

**Pilon, Janet**

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**Subject:** Airport Privatization  
**Attachments:** Motion - Résolution CM17 0510.pdf; backgroundfile-103103.pdf; FCMSubmissionCRD\_February2017.pdf

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**From:** Massimo Bergamini [mailto:mbergamini@airlinecouncil.ca]  
**Sent:** October-06-17 2:51 PM  
**To:** Eisenberger, Fred  
**Cc:** Caterini, Rose; Omazic, Drina; City Information  
**Subject:** RE: Airport Privatization

Good afternoon Mayor, apologies for taking so long to get back to you. We very much appreciate your interest in this matter. I've attached a copy of the resolutions from CRD, Montreal and City of Toronto. Let me know if you'd like to discuss further, or need additional background. By the way, you may remember me from my days at FCM!

Cheers,

Massimo

**From:** Eisenberger, Fred [mailto:Fred.Eisenberger@hamilton.ca]  
**Sent:** September 29, 2017 4:22 PM  
**To:** Grant Dingwall <gdingwall@airlinecouncil.ca>  
**Cc:** Massimo Bergamini <mbergamini@airlinecouncil.ca>; Caterini, Rose <Rose.Caterini@hamilton.ca>; Omazic, Drina <Drina.Omazic@hamilton.ca>; City Information <info@hamilton.ca>  
**Subject:** Re: Airport Privatization

Thank you for your correspondence. I share your concerns and will ensure that this correspondence is put on the Council agenda for consideration and direction.

Do you have a copy of resolutions that have been approved by other municipalities you mentioned that have shared their concerns with the government. If so please forward them along.

Many thanks

Cheers Fred

Sent from my BlackBerry - the most secure mobile device - via the Bell Network

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**From:** gdingwall@airlinecouncil.ca  
**Sent:** September 29, 2017 3:49 PM  
**To:** Fred.Eisenberger@hamilton.ca  
**Cc:** mbergamini@airlinecouncil.ca; info@hamilton.ca  
**Subject:** Airport Privatization

Your Worship,

Please see the attached correspondence from Mr. Massimo Bergamini, President and CEO of the National Airlines Council of Canada, regarding airport privatization.

**Grant Dingwall**

Manager, Research & Public Affairs  
 National Airlines Council of Canada  
 600-116 Lisgar St, Ottawa, ON, K2P 0C2  
 613-868-8558



Making a difference...together

**Capital Regional District**

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February 23, 2017

File: 0550-01

Federation of Canadian Municipalities  
Attention: Resolutions Coordinator  
24 Clarence Street  
Ottawa, Ontario  
K1N 5P3

Via Email: [resolutions@fcm.ca](mailto:resolutions@fcm.ca)

Dear Sir/Madam:

**Re: 2017 FCM Convention Resolution – Emergent Issue**

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At the February 22, 2017 Capital Regional District Board meeting, the Board of Directors adopted the attached resolution to submit to the 2017 FCM Convention. The Board expressed that the issue as an emergent one, and requested it be considered despite having missed the regulation resolution submission deadline.

Also attached is a copy of the background information.

Should you require further information or have any questions, please contact me at 250-360-3128 or by email at [breems@crd.bc.ca](mailto:breems@crd.bc.ca).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brent Reems', written over a white background.

Brent Reems  
Corporate Officer  
Legislative and Information Services

- Attachments:
- 1) 2017 FCM Resolution
  - 2) Background Information: Stop Push for Privatization of Canada's Airports

**Attachment 1: CAPITAL REGIONAL DISTRICT FCM 2017 RESOLUTION**

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**STOP THE PRIVATIZATION OF CANADA'S AIRPORTS**

**Capital Regional District, BC**

**WHEREAS** recent media reports indicate that the Government of Canada is actively considering the privatization of Canada's airports in order to achieve a one-time financial windfall and this plan may be formalized in the upcoming federal budget;

**AND WHEREAS** airports are part of the core economies, including the tourism economy in Victoria, and social infrastructure of every community and region and consultation with local governments need to be advanced on this issue;

**RESOLVED, That** the Capital Regional District Board urge the Federation of Canadian Municipalities (FCM) to immediately call on the Government of Canada to stop its push for the privatization of Canada's airports; and to begin consultations with Canadian local governments and other stakeholders to develop an air transport policy that reflects the true needs and aspirations of Canadians and Canadian communities.

