INCREASING GLOBAL CONNECTIVITY & ECONOMIC VALUE THROUGH CANADA'S INTERNATIONAL AIRPORTS

CHAIR

GREATER VANCOUVER BOARD OF TRADE

Edmonton Chamber of Commerce

The Chamber The Winnipeg Chamber of Commerce

Calgary Chamber

TORONTO REGION BOARD OF TRADE

The Brampton Board of Trade Since 1887

The Chamber of Commerce of Metropolitan Montreal

HALIFAX CHAMBER OF COMMERCE stronger together

CANADA'S AIRPORTS ARE MORE THAN STAGING POINTS FOR THE DEPARTURE & ARRIVAL OF PEOPLE & GOODS. THEY ARE STRATEGIC & ECONOMIC INFRASTRUCTURE ASSETS THAT SIGNIFICANTLY CONTRIBUTE TO CANADA'S EMPLOYMENT & PROSPERITY.

5 Purpose & Objectives
6 The Case for Competitive Advantage
8 Current State Assessment
11 Recommendation Overview
12 Airport Security Screening Recommendation Rationale
13 Border Entry & Visa Recommendation Rationale
14 Airport connectivity Recommendation Rationale
16 APPENDIX: highlighting the economic value region by region
23 Works Cited

Founded in 2015, the Canadian Global Cities Council (CGCC) is a coalition of Presidents and CEOs of the eight largest urban regional Chambers of Commerce and Boards of Trade in Canada: Brampton, Calgary, Edmonton, Halifax, Montreal, Toronto, Vancouver and Winnipeg. Representing 52% of Canada's GDP and more than half of the country's population, CGCC collaborates on international and domestic issues affecting our regions' competitiveness. We are focused on infrastructure, economic environment, trade and talent.

Economic performance is increasingly tied to global relevance. Airports, and the communities they serve at home and abroad, are prime economic engines that require supportive policies and robust government services. They create vital access to high growth markets and facilitate significant economic benefits for tourism, trade and overall business productivity.

The international airports in Canada's seven largest metros generate significant GDP and most often represent the second largest employment concentration in their region.

OUR OBJECTIVES ARE TO:

- **GENERATE** awareness of the economic importance and competitive benefits our international airports bring to the Canadian business community and major metropolitan areas.
- **RECOGNIZE** Canada's international airports as important sources of employment within their local regions.
- **HIGHLIGHT** Canadian airport service standards, charging and investment practices against international airport best practices.
- **STIMULATE** policy action to bring Canadian airports up to global standards and realize the economic potential of these important infrastructure assets.

Based on our current state analysis and research of international standards, our objectives will be met with five recommendations across the areas of airport screening, border entry and visas and airport connectivity.

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

THE CASE FOR COMPETITIVE ADVANTAGE

With half of the world's population living in cities, major metropolitan areas are sources of economic growth in today's global economy.

Competitiveness is driven by cities' economic assets and the return they deliver through investment and business growth.

International aviation connectivity can provide a competitive advantage. It can solidify a metro area's position as a globally accessible business hub.

Leveraged effectively, airports contribute to economic growth by: supporting domestic trade; creating jobs in a variety of industries, from financial services to warehousing, transportation and logistics; and attracting tourists and investors.

Canada's international airports must be globally competitive in performance standard & cost. Today, they are not.

The Conference Board of Canada's April 2013 study measured the economic impact of the country's air transportation industry, reporting:

- GDP of **$34.9 billion**;
- Direct employment of more than **141,000 people**, and total employment of more than **405,000** with the inclusion of supplier industries; and
- More than **$12 billion** federal and provincial contributions, with more than $7 billion in taxes.

ECONOMIC VALUE OF AIRPORTS

TOURISM:
20 million domestic tourist visits within Canada, and **7.5 million** visitor tourist visits to Canada by air, resulting in a collective spend of **$17.6 billion** in 2012

TRADE:
every **1%** ↑ in direct international flights results in (roughly) **1%** ↑ in trade value

PRODUCTIVITY IMPACT:
a **10%** ↑ in air connectivity increases Canadian productivity annually by **$1 billion**

CURRENT STATE ANALYSIS

The international airports in Canada's seven largest metros generate significant GDP and often represent the second largest employment district in their region.

Canada's international airports–and the communities they serve at home and abroad–are prime economic engines requiring supportive policies, robust government services and transit connectivity. They create vital access to high growth markets and facilitate significant economic benefits for tourism, trade, foreign direct investment and overall business productivity.

