning performance” even without contribution from BBTCA, mainly as a result due to traffic in the area. The Health Impact Assessment also found that noise conditions will likely improve with the introduction of the CS100 as it is quieter during taxiing and maintenance run-ups compared to the Q400. The BBTCA is committed to a program of noise mitigation and has implemented acoustic noise barriers and good neighbor operating policies for pilots and operators.

A.4. There is concern about the chemicals used in the maintenance of engines, de-icing, possible run-off and jet fuel spills at the BBTCA, and the impact these would have on residents, marine and wildlife habitats in the vicinity of the airport.

As in many businesses, various products are used to maintain equipment and facilities to ensure safe operation. The management of these products and the chemicals that form them is important process at BBTCA.

Engine maintenance areas utilize oil separators to collect and manage hydro-carbons. In other operations, such as aircraft fuelling, strict protocols are in place to reduce the risk of spills and in the event of mishap, the Airport’s maintenance and fire departments are thoroughly trained in mitigation and clean-up methods to avoid spills entering the natural environment.

TPA manages aircraft de-icing and anti-icing fluids with a dedicated glycol containment system that traps surface runoff containing glycol from de-icing and anti-icing operations. Under an agreement with the City of Toronto, the runoff effluent is pumped to the City’s sanitary sewer system for treatment. BBTCA has protocols and designated areas for aircraft to receive applications of de-icing fluid. These areas are designed such that overland drainage flows into designated catch basins and underground containment sewers. Snow clearing from the designated aircraft de-icing area, which may contain de-icing fluid, is directed to an adjacent airfield location that is drained and directed to the sanitary sewer utilizing metered pumps per agreement with the City of Toronto.

At times anti-icing fluid is applied to a surface that is already free of frozen contaminants in order to protect the surface from the accumulation of frozen contaminants for a limited period of time. De/anti-icing fluids are only required until the aircraft becomes airborne, after which the on-board de/anti-icing systems then operate. A minimal amount of these fluids will fall from the aircraft during take-off and create runoff onto the airfield where it dissipates and breaks down.

A.5. The higher level of greenhouse gas emissions by jet aircraft compared to turboprops was of concern.

The Golder Report identifies the issue of greenhouse gas and aviation from a Global perspective. As noted in their report the entire air transportation sector in Canada contributes less than 1% to the total greenhouse gas emissions. The aviation industry, including airports, airlines, aircraft manufacturers, aircraft ground handling and air traffic controllers, are conscious of any impacts the industry has on the environment and has committed to aviation and airport sustainable developments, limiting or reducing environmental impacts while supporting economic and social benefits.

A.6. Air pollution is something that is difficult to estimate for citizen coalitions, like ourselves, that do not have sophisticated air measuring devices and access to a lab to analyze samples, but this we know: the Waterfront is already polluted from vehicles traveling on the Gardiner Expressway, Lakeshore Blvd, Bathurst Street, and Queen's Quay, as well as diesel trains. The take-offs, landings and engine run-ups at Island Airport contribute significantly to that air pollution.

The City Board of Health completed a comprehensive study of this issue and determined that the BBTCA is not a significant contributor to air pollution in the City's waterfront community. Furthermore, under the Tripartite Agreement, the daily activity of aircraft is constrained through the capacity restrictions enacted through the 25 NEF noise contour, the most restrictive in North America, which limits on a daily basis the amount of noise the airport can generate, and by extension the number of flights.

A.7. The airport may jeopardize local places of ecological significance that should be protected.

The airport has been in operation for 75 years during which time many of the ecological areas have flourished and been enhanced. The proposal for use of jet aircraft and runway extension would not be endorsed by the TPA should there be material negative impact recognized through an environmental assessment.

A.8. Runoff from de-icing chemicals poisons and kills fish and wildlife.

The Airport carefully manages the use, collection and disposal of de-icing chemicals in accordance with an agreement (RG 12/3/8728 Sanitary Discharge Agreement with Metro Toronto, 1996) with the City.

A.9. Fuel leakage and spillage from refueling and storage contaminates ground water and storm water that runs off into the lake.

Fuel tanks within the airport fuel farm are designed in accordance with Environment Canada's: Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products

Fuel is managed on the Airport in strict accordance with developed procedures to minimize any risk. The Airport also maintains an Emergency Spill Response protocol.

A.10. Fuel dumping from Q400 and CS100 aircraft can create both environmental and safety risks to boaters and Lake Ontario.