**Notice of Motion  
(Director Brownoff, 22 Feb 2017)**

The federal government is currently exploring “asset recycling” of its airports; ie selling equity stakes to attract institutional investment. The prospect of “cashing in” on the sale of Canada’s major airports to private for-profit business interests is no doubt appealing to the federal government but much of the potential (one-time) revenue such as a sale *might* generate seems to miss the very real long-term risks to Canadians of a sell-off. When it was tried in the UK and Australia, the sale of their airports did not produce the promised returns to the government and did not deliver the anticipated tax revenues. What did happen is that the customer fees increased and service levels for passengers declined, leading Australia’s Competition Commissioner to say that the sale of these assets “is severely damaging Australia’s economy.”

In a country as vast and as sparsely populated as Canada, safe and efficient air transportation is essential to connecting families, communities and to the continued economic prosperity of our country. Our Victoria International Airport is the 10th busiest airport in Canada with over 1.7 million passengers per year, a mainstay of our region’s tourism economy, and a leader in the area of environmental sustainability around the airport facilities and lands.

**Whereas** recent media reports indicate that the Government of Canada is actively considering the privatization of Canada’s airports in order to achieve a one-time financial windfall and this plan may be formalized in the upcoming federal budget;

**And Whereas** airports are part of the core economies, including the tourism economy in Victoria, and social infrastructure of every community and region and consultation with local governments need to be advanced on this issue;

**Therefore be it resolved that:**

The Capital Regional District Board urge the Federation of Canadian Municipalities (FCM) to immediately call on the Government of Canada to stop its push for the privatization of Canada’s airports; and to begin consultations with Canadian local governments and other stakeholders to develop an air transport policy that reflects the true needs and aspirations of Canadians and Canadian communities.



**NACC**  
National Airlines  
Council of Canada

**CNLA**  
Conseil national des lignes  
aériennes du Canada

February 17, 2017

Ms. Judy Brownoff  
Capital Regional District  
625 Fisgard Street  
Victoria, British Columbia  
V8W 1R7

VIA EMAIL: [judy.brownoff@saanich.ca](mailto:judy.brownoff@saanich.ca)

Dear Director Brownoff:

**Re: AIRPORT PRIVATIZATION**

I'm writing to congratulate you and your CRD Board colleagues for your leadership in bringing the Government of Canada's consideration of airport privatization up for debate and to the attention of municipal leaders across the country. While this issue has flown largely under the radar, it has serious implications for air travellers, communities and for the airlines that serve them.

The international experience in airport privatization is instructive as it has often resulted in higher fees and reduced services for travellers and airlines. This alone should urge not only caution but an open airing of the issues, options and policy objectives of the Government of Canada. Your resolution will help kick-start that dialogue and engage municipal and community leaders.

The National Airlines Council of Canada (NACC) is proud to support your efforts to mobilize Canada's municipal sector, and a copy of this letter will be sent to all Mayors and Councils so that they too can take stock of the implications of airport privatization on their residents and their community.

The last decade has seen a massive increase in the number of hard-working Canadians using air travel to connect with loved ones, enjoy well deserved vacations and explore the country, or help create jobs. Any increase in the cost of air travel stemming from government fiscal policies, would amount to an unfair tax on travellers and the middle class.

Airports and the airlines that serve them are part of the core social and economic infrastructure of communities and regions of all sizes. In Canada, we need a full and open debate on how to improve air transport and reduce costs for travellers and for airlines. The closed-door review of airport privatization falls short.

As Canadians prepare to celebrate our country's 150<sup>th</sup> anniversary, we can reflect on the role that efficient transportation has played in shaping who we are. In a country as vast and sparsely populated as Canada, buffeted by the pressures of globalization, air transportation is the bridge that connects families and communities, and the catalyst for economic opportunity and job creation.

