

**“Do No Harm”
Remarks to the Toronto Region Board of Trade
by Mark McQueen, Chairman
Toronto Port Authority
October 21, 2013**

Check against delivery

Thanks for joining me here, and to the Toronto Region Board of Trade for their gracious hospitality.

I have three simple goals today.

First, to update you on regulatory developments which will have a real impact on Billy Bishop Toronto City Airport, regardless of the ultimate decision made by Toronto City Council on the commercial jet topic.

Second, to separate the reality from the myths in terms of some of the key facts that are most relevant to our consideration of Porter's Proposal.

And third, to give you all a sense of the lens through which the Toronto Port Authority will review the Proposal should it be approved by City Council in December.

But before we look forward, you and I need to take a step back.

For 100 years, the TPA and its predecessor agency have built and managed the Port, marine terminals, harbour clean-up, and Billy Bishop. The TPA has a positive economic impact on the Toronto Region, it is profitable, and we not only pay millions in taxes and royalties to the City and Ottawa each year, we also saved taxpayers like you \$10 million when the City of Toronto partnered with us to install its utility mains into our new pedestrian tunnel project.

For at least the last half decade, the current Board and management of the TPA, in partnership with the Federal Government, have tried to keep up with passenger expectations in the wake of the successful rebirth of Toronto's downtown air hub.

In that time period, annual commercial passenger loads have increased from less than 25,000 to two million. That positive public response renewed the interest of Air Canada, and put Billy Bishop on the radar screen of Continental Airlines.

Porter has thrived, with the strong financial support of many of North America's largest private equity investors, including OMERS, a local pension plan with \$60 billion in assets. Porter's popularity with passengers has driven this outstanding growth, making it one of Canada's 10 busiest airports.

We've all had to react to meet this customer demand. The TPA built new ferries to replace a 60 person barge launched in the 1960s. Porter built a new privately-financed \$50 million passenger terminal.

Passengers responded positively again, which prompted the TPA to build the privately-financed pedestrian tunnel. Construction is proceeding well, and it will open, on budget, in 2014.

None of us joined the TPA with a plan to change the airport's use. In fact, our 2009 annual report states that traditional commercial jet aircraft, such as Canadair Regional Jets, Boeing 737s or Airbus 320s, are not compatible with an airport in close proximity to Billy Bishop's waterfront neighbourhood.

But with the dramatic changes in engine and aircraft technology, Porter believes the time has come to review the commercial jet ban.

In 1983, when the Tripartite Agreement among the federal government, the city and the TPA banning non-medevac jets was signed, thousands of cars still ran on leaded gas. Many mufflers didn't have catalytic converters. We weren't buying hybrid, electric or low-sulphur diesel vehicles.

Technology continues to change the transportation industry for the better, all industries in fact, and airport operators have to be opened-minded when it comes to new aircraft technology. The current Q400 is a perfect example of how far aviation technology can evolve since the Tripartite Agreement was originally signed. Air Canada's DC-9 fleet, which was state of the art when former Mayor Art Eggleton proposed the jet ban in 1983, is now seen as a gas-guzzling, emission pig of an aircraft that is worthless to anyone on our Continent other than a niche junkyard proprietor.

The definition of irony is that the opponents of the Porter Proposal launch their online criticism of these advances in aviation technology using handset technology that wasn't envisioned when the airport's commercial jet ban was put in place in 1983.

If technology can change in so many other parts of our lives over a 30 year period, it's no surprise that progress has been made with jet engine and emission technologies, too. If City Council votes to approve some form of Porter's Proposal, the TPA has an obligation to examine how this new technology can make Billy Bishop a more efficient and attractive operation.

But whatever advances in technology are embraced, nothing has changed when it comes to the need to run a safe airport.

In 2010, Transport Canada began to work with all airports in an effort to make them safer. The by-product of that work will soon become new Runway End Safety Areas, or RESA, for all major Canadian airports. We expect that as early as 36 months from now, Transport Canada will require every major commercial airport, including Billy Bishop, to install an extended RESA.

The expected RESA regulations will require the addition of at least 50 metres of land mass at each end of our current runway, all of which would need to be built into the water beside the airport.

And there's the rub.

Whether or not Porter's jet proposal is accepted, Federal regulations will soon require that the TPA modestly extend the current runways for an added safety buffer for our turboprop aircraft users. In August 2012, Olivia Chow attended the TPA's annual general meeting and asked how we were going to deal with the pending RESA regulations. These regs are no secret, and as a Member of Parliament, Ms. Chow knows what's coming.

For the 85% of Torontonians who believe the airport is an asset to the City, the question isn't *do you* want to extend the runways this fall. The question is: *by how much?* Whether or not you support allowing new commercial jet technology at Billy Bishop.

On that front, the TPA's position on Porter's Proposal has been and remains that our agency will not consider any change of use to the airport until a determination is first made by the elected representatives on Toronto City Council.

As the airport's operator, we accepted City Council's direct request to pay for the studies associated with Porter's Proposal, but we've not taken a view on the matter. That said, some members of Council have asked us what our specific considerations would be should City Council decide to approve the Porter Proposal and refer it to the TPA and Ottawa.

