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# Standing Committee on Transport, Infrastructure and Communities

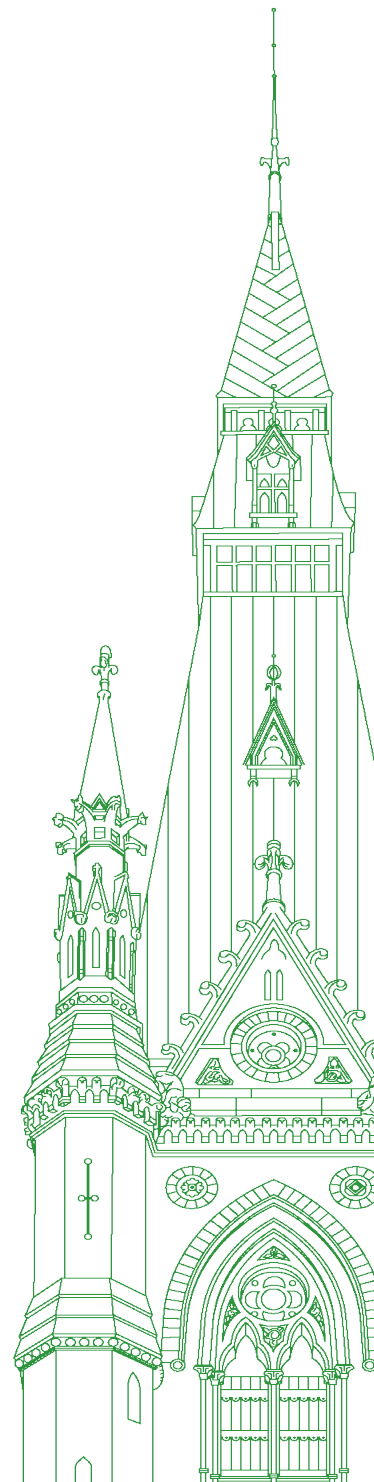
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Chair: Mr. Peter Schiefke





## Standing Committee on Transport, Infrastructure and Communities

Wednesday, September 28, 2022

• (1700)

[*Translation*]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I call this meeting to order.

Welcome to meeting No. 30 of the Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 3, 2022, the committee is meeting to study reducing red tape and costs on rural and urban Canadian airports.

Today's meeting is taking place in a hybrid format, pursuant to the House order of Thursday, November 25, 2021. Members are attending in person in the room and remotely using the Zoom application.

[*English*]

Members of the committee, today we have joining us as witnesses, from Aéroports de Montréal, Martin Massé, vice-president, public affairs and sustainable development; from the Air Transport Association of Canada, John McKenna, president and chief executive officer; from the Calgary Airport Authority, Carmelle Hunka—I hope I pronounced that correctly; if I did not, please take the time to correct me when it's your turn to speak—vice-president, people, risk and general counsel; and from the Vancouver Airport Authority, Trevor Boudreau, manager, government relations.

First I'd like to apologize to our witnesses who are joining us today for starting so late. Unfortunately, votes went long in the House, and we're going to try to make up time as we go.

We'll begin with the opening remarks from Aéroports de Montréal. Mr. Massé, the floor is yours for five minutes.

[*Translation*]

**Mr. Martin Massé (Vice-President, Public Affairs and Sustainability, Aéroports de Montréal):** Thank you very much, Mr. Chair.

Good afternoon, ladies and gentlemen.

Like other Canadian airport authorities, Aéroports de Montréal, or ADM, is a community-based non-profit organization. ADM is the airport authority responsible for managing, operating and developing Montréal-Trudeau International Airport, or YUL, and the International Aerocity of Mirabel, or YMX, under a lease entered into with Transport Canada in 1992 that will expire in 2072.

Governed by an independent board of directors consisting of professional and independent managers, ADM receives no government operating grants and generally funds its infrastructure and other projects from its cash flow and debt. ADM has approximately 500 employees at its two airport sites.

Our lease sets forth certain rights and obligations of the parties to ensure that ADM carries out its mission for the community and ultimately provides the Government of Canada with state-of-the-art infrastructure. ADM is also required to submit to various processes, such as the one conducted by the Impact Assessment Agency of Canada, when it wishes to operate on its land. Those rights and obligations form a whole.

To provide greater Montreal with adequate infrastructure, the Canadian airport model is based on the airport authorities' borrowing capacity for the purpose of making required investments.

ADM is therefore a private corporation that manages public services. Its mission, in a sustainable development perspective, is to connect Montreal to the entire world through the talent and passion of its teams and to provide remarkable, safe and efficient services while developing its facilities and contributing to its community's prosperity with the vitality that characterizes greater Montreal.

ADM intends to succeed in its various operational sectors—airport, property and commercial services—and to operate its two sites to their full potential. To that end, YUL operates as a domestic and international hub for airlines transporting passengers both in and outside Canada. It is the gateway east of the Great Lakes to the regions of Quebec.

YUL was growing fast until the first quarter of 2020 and was committed to providing an efficient platform to its world-class airline and airport services partners. The international service that YUL offers has made it an envied air traffic hub in northeastern North America.

YUL supports more than 50,000 jobs in Quebec and contributes \$6.8 billion to the province's nominal gross domestic product. With more than 200 businesses on its site, it's a major driver of economic activity.

In 2019, through 34 carriers, YUL served a total of 152 permanent and seasonal destinations: 90 overseas, 30 in the United States and 32 in Canada, including 13 in Quebec. It was the number 3 airport in Canada with more than 20 million passengers annually and first for the number of passengers travelling to and from a foreign city. Although YUL is already doing as well as it was in 2019, if not better, it isn't expected to return completely to pre-pandemic operational levels and numbers of flight offerings until 2024. After more than two years of pandemic conditions, YUL should quickly return to its previous role.

YMX, on the other hand, is a booming aviation hub whose partners include aerospace industry leaders and world-class businesses. It's also an industrial and logistical hub housing a fast-emerging transportation electrification sector. This duality poses unique challenges for ADM with regard, for example, to the expertise of its teams and additional costs.

ADM thus has to manage two sites with completely different missions and businesses. Despite those differences, no distinction is made in our lease between YUL and YMX, particularly as regards the rent Transport Canada charges. Before 2020, the revenue YUL generated offset YMX's operating deficit. During the pandemic, however, YUL stopped producing enough revenue to cover that expense.

We are also facing other challenges. ADM makes the highest payments in lieu of taxes, or PILT, of all airport authorities in Canada. In 2019, that charge amounted to \$36.4 million for YUL alone, which represented 16% of its operating costs and a cost per passenger of \$1.79, compared to \$1.00 or less for all major airports. With the drastic decline in the number of travellers, that figure rose to \$6.44 per passenger in 2020 and \$6.65 in 2021. We've been harping on the need to put an end to this unfair situation for years now, without any support from the three orders of government.

In addition to having to bear the maintenance and operating costs of two sites, to pay Transport Canada a single unified rate and to make the highest PILT of all major airports, ADM also inherited the oldest terminal in Canada at its inception 30 years ago. The main body of Montréal-Trudeau International Airport dates back to the 1960s.

• (1705)

In closing, the assistance the federal government provides through the airport critical infrastructure program has been very valuable. Unfortunately, it has now been terminated and no additional funding was announced in the last budget.

However, in the wake of the pandemic, which radically undermined our organization's finances, resulting in additional debt of nearly \$1 billion, ADM must continue its investment program to ensure that YUL's infrastructure meets the community's needs. More specifically, ADM must build a Réseau express métropolitain station and finance \$500 million of the \$600 million total cost of the project. ADM will also have to invest heavily to reduce greenhouse gas emissions and thus help decarbonize airport operations.

ADM will therefore be facing an enormous challenge over the next decade. Unless the Canadian airport model is reviewed, the requirements that have been added since airports were privatized in

the 1990s will have to be examined. The airline industry is facing major challenges as it emerges from the pandemic, but it also has an opportunity to improve the Canadian airport model provided we have the means to do so.

Thank you.