30 years have passed since the introduction of the National Airports Policy (NAP), which provided a framework to clearly define the federal government's role through two main levels of involvement in airports with scheduled passenger traffic: nationally-significant airports that formed a National Airports System (NAS), and regional/ local airports. The NAS is comprised of 26 airports linking the country from coast to coast and internationally, and includes airports considered essential to Canada's air transportation system, supporting both domestic prosperity and international competitiveness.

Since then, unprecedented change has impacted aviation, but supporting policy has remained the same. Canada must revisit NAP to bring it into alignment with the current state and ensure it can adapt to future changes and trends.

CONNECTIVITY CHALLENGES

For domestic and international business travellers, our airports' ability to provide effective and efficient connectivity to national and international markets, as well as our local regions, is the price of admission to the global economy. Canada is notably lacking higher order ground transit for travellers and airport employment zone workers at a time when companies place a premium on locations combining an international airport with ease of access to city regions. Airport connectivity today is challenged by slow moving, cumbersome processes and partially implemented programs.

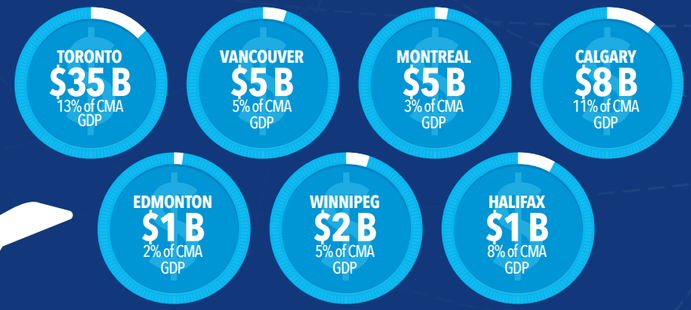
SCREENING CHALLENGES

Technology, resourcing and globally competitive service standards are needed to ease congestion at security screening and passport control. The implementation of a targeted screening policy for NEXUS Trusted Travelers, and completion of the Transit Without Visa (TWOV) program for all travellers except those from high risk countries would align Canada with the rest of the world.

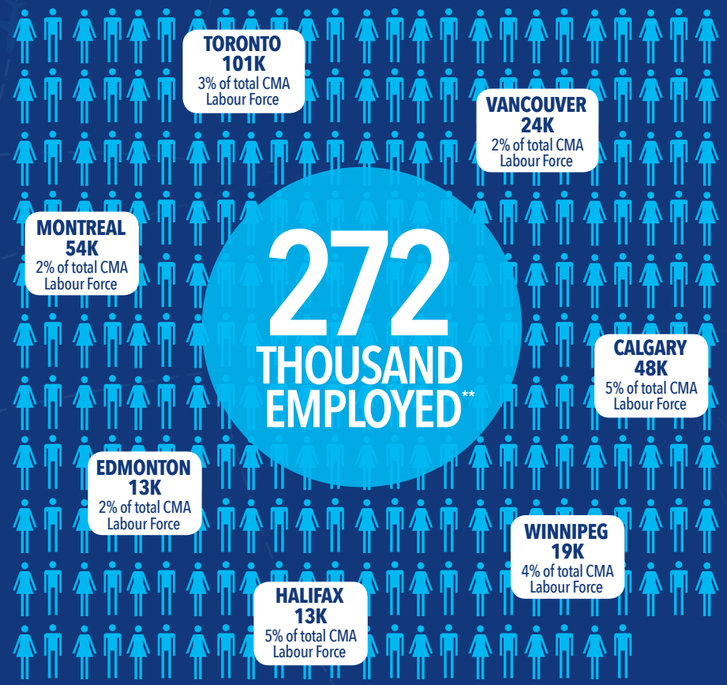
> Our current state lacks any competitive advantage. It hinders our economic potential, and affects Canada's profile and ability to remain relevant in the eyes of foreign investors, international business travellers and tourists.