For the TPA team, the key consideration is definitely the views of the citizens of Toronto. After all, without the interest and support of Torontonians in new services and destinations at Billy Bishop, there's no business case for Porter's Proposal.

In July 2013, an Ipsos Reid poll asked Torontonians the following question: "Do you support the use of jet aircraft at Billy Bishop provided the jets make no more noise than the current turboprops." The response was 60% in favour and 37% opposed.

Now that we know there's public support, what other tests will we apply?

For the Board and management of the TPA, should this topic hit our desk for consideration and a decision, we are going to utilize the sage advice of an ancient writer: "Do No Harm".

The reality is that, like Pearson, we operate an urban airport on the doorstep of Canada's largest city. Although it has only 16% of Pearson's annual commercial movements, Billy Bishop contributes \$1.9 billion of economic activity each year to Toronto, and it's our duty to preserve a good thing.

Here are some key facts that will contribute to our considerations:

Fact #1: Jets already fly from Billy Bishop, as the Tripartite Agreement specifically permits jet flights for medical evacuation purposes. The Ornge service will fly about 100 jets in or out of the airport this year, and they'll attract fewer complaints from the airport's neighbours, by percentage, than Ornge's helicopter fleet.

Fact #2: For 30 years, the Tripartite Agreement has limited the amount of noise the airport can generate each year, as determined by something called the NEF 25 noise contour, which caps noise generation based upon the airport's busiest 21 days each year.

Fact #3: Billy Bishop is closed to private and commercial flights between 11:00 p.m. and 6:45 a.m. This rule mitigates the airport's impact on its neighbours, it's been in place for 30 years, and it's not going to change. Moreover, the NEF 25 further reduces the impact of Billy Bishop on its neighbours even when the airport is open, during the key "quiet hours" of 6:45- 7:00 a.m. and 10:00 -11:00 p.m.

One commercial aircraft landing at 10:05 p.m. has the same hit to the airport's annual noise envelope as 16.7 landings during the middle of the day. As such, TPA rules require that carriers set schedules that do not disturb our neighbours at bedtime.

Fact #4: Billy Bishop has only 7 planned commercial movements during these shoulder periods, and none between 11:00 pm and 6:45 a.m. Compare that to Pearson, which has just under 100 overnight commercial take-offs and landings while Billy Bishop is closed.

To give you some sense of the relatively minimal impact that Billy Bishop has on its neighbours, the people of Etobicoke, Midtown, North York and Don Mills are exposed to 45 times more commercial take-offs and landings at Pearson between 10:00 p.m. and 6:45 a.m., with far noisier aircraft, than Billy Bishop handles.

Whatever City Council decides on the jet proposal, Billy Bishop's current late night solitude will not change.

Fact #5: Billy Bishop is capacity and slot constrained. This is not unusual. LaGuardia, Newark and Washington National airports have no available slots at the present time, either.

That doesn't mean that Porter or Air Canada can't reduce service to one City or change the current "shoulder period" schedules and build a new route to another City, if allowed under the terms of their existing CCOA and our independently-managed slot allocation process. It is up to Porter to decide whether it wants to use an existing slot to fly to Los Angeles rather than somewhere else. That's how it is done at other slot constrained airports around the world, and those are business decisions for each airline to consider.

Being slot constrained doesn't mean that new commercial slots are off the table forever, but under current operating patterns, our existing complement of privates, commercial planes and medevac helicopters is unlikely to provide room for additional commercial slots over the next few years.

Whatever City Council decides on the jet proposal, Billy Bishop's current flight paths won't change for the worse. When you compare Billy Bishop's flight paths to that of Pearson's, you can see how modest its impact is on the residents of Toronto.

Fact #6: When folks worry about an increase in air traffic as a result of Porter's Proposal, no matter what happens at City Council on the jet front, air movements at Billy Bishop have dropped dramatically given systemic changes in the private aviation sector across North America. As you see in the slide, Billy Bishop saw a huge reduction in movements long before Porter's arrival at Billy Bishop, while Medevac use has actually grown.

Fact #7: Although I see in the media that WestJet is looking to bring their planes to Billy Bishop, we've heard nothing directly.

That's not to say that WestJet's interest isn't sincere, but their rumoured desires are complicated by the fact that none of their jets appear to comply with the airport's strict noise limitations. And unlike Air Canada, WestJet didn't apply for commercial slots in 2010, even though WestJet is now flying the same Q400 turboprop aircraft that Porter and Air Canada use at Billy Bishop.

The TPA would love it if WestJet would expose more travellers to the delights of our award-winning operation. The challenge with WestJet's submission to City Council is that it is unclear if their aircraft comply with our strict noise guidelines. At this point, the Porter's Bombardier CS-100 aircraft do appear to comply, which needs to be certified by Transport Canada; and if they don't, Porter's Proposal can't proceed.

The existing ICAO noise rules have mitigated the airport's impact on its neighbours for the past 30 years, and there's no desire to weaken them in the name of competition. West Jet is encouraged to buy planes that comply with these tough noise rules, just as Porter and Air Canada have done.

