



Geoffrey A. Wilson
President & Chief Executive Officer
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September 10, 2014

Dear Mr. Di Pasquale,

Thank you for attending the Toronto Port Authority (TPA)'s Annual General Meeting on September 3, 2014. The TPA welcomes and seriously considers all feedback from our stakeholders, neighbours and community members.

During our AGM, you inquired about a letter regarding the Porter Proposal sent to Transport Canada from Gene Cabral, Executive Vice President of Toronto Port Authority and Billy Bishop Toronto City Airport on August 27, 2013. The TPA would like to take this opportunity to address your inquiry and clarify the purpose of the letter in question.

The request submitted to Transport Canada by the TPA was at the request of the City of Toronto, which was seeking formal comment regarding the technical feasibility of the Porter Proposal and its concept. To be clear, this was not in an effort to seek approval; this was an effort to gauge whether the runway design by Porter Airlines was feasible, an important point to confirm before work began in earnest to assess and discuss the proposal.

The initial request by the City of Toronto was made in a letter dated May 1, 2013, which is posted to the City's website and can be accessed here and has also been appended. Other correspondence and meetings followed – much of which is detailed on the City's website – whereby the City specifically requested the TPA to provide information specific to matters such as the runway. This includes a letter dated September 6, 2013, (appended and available here) where the City of Toronto requested that the TPA “publicly state its preference between the two runway options proposed by Porter Airlines and provide an evaluation of the preferred option from the TPA's perspective.” This required input from the Ministry of Transport and further necessitated the letter dated August 27, 2013, that you referenced at our AGM.

The reason that the City asked this of the TPA is due to the fact that Transport Canada will only review changes proposed to an airport or runway by the Aerodrome certificate holder, i.e. by the owner and operator of the airport. As such, the runway extension proposed by Porter Airlines would only be reviewed if submitted by the Toronto Port Authority. Changes and modifications to an airport cannot be submitted by airport tenants, such as Porter Airlines.

Transport Canada does not typically provide statements of feasibility or directional approval for proposals or concept plans. However, in an effort to solicit feedback from Transport Canada and provide what was requested of the TPA by means of stating a “preference between the two runway options proposed by Porter Airlines and provid(ing) an evaluation,” the TPA requested “approval in principle” should Transport Canada find the proposal to be technically feasible.

Formal approval would only be provided by Transport Canada following review of the formal final runway extension design and plan of construction operations submission. This initial step was geared at determining feasibility.

The Toronto Port Authority will *only* consider support for the Porter Plan under certain conditions that assure a "Do No Harm" approach and result, but only after City Council makes its decision on the proposal. At this time we are, at the request of the City, actively engaging in a process with the City of Toronto to determine whether the proposed changes to Billy Bishop Toronto City Airport can meet that test. As such we are providing information and funding initiatives such as an Environmental Assessment and Preliminary Runway Design to provide the information that the elected officials at Toronto City Council have stated they require to better understand and assess the Porter Proposal.

The TPA is dedicated to working closely with you and the community to ensure a sustainable, balanced and thriving waterfront to be enjoyed for future generations. We sincerely hope this letter has addresses your concerns.

Sincerely,

TORONTO PORT AUTHORITY



Geoffrey A. Wilson
President & Chief Executive Officer

Cc: Christopher Dunn
Project Manager, Waterfront Secretariat
City of Toronto

David Stonehouse
Director, Waterfront Secretariat
City of Toronto

Enclosed:

May 1, 2013 Letter from John Livey, F.C.I.P, Deputy City Manager, Cluster B to Geoffrey Wilson, President and CEO of Toronto Port Authority

Sept. 6, 2013 Letter from John Livey, F.C.I.P, Deputy City Manager, Cluster B to Geoffrey Wilson, President and CEO of Toronto Port Authority

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May 1, 2013

Mr. Geoffrey Wilson
President & CEO
Toronto Port Authority
60 Harbour Street
Toronto, ON M5J 1B7

Dear Mr. Wilson:

Re: Request from Porter Airlines

At its meeting on April 23, 2013, the Executive Committee considered a letter from Mayor Ford requesting a report from City of Toronto staff on the expansion of Porter Airlines' operations at Billy Bishop Toronto City Airport (BBTCA). This direction was in response to the letter from Porter Airlines dated April 22, 2013 requesting a review of lifting the ban on jets and permitting the expansion of the runway at the airport. A staff report will be considered at the May 7 and 8, 2013 City Council Meeting in response to the decision of the Executive Committee. The link to the Executive Committee decision is below:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.27>

Executive Committee has requested that staff report back to the July 3, 2013 committee meeting with a response to the issues outlined. Staff would be in a position to submit a preliminary report to the July meeting and if Council recommends continuing the review, work would continue through the Fall of 2013, with a further report to City Council.

To undertake a review of this request from Porter Airlines, the City will require supporting information from the proponent (Porter Airlines) and the airport owner/operator (Toronto Port Authority). Staff will review this information in the context of the overall airport expansion and its impact on the surrounding community and city.

Preliminary information that has been identified so far includes:

1. Engineering details for runway expansion to YTZ to support CS-100 aircraft including provisions for Transport Canada's Runway End Safety Area (RESA).
2. Approach and departure paths for the CS-100 and impact on existing and potential development along the waterfront, marine exclusion zone and navigation and the Hearn stack (and also the broader impact of the flight paths).
3. Required upgrades to existing air navigation systems to permit CS-100 operation at YTZ.