ECONOMIC VALUE OF AIRPORTS (2015)

$59 BILLION COLLECTIVE GDP



CMA Numbers, Statistics Canada 2013



CMA Numbers, Statistics Canada 2013

* Census metropolitan area (CMA)
** Direct & indirect employment

108 MILLION PASSENGERS

TORONTO	41 M
VANCOUVER	20 M
MONTREAL	16 M
CALGARY	15 M
EDMONTON	8 M
WINNIPEG	4 M
HALIFAX	4 M

RECOMMENDATION OVERVIEW

Airport Screening

1. Adopt an internationally competitive service standard
2. Implement a targeted screening approach

Border Entry & Visa

3. Foster the development of global air transit hubs
4. Strategically align immigration and border facilitation for priority markets in tourism, investment and education

Airport Connectivity

5. Develop airport transit and multi-modal hubs *(where volumes warrant)*

AIRPORT SECURITY SCREENING

Canada has fallen behind global competitors & projected growth targets with its current "one-size-fits-all" screening model.

1. Adopt an internationally competitive service standard

The absence of a mandated, internationally competitive service level standard is creating a growing competitive disadvantage for our airports and business communities.

As a global best practice, international airports like London Heathrow and Hong Kong International have prescribed standards, screening 95% of passengers within five minutes.

No service standards are set for the Canadian Air Transport Security Authority (CATSA). Its 2015-16 budget expected an average of 50%, or 28 million passengers, would wait longer than 15 minutes for screening services. Canada is dramatically behind global best practices.

Despite a variable revenue source through the Air Travellers Security Charge, levied against airline passengers, funding for CATSA is fixed subject to annual appropriations, with no direct link to rising passenger volumes.

The Canadian Global Cities Council is calling on the government to:

- Establish and maintain an internationally competitive service level standard and provide enough funding to CATSA to ensure passengers are screened efficiently on an ongoing basis.

- Promptly proceed with the deployment of existing and new technologies and processes – such as CATSA Plus – to reduce wait times and operating costs.

2. Implement a Targeted Screening Approach

NEXUS, the joint Canada – U.S. trusted traveller program, was designed as a border program to provide security screening privileges at Canadian airports. Its users, representing Canada's most active business travellers engaged in global trade, currently face the same cumbersome screening procedures as all other passengers. As currently implemented in Canada, NEXUS has far less benefit to travellers than the Pre-Check clearance program available in the U.S. for both expedited access and an expedited experience at screening.

The U.S. Transportation Security Administration has expanded the use of family lines at airport security checkpoints nationwide, designed to help those unfamiliar with checkpoint procedures or families who prefer to go through security at their own pace. The result: business travellers move more quickly through security.

The Canadian Global Cities Council is calling on the government to:

- Align with Minister Garneau's Vision2030 and the recommendations in the 2015 Emerson Review, *Pathways: Connecting Canada's Transportation System to the World*, to replace Canada's one-size-fits-all passenger screening with a risk-based, intelligence-driven approach.

- Implement enhanced technology to improve screening outcomes and adopt a dynamic technology roadmap (with clear areas of focus and accountability) to accommodate ever increasing volumes and realize a smart airport future state.

BORDER ENTRY & VISA

3. Foster the development of global air transit hubs

Other countries recognize the importance of developing their airports into global transit hubs to facilitate trade, attract investment and create jobs.

These countries do so by allowing travellers to transit through secure facilities without a visa (except for a handful of high-risk countries) and by using technology and risk-based screening to facilitate immigration and customs.

Canada's approach is the opposite: only travellers from a small number of low-risk countries transit without a visa; and only Canadians are allowed access to automated border clearance.

The Canadian Global Cities Council is calling on the government to:

- Implement the following recommendations of the 2015 Emerson Review:
  - Harmonize immigration and trusted traveller programs with other trusted jurisdictions.
  - Streamline immigration and customs by reducing visa requirements and increasing Electronic Travel.

- Authorize lower-risk visitors:
  - Allow transit without visa for citizens of all but high-risk countries.
  - Expand trusted traveller programs and access to automated border clearance systems to include citizens from other trusted jurisdictions.

4. Strategically align immigration and border facilitation for priority markets in tourism, investment and education

In competing jurisdictions, international marketing strategies are aligned with border entry and visa requirements.

As we promote Canada as a destination for trade, tourism, investment and education, we need to ensure travel to Canada is as seamless as possible.

"Cumbersome immigration & customs processes must be streamlined to make airports competitive and attractive, particularly for international passengers transiting Canada for other destinations."

2015 Emerson Review

The Canadian Global Cities Council is calling on the government to:

- Apply the Blue Sky Policy more progressively to align with Canada's trade agenda and tourism objectives.