But asking for access for 737s that may not comply, to land on runways that may need even more length than Porter has proposed for the C-series, via commercial slots that WestJet has never shown an interest in previously, knowing there are currently no additional commercial slots available.... At best, it's wishful thinking.

At worst, the WestJet request is kind of like trying to drive an 18 wheel transport truck into an underground parking garage that was designed for cars, and then demanding the building's owner raise the ceiling under the guise of "fairness" to all drivers.

Fact #8: In May 2002, the late Allan Sparrow, the former head of the anti-airport lobby group Community Air, was reported in the Toronto Star as predicting that Porter's arrival would cause property values to plummet as much as 25%, and jeopardize some \$20 billion in waterfront redevelopment.

But what actually happened?

The redevelopment went ahead just the same, and Waterfront condo values rose more than 70% between 2003 and 2013, mirroring the rise in average home prices across Toronto. In fact, condos prices in the C1 market rose 10% more than C8, even though C1 is closer to the airport.

There may well be many valid arguments against the Porter Proposal, but this issue shouldn't turn on fairytale suggestions that home prices will collapse, that the TPA wants to ruin Lake Ontario, that the harbour will be closed to sailboats or commercial shipping, or that better utilization of Billy Bishop's existing 202 commercial slots is going to ruin the way of life of the people who knowingly bought a condo near an airport. You heard that 10 years ago, and doomsday never came.

The final element of today's discussion is the lens through which the Toronto Port Authority will review the Porter Proposal should it be approved by City Council. Here are some of the broad categories, in no particular order: Maintaining the 1983 Noise Restrictions, Better Slot Utilization - not Necessarily More Flights, No Negative Impact On The Environment, Livability For Our Neighbours, Improving Vehicle Traffic Flows, The Business Case, and Growing Toronto's Economy.

Maintaining the 1983 Noise Restrictions

We support maintaining the current NEF 25 noise contour and the ICAO noise ceiling, which represents one of the most strict noise regimes globally and has been in place since 1983 for the benefit of every Torontonian.

Better Slot Utilization, not Necessarily More Flights

Although the airport's foes stoke fears about dramatically increased flights, we will ensure that Porter's plan serves to improve utilization of the airport's existing commercial slots. We don't foresee a major expansion of the airport's current commercial flight activity levels. And, should Porter's Proposal proceed, the ceiling on the airport's overall annual noise output will not change.

No Negative Impact On The Environment

Toronto is a beautiful, clean city. The Proposal can't have a negative impact on the air and water quality that Torontonians currently expect and enjoy. That Billy Bishop has been powered by Bullfrog Power's green electricity since 2010, the first airport in Canada to make this commitment, speaks to our credentials in this area.

Every Bit As Livable For Our Neighbours

For our neighbours, Porter's Proposal must ensure that the area surrounding Billy Bishop is no less livable than any other multi-purpose neighbourhood in Toronto.

The TPA has a strong historical commitment to environmental stewardship and we have implemented important measures so that all Torontonians can continue to enjoy our mixed-use waterfront. On a yearly basis, the TPA removes million pounds of debris from Toronto's inner harbour, keeping it clean, safe and navigable. And we recently spent \$1 million creating a fish habitat at Tommy Thompson Park.

We've taken meaningful steps to reduce the effects of airport noise on our neighbours. This initiative includes the installation of the first of two acoustic barriers at the airport, a noise management office that follows international best practices, state-of-the-art flight-tracking technology and the publication of monthly noise reports on our website.

We have two public committees to ensure active Stakeholder engagement. The 20 different recent community sessions have led to substantial infrastructure improvements at the airport and along Eireann Quay to reduce noise and congestion.

We are also investing in our community. The TPA is proud to support Harbourfront Centre's school visits program, for example, as well as the neighbourhood community centre's "Room 13 Project", which is a superb initiative that supports inner city youth through art education.

Nothing in the Porter Proposal can undercut these efforts.

Improving Vehicle Traffic Flows

Traffic is a problem across Toronto, which has nothing to do with the success of Billy Bishop. We believe Eireann Quay is ripe for a solution to vehicle traffic as well as the additional traffic associated with Build Toronto's pending residential redevelopment of the Canada Malting site.

We have seen some beautiful plans from potential developers that would fix the flow of traffic around the airport, while preserving the local school and community centre as part of a stunning residential redevelopment of the Canada Malting site. We support Build Toronto's Eireann Quay Redevelopment Initiative. The TPA can and would contribute financially to helping the City make it happen, whether or not City Council approves Porter's Proposal.

There Must Be A Business Case

We recognize the reality that in 2009, for example, almost 1 million Canadians made the trek to Buffalo to catch a flight; representing more outbound departures than Billy Bishop handled that year. Buffalo-Niagara International Airport is spending \$8 million to expand their parking lots, to deal with the fact that Canadian vehicles now represent 47% of the airport's long term parkers, up from 8% in 2002.

We understand why Porter believes that Torontonians would rather fly out of Billy Bishop then drive to Buffalo to catch a 7:00 a.m. US Airways flight to Los Angeles.