• (1710)

**The Chair:** Thank you very much, Mr. Massé.

[English]

Next we have, from the Air Transport Association of Canada, Mr. McKenna.

Mr. McKenna, the floor is yours. You have five minutes for your opening remarks.

**Mr. John McKenna (President and Chief Executive Officer, Air Transport Association of Canada):** Thank you. Good afternoon.

The Air Transport Association of Canada has represented this country's commercial air transport industry since 1934. Our 175 members are engaged in all levels of commercial aviation and flight training in every region of Canada. Our membership includes very large international and transborder carriers, regional carriers, flight training organizations as well as the Canadian air transport support industry.

[Translation]

The obvious focus for the past two years has been on getting through the pandemic and now on the road to recovery in a vastly different socio-economic environment where consumer behaviour has been forever modified. Not only is it extremely 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.

[English]

Inefficient government services at the department, within airports' security and at customs are only adding to the chaos. The fact that Canada lagged behind the world in eliminating COVID-related health restrictions certainly has not helped create the winning conditions that we so urgently need.

To limit further serious damage to the air transport industry and to help us work towards full recovery, and thus enable Canada's economic recovery, the government needs to change its attitude towards aviation in Canada. The government must stop thinking of the air transport industry as a revenue stream. No other mode of transport is targeted the way the air transport industry is. Why, on the one hand, does the government draw over \$1 billion from fees and charges from aviation, which are not found in any other mode of transport, while on the other hand finance passenger rail in the order of hundreds of millions of dollars?

[Translation]

Total Via Rail passenger count in 2020 was 1.15 million, a 75% drop over 2019, a percentage loss similar to that of air transport 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 Via Rail carries less than five 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.

[English]

To limit the crippling damage to the Canadian air industry, the government needs to implement the following ten recommendations.

One, stop using aviation as a revenue stream.

Two, failing that, at least reinvest aviation-generated revenues back into the aviation sector.

Three, seriously consider regional aviation as a vital link in Canada's connectivity.

Four, invest in regional and northern air infrastructure since the user-pay model just can't sustain operations in these regions that depend almost entirely on aviation. This is the key to their ability to provide the service needed to support the unobstructed flow of passengers throughout Canada. Not only do the remote and northern 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 Canadian airports.

Five, establish a federally backed funding program for all students attending designated learning institutions offering professional flight training or post-secondary institutions providing Transport Canada-approved air transport maintenance engineer programs that are accredited by the provincial acts, such as the Ontario Private Career Colleges Act. This would help attract the increased number of pilot and maintenance trainees so desperately needed to address future shortages that are already on our doorsteps today.

Six, fix the backlog and processing of student visas and work permits in the world of aviation. This recommendation is for the Minister of Immigration.

[Translation]

Seven, privatize the Canadian Air Transport Security Authority at no cost to the air transport industry or their passengers. In other words, abandon the idea of imposing a \$600-million price tag for assets already paid for many times over by passengers through the Air Travellers Security Charge.

Eight, consider Nav Canada as an essential service and support it financially should they sustain another such catastrophic drop in revenue because of a national crisis rather than force it to increase fees to air carriers.

[English]

Nine, instead of spending money on politically motivated projects, such as high-frequency rail that traffic volumes will never

justify nor financially sustain, the government needs to develop, in co-operation with industry, a national air transport policy focused on multimodality. This would yield economic, connectivity and environmental benefits.

Ten and finally, keep in mind that air transport is now a way of life. In fact, it's a way of survival for many. It's not a luxury, but an economic enabler.

Thank you.

• (1715)

**The Chair:** Thank you very much, Mr. McKenna.

Next, from the Calgary Airport Authority, we have Carmelle Hunka.

The floor is yours. You have five minutes.

**Ms. Carmelle Hunka (Vice-President, People, Risk and General Counsel, Calgary Airport Authority):** Thank you, Mr. Chair.

Good afternoon, members of the committee.

My name is Carmelle Hunka, and I am a vice-president at the Calgary Airport Authority. I'm very pleased to be before the committee today on behalf of the authority.

I want to open by stating that the experience we provide to guests at YYC Calgary International Airport relies on multiple partners to ensure travellers are provided with a smooth and efficient experience. These include airlines and our government partners, such as Transport Canada, CATSA, CBSA and PHAC. YYC Calgary International Airport has adapted and continues to effectively adapt to changing measures and emerging concerns at airports. Creating positive travel experiences for air passengers involves all partners doing their part.

With this in mind, the Calgary Airport Authority is pleased with the federal government's recent announcements removing mandatory random testing for arriving international air passengers and making the use of the ArriveCAN app and masks optional. The removal of these last restrictions allows Canadians to travel free of restrictions consistent with the rest of the world and allows our industry to be in a strong position to recover.

As with other airports across Canada, the pandemic has had an enormous impact on our operations. In 2019, we welcomed 18 million passengers to the Calgary International Airport and generated \$8 billion of GDP, an all-time high. As the pandemic hit, the impact to our airport was catastrophic. Total passenger volume fell to 5.7 million passengers in 2020, and only slightly recovered to 6.3 million passengers in 2021, but we are on the road to recovery.

In 2022, we are estimating that passenger volume will more than double to 14.3 million passengers travelling through our airport over the course of the year, a welcome improvement though still well below the 2019 level of passenger volume. We're proud to report that YYC was the most recovered major airport in Canada with passenger volumes in July and August reaching 2019 passenger volumes. The stronger we are at YYC, the greater our contributions are to the city, the region and the country as a whole.

A huge success story for YYC was the implementation of virtual queuing for our security screening points. Known as YYC Express, virtual queuing involves passengers signing up online up to four days in advance of their flight to secure a space in line at one of our security screening points. This allowed YYC to spread passengers out to some of the less busy screening points during the peak periods, alleviating wait times. YYC Express gives passengers a stated time in the queue providing certainty and minimizing time in the security screening line. YYC Express was very successful, such that now other airports in Canada will be implementing and adopting the technology for their own versions of this virtual queuing.

This virtual queuing was implemented and funded solely by the Calgary Airport Authority. We pay for the staff to manage the queue, to scan the QR codes and to implement the technology associated with the queuing. We funded YYC Express at the same time as we were required to take on almost \$300 million in additional debt during the pandemic—an investment in providing a more efficient experience for our guests.

We call on the federal government to invest in technology to assist in the guest experience, such as virtual queuing, improved screening equipment that can provide a seamless experience to travellers, and technology where guests can move through customs and immigration more efficiently.

With respect to the ground lease, we request additional items to ask for a reduction in red tape. First, we recommend modernization of the ground lease compliance requirements. Great administrative expense is expended by airports on an annual basis to meet administrative compliance requirements to demonstrate that we're in compliance with our lease. Most critically, the rent payments the authority makes to the federal government through its ground lease are a significant airport expense. In July and August alone, YYC will pay over \$2 million each month in federal rent and receive nothing in return. In 2020, the ground lease payments were waived in response to an unpredictable and drastic decline in customer volume, but the 2021 ground lease payments were only deferred to be paid at a later date. While we welcomed this support, the government's approach to lease payments was not sufficient to offset the continued decline in revenue we experienced as a result of the pandemic.

As its tenant, the authority is looking for the federal government to reinvest its ground lease rent payments back into the airport through investments in environmentally sustainable core infrastructure, and we ask for reintroduction of funding for critical capital projects through the national trade corridors fund or reintroduction of ACIP.

● (1720)

Thank you.

**The Chair:** Thank you very much, Ms. Hunka.

Next, and finally, we have, from the Vancouver Airport Authority, Mr. Boudreau.

Mr. Boudreau, the floor is yours. You have five minutes for your opening remarks.

**Mr. Trevor Boudreau (Manager, Government Relations, Vancouver Airport Authority):** Thank you, Mr. Chair, and thank you, committee members.

I'm joining you today from Vancouver International Airport, which is located on the traditional and unceded territory of the Musqueam Indian Band. Before I begin, I'd like to pay my respect to elders past and present.

I'm here today to represent the more than 20,000 workers that work at YVR every day.

