

**Toronto
Port
Authority**



**Administration
Portuaire
de Toronto**

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April 18, 2013

Councillor Shelley Carroll
City of Toronto
Toronto City Hall
100 Queen Street West, 2nd Floor
Toronto, ON M5H 2N2

Dear Councillor Carroll:

Re: Billy Bishop Toronto City Airport

I wanted to write to you today regarding statements that you are reported to have made in your ward newsletter¹ regarding the Toronto Port Authority (“TPA”) and the Billy Bishop Toronto City Airport (“BBTCA”).

As you know, the TPA is aware of the announcement made last week by Porter Airlines. As an independent operation, it is up to Porter to pursue its own business plan for the benefit of its customers, shareholders and employees. The TPA takes no position on Porter’s business aspirations. The TPA will not consider any change of use to the airport until a determination is first made by the elected representatives on Toronto City Council regarding Porter’s proposed changes to the 1983 Tripartite Agreement.

We are, however, concerned when our public officials are provided inaccurate information about the airport and its operating agency, which they in turn repeat to their constituents as fact. We know that you will want to share only correct information with the residents of Toronto, and appreciate this opportunity to bring these facts to your attention. We understand that you stated the following via your newsletter:

“Air Canada won the right to access the airport with Q400 turbo props on the basis of Porter’s permission.”

“[Air Canada] will be successful with [Porter’s] expanding permission as well.”

“We in North York can understand the local residents’ sense of outrage down in the area surrounding the airport.”

“Intensifying the Billy Bishop Airport...[privatizes] its waterfront...”

¹ <http://blog.communityair.org/2013/04/13/councillor-shelley-carroll-on-airport-expansion.aspx>

If I may, I'd like to take this opportunity to clear up this misinformation for you and will address each comment in order.

“Air Canada won the right to access the airport with Q400 turbo props on the basis of Porter’s permission.”

This is not true.

The Dash 8 series of aircraft was approved for use at the BBTCA in 1985 (the Q400 is aeronautically classified as a DHC-8 400), some twenty years before Porter began regular service from the BBTCA.

One of the TPA’s public-stated key priorities in 2008 and 2009 was to diversify the number of destinations and commercial airline carrier options for our business and leisure travellers. Air Canada reinstated its service to the BBTCA in 2011, after participating in the TPA’s 2009-2010 Request for Proposal process for additional commercial airline services.

As disclosed by the TPA on June 23, 2010, Airport Coordination Limited (“ACL”), an independent international consultancy firm expert in demand and capacity assessment and scheduling process management, evaluated the various RFP responses with regard to BBTCA slot requests. ACL allocated the 90 available BBTCA commercial slots amongst Air Canada, Continental Airlines and the then-existing carrier, Porter Airlines.

To make the most of the slots they were awarded, both Air Canada and Porter chose to utilize the quietest of the Dash 8 series aircraft, the new Q400. Had either of them chosen to utilize an earlier version of the Dash 8 aircraft, the airport would have had to award fewer slots as a result of the impact that those noisier, but approved, aircraft have on the NEF Contour.

“[Air Canada] will be successful with [Porter’s] expanding permission as well.”

This is not at all guaranteed, for a variety of reasons, and has nothing to do with any particular carrier.

First, since 1983, the TPA has required that all commercial aircraft comply with the strict noise limits defined in the Tripartite Agreement. The 1983 Tripartite Agreement's strict noise limits ensure that no aircraft are allowed to use the BBTCA that do not meet the longstanding noise restrictions. Whether an air carrier is Canadian, American or European, for example, the 1983 Tripartite Agreement's rules control aircraft noise emissions – and therefore the type of aircraft that can use the BBTCA. To our knowledge, and according to media reports, Porter has not asked Toronto City Council to amend the noise restrictions.

According to the best available current information, the only jet aircraft used (or forecast to be used) by commercial airline carriers that appears to comply with the aircraft noise limits as laid out in the existing 1983 Tripartite Agreement is the Bombardier CS-100

aircraft². And, in the case of the CS-100, this is based upon the TPA's understanding of Bombardier's technical specifications and performance targets for the CS-100 aircraft currently under development.

Second, there are no new commercial available slots to grant to any airline at the present time for any purpose. If additional slots were to become available at a later date, under the terms of the BBTCA's Commercial Carrier Operating Agreement template, priority would first go to airline applicants that were proposing new destinations that are not currently served by the BBTCA.

As such, under existing BBTCA commercial slot allocation rules, applications to service destinations such as Orlando, Florida and the Caribbean would take priority over applications for slots to serve Boston, Chicago, Montreal, Ottawa or New Jersey as the latter are already served by existing BBTCA carriers.

This process was utilized during the 2009-10 BBTCA commercial slot allocation process, which was upheld in a decision released on July 22, 2010 by the Federal Court of Canada following a Judicial Review at the request of Air Canada.³

“We in North York can understand the local residents’ sense of outrage down in the area surrounding the airport.”

Based upon our records, the BBTCA has not been a source of negative feelings on the part of your constituents, nor the majority of Waterfront residents.

According to a 2012 poll conducted by Ipsos Reid, 83 per cent of those surveyed agree that the BBTCA “is great for the economy of Toronto”, including 85 per cent of those living downtown south of Queen Street. As well, the survey found that nearly half of downtown residents (50 per cent north of Queen and 45 per cent south of Queen) have used the airport. Across the board, support for the BBTCA is equally high whether a Torontonian lives north or south of Queen Street, according to this Ipsos Reid poll.

You may be interested to know that in February, 2013, for example, two individuals accounted for 77% of all noise complaints at the BBTCA; neither of these two people were residents of Ward 33. These two individuals matter, but should not be characterized as representing all “local residents”.