That said, there needs to be a business case, not just for Porter, but for the TPA as the agency charged with paying for all airport-related capital expenditures. The tunnel met that test, as the Porter Proposal must, too. The TPA is a self-sufficient government business enterprise, which means it receives no taxpayer or government funding. It is the passenger who ultimately pays for upgrades. We will as always be mindful and respectful of that reality.

Growing Toronto's Economy

Porter's Proposal should improve upon the existing positive economic impact that the airport is already having on the Toronto region. The fact that Massachusetts Governor Deval Patrick recommended last week that City Council approve the Porter proposal, observing that "connections actually matter", is an example of how some of our key trading partners look at the situation.

There are three additional considerations that interest some of those here today:

Aircraft Agnostic

The TPA is open to any aircraft that meets the strict tests of the existing noise standards as required under the Tripartite Agreement. We don't have to pick between Bombardier and Boeing, per se. As it has for 30 years, the TPA will continue to prohibit aircraft that don't comply. "Open Sky" treaty agreements do not prevent an airport operator from prohibiting noisy commercial aircraft, despite what Adam Vaughan may say, as we've proven for decades.

Preserving Access for Sailors

Should City Council approve Porter's Proposal, the TPA is determined that sailboats should experience no meaningful impact. We will maintain the same high levels of harbour safety that we have today. And we see no scenario where the navigational channel markers in the Western Gap would have to change, even with a 200 metre runway extension, preserving the channel's use by two of the Port Authority's other key stakeholders: tour operators and recreational boaters.

Preserving Private Aviation Access

Private hobbyist aviators will continue to have appropriate access to Billy Bishop, and there's nothing in the Porter Proposal that will change that.

The convenience of parking one's own plane 10 minutes from your office is understood. But if you can afford \$2.7 million for a 10 year old King Air to fly yourself to Mount Tremblant every weekend, you can also pay market rates for parking, landing and storage, in line with your peers in Hamilton or Oshawa. Commercial passengers pay for the vast majority of the capex and upkeep of Billy Bishop's runways, ferry access and tunnel construction, despite representing just 51% of our annual movements. Private aviators have benefited from the major airport investments of the past five years, and will continue to do so for years to come.

When it comes to the topic of jets, the TPA Board of Directors will look at each important component of this issue from the standpoint of "Do No Harm". Whether it be environmental, noise, marine activity, health, recreation, traffic, tourism or the economy of Toronto.

My wife and I were married at the little church on Toronto Island – St. Andrew’s-by-the-Lake – and I want our children to enjoy that its peaceful ambiance should they choose to follow in our footsteps and walk down that same wooden aisle.

The TPA’s task is to ensure that the airport’s operations fit into, and not dominate, Toronto’s lively Waterfront and South Core area. The airport is a success, and that success deserves to be embraced. But, as the airport’s operator, we recognize that we have to get this right, while doing no harm, which is exactly the approach we will take should City Council decide the idea of commercial jets is worthy of our consideration.

Thank you, for your time and interest today.



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Mark McQueen, Toronto Port Authority Chairman
October 21, 2013

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Commercial Nighttime Flight Activity

Arrivals and Departures Per Night

Flights Between:	Billy Bishop	Toronto Pearson
10pm – 11pm	3	39
11pm – 6:45am	0	97
6:45am – 7am	4	19
Total	7	155

Billy Bishop Curfew:

- 100% curfew between 11:00pm and 6:45am

Toronto Pearson Curfew:

- None

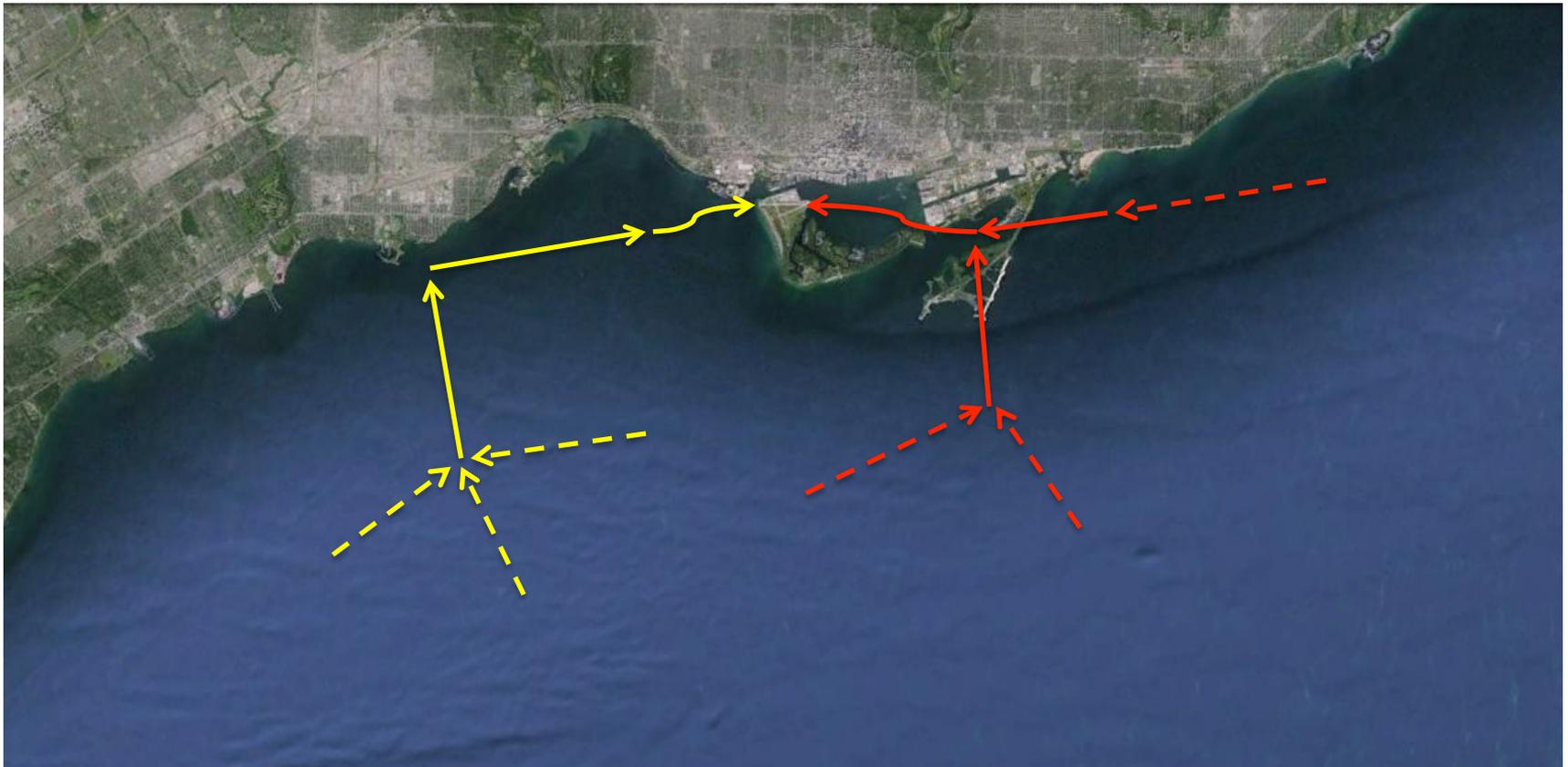
Source: www.flightaware.com - flights averaged for the dates Sep 29'13-Oct 5'13

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Flight Paths – Billy Bishop Airport