Today, I offer the following recommendations on how government can support Canada's airports to the benefit of Canadian travellers and our economy. They are framed around: first, improving government processes and addressing regulatory barriers; second, the faster adoption of technology and innovation; and third, partnering with airports to accelerate investments that we are already making to evolve Canada's airports to next-generation economic engines.

Canada's airports are a dynamic ecosystem. We were an industry that expertly operated just-in-time supply chains that moved millions of bags, people and goods through our airports every day, so it has been difficult for our sector to experience the growing pains that we did over the past months.

Today, we're on a path to return to our prepandemic performance, and that is thanks in large part to our dedicated and fantastic workforce, our proactive planning and coordination with other partners and our relentless focus on innovation.

First, on the labour challenge, it's important to note that the airport proper at YVR is a certified living wage employer, and that means we pay our workers a fair wage for our region. In one case, that living wage policy helped us recruit more 80 new frontline workers this spring and have them on the floor in a matter of weeks. More than 600 people applied for those positions to work at YVR.

During the pandemic, we also accelerated our digital transformation and launched a new digital twin platform. This summer, we put that technology into the hands of those frontline workers, and that allowed them to monitor and deploy resources in real time to support travellers, airlines and government agencies when they needed it.

We also partnered with our Canadian airport colleagues and government agencies to quickly develop, test and deploy innovations. Those solutions are driving down wait times today, and they're reducing costs.

Of course, I would be remiss if I didn't mention the \$150 million we will be spending over the next 10 years to become Canada's first net-zero airport by 2030.

How can government support us further?

On our first recommendation, YVR strongly encourages the federal government to remove the regulatory barriers that impede modernization of traveller security screen processes that are currently overseen by CATSA. The reality is that Canada's security screening regulatory structure is outdated and does not allow Canada to evolve to the risk-based approach to passenger security screening that we need today and that we see with our other G7 peer countries.

Specifically, rewriting the security screening measures is needed to start afresh. Importantly, the simplification of these regulations will create the operational flexibility our partners need to improve security throughputs, all without impacting the critical security function that frontline security screeners offer.

Furthermore, there is an urgent need for the Government of Canada to work with the U.S. government and reopen NEXUS enrolment centres in Canada. The NEXUS program has grown significantly over the past several years and is incredibly well subscribed by Canadians, yet today Canadians can't obtain a new NEXUS card, nor can they renew their existing enrolment.

On our second recommendation, YVR has clearly demonstrated how we can use data and digital solutions to improve our operational performance. In addition to launching our own digital twin platform, all of the airports in front of the committee today are collaborating in rolling out new innovations.

I'll draw your attention to the virtual queuing for security screening that Carmelle mentioned just a moment ago. That was piloted at Calgary International Airport and, as Carmelle mentioned, was a tremendous success. It's now going to be launched at all other large airports in Canada very shortly, and I'm proud to announce that YVR Express will be launching next week for our passengers.

There's an immediate opportunity for the federal government to join us to explore further innovations and deploy them quickly.

On our final recommendation, we are going to be living in a supply-constrained world for the next decade. As a result, we need to make significant joint investments in Canada's infrastructure.

At YVR, during the pandemic we identified the need to expand and enhance our cargo and logistics throughput, so we are actively putting \$150 million of capital in place right now to expand YVR's

air cargo operations, and that is for the benefit of Canadian cargo carriers. Importantly, this \$150-million investment will facilitate more than \$250 billion in domestic and international trade over the next 20 years. That's significant.

In partnership with airports, indigenous, and other non-government capital, we believe continued federal funding via programs such as the national trade corridors fund will help accelerate our investments.

• (1725)

In conclusion, we are meeting the challenges in front of us while also doing our part to keep air travel affordable and safe for Canadians. We appreciate the committee's interest in exploring additional ways to reduce red tape and costs.

I look forward to taking your questions. Thank you.

**The Chair:** Thank you very much, Mr. Boudreau.

We will begin the line of questioning today with Ms. Rood.

Ms. Rood, the floor is yours. You have six minutes.

**Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chair.

Thank you, witnesses, for being here today to discuss this very important study.

Over the summer, I had the opportunity to do a lot of travelling across this country, visiting many airports, talking with folks on the ground and talking with people in rather rural communities and some of our northern communities as well. I've seen the frustrations in the airports, whether it be lineups, delays, baggage sitting everywhere, not enough security, or problems by not having a NEXUS card. We're seeing that all of these things are contributing to an unhappy experience for many Canadians across this country with travel.

Thankfully, we've seen in recent days that the government is finally having some clarity on getting rid of all of the COVID mandates and dropping COVID mandates so that we can get back to regular travel in Canada. We're also seeing our economy hopefully pick up with international travellers who have been hesitant to come to Canada thanks to having to use the ArriveCAN app or because of the vaccine policy.

I'm not sure who would want to respond to my first question. Maybe some of the airports would.

Sir, you mentioned that YVR is talking about making greater investments. I'm just wondering how the airports plan to deal with the surge in passengers that we're going to see probably very abundantly and very quickly in the coming days with the restrictions removed. I know that a lot of the people I've talked to in other places who have been waiting to come to Canada to visit relatives are very eagerly hoping to get on a plane very quickly.

Could you tell us what you plan to do to help alleviate some of these stresses or what the government could do in the very short term to help alleviate some of the stresses right now?

**Mr. Trevor Boudreau:** Thank you, MP Rood.

We're very excited to welcome them back to Canada and to YVR. It's important to acknowledge for the committee that YVR did not experience the significant impacts we saw at other airports across Canada. To a certain degree, that was because of the way air travel did rebound earlier this year, but it was also thanks to some careful planning and investments we made in advance of the pandemic and also during the pandemic. One project we were able to complete during the pandemic was a \$300-million expansion of our international arrivals area. That's been helpful for us as we've seen the airplanes rebound.

In our customs hall, we did a lot of work with CBSA and partnered with them quite closely to fit out the customs hall with our kiosk technology. That was an innovation that was developed at YVR a number of years ago. It has actually been rolled out at airports across Canada, including Halifax, Winnipeg, Edmonton, Quebec City and others. As we look to greater technology, we are very supportive of moving border processes to outside of the customs hall. Certainly, applications such as ArriveCAN, for its intended use, which is to facilitate advance declarations that everyone has to do when you enter Canada via air, are helpful.

This summer we partnered with CBSA on a platform that is now loaded onto our kiosks that allows for that advance declaration and cuts travellers' wait time in the customs hall by half. Importantly, we see that reduced wait time even for large families where some folks might be technically savvy and have done an advance declaration, but maybe mom and dad don't know how to use technology. The children have to help them. Or perhaps they have small kids; they can facilitate there.

We see a huge opportunity to continue to partner with government agencies on those technology solutions.

• (1730)

**Ms. Lianne Rood:** Thank you.

Ms. Hunka, I'm wondering if you would like to comment on that as well and on what you're doing in Calgary. Is there a plan in the future to help alleviate the border issues by bringing in more border guards? I hear that was a concern in Vancouver. You have a great big hall now to bring in international passengers, but that's not going to help with the delays if we don't have enough border guards at the airports waiting to process them.

**Ms. Carmelle Hunka:** Thank you for the question.

Like the Vancouver airport, the Calgary airport did not experience some of the challenges that recently occurred with the surge in

passengers. We are very mindful and we have a very strong relationship with our port director for CBSA. As a result, we have been able to assist CBSA through the provision of additional staff in the customs hall to move the passengers through the kiosk system and into the appropriate lines. That is the approach we've taken. It is really to partner and to staff up in some of those areas to help assist and move the passengers along.

As Trevor indicated, with respect to the technology advancements, it certainly would be helpful if the e-declaration or the advanced declaration online aligned with the system. Passengers would not be required to go through the process twice. Right now you go through the process on your app, and then you go to a kiosk and you have to confirm all the questions a second time. If we could get past that so that we had to respond to those questions only once, that would certainly alleviate passenger traffic and move it along more quickly. It is something that we would be advocating for.

**Ms. Lianne Rood:** Thank you very much.

Chair, is my time just about up?