Neither the Bombardier Q400 currently in operation at BBTCA or the Bombardier CS100 being proposed by Porter for use at BBTCA have fuel dump capability ensuring that there is no risk of these aircraft dumping fuel into Lake Ontario.

A.11. Two-engine jets are more susceptible to bird strikes than three and four engine aircraft. In addition, an eight-fold increase to the Canada Geese population further increases the threat of bird strikes.

Before going into commercial use, every engine must pass stringent international ingestion standards. In fact, the the Pratt & Whitney PW1500G engine that will be used by the Bombardier CS100 are certified to higher bird strike standards than are the Bombardier Q400 turboprops. The PW1500G jet fan blades have also been designed to bend out of the way and let debris pass through. There is no empirical data to suggest that two-engine jet aircraft are more susceptible to bird strikes than two-engine turboprop. TPA also maintains a comprehensive Transport Canada-approved wildlife management program that is monitored daily.

A.12. Is there a spill protection plan in place for the fuel farm?

The fuel farm being used at BBTCA was constructed in 2006 and is one of the most modern tank farms in Canada. An environmental assessment was required and conducted as part of the construction for the fuel storage facility. All fuel storage tanks are double-walled and monitored by a vacuum gauge. Fuel tanks are not filled past 90%, and are equipped with a high-level alarm. Operations related to fuel handling are all in accordance with the CSA document "Storage, handling, and dispensing of aviation fuels at aerodromes". All fuellers must also complete mandated training, including the Aircraft Fuel Handling Training. The fuel farm also has a Spill Contingency Plan that outlines all possible scenarios. In the unlikely event that there is a fuel spill at the fuel farm, all fuel and rainwater are directed into a catch-basin. This is collected in an oil/water separator, which is also equipped with a high-level alarm. The separator is monitored daily, and rainwater is pumped from the system as necessary. If the fuel/oil level in the system reaches a certain level, a 3rd party contractor is brought in to pump it out..

A.13. Will there be a need to expand the fuel farm?

The fuel farm underwent an environmental assessment prior to it being constructed in 2006 for both its current capacity and for expansion within its existing site. Pending the outcome of the CS100 review if any extra storage is required then it could be housed in the current footprint.

A.14. Is glycol (de-icing fluid) being "shoveled into the lake?"

No. The BBTCA has a dedicated containment system to manage de-icing fluid run-off. All run-off is monitored and pumped to a facility for treatment.

A.15. This is a constrained airport and no room for a de-icing depot.

BBTCA has protocols and designated areas immediately adjacent to the Air Terminal for aircraft to receive applications of de-icing fluid. BBTCA containment system captures runoff from de-icing operations and is contained and diverted to a water treatment system in accordance with a City agreement.

B. RUNWAY

B.1. Will the expansion of the BBTCA runway increase the MEZ thus reducing boating access through the Western Gap?

Porter has proposed a landmass extension of up to 200 metres into the water at each end of the main runway at BBTCA, well within the existing Marine Exclusion Zone ("MEZ") control area. Consulting studies prepared to date have indicated that the runway extension would not materially impact boating access. The TPA has already publicly stated that it will not support a runway extension that would materially impact boating access or the access to the western gap navigation channel. The City of Toronto has also stated a similar position through the passing of a motion on May 7, 2013 to exclude any runway extension proposal that would materially impact access to the western gap shipping channel.

B.2. Ferry boat operators have expressed concerns that the widened MEZ on the eastern runway end will impede the ferry route to Hanlan's Point.

The TPA has a mandate to ensure safe vessel operation throughout the Toronto Harbour. We have not received notice of concerns from the City's ferry operations. We do not anticipate an operational issue for these vessels to access Hanlon's Point facilities.

B.3. There is a risk that more significant runway and/or MEZ expansion could be imposed by Transport Canada, leading to further encroachment into the Inner and Outer Harbours.

Transport Canada will review and certify the proposed runway extension plan. They have stated publicly that they will be primarily concerned with continued safety of operations in their assessment. The Tripartite Agreement restricts changes to the airport's size, and any change requires the consent of all three parties which includes the City of Toronto. The TPA has publicly stated that it will not support a runway extension proposal that would materially impact boating access.

B.4. There is also a concern that the proposed expansion of the runways will expose boaters to dangerous jet blast conditions.