→ RNAV A
→ RNAV C

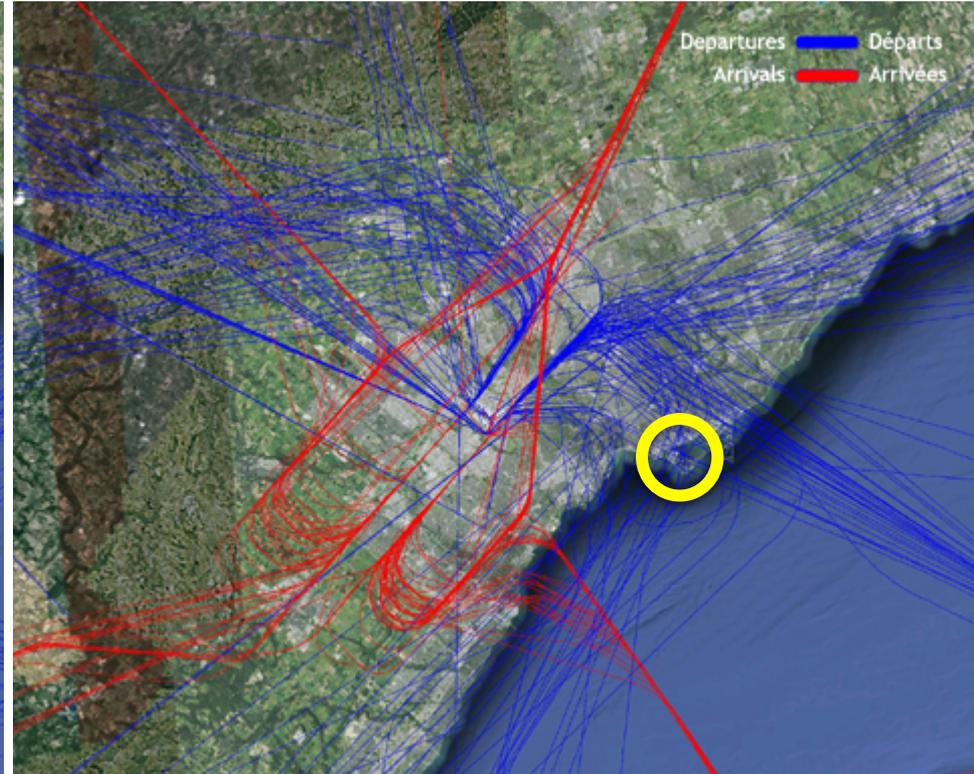
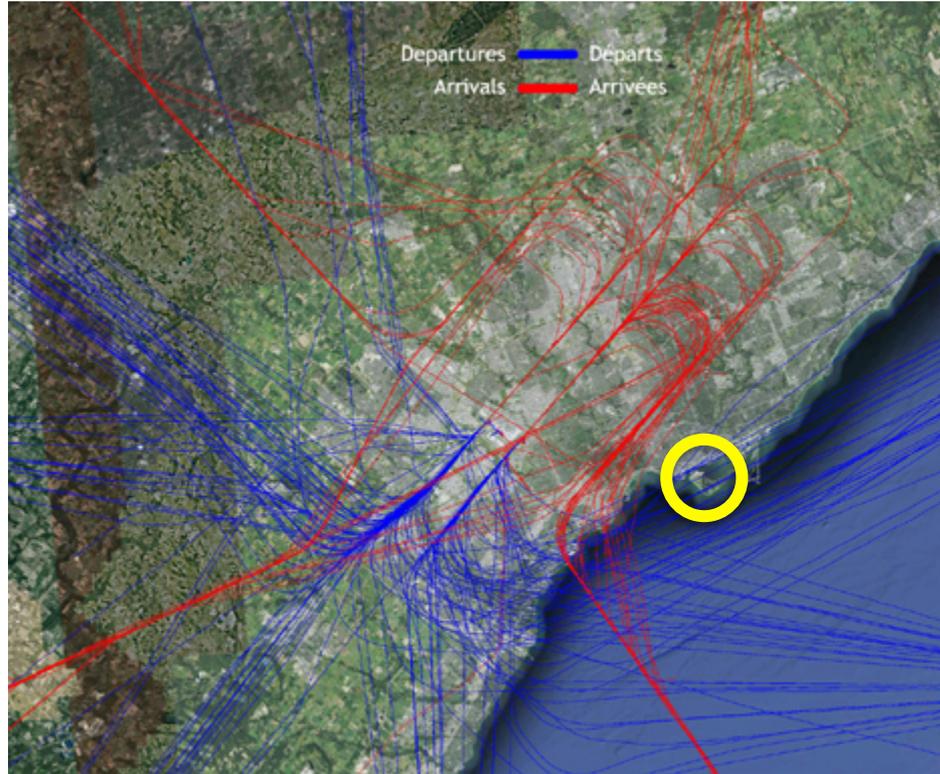
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Flight Paths – Toronto Pearson Airport