Your resolution and support serves to bolster the important links that bind and define us.

Sincerely,

**THE NATIONAL AIRLINES COUNCIL OF CANADA**



Massimo Bergamini  
President and CEO

cc. Councillor Clark Somerville, President of the Federation of Canadian Municipalities (FCM)

**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



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## Extrait authentique du procès-verbal d'une assemblée du conseil municipal

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Assemblée ordinaire du lundi 24 avril 2017  
Séance tenue le 25 avril 2017

Résolution: CM17 0510

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### **Motion non partisane contre la possible privatisation des aéroports du Canada**

Le conseiller Marvin Rotrand dépose une nouvelle version de l'article 65.08 avant sa présentation qui se lit comme suit :

#### **Motion contre la possible privatisation des aéroports du Canada**

Attendu que la propriété des aéroports canadiens revient au gouvernement fédéral, mais que, depuis 1992, la responsabilité en matière de gestion et de gouvernance a été confiée à des autorités locales telles que Les Aéroports de Montréal sur la base d'un contrat de bail à long terme;

Attendu que les aéroports du Canada ne reçoivent aucun fond du gouvernement fédéral, paient des loyers d'un montant substantiel et subviennent aux besoins de modernisation de leurs infrastructures ainsi qu'à leurs coûts d'exploitation par leurs propres moyens;

Attendu que, conformément à ce modèle de gouvernance, les profits ne sont pas utilisés pour payer des investisseurs privés, permettant aux autorités gérantes des aéroports d'investir chaque dollar déduit après paiement des coûts d'exploitation, soit un montant de presque 15 milliards de dollars, dans l'amélioration de nos aéroports nationaux depuis 1992;

Attendu que le Canada est reconnu dans le monde entier pour la qualité de ses infrastructures aéronautiques et la gestion de ses aéroports et s'est vu décerner nombre de récompenses pour ses bonnes pratiques en matière de design, d'innovation, de sécurité et de service à la clientèle;

Attendu que le système canadien, basé sur des sociétés sans but lucratif, reste unique en son genre et a démontré son efficacité et sa fiabilité afin de fournir au public un environnement confortable, sécuritaire et fonctionnel, tout en étant capable d'améliorer et de moderniser ses infrastructures sans avoir recours aux fonds publics;

Attendu que l'examen de la *Loi sur les transports du Canada* (Rapport Emerson) commandé par le gouvernement Harper suggérait de privatiser les aéroports canadiens via une structure de capital-actions afin d'assurer un financement par fonds propres;

Attendu que le gouvernement Trudeau a mandaté le Crédit Suisse pour évaluer le revenu qui pourrait être obtenu après vente des aéroports canadiens à des investisseurs privés;

Attendu que, alors que le budget fédéral récemment présenté ne faisait aucune mention d'une possible privatisation des aéroports, le Ministre des Finances Bill Morneau a confirmé qu'une telle politique était examinée par le gouvernement du Canada, et ce malgré l'absence totale de mention d'une mesure aussi drastique au sein du programme du parti Libéral qui avait été présenté aux électeurs lors des élections de 2015;

Attendu que le Conseil national des lignes aériennes du Canada, les principales compagnies aériennes, les présidents des conseils des aéroports de Vancouver, Calgary, Ottawa, le gouvernement d'Alberta et la Ville de Vancouver ont tous manifesté publiquement leur opposition à un tel projet de privatisation, indiquant qu'une telle politique entraînerait à terme une augmentation des coûts pour les passagers, une diminution des investissements sur le long terme dans les infrastructures et les services ainsi qu'un abandon progressif des lignes aériennes les moins rentables;

Attendu que la privatisation des aéroports ailleurs a conduit à des taxes aéroportuaires parmi les plus élevées au monde pour les passagers, a entraîné des plaintes concernant l'aspect vétuste des terminaux, un personnel insuffisant, ainsi que l'expression d'une insatisfaction généralisée parmi les consommateurs comme c'est le cas, entre autres à l'aéroport de Sydney en Australie. La Commission australienne de la concurrence et de la consommation a d'ailleurs constaté que, bien que la qualité des services ait considérablement diminué, la privatisation a néanmoins entraîné une hausse du revenu aéronautique par passager;