The Pratt & Whitney PW1500G engine that will be used by the Bombardier CS100 has a smaller jet blast than the current generation jet aircraft. According to the City's aviation study, jet blasts would not extend beyond the Marine Exclusion Zone, however, mitigation measures such as jet blast deflectors can be used should any impact be anticipated.

B.5. Questions were also raised about the impact of the proposed changes to Runway End Safety Areas on the proposed runway extension.

Transport Canada is currently considering Runway End Safety Areas (RESA) as a mandatory safety enhancement for airports in Canada. The runway extension proposed by Porter incorporates the 150-metre RESA being proposed by Transport Canada. No further extension would be required for RESA. TPA will work with Transport Canada to ensure any runway extension includes the required safety enhancements.

B.6. Boaters at the Rees Street Slip may be the most affected by the proposed runway expansion due to their close proximity to the runway.

The limits of the Marine Exclusion Zone are not expected to be materially changed. The TPA has publicly stated that it will not support a runway extension proposal that would materially impact boating access.

B.7. The proposed expansion would be discouraging to paddlers who access the waters around the Western Gap. It will hamper enjoyment of a safe recreational sport and thereby limit access to the wonders of living on Lake Ontario.

The runway extensions lie within the Marine Exclusion Zones and according to a city consultants' report, are expected to have no negative impact on the natural environment of the lake or on boating and other marine use.

C. NOISE

C.1. Concerns have been raised about the ability of City Council to make a determination on Porter's proposal, since the CS100 is still in the testing phase and has not yet been certified.

Aircraft noise will be dictated by the strict aircraft specific noise limitations already contained in the Tripartite Agreement. These levels will not be changed. The noise limitations are measured on certification of an aircraft using standardized guidelines established by the International Civil Aviation Organization (ICAO). If qualifying jet aircraft are permitted to operate at BBTCA in accordance with the existing noise level restrictions, it will only be the CS100 certified noise data that will be used to determine its eligibility to operate from BBTCA. This practice is currently in place with regards to piston or turbo-prop aircraft and is proposed to continue in the event that qualifying jet aircraft are permitted to operate from BBTCA. If the CS100 certified noise data does not meet the noise thresholds of BBTCA, it will not operate from this airport.

C.2. Although the Tripartite Agreement restricts flights operations between 11 p.m. and 6:45 a.m., there were concerns that Porter Airlines is already contravening that restriction and that the introduction of jets may result in more flights occurring outside the curfew.

BBTCA is closed to all flights between 11 p.m. and 6:45 a.m. except for Medivac and emergency flights. This operating procedure has been in place since 2003 and is not proposed to change. TPA has a strict curfew protocol in place with significant financial penalty for any non-emergency operator that violates this curfew. It investigates and

addresses any operator that breaches the curfew violation, and informs the City of such outcome.

C.3. Noise pollution is an underestimated stress that one endures living in cities. By permitting the extension and therefore the jets, the increased use can create additional stress to those who live, work, or use the waterfront as a place of recreation.

No increased commercial flight activity is planned - the TPA has stated it is currently not increasing from the existing 202 slots currently in commercial operation. According to the Board of Health's Health Impact Assessment (HIA), the majority of noise in the area is not caused by the airport. The airport, however, does add to the total noise generation in the surrounding area. TPA is continually working on minimizing the noise footprint of the airport. Maintaining the strict noise contours (NEF 25) and aircraft noise limitations that exist today are important in that objective, as is the existing curfew. None of these operational restrictions will change based on the proposal from Porter. In addition, the TPA has already constructed a noise barrier to reduce aircraft taxi noise and has planned for a second noise barrier to be constructed in 2015. TPA will also be launching a noise monitoring website that will allow the community to track each flight operating from the airport.

C.4. Implementation of a web-based flight and noise tracking tool would add transparency and offer an interactive means to manage noise complaints.

The TPA implemented a Noise Management Office and installed sophisticated flight tracking software in 2011 for the purposes of monitoring and identifying aircraft noise sources, and has been actively investigating and responding to public enquiries within the prescribed time limits. On the TPA website all statistics are available and shared publicly.

The TPA will be launching a noise monitoring website that will allow the community to track each flight operating from the airport in the summer of 2014. This product is currently being utilized at 25 International Airports including the following: Vancouver, Toronto (Pearson), Copenhagen, London (Heathrow and Stansted), San Diego, Long Beach and Los Angeles.