Southwest Arrivals/Departures

Northeast Arrivals/Departures



Runways: 23, 24 Right and 24 Left

Runways: 05, 06 Right and 06 Left

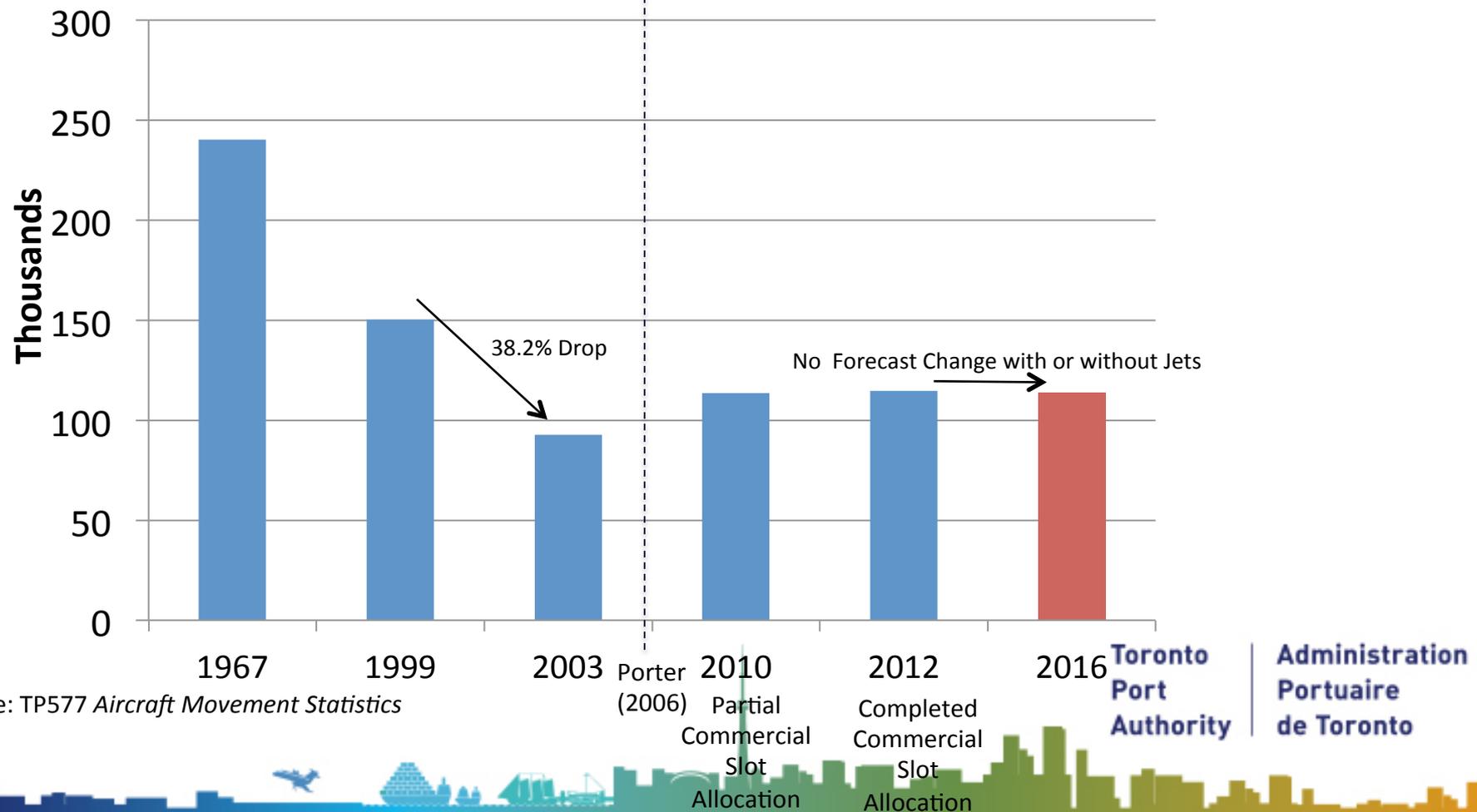


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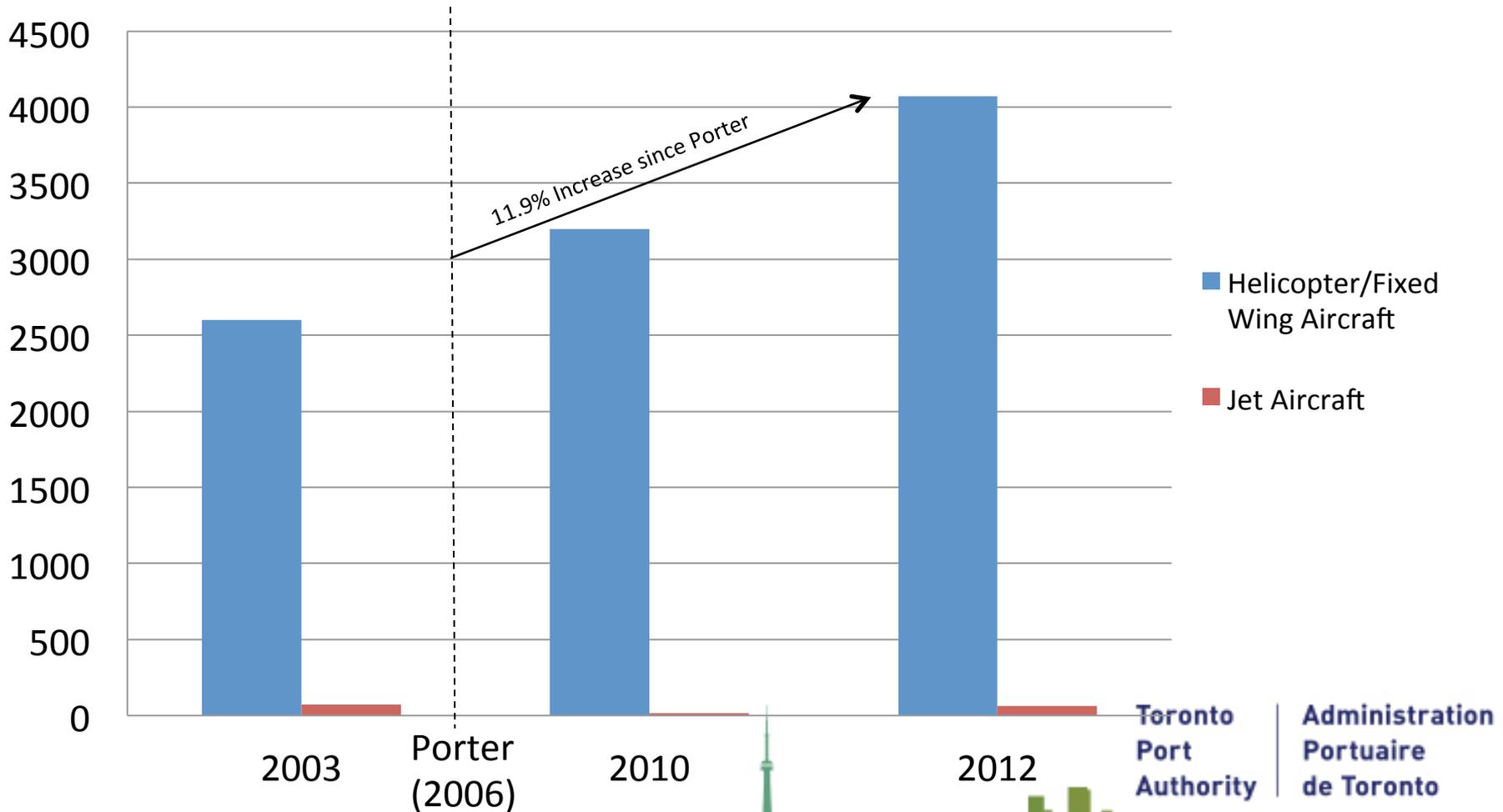