- Implement the following 2015 Emerson Review recommendations:
  - Strategic alignment between the choice of priority markets.
  - Border facilitation measures.
  - International trade and air services negotiations.

- Fund the Canadian Border Services Agency, providing much needed resources to meet growing demand and to implement innovative technology.

AIRPORT CONNECTIVITY

5. Develop airport transit & multi-modal hubs *(where volumes warrant)*

"Multi-modal transit hubs are a common component of the world's largest airports providing travel options for the millions of people who travel to, from, and through the airport and its adjacent employment zone."

Urban Strategies 2016

In other countries, airports and governments are increasingly leveraging airport and transport assets to strengthen regional and local economies and create vibrant cities.

Cities in Europe and Asia plan whole transit systems, often building multiple lines simultaneously, to establish networks and attract high-quality employment clusters near the airport.

The connectivity of Amsterdam Airport City has attracted international companies such as Microsoft, Cargill and Citibank on a campus with train and bus service and modern office buildings. Some of these buildings command the highest rents in Holland.

Canada is not keeping pace. For instance, 92% of passengers travel to and from Toronto Pearson International Airport by car, as do a similar percentage of the 300,000 people who work within the airport employment zone (AEZ). This is generating one million daily car trips; more than the number of trips made to downtown Toronto.

Increasing transit access to Canadian airports would shift air passengers and AEZ employees to transit networks. This would free-up valuable road capacity for high-value commercial goods. From an environmental standpoint, it would support the federal government's greenhouse gas reduction target of 80% below 2005 levels by 2050. Lastly, it could contribute to increased air passenger traffic and AEZ economic development.

The stark contrast between Canada & other international airports

Airport Related Multi-Modal Hubs	Annual Passengers *(millions)*	Distance to Downtown *(km)*	# of Highways	% of Air Passengers Using Transit	Airport Express Train	Metro/ Rapid Transit	Regional/ National Train
London Heathrow	73.4	24	2	36	Y	Y	N
Charles de Gaulle	63.8	24	3	40	N	Y	Y
Hong Kong	63.1	34	1	63	Y	Y	N
Frankfurt	59.5	10	4	33	N	Y	Y
Amsterdam	54.9	9	3	39	Y	Y	Y
Toronto Pearson	41.0	23	4	8	Y	N	N
Vancouver	20.3	15	2	14	N	Y	N
Montreal	15.5	19	2	NA	N	N	N
Calgary	15.4	18	1	NA	N	N	N

The Canadian Global Cities Council is calling on the government to:

- Activate policies and a capital program to develop airport transit and multi-modal hubs, where volumes warrant.

CALGARY

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
CALGARY
INTERNATIONAL AIRPORT
(2015)

$8 BILLION GDP CONTRIBUTION

11% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

15 MILLION PASSENGERS

4TH BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

48K

5% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

EDMONTON

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
EDMONTON
INTERNATIONAL AIRPORT
(2015)

$1 BILLION GDP CONTRIBUTION

2% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

8 MILLION PASSENGERS

5TH BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

13K

2% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

HALIFAX

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
HALIFAX STANFIELD INTERNATIONAL AIRPORT
(2015)

$1 BILLION GDP CONTRIBUTION

8% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

4 MILLION PASSENGERS

8TH BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

13K

5% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

MONTREAL

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
PIERRE ELLIOTT TRUDEAU INTERNATIONAL AIRPORT
(2015)

$5 BILLION GDP CONTRIBUTION

3% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

16 MILLION PASSENGERS

3RD BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

54K

2% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

TORONTO

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
TORONTO PEARSON INTERNATIONAL AIRPORT (2015)

$35 BILLION GDP CONTRIBUTION

13% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

BUSIEST AIRPORT IN CANADA

41 MILLION PASSENGERS

AIRPORT EMPLOYMENT**

101K

3% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

VANCOUVER

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
VANCOUVER INTERNATIONAL AIRPORT (2015)

$5 BILLION GDP CONTRIBUTION

5% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

20 MILLION PASSENGERS

2ND BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

24K

2% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

WINNIPEG

Canada's airports are more than staging points for the departure and arrival of people and goods. They are strategic and economic infrastructure assets that significantly contribute to Canada's employment & prosperity.

