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# Standing Committee on Transport, Infrastructure and Communities

EVIDENCE

**NUMBER 122**

Thursday, June 13, 2024

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Chair: Mr. Peter Schiefke





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• (1105)

[English]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I call this meeting to order.

Welcome to meeting number 122 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, April 16, 2024, the committee is resuming its study of the Competition Act and air travel in northern, rural and remote communities.

On avoiding audio feedback, before we begin, I'd like to remind all members and all other meeting participants in the room of the following important preventative measures.

To prevent disruptive and potentially harmful audio feedback incidents that can cause injuries, all in-person participants are reminded to keep their earpieces away from microphones at all times.

As indicated in the communiqué from the Speaker to all members on Monday, April 29, the following measures have been taken to help prevent audio feedback incidents: All earpieces have been replaced by a model that greatly reduces the probability of audio feedback. The new earpieces are black in colour, whereas the former earpieces were grey. Please use only the black approved earpiece. By default, all unused earpieces will be unplugged at the start of the meeting. When you're not using your earpiece, please place it face down on the middle of the sticker for this purpose that you will find on the table, as indicated. Please consult the cards on the table for guidelines to prevent audio feedback incidents.

Also, the room layout has been adjusted to increase the distance between microphones and reduce the chance of feedback from an ambient earpiece.

Of course, these measures are in place so that we can conduct our business without interruption and to protect the health and safety of all participants, including our interpreters.

Thank you all for your co-operation.

I'd now like to welcome our witnesses.

Colleagues, appearing before us from 11 to noon, we have, from the Department of Transport, Serge Bijimine, assistant deputy minister, policy; Jennifer Little, director general, air policy; Andy Cook, associate director general, civil aviation; and Vincent Millette, director, national air services policy.

Welcome to you all.

I will turn the floor over to you for your opening remarks.

You have five minutes, please.

**Mr. Serge Bijimine (Assistant Deputy Minister, Policy, Department of Transport):** Thank you, Mr. Chair.

To start, it's my birthday today, and I thought what better way to celebrate it than to come to TRAN.

**Voices:** Happy birthday.

**Mr. Serge Bijimine:** It might be a first in history.

**Mr. Scot Davidson (York—Simcoe, CPC):** Mr. Chair, it's my birthday too.

**Mr. Serge Bijimine:** Oh, happy birthday.

**Mr. Scot Davidson:** There's always common ground, right?

**The Chair:** We've lost control. That sets a record. We've lost control, and we're only two minutes in.

**Mr. Serge Bijimine:** Yes, two minutes. I'll grab a sandwich on my way out, too.

[Translation]

Good morning, everyone.

Thank you, Mr. Chair, for inviting me to speak today. It is my pleasure to join you and the honourable members of this committee.

I would like to begin by acknowledging that the land on which we gather today here in Ottawa is the traditional unceded territory of the Algonquin Anishinabe peoples.

My name is Serge Bijimine. I am the assistant deputy minister of policy at Transport Canada. I am pleased to be joined today by Jennifer Little, the director general of air policy, Vincent Millette, director of national air services policy, and Andy Cook, associate director general in safety and security at Transport Canada.

[English]

The issue of regional connectivity in Canada's air sector and its impact on rural, remote and northern communities is a very complex one with no easy solution.

We welcome the committee's initiative to undertake a study at this time. It is timely, it is needed and it will allow all of us to hear various views from different stakeholders as we continue to tackle this complex problem.

As we all know, the Canadian air sector is an enabler of economic activity and is vital to connecting people, businesses and communities across Canada from coast to coast to coast.

As we also know, Canada is a unique country when it comes to air travel. At almost 10 million square kilometres, we're the second-largest country in the world.

Compared with the United States and Europe, our population density is quite low, at just over four persons per square kilometre. The EU is at 106 persons per square kilometre, and the U.S. is at 34 persons per square kilometre.

In addition, the vast distances between smaller and remote communities in Canada can hamper regional connectivity as air carriers cannot always make these routes profitable. This is in contrast to communities in the U.S. and the EU, where many people live near a major population centre, distances between major cities are closer and demand is higher.

• (1110)

[*Translation*]

Canada's north offers even more challenges for air travel and connectivity. Less than one per cent of Canada's population lives above the 60th parallel, but this territory comprises 40% of Canada's land mass.

In most cases, there is not enough demand for travel to allow carriers to fill the number of seats needed to remain economically viable. This issue is of particular concern in communities which rely predominantly on air transportation. In addition, the pandemic eroded regional air services, and communities saw reductions in the level of air service.

[*English*]

Nevertheless, as a result of these challenges, the government stepped in during the pandemic to help address regional connectivity. This included more than \$140 million for the remote air services program and more than \$200 million for the regional air transportation initiative. The government also put in place terms and conditions for the Canadian North merger with First Air to ensure both airlines could survive and continue to serve northern communities. Quite simply, these efforts kept the industry afloat and attempted to maintain connectivity.

Further, the government continues to make investments in northern aviation through the airports capital assistance program, otherwise known as ACAP, and the national trade corridors fund, or NTCF. To date, the government has invested over a billion dollars towards over 1,000 projects at 201 regional airports and additional projects at northern airports.

While we are seeing more air connectivity than we did during the pandemic, important challenges remain. They just do. For instance, while Canada's top four airports and many of our mid-sized airports have recovered to near prepandemic levels, many smaller commu-

nities have not seen a rebound in demand. A lot of these communities are still at 30% or 50% of prepandemic levels. This is due to a number of factors, including a shortage of pilots, aircraft mechanics and other skilled labour.

To sum it up, connectivity, like competition, is a complex issue that is challenging and will require more effort—from government to industry and everyone in between—as we continue to move the needle in the right direction.

As the sector continues to evolve and emerge from one of its most consequential periods, continuing to explore various measures to increase connectivity will be key.

[*Translation*]

In conclusion, I would add that this committee's study comes at an opportune time, as Canada's air industry continues to recover, adjust and evolve.

That concludes my opening remarks. We are happy to answer any questions you may have.

Thank you, Mr. Chair.

**The Chair:** Thank you very much.

[*English*]

Colleagues, much to your joy, I have the yellow card and the red card once again in my possession to ensure equity. I will be raising the yellow card when you have 15 seconds left. The red card means your time is up. I ask that all of you do your best to look at me as much as possible while you're asking questions or responding to the questions.

It is now a pleasure for me to turn the floor over to Mr. Davidson.

Mr. Davidson, the floor is yours. You have six minutes for your questions, sir.

**Mr. Scot Davidson:** Good morning.

I want to thank Transport Canada officials for appearing here on the study of regional airports.

We know that there are significant issues that have led to small and regional airports like Buttonville closing. Instead of getting new airports built to fill that void, we are seeing very concerning negligence on the part of Transport Canada and the Minister of Transport.