C.5. The Q400 (flown by Porter and Air Canada) does not meet the Tripartite Agreement's definition of aircraft generating excessive noise on two of the three limits. Breach of any one prohibits the aircraft from operating at BBTCA.

Operations at BBTCA are governed by the Tripartite Agreement and all aircraft must meet the noise limitations established within the agreement. The agreement does permit for limited trade-offs between the measurement points in accordance with ICAO recommendations. The Bombardier Q400 meets these guidelines The Bombardier CS100 is expected to meet all noise limitations or it cannot operate at BBTCA.

C.6. Regular maintenance procedures for aircraft engines require that they be operated for 10-20 minutes at high speed to ensure they are operable. Porter has conducted these engine run-ups at the Island Airport, generally on weekends, when the aircraft are not in demand.

The Health Impact Assessment conducted by the City found that the CS100 will be quieter during taxiing and engine run-ups than the Q400. The engine manufacturer for the Bombardier CS100, Pratt & Whitney, has also confirmed that engine maintenance requirements for CS100 will substantially less than the Q400 as high power engine run-ups will occur at their repair facility before engines are returned to service. Existing run-ups will only occur on the southern-most runway at BBTCA, farthest from the city.

BBTCA Aircraft Maintenance Run Procedure is a policy that is in place to manage run-ups. The TPA will be moving forward by 2016 with an engine run-up facility as considered within the draft Master Plan which would be designed to mitigate the impact of engine test noise on the surrounding community.

D. TRAFFIC

D.1. The proposed expansion will exacerbate already stressed traffic conditions in the vicinity of Eireann Quay.

Ensuring proper vehicular access to the airport, while balancing community safety is a priority for the TPA. TPA and the City have already made significant improvements to the traffic flows in the area of Eireann Quay.

The increase in traffic studied by the City estimates that with the same number of flights per hour and approval of the CS100 jets, traffic could increase from 750 vehicles per hour to 900 vehicles per hour during peak times. City staff and their consultants have identified solutions to manage current traffic and the potential traffic increase. TPA is conducting its own peak hour traffic analysis in consultation with city staff to further develop these solutions. Once developed, these upgrades to city side infrastructure will be implemented. As well, TPA has a firm and continuing commitment to increased use of shuttle and mass transit and will be working with Porter to ensure that shuttle bus enhancements are implemented to further shift the modal split away from taxi and passenger vehicles.

It is important to note that the extreme peak hour growth scenarios of up to 36 flights per hour described in the City's report are not realistic for the airport and will not be considered by the TPA.

Street traffic is annually increasing, independent of the Airport due to ongoing condominium and office development in the area. The City and TPA have recognized this trend and are working together to identify workable solutions for short, intermediate and long-term management.

D.2. Introduction of a publicly operated shuttle service could enhance public transportation access if improvements by rail are not feasible.

The TPA is encouraged by the interest from the TTC and existing shuttle operators to increase service to the airport, thus reducing vehicle traffic. Traffic studies concluded by consultants for City and TPA have pointed to a number of immediate improvements that can be made in the area. The TPA has stated it is prepared to commit to appropriate levels of infrastructure improvement funding relevant to airport access should the proposal be accepted.

D.3. BBTCA should consider expanding the existing shuttle service with the intent of reducing the proportion of passengers who take taxis and get dropped off to at BBTCA.

Porter has committed to expanding their shuttle service to accommodate increased traffic. They are looking at expanded routes, new stops, and they have already added larger buses to their fleet.

D.4. What are the plans to improve existing operations to accommodate potential traffic growth from BBTCA if the proposal from Porter is not approved.

The City's consultant reports also highlighted some immediate cost effective solutions for area infrastructure changes that can improve on existing traffic in the immediate vicinity of BBTCA. The TPA is working with city staff on evaluating these solutions for implementation.

E. ECONOMIC

E.1. There are concerns that the purported increase in employment would be short-lived and would be confined mainly to the construction phase of the project with only an incremental increase in other employment-related activities.

*Airports represent significant economic engines for their communities. Today, the BBTCA generates \$1.9 billion of economic benefit and 5,700 jobs
[http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Media%20Kits/Billy-Bishop-Toronto-City-Airport-Economic-Impact-Study-\(full-report\).pdf](http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/PDFs/Media%20Kits/Billy-Bishop-Toronto-City-Airport-Economic-Impact-Study-(full-report).pdf).*

Porter has communicated that these plans would add 1,000 new permanent jobs to their workforce. In addition, there would be increased employment and economic benefit to other businesses that directly benefit from airport activity.