**The Chair:** You have 17 seconds left, Ms. Rood.

Do you want to allocate it to the next speaker?

**Ms. Lianne Rood:** I will cede my 17 seconds. I will allocate it to the next speaker.

Thank you very much for those answers.

**The Chair:** Thank you very much. It's much appreciated.

Next we have Mr. Rogers.

Mr. Rogers, the floor is yours. You have six minutes.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Mr. Chair.

Welcome to our guests today.

I just want to note that of course over the past three years of sitting on this committee we have heard many witnesses talk about the airline industry during a very difficult period at the peak of the pandemic. Certainly the airline industry has gone through some very difficult times.

We've seen surprising rebound in terms of the number of people who have started travelling. I'm just curious as to the predictions that maybe the representatives from the airports were making about the future of air travel last year, how long it would take for the airline industry and the airline business to rebound with the demand there is to return to pre-COVID volumes and the rebound we've seen.

From your perspective, what were you predicting? What do you predict for next year or the year after?



I'll start with Mr. Massé and then allow the other two airport representatives to speak as well.

**Mr. Martin Massé:** Thank you for your question.

During my first intervention, I was very clear that we were expecting that at the latest the return to prepandemic levels would be 2024. We're already experiencing—and it's probably the same with the other large airports—around 85% to 90%. It will be slightly higher in 2023. We're expecting a return to a 100% in 2024 at the latest.

To add to what my colleagues said, our situations were slightly different because of the pattern of our networks. We are the most international ones. We had a lot of issues with regard to baggage connections, the American borders and the preclearance system and staffing there although not that many in terms of CBSA.

It's also a question of staffing on our partners' side, including airlines, with regard to ground handlers. That's pretty much where the focus has to be put from now on until they recover in 2024 at the latest.

**Mr. Churence Rogers:** Ms. Hunka.

**Ms. Carmelle Hunka:** With respect to Calgary, yes, we are predicting 2024 as well.

We were originally predicting 2025, but recovery has come back more quickly. I think it's really important for the committee to appreciate and understand that while Calgary didn't experience the same challenges that Montreal and Toronto did, the airports are an ecosystem. What occurs in one airport affects all the other airports. As air carriers are impacted, as departures from Montreal and Toronto through the ecosystem to Calgary are impacted, we are impacted in terms of the service we deliver. It's really important that we consider the ecosystem and supporting the entirety of the ecosystem as we move forward.

• (1735)

**Mr. Churence Rogers:** Go ahead, Mr. Boudreau.

**Mr. Trevor Boudreau:** I agree with everything that both Martin and Carmelle said, so I won't add anything further on that side.

On the staffing issue, again, that's an area that we are watching closely in our operation. Even before the pandemic hit, we saw a lot of movement of labour because of subpar wages. I mentioned our living wage policy, which is now relevant for some of our direct service contractors and all of our employees, and we are expanding that as of March of next year to all service contracts for the Vancouver Airport Authority.

We think that's important, because we don't want to see people hired in and then poached between different operators that operate at the airport. We want to see those workers stay with their employer and continue to provide benefit to the airport and to our community, which we are ultimately here to serve.

**Mr. Churence Rogers:** Thank you.

I think we all understand how big a factor labour shortages played in the congestion problems at our airports, particularly the international airports. What would you like to say to those workers

who stuck it out and kept working through such a challenging restart?

I'll ask Mr. McKenna to comment on that first.

**Mr. John McKenna:** We've always had a challenge with getting skilled labour, be they maintenance, pilots or whatever they do. The situation now has expanded so that shortages are at all levels of service employee in our environment.

The problem is that the passenger experience suffers because of all of this. When you go through an airport, there are delays, and it's not the airport's fault. There are delays caused by CATSA, by Immigration, by all kinds of things like that, and this all adds to the passenger experience. Even the wearing of masks in airplanes was causing a lot of grief amongst the passengers and those who had to deal with people's dissatisfaction.

We are really appreciative of the people who have stuck it out with us. Everyone's working toward recovery now. We need the government to catch up to us and help us along in all these efforts, however.

**Mr. Churence Rogers:** Thank you.

I think I'm out of time, Mr. Chair.

**The Chair:** Yes. Thank you very much, Mr. Rogers.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for six minutes.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you very much, Mr. Chair.

Mr. McKenna, several members of the committee have discussed the impact of the pandemic on the airline industry, and I'd like to continue along those same lines.

In the context of the study we're conducting, I'm thinking of the striking example of the massive increase in fees that Nav Canada charges the airlines and all other users of its services. You discussed that in your opening statement, but there are other cases in which the federal government seems to consider the airports as a cash cow rather than a service to the community.

Please tell us more about that.

**Mr. John McKenna:** Yes, that's a good example. Everyone in the industry was shocked to see that the government didn't assist Nav Canada, which provides a service that we consider essential. Nav Canada requested government assistance after its revenue fell 90%, but the government told it that, since it was now a private business, it had to make do on its own. Consequently, Nav Canada raised its fees by 29.5%.

All those fee increases, not to mention rising fuel prices, are delaying our industry's recovery and are extremely harmful. So I think the government really should have assisted Nav Canada in the circumstances. At the very least, it could start paying service fees for its aircraft and military aircraft, which it has not yet done. Nav Canada has had to bear all those costs.

I sit on the committee that's examining the privatization of the Canadian Air Transport Security Administration. We wonder how it would fare if it were privatized in the event of another pandemic. Would the government leave us to our own devices?

The government must support businesses that provide an essential service, one for which it establishes the standards.

• (1740)

**Mr. Xavier Barsalou-Duval:** Thank you very much, Mr. McKenna.

Mr. Massé, from Aéroports de Montréal, the ratings we saw over the summer for Canadian airports, particularly in Toronto and Montreal, were not exactly glowing. Our airports were among the worst in the world for flight delays.

Earlier on, you seemed to be saying that these were not necessarily issues that fall within your sphere of responsibility. And yet it's your reputation that takes the hit. Do you think there are any lessons to be learned here?

**Mr. Martin Massé:** That's an excellent question.

I believe Mr. Boudreau spoke about the salaries offered to airport employees and the raiding that goes on between companies and services. In the end, we serve the same clients, the passengers, and from now on we need to learn to provide better treatment for those who toil in these jobs.

That's why we worked with with employers to introduce staff attendance and retention programs. We want to do something about the chronic shortage of staff in these jobs which, even though they don't necessarily require recognized skills, are essential, as we saw during the summer.

It's important for flight schedules to be followed, not only the team of pilots and flight attendants on the aircraft, but also on the ground, whether by the airline company or an affiliated service provider. The people who come to work must be treated properly.

**Mr. Xavier Barsalou-Duval:** Thank you.

Not so long ago, we welcomed representatives of the Canadian Air Transport Security Authority, and some public servants, to the committee. On that occasion, we drew attention to the introduction of new standards for passenger rights and said that we would have liked to make them even stricter. But we also said that we were pleased to see that there had been improvement.

In addition, we raised a potentially interesting point by suggesting that the standard should apply not only to the airline companies, but also to government organizations. The airline companies . after all, ended up being forced to provide a level of service and reliability that the government itself does not provide, which sends a peculiar message.

Do you have any comments on that, Mr. Massé and Mr. McKenna?

**Mr. Martin Massé:** I don't have a position on this from my organization to report to the committee.

However, the goal is clearly to serve passengers as quickly as possible. We know that since the pandemic, the tolerance level for

lineups at various contact points during passenger trips has been declining. People need to be given proper service, as quickly as possible.

**Mr. Xavier Barsalou-Duval:** Mr. McKenna, do you have any comments?

**Mr. John McKenna:** Thank you.

Our industry is currently suffering from delays of a kind never seen before in connection with services from Transport Canada or other government organizations. The delays are staggering, whether for issuing access cards to restricted areas, certifying pilot qualifications, administering professional exams and periodic tests required for pilots, aircraft certification, and so on. The government has never provided any explanations for these delays, and it's a situation that is holding back our recovery.

Even though companies have been announcing equipment purchases, none of it can be used until it's been approved, and included in the company's operating certificate.