The proponents of the Baldwin East Aerodrome have received approval from Transport Canada to dump thousands of tonnes of fill on protected wetlands under the guise of constructing an aerodrome, even though they have been charged with provincial offences relating to the dumping of contaminated fill. These proponents are currently subject to hearings under the Ontario Environmental Protection Act.

In a recent quote from the proceedings, “The modus operandi of Wilfred Goldlust appears to be to accept contaminated soil while suggesting to the generator that the waste will be disposed in an approved landfill then misrepresenting the waste as clean fill and depositing it on properties not approved to receive waste. Wilfred Goldlust frequently changes the names and/or locations of his companies and most recently appears to be using numbered companies as a front. While enforcement action is taken against his company, Wilfred Goldlust is uncooperative and prefers to fight the enforcement actions rather than addressing the matter.”

One of these companies is supposedly building an aerodrome in Georgina. I represent the great riding of York-Simcoe—the soup and salad bowl of Canada—where they clearly plan to dump fill and leave the land to ruin once they’ve made their money from tipping fees. Transport Canada is well aware of this. The Minister of Transport is well aware of it, and may I say, this is the second minister of transport whom I’ve dealt with on this issue.

He has been informed on numerous occasions—by the Government of Ontario, the municipalities, the FCM and the Chippewas of Georgina Island—about their limitations of enforcing their laws and bylaws with regard to federally regulated aerodromes. I’ll say that again: These are federally regulated aerodromes.

My question today to transport officials is this: Why has this project not been stopped, since it is clearly not in the public interest in my community?

• (1115)

**Mr. Serge Bijimine:** My group, the policy group, is not familiar with that project. What I could commit to doing is going back within the department, getting more information on the project and what Transport Canada has been doing with respect to the project, and submitting a written answer to the committee here, if that’s okay.

**Mr. Scot Davidson:** I thank you for that.

I want the committee to understand this, as do, I think, other members of Parliament here. We’re sent here to fight for our residents, and right now this is the government—the Minister of Transport—doing business badly for Canadians.

This has been an ongoing issue over three years. I have numerous articles here. In Durham, with regard to the Greenbank airport, that lawsuit exceeded.... The cleanup exceeded \$105 million for the Greenbank airport. This is an issue that has gone on in Tottenham and in Burlington. There are serious environmental concerns that Transport Canada is ignoring—flat out ignoring.

The frustrating part for me is that we’ve asked for the minister to appear, Mr. Chair, at this committee. Mr. Chair, can I clarify that there’s been no answer from the minister?

**The Chair:** We clarified at the previous meeting, I believe, that we have not received a response back with regard to his availability and confirmation of his attendance.

**Mr. Scot Davidson:** You are the Transport Canada officials whom I can communicate directly with to again stress how concerning it is for me that we can’t have the minister before the committee to answer for this.

Do you understand my frustration as an MP not being able to get answers and a decision made?

**Mr. Serge Bijimine:** We commit to bringing this back to the department and to briefing our minister as well.

**Mr. Scot Davidson:** I just want everyone here to understand that this is a regional airport study. I’m here today and I was hoping that Transport Canada officials could answer and have some sort of guidance for my residents on this issue. It was written after what happened in Greenbank, and the minister has used his power three times in the past to not allow construction of an airport, given that it is not in the public interest.

Mr. Chair, I see that I am out of time. I will pick this up on the next round.

• (1120)

**The Chair:** Thank you very much, Mr. Davidson.

Next we have Mr. Fillmore.

The floor is yours. You have six minutes, sir.

**Mr. Andy Fillmore (Halifax, Lib.):** Thank you, Chair, and thank you to our officials from Transport Canada. Thank you for your service to Canadians and the industries that support them.

I represent a harbour city, Halifax, where the national trade corridor fund has been deployed to great effect. I thank you for your involvement, if there is any, on that.

I want to turn the lens to the airline industry, particularly connecting to northern and remote communities, and how the national trade corridor fund has been applied there.

I wonder if you could just talk about which projects are under way and if there are future projects coming up through the NTCF.

**Mr. Serge Bijimine:** Certainly.

I’ll pass it on to my colleague, Vincent Millette.

**Mr. Vincent Millette (Director, National Air Services Policy, Department of Transport):** I don’t have the full list with me. That’s something we can commit to providing.

I can give a few examples of projects that were funded through the NTCF that were helpful with the connectivity in the north. They include the building of a warehouse facility in Iqaluit and the building of a warehouse facility in Ottawa to facilitate the shipment of goods in the north. There has also been the refurbishment of several runways in the north.

**Mr. Andy Fillmore:** Okay. I’ll just give a pause to make sure no one else wants to add anything. Otherwise, I’ll carry on.

**Mr. Serge Bijimine:** I can add a few more details, if that's okay.

In addition to what Vincent has said, I have some specific numbers, not specific projects.

Under the NTCF for airports, around \$400 million has been set aside. Also under the NTCF, 96 projects have been set aside for the north, which are valued at \$166 million.

**Mr. Andy Fillmore:** Thank you.

If you're able to provide the committee with a fuller list of what your colleague referred to, that would be helpful data for the analysts.

Turning away from NTCF, what other strategies are being considered by Transport Canada to improve the affordability and connectivity for residents in the north?

**Mr. Serge Bijimine:** We are looking at a wide range of measures. I think this committee is definitely key to looking at everything that could be around the table.

We're studying the U.S. model and also seeing what measures the U.S. has put in place that might be successful and might apply to Canada, or not.

We're looking at the same thing in the EU and we're looking at Australia. We're really taking a global approach on what some of the measures and initiatives are from around the world that could help Canada achieve better connectivity. We're definitely looking at that.

We're also quite interested in the Quebec program and what they've been doing in Quebec when it comes to connectivity. All the cards are on the table.

As I said, it's a complex issue, but we're exploring every avenue and figuring out what works and if it would work in Canada with affordability and cost benefit. All cards are on the table. We're really looking at this seriously and leaving no stone unturned.

**Mr. Andy Fillmore:** Thank you. I applaud you for looking elsewhere for solutions. If the wheel is already invented, that's great.

I'll turn back to Canada, our own experience and what we may have learned, for example, from the recent shutting down of Lynx Air, which clearly exposed the financial vulnerabilities of the smaller northern and remote carriers.

What lessons have we learned, would you say, from the Lynx Air case that we could change or do differently, moving forward, to better support the smaller carriers?

**Mr. Serge Bijimine:** There are a couple of things.

One, it was unfortunate that Lynx went out of business. Back in 2018, we did change the rules around foreign ownership. It went from 25% to 49%, with the caveat that no single entity could control more than 25% of a share. When we did that, we did see new entrants—Lynx and others—but we believe that the pandemic had a major impact on Lynx's ability to survive. They launched; the pandemic started, and as with all other airlines—but for a new entrant, even more so than for those already established—I think that proved to be quite a lot to take on in that period. When the recovery

started, they were in the position of having to make a business decision to stay or to fold, and I guess they made the decision to fold.