E.2. Residents expressed concern about the lack of consideration given to the Union-Pearson rail link.

The Union-Pearson rail link is an important component to the Region's transportation strategy by offering improved public transit connectivity to passengers and staff travelling to Toronto Pearson on a daily basis. For the benefit on the GTA, the TPA is hopeful that the Union-Pearson rail link is successful such that Pearson can strive for a public transit modal split.

A City of Toronto study confirmed that the expansion will have no negative impacts on Pearson or the Union-Pearson Express, and BBTCA currently provides needed air transport in the region.

In its letter to the City of Toronto on Porter's proposal, Metrolinx stated: "while our business planning efforts acknowledge Billy Bishop Airport, the overall UP Express business case is not impacted by the operation of Porter Airlines"...

E.3. Some participants indicated that the financial feasibility of the proposal had yet to be fully addressed, as additional direct and indirect costs associated with the runway extension had not been fully identified.

The TPA is a self-funded organization and does not rely on public funds for its operations or capital projects. Any runway extension and related airport infrastructure projects will be funded by the TPA and ultimately by BBTCA passengers. All departing passengers from BBTCA pay a \$20 airport improvement fee that is used to fund airside capital projects. The airport's pedestrian tunnel project is not only 100% self-funded through a unique Private Public Partnership model, but also incorporates City replacement water and sewage mains, saving the City's public purse an estimated \$10million in duplicate construction.

E.4. Some participants felt that Bombardier's jets are showcasing a proud Canadian product.

The Bombardier Q400 that Porter and Air Canada currently operate at BBTCA is built in Toronto at Bombardier's Downsview plant, hosting thousands of jobs for the city. Bombardier is the largest manufacturing employer in the Greater Toronto Area. The Bombardier CS100 is built in Montreal and is expected to contribute thousands of jobs to Canada's Aerospace industry which also benefits our local economy.

E.5. It was stated that the introduction of the CS100 at BBTCA would improve downtown passenger choice, add more destinations to North America and result in affordable fares for residents and visitors. It was also noted that an expanded BBTCA would provide greater accessibility and convenience to travelers.

Travelers, similar to all consumer groups, are always looking for choice, and the BBTCA is an attractive alternative for travelers whether they are seeking a convenient location or affordable fares. Many supporters of the BBTCA are downtown residents and business travellers who prefer the proximity of the airport.

E.6. Porter pays no rent.

TPA received 2013 base rent from the Porter group of \$1,520,000 for the Terminal, \$586,000 for Hangars and \$52,000 for the Fuel Farm. The Porter group also pays TPA additional amounts for property taxes and utilities, as well as applicable HST.

- E.7. **A busy jet airport on Toronto's Waterfront threatens all of these plans and investments. Already we have heard real estate agents say that the fears of jets at the Island Airport are frightening buyers away. If the mere threat of jets on the Waterfront is frightening investors, then a decision to expand the Island Airport into a mega jetport will have far greater implications.**

The airport has existed in its current location since 1939. In previous years the actual volume of flights was nearly double the current activity level. The waterfront has been thriving in parallel as the airport experienced growth over the last number of years. According to the City's report, real estate prices in the area have increased by over 70% since the launch of Porter's operations in 2006. The report also indicates that the airport does not affect property demand or value and that waterfront developers and real estate agents believe that the proximity of the airport is an advantage for the typical resident.

F. **PLANNING / DEVELOPMENT**

- F.1. **The expansion of the airport is incompatible with the existing waterfront revitalization plan.**

BBCTA is an important part of a mixed-use waterfront. Toronto's waterfront revitalization has occurred alongside the recent growth of passenger traffic at BBTCA. Developers, local businesses, and tourism destinations have thrived during this period. The TPA has expressed a vision of commitment that future passenger growth at BBTCA will continue to be compatible with a revitalized mixed use waterfront regardless of whether jets are permitted to operate at BBTCA. The airport will continue under the terms of the Tripartite Agreement, to be among the most capacity and noise restricted of any airport in the world. This will not change.