• (1745)

**The Chair:** Thank you very much, Mr. Massé and Mr. McKenna.

[*English*]

Next, we have Mr. Bachrach.

The floors is yours. You have six minutes.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair.

I'd like to begin by thanking all our witnesses for their presentations. Obviously, this is a matter of great interest to the committee.

I'd like to start my questioning with Ms. Hunka of Calgary International Airport.

Ms. Hunka, you mentioned the idea of shared responsibility, and I think I heard you say that all partners should do their part. I think this speaks to one of the things we saw during the pandemic, which was the need for accountability. I don't ask this as a trap or as a trick question, but I'm very curious, because we've had a chance as members of the committee to talk to all the different partners in the airport ecosystem.

When we talk about the challenges that were experienced, often we hear that different partners put the onus on other partners. The people who are at the end of the line when it comes to the challenges we saw are, first of all, air passengers who were sleeping on the floors of our airports and, second, workers at the airports who were working under some incredibly challenging conditions.

There are all sorts of different moving parts here. Obviously, it's a complex situation. You have security screening, airports that maintain the infrastructure, and airlines that fly the planes. However, when things fall apart, I think what the air passenger is looking for is some accountability.

How do we create an accountability system? Right now, the CTA has a backlog of 24,000 complaints from air passengers who suffered delays and cancellations. That's just the tip of the iceberg, because those are the folks who managed to get through the complex process of filing an online complaint.

I'd like you to speak about how we create an accountability system so that air passengers are taken care of and don't bear the brunt when we see challenges like the ones we've seen over the past several months.

**Ms. Carmelle Hunka:** Thank you very much for that question.

I'm not surprised when we talk about the fact that the experience involves all partners doing their part. It's a joint accountability that we all have together. To the comments that have been made, whether it's an issue at CATSA or an issue at CBSA, for us as the airports, it's a question that comes up.

As the airport, we look at our role as being the facilitator to bring all these partners together for the conversation to make sure that we can provide the service that we need to for the passenger. Going in to the summer, we had an event at the Calgary airport. We brought all of CATSA, CBSA, USCBP and PHAC together with our media partners, and we talked about what travel would mean and look like, and what passengers could expect at the airports.

Our investment in YYC Express and virtual queuing demonstrates our commitment to making things work better for our partners. We also need our partners to have good conversations with us and to be open and transparent about some of the information.

One challenge we have with CATSA is that the wait times that CATSA provides and delivers to the public aren't based on the end of the line. They're based on where CATSA starts monitoring and screening, and that's not as transparent. We need that transparency.

We recognize that we're an ecosystem and that it's our joint reputation, but we need the support of our partners at the airport, and the airport will then provide our support back to those partners.

**Mr. Taylor Bachrach:** Ms. Hunka, putting yourself in the shoes of a passenger, where does the buck stop? The passenger is just trying to get where they need to go. They've paid a bunch of money, and now they're sleeping on the floor of the airport at two in the morning.

There are all these different partners, as you characterized them. Does the buck stop with the minister? Who does it stop with? I'm just trying to understand who's accountable when things go poorly.

• (1750)

**Ms. Carmelle Hunka:** It's very important to us as the airport authority to provide the best experience for our guests, so we invest in making that experience the best, but we need the support of the government. We do need the Minister of Transport to be participating, to be investing in the infrastructure, and to be investing in those partners and in those services—investing in better technology to move passengers through CATSA and through the screening points, and not having to take every single item out of your bag in order to proceed. Those are some of the things we would ask for that would create a situation in which the passenger would have that seamless experience.

There are many conversations and many committees. I think what we need to see at this point is some investment in better technologies and in these partnerships so that we can deliver the best experience to the guest.

You're absolutely right; if I'm sleeping on the floor, I'm sending that social media message or taking that picture at the airport. It's our reputation, as airports, that is on the line, and that's why it's so important for us to be having these conversations with government, because we need the support of the government in order to invest.

We are a captive revenue industry. We don't have multiple revenue streams that we can draw from, and we need that support. When we're providing our rent payments and not receiving that investment back in return, that challenges us in our ability to support and go forward.

**Mr. Taylor Bachrach:** Mr. Chair, how am I doing timewise?

**The Chair:** You have 20 seconds left.

**Mr. Taylor Bachrach:** Oh, boy. I wanted to ask Mr. Boudreau about living wages and subpar wages, but maybe I'll wait until the next round.

I'll yield my time back to you, Mr. Chair.

**The Chair:** Thank you very much, Mr. Bachrach.

Mr. Jeneroux, the floor is yours. You have five minutes.

**Mr. Matt Jeneroux (Edmonton Riverbend, CPC):** Thank you, Mr. Chair.

The Montreal airport was ranked second worst in the world for flight delays, with 47.8% being delayed. Vancouver airport was placed 10th worst, with over a third of the flights delayed.

Maybe I'll start with you, Mr. Boudreau.

We had testimony in June that said the mask mandate, the vaccine mandate, the mandatory tracing and the ArriveCAN app were factors in terms of these delays. Would you agree?

**Mr. Trevor Boudreau:** That was not YVR's experience, Mr. Jeneroux. Our experience was that we had delays that were results of knock-on impacts from other parts of the aviation sector, not just in Canada but around the world. That was our experience.

**Mr. Matt Jeneroux:** I remember media stories about your particular airport, Mr. Boudreau, where there were delays on the international side, some existing for days, with people missing their flights. What contributed to those delays, then?

**Mr. Trevor Boudreau:** Mr. Jeneroux, I'd ask you to be a bit more specific. I'm not quite sure which instance you're talking about.

**Mr. Matt Jeneroux:** About a month ago, there were people in the international area waiting to go up to Alaska, waiting to go to Detroit. Global News was on your location filming and wondering why there were delays in your airport. A number of the individuals indicated that vaccines, tracing and the ArriveCAN app were part of the problem. You're saying that they weren't right, that it was something else.

**Mr. Trevor Boudreau:** Mr. Jeneroux, I think you're speaking about the Sunday in August when we experienced some delays with CATSA screening when they had a bit of a labour shortage. They had a large volume of workers who had unexpectedly booked the day off. That caused a pretty significant disruption here at YVR. It lasted a day and was cleared as quickly as possible.

You mentioned transborder departing traffic. We are still seeing some delays with our partners at USCBP because of their new simplified arrivals process, which, while simple, is creating some growing pains there as they deploy that new process. We're working with them on that. We're also working with them to increase CBP staffing levels back up to 2019 levels, which we believe will continue to support and help passengers.

CATSA has remained stable since August, and we have not experienced the issues that we had in August.

**Mr. Matt Jeneroux:** Thank you, Mr. Boudreau. I would just ask that you put yourself in the situation of the passenger when they're waiting two days and you're using words like "growing pains" and "hiccups". It takes them away from medical appointments. It takes them away from family events. It's significant in terms of individual passengers.

I'd like to move over to you, Mr. Massé, and ask if you can comment. Your airport was ranked second worst, with 47.8% flights being delayed. Again, we heard testimony in June that it was because of the mask mandate, vaccine mandate, mandatory tracing and the ArriveCAN app. Do you agree?

• (1755)

**Mr. Martin Massé:** Well, did it play a part? Probably it did. But all of this started with an electrical thunderstorm that put us in a complete ground stop for hours. From there on, it just completely... We were never able to gain back on the platform what was delayed from this event.

[Translation]

During that incident, our management team spent the night doing their best to inform passengers. From then on, the entire network couldn't make up the delays caused by this total shutdown of the platform, which went on for hours. As Mr. Boudreau mentioned, added to this were the unexpected labour shortages experienced by some of the partners' employees, and the lack of investment during the pandemic.

We would in fact have wanted to make some investments during the pandemic. However, the manner in which the airport authorities operate financially means that there is unfortunately no revenue when there are no users. By...

[English]

**Mr. Matt Jeneroux:** I'm going to interrupt you, Mr. Massé, only because I have half a minute left.

Have you seen the airport come back to prepandemic levels yet? If not, and I assume not, would it have been nice to have these mandates lifted at perhaps the beginning of the tourist season?

