



Victoria Airport Authority

28 March 2003

**Canada Airports Act (CAA)
A Short Summary from the VAA Perspective**

The Minister of Transport introduced the Canada Airports Act into Parliament on 20 March 2003. This Act:

- I Provides a new, complex and legalistic process for the determination of airport fees and charges with the potential for costly appeals to the Canadian Transportation Agency.
- I Replaces the 1994 National Airports Policy under which the Victoria Airport Authority was created and the Airport was transferred to local control.
- I Provides economic regulation over and above the conditions contained in the Ground Lease between the Government of Canada and the Victoria Airport Authority.
- I Changes the focus of airport operators to supporting a national system of airports as opposed to local and regional economic development.
- I Provides additional obligations for airports to provide equitable access for air carriers for essential airport facilities.
- I Provides for the incorporation of airports under this Act rather than the Canada Corporations Act.
- I Limits the scope of airport authority activities to those prescribed by the Federal Government.
- I Provides a framework for corporate governance. The most significant change for Victoria is the reduction in the number of directors nominated from Regional Authorities and Municipalities from the current eight to a maximum of five, and the requirement for selecting bodies to nominate at least two individuals for each director's position.
- I Provides more onerous disclosure and accountability obligations for airport operators.

The Victoria Airport Authority has expressed opposition to this Act because:

1. It is unnecessary and costly regulation that purports to solve problems that simply don't exist at Victoria and other smaller airports.
2. It upsets a well established selection process for Board members.
3. It is a "one size fits all" Act which prescribes the same regulatory framework for large and small airports.
4. It adds unnecessary administrative and legal burden to an industry which is already experiencing a decline in passengers and is in dire financial condition. This is an especially serious problem for Canada's smaller airports and communities.
5. It does not address the principal problem affecting Victoria and other Canadian Airports – that is the excessive level of rent paid by VAA and other Airport Authorities to the Federal Government.
6. It misdirects the attention of Parliament from the issues and solutions which require urgent attention for the survival of the industry.

Action

- I VAA will seek leave to present its views on the Act to the House of Commons Standing Committee on Transportation.
- I VAA will seek the views of Stakeholders at its Annual General Meeting, 24 April.
- I Nominators are encouraged to express their views on this legislation directly to the Standing Committee on Transportation.

Reference:

Transport Canada Media Release – CLICK ON the following:

<http://www.tc.gc.ca/mediaroom/releases/nat/2003/03-h022e.htm>

Canada Airports Act – CLICK ON the following:

<http://www.parl.gc.ca/LEGISINFO/index.asp?Lang=E&Chamber=C&StartList=2&EndList=200&Session=11&Type=0&Scope=I&query=3366&List=toc>

VAA Media Release – CLICK ON the following:

<http://www.victoriaairport.com/press/release.asp?newsID=32>