- F.2. **Recently approved residential and commercial development proposals may be jeopardized by the expansion at BBTCA.**

We are not aware of any residential or commercial development projects that would be impacted by Porter's proposal. The aircraft being proposed are anticipated to use the same flight paths and approach and departure angles as are currently used. We do not anticipate any changes to building height restrictions or development from what exists today. In fact, restrictions may be reduced with the use of updated satellite based aircraft guidance technology that could be introduced with the use of Bombardier CS100 aircraft.

- F.3. **When you go to a Code 3 runway from a Code 2, how does that effect development in the area?**

A Code 3 runway solely affects clearances on the airfield and will not impact development in adjacent communities. Subject to the approval of Porter's proposal, the TPA would initiate the design of the runway extension. This design process would include extensive reviews of impacts associated with a change in aerodrome reference code. Preliminary analysis by the TPA and Transport Canada indicates that the proposal is feasible where on airport infrastructure and off airport developments would be in compliance with Transport Canada standards based on current approved operational practices.

F.4. There is concern that the City's open spaces may be reclassified for parking purposes if the airport is expanded. Particular mention was made of Little Norway Park.

Little Norway Park is a City owned property and the TPA is not aware of any City plans to reclassify open spaces for parking. There is the long-term potential to redevelop the Canada Malting Site which would again be managed by the City. The TPA has expressed its desire to co-operate in this redevelopment such that it could efficiently contribute infrastructure and traffic improvements benefitting the both the airport and local community, working together with the city in development.

G. OTHER

G.1. Will this open up the airport to competing airlines?

BBTCA is a slot restricted airport, with all 202 current slots allocated to Porter Airlines and Air Canada. Commercial airlines operating scheduled passenger flights must hold a slot at the airport in order to fly to and from BBTCA. No airline can demand access to BBTCA. Slots are at all times held in ownership by Her Majesty and are not tradeable property.

Agreements such as NAFTA or Open Skies cannot override the terms of the Tripartite Agreement, nor the slot restrictions and prescribed allocation process already in place today at BBTCA and other Canadian slot allocated airports such as Toronto Pearson.

G.2. Other concerns were raised about the pace of the process, particularly the timeline given for the completion of the technical studies, public consultations and feedback, and final reporting to Council, given the complexity of the issues and the long-term impacts.

TPA has provided funding to the City for more than \$1 million of consulting reports on the proposal and the timeline is complex. The process timeline is being managed by the City.

G.3. Why is there no security check for private cars?

Safety and security programs at BBTCA are in place in accordance with Transport Canada regulatory requirements. As a certified airport, the BBTCA is compliant with these requirements and is audited by Transport Canada on a regular basis.

G.4. TPA has shown little interest or desire to work with the community to reduce the airport's impact.

The TPA's actions demonstrate otherwise and are committed to balancing the needs of the residential community which has grown up around the airport with those of airport users. Our staff actively works with the neighboring community. In addition to a quarterly Community Liaison Committee meeting with stakeholders, Port Authority staff meets with neighbourhood associations (BQNA and YQNA), the Harbourfront Community Centre, the Toronto District School Board, the Waterfront BIA, and city service providers, including Parks and Recreation and the TTC.

G.5. What accommodation will be made for existing and future “general aviation” uses and users at the Airport.

TPA has a long and important history in the area of “general” and personal aviation—private aircraft operators. We refer to this as “personal aviation”, so as not to confuse it with certain commercial scheduled carrier and charter air service which is included in the definition of “general aviation” for purposes of the Tripartite Agreement.

In connection with the completion of a BBTCA Master Plan, TPA will consider the views of the personal aviation community and all other stakeholders. TPA will want to be certain that it has a clear understanding of the personal aviation community’s specific ideas for the Airport.

TPA remains committed to having an appropriate personal aviation presence at the Airport.

G.6. The TPA Shall provide the coordinates of each MEZ buoy to the City and confirm their locations are correct by April 1 each year.

The geographical coordinates of the buoys are published on the TPA web-site and are available to the City and the general public.

<http://www.torontoport.com/Port/Port-News/Boaters-Notices/KEEP-OUT-AND-CHANNEL-BUOY-COORDINATES.aspx>

Buoys defining the perimeter of the Marine Exclusion Zone are removed each fall after boating season. They are replaced with a system of spar markers for the winter season. Over the winter period the buoys and associated anchor hardware are maintained and repaired as necessary. They are then reinstalled in the spring at predetermined locations per specifications of the airport certification. Installation is generally completed by April 30 and at that time the TPA would be able to confirm that the markers have been placed in accordance with the specified coordinates.