ECONOMIC VALUE
WINNIPEG RICHARDSON INTERNATIONAL AIRPORT (2015)

$5 BILLION GDP CONTRIBUTION

3% OF CMA* GDP

CMA Numbers, Statistics Canada 2013

4 MILLION PASSENGERS

7TH BUSIEST AIRPORT IN CANADA

AIRPORT EMPLOYMENT**

19K

4% OF TOTAL CMA LABOUR FORCE

CMA Numbers, Statistics Canada 2013

The Canadian Global Cities Council is calling for airport policy reform to align Canada with global best practices, and for our international airports to be factored into transit infrastructure planning by all levels of government.

* Census metropolitan area (CMA)
** Direct & indirect employment

WORKS CITED

Clark, Greg & Moonen Tim. "The 10 Traits of Globally Fluent Metro Areas." Washington: Brookings Institution. October 2013. brookings.edu/research/the-10-traits-of-globally-fluent-metro-areas/

Conference Board of Canada. "The Economic Impact of the Air Transportation Industry in Canada." April 2013. cacairports.ca/sites/default/files/Docs_2013/CAC_Economic-Impact-Study_FINAL_April-2013.pdf

Dawson, Dennis and Greene, Stephen. "The Future of Canadian Air Travel: Toll Booth or Spark Plug?" The Standing Senate Committee on Transport and Communications. June 2012. parl.gc.ca/content/sen/committee/411/trcm/rep/rep05jun12-e.pdf

Department of Finance Canada. "Air Travel Demand Elasticities: Concepts, Issues and Measurement: 1." October 2008. fin.gc.ca/consultresp/airtravel/airtravstdy_1-eng.asp

Dobbs, Richard, et al. "Urban World: Mapping the Economic Power of Cities." McKinsey Global Institute. March 2011. mckinsey.com/global-themes/urbanization/urban-world-mapping-the-economic-power-of-cities

Garneau, Marc. "Speaking notes for The Honourable Marc Garneau, Minister of Transport - Transportation 2030." Chamber of Commerce of Metropolitan Montréal. November 2016. news.gc.ca/web/article-en.do?nid=1146799

Government of Canada. "The Blue Sky Policy: Made in Canada, for Canada." October 2016. tc.gc.ca/eng/policy/air-bluesky-menu-2989.htm

Government of Canada. "Canada Transportation Act Review - Report." February 2016. tc.gc.ca/eng/ctareview2014/canada-transportation-act-review.html

Government of Canada. "Transport Canada, National Airports Policy." February 2010. tc.gc.ca/eng/programs/airports-policy-menu-71.htm

Urban Strategies Inc. "Pearson Connects: A Multi-Modal Platform for Prosperity." February 2016. urbanstrategies.com/wp-content/uploads/2015/10/PearsonConnects_20160225.pdf

World Economic Forum. "The Travel & Tourism Competitiveness Report." May 2015. www3.weforum.org/docs/TT15/WEF_Global_Travel&Tourism_Report_2015.pdf

Founded in 2015, the Canadian Global Cities Council (CGCC) is a coalition of Presidents and CEOs of the eight largest urban regional Chambers of Commerce and Boards of Trade in Canada: Brampton, Calgary, Edmonton, Halifax, Montreal, Toronto, Vancouver and Winnipeg. Representing 52% of Canada's GDP and more than half of the country's population, CGCC collaborates on international and domestic issues impacting our regions' competitiveness.

WE ARE CALLING FOR AIRPORT POLICY REFORM TO ALIGN CANADA WITH GLOBAL BEST PRACTICES, AND FOR OUR INTERNATIONAL AIRPORTS TO BE FACTORED INTO TRANSIT INFRASTRUCTURE PLANNING BY ALL LEVELS OF GOVERNMENT.

globalcitiescouncil.ca

CHAIR

GREATER VANCOUVER BOARD OF TRADE	Edmonton Chamber of Commerce	The Chamber, The Winnipeg Chamber of Commerce	Calgary Chamber	TORONTO REGION BOARD OF TRADE	The Brampton Board of Trade Since 1887	The Chamber of Commerce of Metropolitan Montreal	HALIFAX CHAMBER OF COMMERCE stronger together
boardoftrade.com/ @BoardofTrade	edmontonchamber.com/ @EdmontonChamber	winnipeg-chamber.com/ @TheWpgChamber	calgarychamber.com/ @CalgaryChamber	Bot.com @TorontoRBOT	bramptonbot.com/ @BramptonBOT	ccmm.ca/en/ @chambremontreal	halifaxchamber.com/ @halifaxchamber