There are a couple of key takeaways from us and from our perspective with respect to what we're hearing.

Definitely, on the foreign ownership side, we made changes in 2018. We're continuing to look and see, but as a footnote, in the U.S., the foreign ownership is at 25%. In Japan, it's at 33%, and in Europe, it's at 49% as well. Foreign ownership changes may not be the solution, so we're really looking at different ways and different things we could do to make sure we provide the environment for these ultra-low-cost carriers to survive.

• (1125)

**Mr. Andy Fillmore:** Okay. Thank you. I have a feeling I'm out of time.

**The Chair:** You are indeed, Mr. Fillmore. Well done. Thank you very much.

[*Translation*]

Mr. Barsalou-Duval, you have the floor for six minutes.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

I would like to welcome the witnesses who are here today, starting with Mr. Bijimine, who I'd like to wish a happy birthday.

Mr. Bijimine, you said in your opening remarks that you think regional air transportation poses a complex problem for which there isn't necessarily an easy solution.

In this study and the previous one, we've heard from a lot of witnesses so far, and connections can be made between the two studies. The major point that came out of the testimony and that seems to be the consensus is the fact that the operating costs of air carriers in the regions are enormous and that this undermines their profitability.

The more costs are added to the operating costs, the more difficult it becomes for carriers to be profitable. Almost all the witnesses have said that regional air transportation is not a simple service whose problems can be solved only by following the user-pay principle.

Is that how you see the situation at the department?

**Mr. Serge Bijimine:** Yes, we certainly understand that regional transportation and transportation in the north present unique challenges. It's different from flying between Toronto and Montreal, for example.

We have programs in place to deal with obvious problems, such as the remote air services program. This program often enables us to provide assistance to the communities.

[*English*]

We provide funding for airplane strips to allow planes to land.

[*Translation*]

It allows a number of communities to have access to flights in their region.

We also try to strike a balance between protecting passengers, by applying the air passenger protection regulations, and the burden on small carriers, which must not be undue.

When it comes to small carriers, booking changes and refunds, for example, fall into a new category. There are several ways in which we try to distinguish between large and small carriers.

We also have specific programs for the north and the regions.

**Mr. Xavier Barsalou-Duval:** There may be existing programs, but they don't seem to have been successful enough. It doesn't seem to be a success, since it seems that the situation in the north is still critical. I suppose more can be done.

The question I'd like to ask you was raised earlier by a colleague and has to do with why the minister isn't here. You're here representing the Department of Transport. However, Mr. Rodriguez didn't respond favourably to the committee's invitation.

Did the Minister of Transport tell you why he didn't want to testify before the committee?

• (1130)

**Mr. Serge Bijimine:** No, he didn't. I think it's because of his extremely busy schedule. I'm sure that if he had been able to come and testify before the committee, he would have done so. I can see how busy he is. He is also the political lieutenant for Quebec.

**Mr. Xavier Barsalou-Duval:** He is indeed the political lieutenant for Quebec. A task force on air transport has been set up by the Government of Quebec, and the federal government was invited to participate in its work. However, he's not at the table. Yet it's a federal responsibility.

Do you know why the minister's office decided not to participate in the Quebec initiative?

**Mr. Serge Bijimine:** What I can say on that is that there are two task forces.

First, there's the Council of Ministers, which brings together the ministers of transport of all the provinces and territories. They discuss all the issues you've raised. These issues are of great concern to Quebec, which shares solutions with other provinces. So there's a forum that brings other people together. Quebec is present at the Council of Ministers.

Second, deputy ministers meet quite often to discuss issues such as regional connectivity and the recovery of the air sector.

**Mr. Xavier Barsalou-Duval:** Whatever the case may be, all the people around the table, who represent, for example, the Alliance de l'industrie touristique du Québec, the Union des municipalités du Québec or Quebec airports, would like to be able to speak with federal representatives. If the federal government were at the table, it would help everyone better understand the limitations or challenges at the federal level. Just because the federal government is at the table doesn't necessarily mean that it's committed to doing exactly

what some of the stakeholders are recommending. However, it allows for a dialogue.

I get the impression that Quebec is working on its own and that the federal government is somewhat interested in what's happening there. In any case, it's more or less present. This doesn't seem to show that the federal government is proactive in matters that affect Quebec.

**Mr. Serge Bijimine:** I think we're proactive on issues that affect Quebec. In addition to the forum, bilateral meetings are held with Quebec representatives to discuss problems in the airline industry. We meet not only with people from the province of Quebec, but also with stakeholders in the Quebec airline industry. The minister is in constant contact with airlines, such as Air Transat and Air Canada, as well as with representatives of the Montreal and Quebec City airports, and so on.

**The Chair:** Thank you very much, Mr. Barsalou-Duval.

[*English*]

Mr. Bachrach, the floor is yours. You have six minutes, sir.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair

Welcome back to the committee, Mr. Bijimine. Happy birthday.

Welcome to your colleagues as well.

This issues of regional connectivity and affordability are ones that really affect folks in the region I represent, as you well know. In your opening remarks, you talked a bit about the trend since the pandemic. Obviously, the pandemic was very challenging.

On the longer-term trend, when it comes to connectivity in Canada, does Transport Canada have a line of sight on what that trend has been, particularly since deregulation in the 1980s? Have rural communities in Canada received greater service from the air sector since deregulation?

**Mr. Serge Bijimine:** We could definitely come back to you with a paper that provides the specifics on what you've asked, which would be from the eighties to this point now. We could do that.

On connectivity, more recently—for the pandemic and postpandemic—we are tracking it. When we track it, we're looking at the number of flights from and to communities, the number of available seats to those communities and the number of new destinations from those communities. We're tracking all of those very closely, and reminding our air sector and air carriers that maintaining a reasonable amount of connectivity is key, especially in Canada.

**Mr. Taylor Bachrach:** My understanding is that since the pandemic, the recovery has been proceeding rather slowly. Some communities are doing better in the recovery than others, but I'm interested in whether Transport Canada even has a sense, looking at the past 10 years, if communities are seeing better connectivity in Canada, or are you working so hard on this because the trend is going in actually the opposite direction? Certainly, anecdotally, in the communities I represent, there are a lot of examples of communities that are seeing less service than they had 10 years ago.

In the community I live in, 10 years ago there were two airlines, each with two scheduled flights per day to Vancouver. Now there's one airline, and for parts of the year, there's only one scheduled flight per day to Vancouver. There's been a significant reduction in service. Other communities have seen the same thing. Overall, is the trend going in the wrong direction? Is that why Transport Canada is seized with this issue?