Il est proposé par M. Marvin Rotrand

appuyé par Mme Lorraine Pagé  
M. Jeremy Searle

- 1 - que le conseil municipal partage son opposition à la possible privatisation des aéroports du Canada à l'image du Conseil national des lignes aériennes canadiennes, d'Air Canada, de Westjet, des autorités aéroportuaires de Vancouver, Calgary et d'Ottawa, du gouvernement d'Alberta et de la Ville de Vancouver;
- 2 - qu'une copie de cette motion soit envoyée au Ministre des Transports du Canada, au Ministre des Finances du Canada ainsi qu'à tous les députés fédéraux élus sur le territoire de la Communauté métropolitaine de Montréal.

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Un débat s'engage.

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Le conseiller Rotrand dépose plusieurs documents dont :

- copie de la lettre du maire de la Ville de Vancouver, M. Gregor Robertson, adressée au ministre du Transport l'honorable Marc Garneau;
- copie de la lettre qu'il a reçue de M. Massimo Bergamini, président-directeur général du Conseil national des lignes aériennes du Canada;
- deux Communiqués de presse de l'Association internationale du transport aérien contre la privatisation des aéroports;
- deux Communiqués de presse de l'Australian Competition & Consumer Commission.

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Le débat se poursuit.

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Il est proposé par Mme Lorraine Pagé

appuyé par M. Marvin Rotrand

d'apporter un amendement au 1<sup>er</sup> paragraphe du Résolu afin de remplacer les mots « partage » par « signifie » et « à l'image » par « à l'instar »

Le président du conseil, M. Frantz Benjamin, informe l'assemblée que la proposition d'amendement de la conseiller Pagé et du conseiller Rotrand est recevable et elle est agréée.

Le conseiller Rotrand utilise son droit de réplique.

Le président du conseil met aux voix l'article 65.08, tel qu'amendé, et le déclare adopté à l'unanimité, et il est

RÉSOLU

en conséquence.

65.08  
/pl

Denis CODERRE

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Maire

Yves SAINDON

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Greffier de la Ville

(certifié conforme)



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Emmanuel TANI-MOORE  
Greffier adjoint



**NACC**  
National Airlines  
Council of Canada



**CNLA**  
Conseil national des lignes  
aériennes du Canada

September 29, 2017

His Worship Fred Eisenberger  
City of Hamilton  
71 Main Street West  
Hamilton, ON, L8P 4Y5

Your Worship,

**Re: AIRPORT PRIVATIZATION**

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As you may know, the federal government is currently considering the for-profit-privatization of Canada's airports.

This is an issue that has moved largely under the radar, and that is worrisome.

Our concerns are not ideological in nature, but pragmatic and based on lessons learned from the international experience.

Other countries that have privatized airports have found that absent robust regulatory protections for users, it often leads to higher fees and reduced services for travelers and airlines. This can damage tourism, business travel, and the local economy. Most of all, it makes it more difficult and expensive to maintain essential connections with the rest of the country and the world.

We hope that with your support we can mobilize other municipal leaders across Canada to ensure that no privatization plan is advanced absent a full public airing and the development of a clear set of rules to govern for profit airports and protect travelers and the airlines that serve them.

A number of municipal councils across the country have already adopted resolutions opposing for-profit airport privatization, among them Montreal, Toronto, Vancouver and the Capital Regional District of Victoria.

We urge you and the other members of the Big City Mayors' Caucus to join them in opposing the for-profit privatization of airports under the current approach and calling on the federal government to focus on modernizing the current system to lower costs for travelers and enhance the competitiveness of Canada's airline industry.

If you have any questions, or would like to discuss this further, please do not hesitate to contact me directly at: [mbergamini@airlinescouncil.ca](mailto:mbergamini@airlinescouncil.ca)

Regards,

Massimo Bergamini  
President and CEO  
**NATIONAL AIRLINES COUNCIL OF CANADA**