4. List of required airside infrastructure improvements such as terminal, apron/airfield, and vehicle/service facilities to facilitate projected annual number of enplaned passengers and aircraft movements.
5. List of required infrastructure improvements landside of YTZ to facilitate projected annual number of enplaned passengers.
6. Accommodation for existing and future general aviation uses and users at the airport.
7. Projections for overall passenger and traffic volumes using the airport through the introduction of CS-100 and other aircraft to the airport.
8. Coastal impacts including sediment transport, bathymetry, water circulation, and water quality.
9. Outline of required EA processes, timelines and required approvals.
10. Impacts to navigation in the Western Gap and the Inner Harbour.
11. Understanding how the Department of Fisheries and Oceans will be involved.
12. Aviation safety in relation to potential changes to migration patterns must be addressed in the airport's current bird control program.

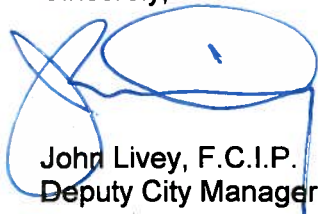
We are following up with various City divisions and agencies to further refine the information request and would welcome meeting with you to review and discuss. As we learn more and ask more questions, we will be asking for more information and studies.

For your information, we have attached our information request that went to Porter Airlines.

The staff report targeted for the May 7 and 8, 2013 City Council meeting will include a recommendation that all signatories to the Tripartite Agreement acknowledge that they agree to participate in the review with a goal of presenting a thorough analysis of the request that is before us. The City will require written agreement from the TPA and the Government of Canada (Transport Canada) to pursue this analysis in a timely fashion.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



John Livey, F.C.I.P.
Deputy City Manager, Cluster B

cc. Robert Deluce, President and CEO, Porter Airlines
Joe Pennachetti, City Manager
Gwen McIntosh – Director Waterfront Secretariat

Attachment – Request to Porter Airlines

Attachment – Request to Porter Airlines

For your information, we have requested the following information from Porter Airlines:

Bombardier CS-100:

1. Performance specifications for the Bombardier CS-100 and engines (PW1500G).
2. Preliminary noise modeling results for CS-100 aircraft in Transport Canada NEF software and results if included in the current 202 slot scenario approved by the TPA.
3. Test results – June 2013. We understand that there are analytic models and wind tunnel data, but there have not been any flight tests. Given this, please let us know when you think you will be able to provide performance data on this aircraft.
4. Proposed location of MRO (maintenance-repair-overhaul) service provider for the CS-100. Would there be light or heavy maintenance work done on be on the island, if not – where?

Airport Operations:

1. Proposed daily schedule (including weekends) for Porter aircraft movements (Q400 and CS-100) and resulting passenger volumes.

Business Plan:

1. List of airports that have entered into an MOU to lease gates or negotiate operating agreements with Porter Airlines.
2. Projected annual passenger volumes on each domestic and international route.
3. Current airline cost per enplaned passenger at YTZ (Billy Bishop Toronto City Airport).
4. Projected airline cost per enplaned passenger at YTZ following proposed airside and landside construction.

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September 6, 2013

Geoff Wilson, President and CEO
Toronto Port Authority
60 Harbour Street
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Dear Mr. Wilson:

**Re: Proposal from Porter Airlines to Expand Airport Operations at BBTCA and
Request to Attend September 19, 2013 Town Hall Meeting**

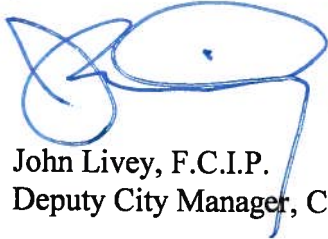
The City of Toronto has identified a number of issues and concerns related to the request from Porter Airlines to introduce jet-powered aircraft at Billy Bishop Toronto City Airport (BBTCA) that fall within the jurisdiction of the Toronto Port Authority (TPA). These issues include: required amendments and approval by Transport Canada for aircraft navigation to and from the airport, aircraft type (specifically the Bombardier CS-100) and other regulatory certifications, marine navigation in the Inner Harbour and Western Channel, funding of airport and groundside infrastructure, safety and security of airport expanded airport operations and the impact of noise and aircraft operations on the adjacent community and environment. City staff will require the TPA's response and commitment to address these issues to the City's satisfaction if further expansion of the airport is to be decided by City Council.

At our meeting on July 19, 2013 between the City of Toronto, TPA and Transport Canada, the TPA committed to submitting a complete summary of possible amendments to aircraft operations at BBTCA to Transport Canada for their review that addresses the request from Porter Airlines. On September 3, 2013, Porter Airlines submitted an alternative proposal to the City of Toronto that proposed 200 metre extensions at both ends of runway 08-26. This alternative proposal has created a lack of clarity on the true details of the proposal being reviewed by Transport Canada and whether the TPA has a position on which proposal it may prefer as the owner and operator of the airport.

I am requesting the TPA publicly state its preference between the two runway options proposed by Porter Airlines and provide an evaluation of the preferred option from the TPA's perspective. In addition, I am requesting that the TPA attend the rescheduled September 19, 2013 Town Hall meeting being hosted by the City of Toronto to outline its position on the request for jet-powered aircraft at BBTCA and further airport expansion. Your staff should be prepared to respond to questions from the public at this Town Hall meeting.

I appreciate your continued cooperation on this review. If you have any questions, please do not hesitate to contact me.

Yours truly,

A handwritten signature in blue ink, appearing to read "John Livey". The signature is stylized with a large loop on the left and a horizontal stroke across the top.

John Livey, F.C.I.P.
Deputy City Manager, Cluster B

cc: Robert Deluce, President and CEO, Porter Airlines