• (1135)

**Mr. Serge Bijimine:** We are seized with it. I think what you've just said—

**Mr. Taylor Bachrach:** It's more the previous question, Mr. Bijimine: In which direction is the trend going?

**Mr. Serge Bijimine:** What I was going to say is that we're seized with it.

The way you've described it basically is exactly what we're seeing. It's not a uniform connectivity happening. There are certain places that are experiencing more connectivity and other places that are experiencing less connectivity. It just hasn't been a balanced approach.

We would be happy to look at very specific communities in answering that question, but it hasn't been one size fits all. There have been some communities that have been, and are being, more connected, and there have been other communities that frankly have lost connections.

**Mr. Taylor Bachrach:** Is it a similar mixed story when it comes to affordability? I ask because of course that's the other aspect of this challenge. It's not just connectivity; can people afford the flights that are being offered?

**Mr. Serge Bijimine:** That's another good question as well.

I think the question you're asking here, if I understand, is whether the plane tickets have been going up or down in the last 10 years. We're happy to provide that specific as well. I don't have the numbers here with me, but I'm happy to provide you with that specific—

**Mr. Taylor Bachrach:** Mr. Chair, could we just note that this information would be super-valuable for this study? If Mr. Bijimine would be willing to provide it, that would be great.

Yes, certainly the observation is that in communities where a monopoly exists, the airlines seem to be able to charge whatever they figure the maximum is that people would be willing to pay, and we see that the cost of flights in small airplanes for short distances is exorbitant in many cases.

I'm curious. In Transport Canada's view, what is the main approach by which we can achieve affordability for air travellers in

rural communities? There are different options, different tools and different approaches. After deregulation, I think the promise was that increased competition was going to deliver this panacea of affordable airfare. It hasn't really done that in very many places in rural Canada.

What are the other options?

**Mr. Serge Bijimine:** I think that through this committee and the witnesses you've heard.... We've read the witnesses' proposals, including interlining and various other potential solutions.

Our commitment, as I said, is that we're here to understand more and learn more, which will then allow us and help us to do our policy work to come up with some recommendations.

I totally agree. Connectivity and affordability in Canada are issues that need to be tackled. They're not easy ones. It's a complex solution, but we're committed to looking at it, we have been looking at it and we'll continue to do so.

**Mr. Taylor Bachrach:** What's the timeline for that work?

You've indicated that you're listening to the committee and then you're going to be making recommendations, presumably to the Minister of Transport. When can Canadians expect some sort of regulatory or policy change that will drive affordability and connectivity?

**Mr. Serge Bijimine:** I don't have a timeline per se at the moment, but I can commit that we're hard at work, and our hope is to get this work done as quickly as possible.

**Mr. Taylor Bachrach:** Okay.

**The Chair:** Thank you very much, Mr. Bachrach.

Next we have Mr. Davidson.

Mr. Davidson, the floor is yours once again. You have five minutes, sir.

**Mr. Scot Davidson:** Thank you, Mr. Chair.

Just to pick up where I left off, it's nice to see that you're listening and that action will be taken.

We're talking about economic viability in rural Canada. What was shocking to me about wanting to construct an aerodrome in Canada was that Transport Canada does not look at any economic viability or a business case for an aerodrome. That was outright shocking to me.

There are two other things that should be concerning for the members of this committee. Transport Canada—think about this, in the age we're in now—approved an aerodrome site for two runways that do not point in the direction of the prevailing wind. They're to be constructed at 991 metres. That's 3,250 feet. Why would that be concerning to Transport Canada? Well, it's because anything over 1,000 metres requires a federal economic assessment. Both these runways were approved at 991 metres. My spidey senses go off right away: Why would that be?

The other thing that I think our officials here would understand is that if you were building a new airport, surely if Transport Canada looked at economic viability, you would want a runway at 5,000 feet. Would you not agree?



• (1140)

**Mr. Serge Bijimine:** It depends on a number of factors.

**Mr. Scot Davidson:** Well, I think the factor, if I may say so, is that if I built a new runway, I would want an ILS, and 5,000 feet is the minimum for an ILS. The proponent said they were going to use a Buttonville NDB. It's my understanding that the federal government is actually decommissioning NDBs. Is that not correct?

**Mr. Serge Bijimine:** I'll turn it over to my colleague Andy.

**Mr. Andy Cook (Associate Director General, Civil Aviation, Department of Transport):** I can speak to that.

First of all, thank you for the question.

There is a trend across Canada to decommission NDBs, non-directional beacons, as ground service or ground navigational aids.

What's being used as a replacement or as an alternative is, to a large extent, global navigation systems, space-based systems, which are much more accurate.

Non-directional beacons imply all kinds of errors. My experience with them as a pilot is that if you dip the wings of your airplane, it changes the angle you're pointing towards the non-directional beacon—

**Mr. Scot Davidson:** I appreciate that, Mr. Cook. I just have limited time.

I think a reasonable person would want to ask questions. If you were building a runway under 5,000 feet at 3,200 feet, 100 feet short of triggering an environmental assessment; not looking at having an ILS put in place; looking at using an NDB when they're being decommissioned; and the runway is not pointed in the prevailing wind direction, I think for you, being a pilot, that would be a head-scratcher.

Would that be a reasonable assessment?

**Mr. Andy Cook:** I would say that on a very short runway like that, an ILS is an instrument landing system, an instrument approach that is typically not used as much by general aviation aircraft to the same extent as other aircraft landing on those very short runways, so there may not be a business case for it.

I don't have specifics on that aerodrome in question, but I'm sure that if we could get the specifics of that particular aerodrome, we could get back to the committee in a timely fashion with the response.

**Mr. Scot Davidson:** I appreciate that. I'm just saying that if I were building a new airport, those are the things that I'd be looking at if I were Transport Canada. It would not be to utilize a back-course localizer or an NDB; I would be looking to build an airport to make an economic case for it. Transport Canada does not look at any of those things. That was shocking to me.

This committee has heard about issues in the Arctic related to planes not being able to land on gravel runways in the far north. Talking about economic viability and Canada's sovereignty, this is obviously a concern for consumer air travel as planes with those capabilities are phased out.

What about the Royal Canadian Air Force? How can we ensure our Arctic security and sovereignty when our planes can no longer land in the north?

Mr. Cook, you know that the Boeing 737-200 is the only aircraft for which you can have a gravel kit. They're going to be phased out. This committee heard testimony here about gravel runways in the north. It has now become very concerning, and very concerning for food costs. The Government of Canada has just purchased F-35s that cannot operate on gravel runways at all.

I'm out of time, Mr. Chair.