Annual Movements

Annual Movements



Medevac Operations



Engine Emissions

	MD-90 (circa 1980s)	B737-3	B737-8	Q400	CS100
EPNdB	265.8	277	278	257	255
No _x (g/kN)	80.3	46.7	61.0	38.9	50% fewer emissions than current jets
Fuel Consumption	999.05L/100 km	532.16L /100 km	523.79L /100 km	335.58 L /100 km	20% fuel burn advantage over current jets

CS100 Source: <http://info.cseries.com/en/#/home/>

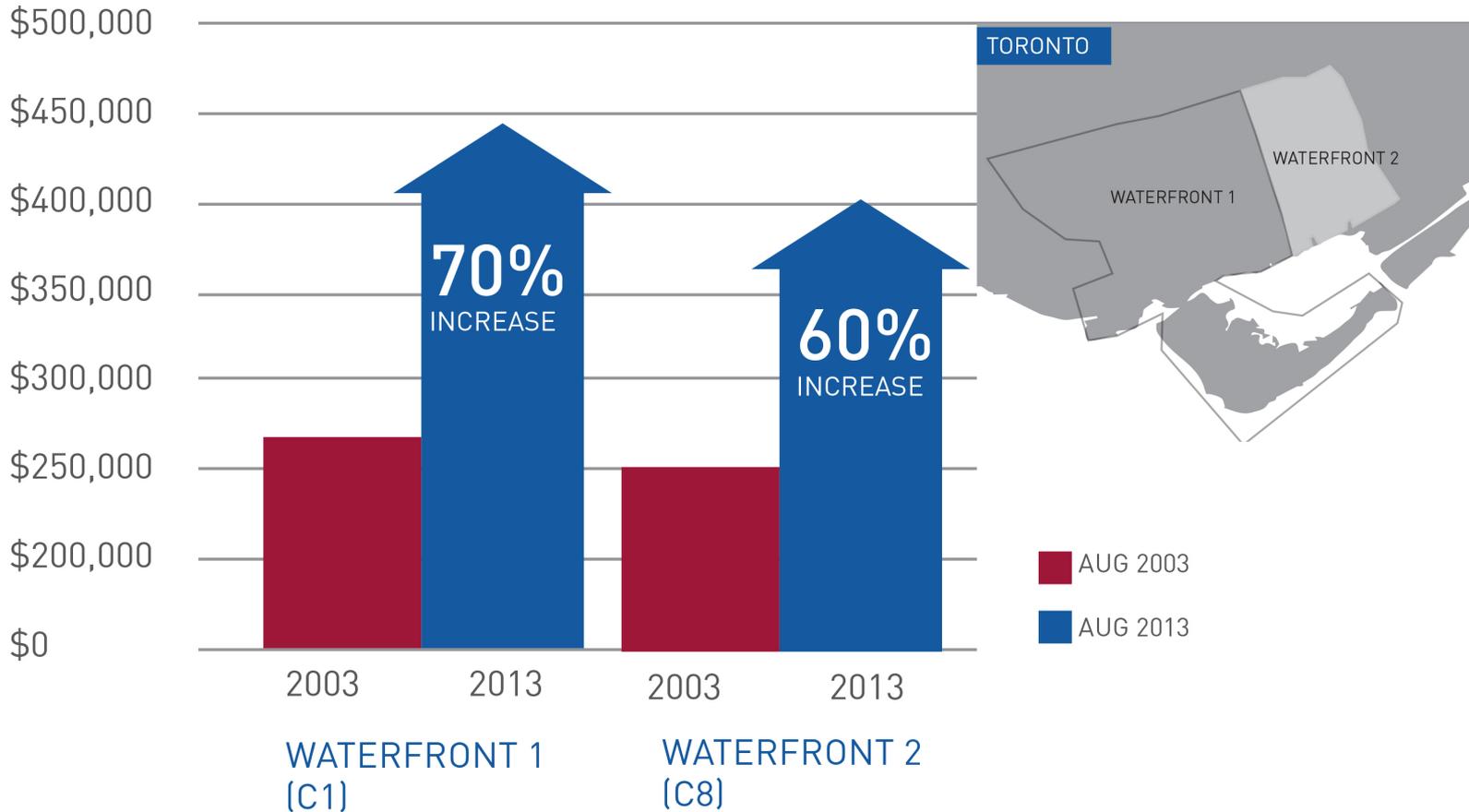
Noise Data Source: <http://www.easa.eu.int/certification/type-certificates/noise.php>

NO_x Source: <http://easa.europa.eu/environment/edb/individual-engine-datasheets.php>

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Waterfront Property Values



*Source: http://www.torontorealestateboard.com/market_news/market_watch/mw0308/pdf/mwatch.pdf

*Source: http://www.torontorealestateboard.com/market_news/market_watch/2013/mw1308.pdf

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