

City Council

Notice of Motion

MM28.5	ACTION			Ward:All
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Opposing the Possible Privatization of Canada's Airports - by Councillor Joe Mihevc, seconded by Councillor Sarah Doucette

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Joe Mihevc, seconded by Councillor Sarah Doucette, recommends that:

1. City Council express its opposition to the possible privatization of Canada's airports, joining the City of Vancouver, the Government of Alberta, National Airlines Council of Canada, the Vancouver, Calgary and Ottawa airport authorities, WestJet, and Air Canada.
2. City Council direct that a copy of this Motion be sent to the Minister of Transport Canada, the Minister of Finance of Canada, and all Members of Parliament who represent ridings in the City of Toronto.

Summary

The Federal Government owns Canadian airports, but since 1992 the responsibility for their governance and management belongs to local authorities, such as the Greater Toronto Airport Authority that manages the Toronto Pearson International Airport. These local authorities pay high rent costs and must fund infrastructure and operating expensing by their own means, while receiving no subsidies from the Federal Government.

Under this governance model, profits generated do not have to be paid to private investors, which has allowed airport authorities to invest in improving our national airports since 1992, contributing to Canada being recognized as having among the best aviation infrastructure and most efficiently run airports in the world.

The recent Federal budget made no mention of airport privatization, but Finance Minister Bill Morneau has confirmed that such a policy is still under consideration by the Government of Canada, in order to generate revenue. This measure was never mentioned in the platform of the Liberal Party that was presented to voters during the 2015 election.

Privatization has been attempted in other parts of the world, notably in Australia and the United Kingdom, which has led to higher costs for the travelling public, lower levels of service and

less available funds to invest in passenger growth and modernization of facilities.

The National Airlines Council of Canada, among others, has suggested that privatization will lead to higher operational costs and reduced service on less profitable routes. Vancouver, Calgary and Ottawa airports have also expressed their opposition, and Toronto Pearson International Airport has expressed hesitations about the move. The Government of Alberta and the City of Vancouver have all taken public positions against privatization, with each highlighting increased costs for travelers and reduced investment in infrastructure and services over the long term, while a motion has been tabled at the City of Montreal opposing possible privatization.

Privatizing Canada's airports is likely to further drive up the already high usage costs of Canadian airports, and ultimately airfares, to the detriment of airlines and the travelling public. The current governance model that is in place has served travelers relatively well through regular investment and upgrades, and enabled airports to provide a level of service that is unlikely to be improved by private ownership.

Background Information (City Council)

Member Motion MM28.5