**The Chair:** I'll give you 15 seconds to pose the question. I think it's a good one.

**Mr. Scot Davidson:** Where are we with the Arctic and aluminum runways? Maybe you could let us know.

**Mr. Andy Cook:** Thanks for the question.

Through you, Mr. Chair, we are working actively with the alternate services group. I believe you had a representative who is a proponent of aluminum runways speak to you very recently.

There are various types of alternate surfaces. Transport Canada approved the use of thin bituminous surfaces, which is largely a Saskatchewan issue, as an alternate hard runway surface. We're working with industry. We understand the importance and the need for aircraft to land in the north. I'm pleased to say, as an RCAF veteran, that I've landed on gravel runways many times in a C-130 Hercules.

The C-17 Globemaster, the very large transport aircraft, is approved for that as well, or at least it was when I served.

• (1145)

**The Chair:** Thank you very much, Mr. Cook. Thank you, Mr. Davidson.

Next we have Mr. Badawey. The floor is yours for five minutes, sir.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Mr. Chairman.

I want to take this opportunity to thank Mr. Davidson as well for asking those questions. The whole purpose of this study is to look at how we can be more productive with respect to the testimony that we're receiving from the witnesses. We're fortunate today to have witnesses who have flown before, as well as from Transport Canada, which has been on this issue for quite some time. When the report is actually generated from the testimony that's received by the analysts, I'm sure that the minister is going to come back with his department and his team and with lots of recommendations on how we move forward.

Specific to Mr. Davidson's comments, I understand some of the situations he's finding himself in in his riding, especially as it relates to remediation and looking at doing site-specific risk assessments, and then working with the province as well with respect to assessments and finding out what those PPM levels are—those parts per million levels—and different options related to remediation, and also working with other partners such as the communities to achieve the same.

Getting a bit more granular on the assessments with the aerodrome, my first question is to Mr. Bijimine with respect to whether the committee would be expecting, in the response to the minister, further information as it relates to the aerodrome.

**Mr. Serge Bijimine:** Definitely. The question's been posed, and we will look at it and try to find as much information as possible. I'm not personally aware of it, but I will commit to finding out within the department who is and to providing the information that we find.

**Mr. Vance Badawey:** That's great. Thank you.

Mr. Cook, with respect to the gravel runways, are we to expect some information relative to that? I'll take it a step further, to information that would then address Mr. Davidson's concerns.

**Mr. Andy Cook:** Thanks for the question.

Through you, Mr. Chair, we're working actively with the industry and the stakeholder group that is proposing the use of alternate runway surfaces. We understand very much the need for aircraft to service the north and are very much aware of the issue that Mr. Davidson raised with respect to the Boeing 737-200.

There is an issue that requires both certification of the runway surface type and also certification of the aircraft itself to land on those runway surfaces. That requires involvement from the original equipment manufacturers and occasionally can necessitate additions to the aircraft manuals that permit the flight.

So far, OEMs have not indicated a willingness to look at that side of the issue in great detail, but we are working with them actively. It is a very important issue that needs to be addressed in order to continue to permit the safe operation of air assets in the north.

**Mr. Vance Badawey:** I'll preface my next question by stating—and I apologize for being repetitive—that this is why we're here. Putting the politics and the partisanship aside, we're here to get the job done. Regardless of where or what side of the table those concerns come from, the expectation is that the testimony that's received by the analyst comes back in a report, and with that it moves on to your team, and then the minister responds with the recommendations from what we then hear from the witnesses' testimony. Again, the reason we appreciate so much your being here directly is that in that way we can hear first-hand some of those concerns and some of those issues.

My last question, and I'd like to give you some time for answering, is with respect to what I brought up at the last meeting about trying to leverage, I guess, a whole-of-government and all-in approach to transportation in the north. Yes, we're talking about air, but there's also the possibility of multimodal and intermodal services for the movement of people and goods. Of course, I say "leverage", because it's the same cost, the same method of trans-

portation that might be accrued over time based on what's available in those individual jurisdictions.

Again, can we expect, when we get the recommendations back from you, based on what you hear from us, that it's not just going to be about air, but the possibility of leveraging those capital and operational expenditures to include an all-in approach to moving people and goods so that, as Mr. Davidson mentioned earlier, we'll also see efficiencies based on the transport of not just people but also goods, such as food, into the north?

• (1150)

**Mr. Serge Bijimine:** Thank you for the question. I definitely agree.

I think the solution will require everything you just mentioned. It will require efforts and partnership with a range of parties across the ecosystem. The federal government will need to play a part, as will provincial and territorial governments and, potentially, some municipalities, airlines and airports. It's about a lot of levers in different places.

A study like this helps bring everything under one roof. I'm definitely looking forward to the recommendations of the committee—and what the response of Transport Canada will be.

**Mr. Vance Badawey:** Thank you.

**The Chair:** Thank you, Mr. Badawey.

[*Translation*]

Thank you, Mr. Bijimine.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Mr. Bijimine, I want to talk to you about something else. During their testimony, the representatives of the Union des municipalités du Québec mentioned that the airports capital assistance program seemed to be very inadequate and that the amounts had not been indexed for about 20 years. They found that they stayed the same year after year. The program envelope is about \$40 million, which makes it possible to renovate approximately one airport per year.

I would like to know whether you're aware of the inadequacy of this program. There isn't just one airport in the country. Perhaps you could tell us how many there are, but I'm sure there are many.

**Mr. Serge Bijimine:** Yes, there are many. I'll start answering the question while my team looks up the exact number of airports in the country. I know there are 26 that are part of the National Airports System, but there are several that are not.

You're certainly right. We would like the airport capital assistance program enhanced to allow more projects to be carried out. We'll continue to look for opportunities to replenish the funds. It's always better to have more, no doubt, but at the moment we're trying to fund as many projects as we can and work with what we have.

To answer your question, there are 300 airports in Canada.

**Mr. Xavier Barsalou-Duval:** Thank you.

I'd like to raise another point.

Representatives of the Union des municipalités du Québec and others who have appeared before the committee or who also advocate this policy would have liked to see a review of the existing legal and regulatory framework. They'd like to see local initiatives to serve regions through calls for tenders or a governance system, as is done for bus transportation, for example. The idea would be to give greater flexibility to the regions that want to take charge of their own regional air transport needs.

Is the department aware of that? Is it open to the idea of amending the legal and regulatory framework to allow such initiatives in the future?

**Mr. Serge Bijimine:** I, personally, am not aware, but someone on my team may be.

**Mr. Vincent Millette:** There are initiatives in some regions, such as the Atlantic provinces, where a group has been set up to find solutions to their regional connectivity problems. It had consultants do studies and has issued a request for proposals to attract regional air carriers.

**The Chair:** Thank you very much.

Thank you, Mr. Barsalou-Duval.

[English]

Next, we have Mr. Bachrach.

Mr. Bachrach, the floor is yours for two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Mr. Bijimine, we've heard some statements made by airlines about air passenger protection regulations, so I'll ask some questions on that front.