[Translation]

**Mr. Martin Massé:** We definitely would have liked a loosening of restrictions as soon as possible, and that's what we asked for. However, it has to be admitted that our platform was unfortunately unable to measure up to the experience we would have liked to provide. Realistically, it would have been difficult to handle more passengers during this crisis.

**The Chair:** Thank you very much, Mr. Massé and Mr. Jeneroux.

[English]

Next we have Ms. Koutrakis.

The floor is yours. You have five minutes.

**Ms. Annie Koutrakis (Vimy, Lib.):** Thank you, Mr. Chair.

Thank you to all our witnesses for appearing here this afternoon before us and for your important testimony.

My questions are directed to any of the airport authority representatives here today.

Even though we had a bumpy summer, I think the bigger picture was missed. After about two years of being more or less shut down, air travel came roaring back, and most people were able to get where they were going.

Do you think the critics fully understood how challenging it was to resume operations that quickly?

**Mr. Trevor Boudreau:** If Martin and Carmelle are okay with it, maybe I'll start the answer.

I see a couple of nods. Thank you.

Thank you for your question. Indeed, we saw the largest increase in passenger volumes in our 90-year history here at YVR in the span of a number of months. We grew from something like 40,000 passengers a day in February to passengers in May, June, July and August that tipped 65,000 to 70,000 passengers a day. That was a huge volume increase at a time when we were struggling as an ecosystem here at YVR with some staffing shortages and travel measures.

Again, I think it was Mr. Bachrach—or another MP, I'm sorry—who asked what we would say to workers. We say a big "thank you" to everybody who stepped up. Our partners stepped up as quickly as they possibly could.

We had returned before the summer to our prepandemic staffing levels and, indeed, have repatriated almost 100 plus jobs into our airport authority for our guest experience program, but we also saw a tremendous number of people come and volunteer on the floor. When we had our difficult day on the Sunday in August, we had over 500 volunteers come from home that day to help passengers get through just as quickly as possible, to support them, to help them get where they were going, to help them talk to their airlines, to understand a little more and to help ease their concerns, their frustrations and indeed their fear that they might miss a medical appointment or an important family gathering.

That's what I would say.

I will yield my time to Carmelle and Martin.

• (1800)

**Ms. Carmelle Hunka:** I think I will jump in and just provide one additional piece of context with respect to the rapid return.

Similar to the issues that are being faced with respect to passport offices, we at the airports are also facing these issues with respect to our pass offices and the ability of new employees and new or returning staff members to receive their restricted access identity cards, the RAICs. The time to process those has increased, and that has put additional pressure on the system.

It's another item that I think has impacted the staffing issues that have been faced at airports at all levels, whether that's with CATSA or with our airport employees.

[Translation]

**Ms. Annie Koutrakis:** Mr. Massé, Do you have any comments?

[English]

**Mr. Martin Massé:** I'm in total agreement with what both my colleagues just mentioned.

**Ms. Annie Koutrakis:** Okay. That's great.

My next question is, what updates can you provide on the state of labour shortages in the air sector today and how do you think the Christmas holiday season and next summer will go?

Because we're limited in time, that's for anyone, any of the airport authorities. Again, I would think that you would be the best people to provide some responses in that regard.

**Mr. Trevor Boudreau:** Go ahead, Carmelle.

**Ms. Carmelle Hunka:** I can provide a little bit of additional perspective. We definitely are seeing stabilization of some of the labour shortage issues that some of our partners were seeing. At the Calgary airport, we are going to be back up to full staffing at U.S. Customs and Border Protection starting November 1, which was a big issue for us. That was one of the challenges.

We do know that Nav Canada is still dealing with staffing issues and is utilizing overtime to help create the appropriate staffing in the tower, so that continues to be a concern for us.

Certainly we have been fairly consistent. Our biggest challenge is at the Calgary airport, quite honestly, with respect to, I would say, some of the lower skilled types of labour we need. The ground handlers on the ramp were originally getting paid \$16 or \$17 an hour. Then they would move to the next ground-handling company for \$18, and then the next one for \$19, so we had a lot of movement.

We're starting to see that stabilize as I believe those organizations have really determined what the appropriate rate is, but wage rates do continue to escalate with inflation, and those continue to present a challenge.

**The Chair:** Thank you very much, Ms. Koutrakis.

[Translation]

We'll continue with Mr. Xavier Barsalou-Duval for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Mr. Massé, the study we are now conducting is about reducing administrative formalities and costs at rural and urban airports in Canada. The idea is to cut costs for passengers. Some of these costs are billed to you, but you do the billing on others.

ADM also manages Mirabel and other sites. As this came about under your administration, you are no doubt aware that there was a very significant increase in fees charged for landings and touch-and-go landings by piston engine aircraft at the Mirabel site, where approximately 33% of francophone pilots were trained.

What impact did that have on flight schools at Mirabel?

**Mr. Martin Massé:** Thank you very much for your question. I'll have to be careful with my comments, because this might well result in legal action.

Indeed, we made significant progress with respect to the landing and takeoff fees at Mirabel International Airport. It's a world-class infrastructure that requires that high level of management, along with fees of that magnitude. Canadian airport authorities follow the user-pay model, which is why we had to do some catching up.

In view of the kinds of tenants we have, security is always extremely important to us. Mirabel handles National Defence aircraft, the Airbus A220 and cargo aircraft. There are also smaller aircraft, which can sometimes lead to incidents in our security management systems. The important thing is to administer the platform completely securely.

• (1805)

**Mr. Xavier Barsalou-Duval:** According to the flight schools, fees went from \$540 to \$38,000 a year to operate an aircraft, and that's just for touch-and-go landings.

On the one hand, I have trouble understanding why costs increased so dramatically in such a short time. On the other, knowing that one third of francophone pilots were trained there and that there is now a shortage of pilots, has it never occurred to you that these measures might have had something to do with it?

**Mr. Martin Massé:** As with any other industry, the flight schools can adapt. Unlike a car racing track, where you inevitably end up back at the start line, in aviation, you can take off from one airport and land at another.

Of course, if the response is not to change the business model and to continue with touch-and-go landings at a given international airport that is becoming increasingly busy, then it would be easy to prorate things to arrive at the amount you mentioned. On the other hand...

**The Chair:** Unfortunately, there's no time left, Mr. Massé. Thank you very much.

[English]

Next we have Mr. Bachrach.

The floor is yours. You have two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

I'll pick up where I left off. If you could give me those 20 seconds, boy, that would be generous.

Mr. Boudreau, you mentioned living wages. I was at YVR and talked to some of the screening officers there around the height of the challenges that we were seeing during the pandemic. What they told me is that being a screening officer at an airport used to be a great job. There's a lot of training and a lot of certification, but it was well paid and well respected. Through contracting out, the quality of those jobs has really gone downhill. Now they are paid a salary that is comparable to other jobs at the airport that don't require you to be in the public eye all the time and to be surveilled. They're having checked bags thrown at them, working short-handed, missing breaks and all of these things. I think you would appreciate that they were under some pretty stressful work conditions. I'd also note that they don't work for the airport directly.

Are we paying screening officers enough? Does the contracting out model threaten those living wages?

Given that Vancouver is one of the most expensive cities in Canada, what is a living wage for an airport worker these days?

**Mr. Trevor Boudreau:** Here in metro Vancouver, the living wage is \$20.52 an hour, which encapsulates both your wages and your benefits. Our living wage policy ensures that, at the very least, all direct airport employees, as well as the service providers we directly contract, are paid a living wage.

On your question around security screeners, I agree with you. No doubt that is a very difficult job. The frontline security screeners provide a critical function in our airport system here in Canada. They do a tremendous job.

Through the summer, when they were challenged, we were there to support them by ensuring that new employees could get their RAICs in less than 14 days and get on the floor so that they could be trained just as soon as possible. They are highly trained and highly skilled workers. It requires some time to get them onto the floor and working at their full potential, but we're doing our part to support them.