I also note that the Buttonville Municipal Airport, just north of Ward 33, had 17% more aircraft movements in 2012 than the BBTCA. As well, the BBTCA is about 2.5 times further from parts of your ward than the Buttonville airport site. Since Buttonville has more flights than the BBTCA, and is far closer to your ward, one assumes that any concerns that your constituents have with local airport traffic are likely a direct result of Buttonville’s air activity and/or noise and not that of the BBTCA.

² <http://www.torontoport.com/About-TPA/Media-Room/Press-Releases/Background-Document-on-Tripartite-Agreement-and-Ot.aspx>

³ <http://www.torontoport.com/TorontoPortAuthority/media/TPASiteAssets/news/TPACourtDecision.pdf>

Please let us know if you have any information to the contrary.

On the issue of the Marine Exclusion Zone, and its lack of association with RESA as well as Porter's stated business aspirations, I'll take the chance to repeat the timeline for you (complete with other notable dates):

- March 2012: launch of the pedestrian tunnel project;
- May 2012: launch of the Marine Exclusion Zone ("MEZ") underwater landfill project. When completed, the MEZ will be below the water's surface and only on the Harbour-side of the BBTCA. The western side of the airport's MEZ is already protected from similar boat incursions by a naturally-occurring sandbar;
- May 16, 2012: launch of the MEZ Environmental Assessment;
- August 23, 2012: Olivia Chow, M.P., raises the potential new Transport Canada RESA regulations during the Q&A period at the TPA annual general meeting;
- Jan. 2013: Toronto City Staff conclude negotiations with TPA staff regarding the quantum of PILTs that BBTCA passengers should pay to the City of Toronto;
- Feb. 12, 2013: City Staff recommend BBTCA PILTs agreement to the Government Management Committee;
- Feb. 13, 2013: TPA writes to Mayor Ford and Ministers Lebel and Murray in the wake of the PILTs agreement, outlining ideas that Council may want to consider at the same time as the proposed BBTCA PILT agreement (which is simultaneously posted online at www.torontoport.com);
- Feb. 25, 2013: Government Management Committee approves the City Staff BBTCA PILTs proposal and recommends adoption to Toronto City Council; and
- April 10, 2013: Porter announces its new business aspirations.

"Intensifying the Billy Bishop Airport...[privatizes] its waterfront...."

In the 1800s, the footprint of the Toronto Islands was approximately 60% of what it is today. A combination of sand, landfill and reclamation has increased the acreage of the scenic elements of the Toronto Islands over many decades.

The land on the City-side of the Toronto Harbour has also changed over time.

In 1906, for example, the current Portlands district was largely water and formed part of Ashbridges Bay. Later, the Portland district was reclaimed, an area which is now a hot prospect for further residential and commercial development. In 1935, the City of Toronto, Federal Government and Toronto Harbour Commissioners decided to construct what is now the BBTCA; the majority of the airport property was built on landfill and reclaimed land.

In decades gone by, development along Toronto's Waterfront has required that portions of Toronto Harbour (and by extension Lake Ontario) have been reclaimed with landfill to create the sites for such well-known property developments as: the Corus Building, the new George Brown College campus, Harbourfront Centre, the Harbour Square condominium development, the Pinnacle Condominium development, the Queen's Quay Terminal, the Redpath Sugar plant, The Toronto Star Building, the Waterfront School

(operated by the Toronto District School Board at Queen's Quay West at Bathurst Street), Waterpark Place Towers I/II/III (including the new RBC Canadian headquarters currently under construction) and the 10 York Street condominium development (owned by the City of Toronto).

Huge swaths of Toronto's waterfront have been entrusted to private developers and other tenants by the City of Toronto over several decades, including much of the 635 acres (involving perhaps ~30 different properties) that the TPA contributed to TPLC and the City in 1994 to help form what is now WaterFront Toronto. The TPA has had no meaningful role in any of the City's development choices along the waterfront, and is only a party to a few agreements with TPLC involving a handful of sites that support key port users and shippers.

Since 1939, the BBTCA has been used by a wide variety of pilots, medical professionals, commercial carries, and millions of airline passengers. It is not run for the benefit of the private sector, but owned by the TPA and run as a business enterprise on behalf of the Parliament of Canada for our passengers. Unlike other transportation modes and nodes in the local area (such as the GO Train, the TTC, VIA Rail and Union Station), the BBTCA is not financed by the taxpayer. The \$82.5 million pedestrian tunnel is privately-financed, for example, out of BBTCA passenger airport improvement fees. And the \$55 million new Porter terminal was also privately-financed by CCTC, a subsidiary of Porter's parent company.


In terms of "intensity", it is compelling that air traffic at the BBTCA is down 45% since 1961, and 13% since 2001 (prior to the arrival of Porter Airlines). How the airport's recent renewal can be characterized as "privatizing" the Waterfront is lost on us:

- The airport is quieter, in terms of air movement traffic, than it was both 12 and 52 years ago.
- Nonetheless, the airport will receive more than two million passengers in 2013.

And, unlike some other projects along the Waterfront, the BBTCA is for the benefit of *all* Torontonians who appreciate the service, choice, and lower fares that have become the norm since 2006 with the airport's revitalization.

We reiterate the invitation for you to visit the airport to get a firsthand sense of the 5,700 jobs that depend on the operation and the \$1.9 billion of annual economic impact that flows from the airport. Not to mention the environmental stewardship, as the BBTCA was the first airport in Canada to be one hundred per cent powered by green electricity provided by BullFrog Power. We hope to receive you soon, and to address any other questions or concerns that you may have.

Respectfully,


Mark McQueen
Chairman