My questions are more about how the regulations treat passengers who make complaints. As you know, this is a long-standing concern of ours.

Recently, we heard stories from passengers who are no longer being told by the CTA where they stand in the queue. At one point, when you made a complaint, the CTA would tell you that you were complaint number 20,337 or 60,592, or whatever your spot was in the queue. That's no longer happening.

Are you aware of this?

• (1155)

**Mr. Serge Bijimine:** I am not aware of it.

This is under the purview of the Canadian Transportation Agency. They are responsible for receiving the complaints and for man-

aging and adjudicating those complaints, so I feel the question would be better answered by my colleagues at the Canadian Transportation Agency.

**Mr. Taylor Bachrach:** I guess this is the difficulty. The CTA also has a connection to Transport Canada, and we have certainly asked Transport Canada other questions about air passenger protection regulations. The minister is ultimately responsible for these regulations, because he wrote them, with the help of your department, and the regulations are not serving passengers.

I just talked to a fellow the other evening. He made a complaint, went through the lengthy complaint process and came out the other end. The CTA actually awarded compensation in his favour. Air Canada had until April to pay the compensation, and they still haven't paid. That was as of this week.

What is the government doing to ensure that the airlines actually pay the compensation that they are ordered to?

**Mr. Serge Bijimine:** In full transparency, the complaint process is a challenge, and there are a lot of challenges around the complaint process.

I believe my colleagues at the Canadian Transportation Agency have been working around the clock to try to make improvements, but more improvements are needed.

However, I definitely would prefer to not step in their zone and on their turf and what they do and how they operate. I would really prefer the question to be answered by the committee.

**The Chair:** Thank you. Thank you very much, Mr. Bachrach.

Next we have Mr. Muys.

Mr. Muys, the floor is yours. You have five minutes, sir.

**Mr. Dan Muys (Flamborough—Glanbrook, CPC):** Thank you, Mr. Chair.

You indicated pilot shortages, mechanic shortages and a number of shortages that are problematic, particularly in northern and remote circumstances. During the pandemic and following the pandemic, there was an incredible backlog in getting medicals for pilots. In fact, we have heard about pilot schools that had to close down. I certainly had a number of constituents call my office where we were trying to get those medicals.

Has that been remedied? If so, what lessons have been learned? I mean, it's an unacceptable delay. It's an unforced error. How do we fix this?

**Mr. Andy Cook:** Thank you for the question.

This is a great opportunity to set the record straight. There isn't actually a backlog of files for medicals; there is a queue of complex medical cases.

Right now the regulations require that medically fit pilots have their medical applications processed within 40 business days. That happens in almost every single case. I think it's important to underscore that 75% of pilots who are going to civil aviation medical examiners or doctors to have their medicals reviewed are processed on the spot in the doctor's office.

The ab initio applications for new pilots have to come through our headquarters, and all pilot applications who are fit are processed within the 40-business-day standard.

**Mr. Dan Muys:** Is that just recently, or has that been the case? I reject your analysis, because that's certainly not what I have heard.

**Mr. Andy Cook:** It is not a recent trend. What you referred to as a backlog is a queue of approximately 5,000 to 6,000 files that are awaiting processing, but those files are driven by the complexity of the medical cases.

**Mr. Dan Muys:** Would you not suggest that 5,000 to 6,000 is a large number? I mean, it's almost as bad as APPR.

• (1200)

**Mr. Andy Cook:** It is a large number, but it's important to put that number in context. Those cases are complex medical cases that would otherwise not meet the medical standards. These are pilots who could otherwise be considered unfit but for whom the minister is trying to exercise discretion to get those pilots flying. Often that requires medical diagnostic tests for which there are intersections with provincial health queues, and so on and so forth, and intersections with specialists who have to assess them.

That complex case queue is a number of cases on which the minister is trying to exercise discretion to get those pilots flying, but it takes time.

**Mr. Dan Muys:** Okay. Thank you.

What is Transport Canada doing in terms of the high cost of flight training for aspiring pilots? I have certainly talked to some who are in flight school in my constituency, and I know others have too, and there's a burden.

Are there any initiatives under way to help alleviate that? That's an impediment to the pilot shortage.

**Mr. Andy Cook:** Thanks for the question. I can take that one as well.

Through you, Mr. Chair, we are working extensively in civil aviation. Although our mandate is mostly aviation safety, we're working with stakeholders to try to come up with solutions that can be mutually beneficial.

You're right that there is a very high cost to obtaining an airline transport pilot licence in Canada. It takes many years, because there's a sequence of licences that have to be gone through first, and experience needs to be acquired.

I can say that some airlines in Canada—I don't want to name any specific operators—are working on what is called a cadet program to partner with training institutions in provinces, and that offers a lot of promise. It is a challenge, and we are very willing to work with stakeholders and partners to try to address the issue.

**Mr. Serge Bijimine:** I'd like to add a little bit to what Andy just said.

According to our current research, the demand for pilots in Canada is around 2,500 each year. We're potentially looking at a shortfall of close to 10,000 pilots by the end of this decade. The studies and the cost of the studies has been mentioned as a roadblock, and we totally understand that.

We have begun work with partners in other departments—ESDC, for instance, and IRCC—as well as with provinces and territories, which do receive federal funding for training. We're looking at different ways and trying to work with provinces to make some of this pilot training eligible for their provincially run—

**Mr. Dan Muys:** Let me cut you off so I can get one more question in.

**Mr. Serge Bijimine:** —pilot training program.

**Mr. Dan Muys:** Then there's slow progress.

Flight duty regulations are an impediment to operating in the north and remote areas, which adds some challenges. Is Transport Canada doing anything to address those?

**Mr. Andy Cook:** We are looking at the flight duty regulations, but it is important to underscore that the flight duty regulations that were promulgated, announced in 2018, and implemented in 2020 and 2022 are designed to make pilots less fatigued in flight. Fatigue is an impairment. I've personally flown on long missions, and anything that can reduce the amount of time a pilot spends in the cockpit makes a pilot safer.

**The Chair:** Thank you very much, Mr. Muys.

Thank you, Mr. Cook.

Next and finally, for our first round, we have Mr. Rogers.

Mr. Rogers, the floor is yours. You have five minutes, sir.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thanks, Chair.

Chair, before I pose questions to our panellists today, I would like to move a motion that I put on notice on June 6. I'll read it into the record:

That, pursuant to Standing Order 108(2), the committee undertake a study examining the value of regional development agencies in Canada and their impact to the quality of life in Canadian cities and communities; that the committee invite witnesses with specific knowledge of the work of the regional development agencies; that the committee allocate a minimum of seven meetings to this study; that the committee report its findings to the House; and that pursuant to Standing Order 109, the government table a comprehensive response.