When they were challenged by staffing, which created long lines at the airport, we were there to support them in getting folks ready for the screening process, making sure that they didn't have extra liquids in their bags, and making sure that they took out their liquids and were prepared for the process. We tried to make it as smooth as possible.

We encouraged our travellers to be sensitive to the screeners, because they do such an important job here at the airport.

• (1810)

**The Chair:** Thank you very much, Mr. Boudreau.

Thank you very much, Mr. Bachrach.

Next we have Mr. Muys.

The floor is yours. You have five minutes.

**Mr. Dan Muys (Flamborough—Glanbrook, CPC):** Thank you, Chair.

Thank you to all the witnesses today for their testimony.

I would like to ask some further questions of Mr. McKenna.

You talked about the inefficiencies of government services and, almost, how the aviation sector is treated as a cash cow by the government. We appreciate your 10 recommendations. I think those will be helpful as we consider your testimony and the testimony of others in writing this report.

I want to zero in, because this report is about reducing both red tape and costs. There's a massive cost impact that you can see coming down the track that's going to impact, I would think, the aviation sector and airports. That is the tripling of the carbon tax that's being proposed.

I don't know if you have any comment on that, or if you could talk about the economic impact of that on airports and the aviation sector.

**Mr. John McKenna:** The air transport industry has come a long way as far as reducing its carbon footprint is concerned, through the improvement of engines, the materials used and so on. However, we are faced with a carbon tax. We are faced with excise taxes. We are faced with all kinds of taxes. Now the government wants us to go to alternate fuels within a few years. We expect that this is probably going to cost or add another 20% to our fuel costs in the short term. All these added costs are certainly not helping our recovery at all.

Yes, the carbon tax came along and it's increasing every year. It has a very significant impact on the cost of travel. Of course, government taxes over and above that on fuel taxes, regardless of the carbon tax, are very important. We have not seen any consideration on the government's part to maybe hold off on these increases until we've fully recovered.

**Mr. Dan Muys:** Yes, 20% at a time when you're trying to recover is certainly significant.

Along those lines, in terms of cost and economic impact, do you have a dollar figure or a GDP impact, perhaps, of some of the other things that have been experienced, which are the flight delays, the cancellations of flights and the impacts those will have on travel and the travel industry? Can you talk a bit about that in terms of the economic impact and also cost competitiveness?

**Mr. John McKenna:** I can't give you any precise numbers because we're still collecting all these numbers, but the impact is that it's slowing down our recovery, of course. That's our concern here; it's our ability to serve the travelling public.

A comment I want to make, which complements what's been said, is that whether airlines or Nav Canada or CATSA, they had to send home about 50% to 60% to 90% of their personnel during the pandemic. You're bringing back all these people, and that requires training.

I think Nav Canada let go 700 flight controllers. You can't hire these people off the street. They require training. It's the same thing with CATSA. It's the same thing with our pilots. When an airline lets go 90% of its pilots, some of those people will just not come back to the industry, and when they do come back, a lot of retraining is required. All of this slows down the process of recovery.

**Mr. Dan Muys:** So government policy clearly has had a cost impact on airports in the last few years.

**Mr. John McKenna:** Oh, I'd say it has in the last 50 years.

**Mr. Dan Muys:** Sure, but it's been particularly bad in the last couple of years.

With respect to your 10 recommendations, if you could boil them down to one or two that are most pertinent, what would you say those are?

**Mr. John McKenna:** The government needs to act more as a partner than as a collector of taxes. We need them to be a partner. Everyone on this panel today has indicated that we work with government hand in hand. All these people are partners in the passenger experience, and they need to be there to help us along in improving the technology, facilitating the process and cutting down red tape. They're a big player, and they need to work with us to alleviate many of these irritants.

• (1815)

**The Chair:** You have 20 seconds left, Mr. Muys.

**Mr. Dan Muys:** Mr. McKenna, what is one piece of red tape you'd cut immediately that would have a significant impact?

**Mr. John McKenna:** Immigration is one thing. We need to have access to foreign workers.

**The Chair:** Thank you very much, Mr. Muys.

Thank you very much, Mr. McKenna.

[Translation]

It's over to you now Mr. Iacono, for five minutes.

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Mr. Chair.

Thank you, witnesses for being here today.

Mr. Massé, are there physical limitations on the volume of traffic at airports like the one in Montreal can handle, simply because of its layout? Could that be one of the reasons behind the delays we experienced this summer?

**Mr. Martin Massé:** Thank you very much, Mr. Iacono.

At Montreal's Trudeau International Airport, The main challenge is not runway capacity. We could very well continue to operate with the two parallel runways until the end of our lease in 2072. In 2019, there were between 220,000 and 225,000 aircraft movements on these two runways. London's Heathrow airport, which has the same configuration, handles 475,000 aircraft movements per year. Runway capacity is therefore not an issue.

For infrastructure as such, there are clearly limits. There are limits on moving walls or maintaining social distancing in the airport as was requested during the pandemic, while still remaining viable. That's why technology and biometrics will make it possible to have

more passengers within the same infrastructure. My colleagues discussed this at length. I would add that physical challenges are more of a factor for road or other forms of access to the airport—for example the Metropolitan Express Network—than within the airport site itself.

**Mr. Angelo Iacono:** Thank you, Mr. Massé.

Mr. Boudreau, We know there were serious problems around the world, but in particular at Canadian airports. What new technologies might be used in our airports to speed things up?

**Mr. Trevor Boudreau:** Thank you for the question. I'm going to answer in English, which is my first language.

[English]

I talked a lot about the digital platform that we developed here at YVR. That was an investment of \$4.5 million over the last couple of years. To put that into context, ahead of the pandemic we were planning to spend about \$9.6 billion on infrastructure over the next 10 years.

That digital platform is allowing us to make the best use of the existing assets we have today and will increase our throughput on the passenger side, but importantly, as we look at our supply-constrained world, it also will allow us to better utilize our infrastructure for the benefit of Canada's supply chains. I also talked a bit about the investment we're looking to make that will help spur \$250 billion in trade and investment over the next 20 years.

Those digital solutions will help us both on the passenger front and also as we continue to be the economic engines for Canada.

[Translation]

**Mr. Angelo Iacono:** Thank you.

Do you have anything to add, Mr. Massé?

**Mr. Martin Massé:** No, I don't have anything to add. I agree with my colleague.

**Mr. Angelo Iacono:** Thank you.

[English]

My next question is for Ms. Hunka.

You highlighted in your opening comments the great success of the technological advancement in screening protocols and the effective use of data systems. They were very interesting remarks in an era when data is so important.

Nonetheless, data collecting has its risks when one fails to protect its privacy. I'm just wondering, what protocols are set in place to ensure the protection of personal information?

**Ms. Carmelle Hunka:** Thank you very much for the question.

Certainly, the protection of the personal information of guests and passengers is critically important, and the use of those technologies needs to really address that. We need to partner with those organizations that have been successful in making sure they are protecting that technology and have the processes in place to continue to monitor and moderate those technologies as we move forward.

We also need to understand where we are collecting and holding that technology, and where that technology is being utilized for the purposes of moving people through the flows in our airports and then is destroyed and no longer available and no longer accessible. Those are the strategies that I think we would need to be thoughtful about.

We know that is an issue, but I also know that in a lot of these technologies I understand that these technologies aren't collecting and holding the information. It is utilized at a point in time and then it is gone from the system.

Those are the kinds of things that we need to be mindful about.

• (1820)

[*Translation*]

**Mr. Angelo Iacono:** Mr. Massé, are you also in agreement?

**Mr. Martin Massé:** Yes, that's our view on this as well.

It's important to note that an airport authority has very little data compared to what is done in places like the European Union. The airline companies do not share much information with us, which makes the use of technology very difficult.

It's certainly something we need to look into in future. Cyber security is a major challenge, not only for an airport authority, but also for the country's strategic assets. We've seen just how vulnerable airports were in various conflicts around the world. That's definitely a matter that needs to be studied closely in future.

**Mr. Angelo Iacono:** I'd like to thank all the witnesses.

**The Chair:** Thank you very much, Mr. Iacono.

[*English*]

Colleagues, due to limited House resources, we do have a hard stop today at 6:30. We have two more rounds of questioning.