Mr. Chair, if I could speak to that motion, first I want to say that the importance of the Atlantic Canada Opportunities Agency in Atlantic Canada is immense. I was astonished to learn that John Williamson, a Conservative colleague, said, and I quote, “no Atlantic MP is prepared to make the tough but necessary case that regional development agencies hurt the development of local economies in the long run.”

Not only did Mr. Williamson write this, but Conservatives last December repeatedly attempted to cut RDA funding to reduce funding of almost every RDA program to \$25,000. Now, Mr. Chair, that to me is astonishing and appalling. When I think about the Atlantic Canada Opportunities Agency, which was established back in 1987, and the amount of work it's done in the Atlantic provinces, I could speak to this for hours.

I certainly can speak about Newfoundland and Labrador and what it's meant. When this agency was introduced, it was done because there was a very difficult and sluggish economy in Atlantic Canada. Things were really tough. This organization has achieved immense benefit, brought immense benefit to Atlantic Canada, and the other RDAs that have been structured since are really modelled after what the Atlantic Canada Opportunities Agency has done and achieved.

When I think about economic value and the important part that it brings to the life of small businesses and communities in rural Atlantic Canada, I could talk about the Burin Peninsula, for example, and the amount of work and the dollars that have gone in there to establish Grieg's sea farms as a major employer and contributor to the economy. I could talk about the Bonavista Peninsula and the work it's done for providing support to establish a UNESCO geopark designation that is supporting 25 communities and driving tourism in a very positive direction. I could talk about the money and the funding and support it's provided to municipalities in Newfoundland and Labrador, many of them very small places that depend heavily on ACOA, as we commonly reference that organization, and the kind of work that it supports for small towns in rural Newfoundland and Labrador and rural Atlantic Canada. We could talk about the provincial organizations like the Newfoundland and Labrador Snowmobile Federation, which is a major winter tourism driver, or talk about Hospitality Newfoundland and Labrador, a major tourism organization, and we can also talk about the positive impact it's had for the fishing industry and other industries in terms of export trade and the kinds of things that are happening.

Mr. Chair, I wanted to introduce this motion and suggest that we do a very comprehensive study to point out the value of this organization in Atlantic Canada and the other RDAs across the country. It's not just about ACOA; it's about the seven regional development agencies across the country, albeit some of them are practically new, like the one in B.C., for example, or some of the ones in western Canada.

• (1205)

Nevertheless, the study would be an opportunity to inform and remind Conservatives of the work done by these RDAs, which I credit with changing the economy in Atlantic Canada since 1987.

Mr. Chair, I'll leave it there.

**The Chair:** Thank you very much, Mr. Rogers.

I have on the list right now Dr. Lewis, Mr. Badawey and Mr. Muys.

I see your hand up, Mr. Strahl. Is that to speak, sir? Perfect. Okay.

We'll turn the floor over to Dr. Lewis.

**Ms. Leslyn Lewis (Haldimand—Norfolk, CPC):** Through you, Chair. I'm concerned about the relevance of this particular study to this committee. Mr. Rogers spoke about the connections between fishing, export and trade, issues that really could be better studied within another committee.

I'm also concerned about the particularities of the nature and scope of the motion. The term “value” is so vaguely described that I don't see the connection to this committee per se.

Also, there are vast regional differences among different regions. When you look at the regional development agencies, you see the Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, the Canadian Northern Economic Development Agency, the Federal Economic Development Agency for Southern Ontario, the Federal Economic Development Agency for Northern Ontario, Prairies Economic Development Canada and then Pacific Economic Development Canada. I've listed seven agencies. The motion is calling for a minimum of seven meetings.

Given the comprehensive nature of these different regional development agencies, many of which are dealing with issues that are not even related to this committee, I would submit that this motion has been brought improperly before this committee. It's the wrong committee. The depths that would be required in order to explore the vague definition of “value” across these various agencies would probably take up our entire year of study within this committee.

Those are my submissions.

• (1210)

**The Chair:** Thank you much, Dr. Lewis.

Before we continue, do I have agreement from committee members to thank the witnesses for their time today and ask that they be excused?

I see no objection. Thank you so much, witnesses. You may leave the room now at your pleasure.

Next on the list, we have Mr. Badawey. The floor is yours, sir.

**Mr. Vance Badawey:** Thank you, Mr. Chair.

I have a very polite reminder to members of the committee that this committee isn't just about transport. It's about transport, infrastructure and communities. I find it refreshing that we're looking to embark on a study for something other than transport and infrastructure. We're concentrating on communities.

That said, I recognize that the Conservative Party of Canada has an appetite to eliminate RDAs and with that the investments made in communities with respect to their corporate strategies. As partners in areas such as tourism, economy, social aspects and the environment, RDAs have made very specific investments throughout the years. One just made an investment in my riding for two wineries in the City of Port Colborne. They have been very well received.

Of course, it's to leverage a lot of the investments the communities are making. Without that opportunity to leverage, they simply wouldn't be able to do it. RDAs have become a much-needed partner for municipalities, communities and different organizations to get those works under way, and for looking at the strategies they have in place to accomplish that.

You know, when I look at the different funds that are available, not just from RDAs, Mr. Rogers' motion also looks at a whole-of-government approach. It's about getting dollars to these projects, not just through a regional development agency or FedDev but also through other avenues, such as the NTCF. There are many funds from many different departments at the federal level.

The Canada community-building fund is another one. That also offsets what would otherwise be placed on a property tax bill or a water bill. We are not only getting projects off the ground through RDAs but also eliminating the need to go to property tax payers and wastewater ratepayers. We get them off the ground through partnerships, once again, with the federal government.

Again, I want to remind members that this motion is very critical. It attaches itself to a third component of this committee's responsibility: communities, on top of infrastructure and transportation.

Another point I want to make is relevant to the study we're speaking about today. A lot of questions were asked about the how and the what with respect to rural airports. Mr. Davidson brought up some thoughts about remediation on properties and other costs attached to the study we're discussing today. A lot of that funding can come from that whole-of-government approach, whether through an RDA, FedDev or another department. It gives us an opportunity, once again, to get those projects off the ground.

The last thing I'll say, Mr. Chair, is this: RDAs and the investments they make lend themselves to the other two areas of this committee, which are transportation and infrastructure. When we look at projects, we see that they need capacity. It's no different from identifying an official plan in a community and a secondary plan that would attach itself to give that official plan the capacity it needs—whether it be water, waste water, roads, sidewalks, gutters or parks. The list goes on. It's any growth-related cost.

This study will attach itself to that as well. It will attach itself to the capacity needed for those projects. Some might in fact be transportation-related, like the study we're talking about right now. Some might be infrastructure-related—roads, water, sewers, parks or even other somewhat abstract costs, such as policing, community services and public health. The list goes on.