The first will go to Mr. Dowdall for five minutes, who will be followed by Mr. Chahal.

Mr. Dowdall, I will turn it over to you for five minutes.

**Mr. Terry Dowdall (Simcoe—Grey, CPC):** Thank you very much.

I want to thank all of the speakers and guests who are here today for their testimony.

As well, I want to take an opportunity to thank all those who work in the sector. I know that it has been a frustrating time, and was longer than we probably needed, but I certainly want to thank them, because a lot of the reasons that people were yelled and screamed at weren't actually their fault: It was basically government rules and regulations.

I want to go back to a comment that I heard a little earlier from Mr. McKenna, I guess, about the government and being a partner. It's often said that the only ship that doesn't sail is a partnership, and I would have to say that in that light, it's what I've heard from you and from many in my riding of Simcoe—Grey.

I have Honda there in the automotive sector, and I have lots of agriculture there. They're saying they're not having the opportunity, that decisions are made without consultation to see exactly how those are going to affect their industries. Can you elaborate on how it has been for you with the ministry? Do you get meetings? What I'm hearing from you is frustration.

**Mr. John McKenna:** Thank you, sir.

I would say yes, especially in the pandemic. I think the people at Transport Canada did their very best to accommodate us, but they were not part of the decision-making process in terms of measures being imposed on our industry. We had no one at the table defending our position. Everybody was saying, "Hold on, because what you're suggesting just can't be done in the timeline you're asking us to do it in."

I think Transport Canada was certainly helpful in relaying these messages and perhaps in relaying back our messages, but we felt that the people making those decisions were not at all aware or concerned about their impact on our industry.

It has been a very frustrating time as far as that goes.

**Mr. Terry Dowdall:** Thank you for that.

I have another question when it comes to forecasts of how things are going to go in the future. I hear from people in my constituency that they're having a tough time now. We talk, and there's been talk in the newspapers as well, about how there perhaps may be a recession. I don't know.

In your forecasting for your staffing levels for things of that nature, right now it's busy. People want to get away and they've saved up some money, but what is the long-term thought process of the industry? I guess what I'm going to is that when you look at your rents, how is that going to affect you moving forward?

**Mr. John McKenna:** Who is this question addressed to, sir?

**Mr. Terry Dowdall:** It's for anybody who has a thought on that.

Does everyone think that it's just going to continue to go? Are people worried because of the economy?

As an example, we're doing more Zoom meetings. You're on Zoom here. In the House, we're in hybrid meetings, so people aren't flying in as often as they used to. Because we've been doing this for so long, is that going to be the norm? Maybe businesses won't be travelling as much as they did before.

As well, on the economy in the future, in looking back at recession times, what do we need to do to address that?



• (1825)

**Mr. John McKenna:** Absolutely, sir, this is something of great concern. As I just said in my opening remarks, we don't know what the future holds as far as the industry is concerned. Up to 60% of travelling in the past was for business-related reasons, and yes, people are getting used to working with other means, so obviously that's going to have a huge impact on the air travel industry and on the equipment used and so on, but we just don't know.

Right now, we're doing our best to recover, and we're bracing for the next pandemic, which could happen at any time. We don't know. We certainly don't want to go through what we did in the last two years. There's no way you can plan for a pandemic, but we have to be better prepared for the next time we rush into something like this.

**Mr. Terry Dowdall:** I have one other quick question.

I'm close to Toronto, an hour out when it comes to cross-border flights, and I am going to Florida if all goes well—fingers crossed—this year, hopefully. On the number of people who are crossing the border, I don't know if there's something we need to do. I think it's important, in terms of what was said earlier about essential services, for businesses and everything involved in the airport industry, and we need to look at it in a different light.

Are you losing a lot? How do you compete with the fact that where I am, it's that much cheaper to cross down to Buffalo, and if you look all across Canada at the borders, you must be losing quite a bit of revenue from that.

**Mr. John McKenna:** In prepandemic years, we were losing about five million passengers a year with people crossing the border to fly, and that's just a rough estimate. We don't see that going down any time soon. Of course, it was quiet during the pandemic, when people couldn't cross the border, but that's not something that's going to last.

Yes, this is of concern. We have to be competitive domestically and internationally and certainly transborder a lot of our flights are. It's not the case right now.

**Mr. Terry Dowdall:** The dollar might change a little bit of that.

Am I done, Mr. Chair?

**The Chair:** Yes. Thank you very much, Mr. Dowdall.

Thank you very much, Mr. McKenna.

Finally, we have Mr. Chahal.

The floor is yours. You have five minutes.

**Mr. George Chahal (Calgary Skyview, Lib.):** Thank you, Mr. Chair.

I'm going to go right to some questions. I'm going to start with the Vancouver, Calgary and Montreal airports, one after another. I would like to hear from the airports on whether communications with the minister and Transport Canada were good. Also, did the minister's office consult with you and stakeholders?

Vancouver is first.

**Mr. Trevor Boudreau:** Our conversations and communications with both senior departmental staff and the minister's office are

strong. In fact, the minister was out here in July to tour our facility with my CEO.

**Mr. George Chahal:** That's excellent. Thank you.

I'll go now to Calgary.

**Ms. Carmelle Hunka:** Through the pandemic, our communications with Transport Canada and the minister improved and became much more significant and much more accessible over the course of the pandemic to discuss the issues. At times, when we consulted with respect to various decisions, we had conversations and we spent time articulating our positions to the ministry. We would then hear of decisions that were made based upon those discussions.

**Mr. George Chahal:** That's great. Consultation and collaboration occurred.

I'll go to Montreal.

[*Translation*]

**Mr. Martin Massé:** That was the case for us as well.

The difference during the pandemic was that health sector stakeholders were very much in the picture, even though we were not accustomed to dealing with them very much. As for Transport Canada and the minister's office, communications continued on a steady basis.

[*English*]

**Mr. George Chahal:** Thank you. That's what I wanted to be clear on: that there was communication and collaboration with stakeholders, the minister and Transport Canada.

Thank you for your answers.

Ms. Hunka, I want to go back to you.

You talked in your opening remarks about the importance of the national trade corridors fund. I know that for the Calgary International Airport, the \$153-million Airport Trail project is really important for northeast Calgary to move goods and services—that \$8 billion of GDP—as well as passengers and workers coming to the airport.

What other critical capital projects would you like to see at YYC?

**Ms. Carmelle Hunka:** YYC is the only one of the four major airports that doesn't have a direct rail connection between the airport and downtown or a plan to build it. That is a piece of critical infrastructure that we know our catchment area and our city demand. We know there are various projects being discussed, but that is critical and important to us.

The other part, with respect to the national trade corridors fund request and our access to that, is some of the critical infrastructure programs that we have under way and the inflationary pressures that those programs are feeling at this point in time.

• (1830)

**Mr. George Chahal:** I'm sorry, Ms. Hunka. I have about 10 seconds and I want to squeeze this in.

I believe a functional study was done for the airport on the rail connection from the Blue Line Saddletowne station to 88 Avenue. We worked closely on that.

Do you think that would alleviate issues for labour and passengers to quickly and efficiently get to the airport? Are discussions ongoing? Is that study complete? Are we ready to move forward and work with all levels of government to make this happen?

**Ms. Carmelle Hunka:** Absolutely. We believe the Blue Line is the quickest, most efficient and most effective way to move workers. It would definitely bring in workers, with respect to the cargo facilities and the other areas of the airport.

We have had strong conversations, and we believe that the Blue Line, if funded, could be ready to go and effective.

**Mr. George Chahal:** Thank you so much, Mr. Chair.

Do I still have time for another question?

**The Chair:** You do not, unfortunately, Mr. Chahal.

I want to thank you and all members of the committee for your questions today.

Also I want to thank Mr. Massé, Mr. McKenna, Ms. Hunka and Mr. Boudreau for their testimony today and for contributing their time to this very important study.

Enjoy the rest of your day.

This meeting is now adjourned.

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