By the way—I'll repeat myself—this would otherwise be picked up by a property tax payer or a wastewater ratepayer through water bills.

I think this study is very relevant to the community aspect. Look at many of the issues, projects and so on and so forth that we've been discussing for the past nine years. Attach the community aspect to this. Give full respect to community strategic plans and being a partner in helping fund, through RDAs, those strategic plans, and therefore take the emphasis off the property tax payer and the water and wastewater ratepayer and get the projects done. They get the job done.

• (1215)

How many municipalities, Mr. Chairman, do you talk to that are under an infrastructure deficit right now, not only trying to maintain and manage the assets they've had and have, but also trying to move forward an agenda that moves the community well into the future, leverages existing and new economic development and creates a better lifestyle for its residents? That is this committee's mandate—transport, infrastructure and communities.

I congratulate the member for bringing this motion up. I congratulate you, Mr. Rogers, because not often does this committee actually delve into the community aspect of our responsibility and our mandate while at the same time attaching itself to the capacity needed with respect to transportation and infrastructure that adds to some of those strategies you're talking about through the RDAs.

Last, I'll say this: It's about leveraging. It's about leveraging the dollars that the Minister of Transportation and the Minister of Infrastructure would otherwise be asked to provide, and leveraging that with the RDAs.

Excuse me, Mr. Muys, I heard that. That was not called for. It's not bullshit. This is what we're dealing with in this committee. Choose your words wisely, please.

I congratulate Mr. Rogers because this is about leveraging too. It's not asking one minister and it's not asking two ministers. It's asking three or four ministers to delve into their pockets to provide funding for a myriad of different projects. That's leveraging. That's partnership. That's being fiscally responsible, and it's also being a partner with the municipalities to help satisfy the corporate strategies they're putting forward on behalf of their residents.

Thank you, Mr. Chairman.

**The Chair:** Thank you very much, Mr. Badawey.

Next we have Mr. Muys, followed by Mr. Barsalou-Duval.

Go ahead, Mr. Muys.

**Mr. Dan Muys:** I can speak only from the perspective of southern Ontario and the Federal Development Agency of Southern Ontario. I won't pretend to speak for ACOA or other regional development organizations.

However, I do know that during the Harper government, there were many good investments by FedDev throughout southern Ontario, many in my constituency that I can recall, including in clean water tech, among other things.

Recently I'm recalling that about a month ago, there was the news release from FedDev Ontario for the investment of \$1.7 million in a pasta maker in Vaughan to create 10 jobs. That's \$170,000 per job. I would submit that those are not the jobs of the future. I'm not sure how this alleviates the property tax payers of Vaughan. I'll just leave that there.

Look, these development agencies all fall under industry, so this is obviously an appropriate study for the industry committee.

Thank you.

• (1220)

**The Chair:** Thank you very much, Mr. Muys.

[*Translation*]

Mr. Barsalou-Duval, you have the floor.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

My colleagues seem very passionate about the debate that has arisen around Mr. Rogers' motion, and I understand that. However, I would also like to point out to the members of this committee that one of the witnesses with us today travelled seven hours to be with us and paid for a hotel room. We also have another witness waiting.

I think regional air travel is a very important topic.

In that context, I'd like to know if committee members would agree to suspend the debate on Mr. Rogers' motion, at least temporarily, until we hear from the witnesses and have an opportunity to ask them questions. We can always come back to this debate towards the end of the meeting.

I think it would be a good idea to ensure that our witnesses have not travelled here today needlessly.

Thank you.

**The Chair:** Thank you, Mr. Barsalou-Duval.

[*English*]

Do I have consent to adjourn debate on the motion put forward by Mr. Rogers so that we can continue with the witness testimony today?

**An hon. member:** What about Mr. Strahl?

**The Chair:** I have Mr. Strahl, Mr. Rogers and Mr. Bachrach. I have a list, so it's not just.... It's really just to respond to the fact that we do have two witnesses here.

Is it the will of the committee to continue with this discussion, or to adjourn and perhaps discuss this at a later date?

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Did Mr. Barsalou-Duval move a motion to adjourn the debate? If so, we just go to a vote.

[*Translation*]

**The Chair:** Did you move the motion, Mr. Barsalou-Duval?

**Mr. Xavier Barsalou-Duval:** I can do that.

I think there are two possibilities. On the one hand, we can suspend the meeting and then hear from our witnesses. We could then take a few minutes at the end of the meeting to continue this debate.

On the other hand, we can adjourn the debate. I prefer the latter, but I'm prepared to accept the will of the committee.

I therefore move that the debate be now adjourned.

Then we'll see if we just suspend.

[*English*]

**The Chair:** The motion is to adjourn debate on this. We'll go to a vote.

(Motion agreed to: yeas 11; nays 0)

**The Chair:** Thank you very much, Madam Clerk.

We'll continue with the line of questioning, but we will do so after we take a two-minute break. We need to suspend in order to give the audiovisual team a chance to set up properly, so the meeting is suspended.

• (1220)

(Pause)

• (1225)

**The Chair:** I call this meeting back to order.

Colleagues, for the second half of today's meeting, we have appearing before us, from the Canadian Airports Council, Monette Pasher, president.

Welcome to you; welcome back. It's always good to have you here.

[*Translation*]

We'd also like to welcome Justin Lemieux, vice-president of Propair Inc.

[*English*]

We'll begin with our opening remarks.

I'll turn the floor over to you, Ms. Pasher. You have five minutes, please.

**Ms. Monette Pasher (President, Canadian Airports Council):** Thank you, Mr. Chair and members of the committee, for the invitation to appear today and to discuss the current study. Air travel in northern, rural and remote communities is a topic of great importance for the leaders of Canada's airports and the communities that we serve.

Before I begin, I acknowledge that I'm joining you today from Toronto Pearson, on the traditional territory of the Mississaugas of the Credit First Nation people, and I pay respect to elders past and present.

My name is Monette Pasher. I'm the president of Canada's airports council. For those of you who may not know, our organization was formed in 1992, as the devolution of airports from the federal government to local control was beginning. The CAC serves as an industry conduit for airports across the country to collaborate on best practices and to work together on a wide range of significant files, including innovation, passenger facilitation, sustainability, supply chains and regulations to capitalize on the growth of air travel in our country. CAC represents more than 100 airports, including all of the national airports system airports and all that serve passenger traffic in every province and territory.

Canada is a vast and diverse nation blessed with breathtaking landscapes and a rich cultural heritage from coast to coast to coast, yet nestled within this expansive terrain are communities that often find themselves geographically isolated, lacking the essential infrastructure necessary for sustainable development. It is in these communities that the role of aviation is paramount.

Regardless of where Canadians live, there is an essential need for affordable and reliable air service. For Canadians in rural and remote communities, air service is not a luxury but an essential part of their everyday lives. Take, as an example, Canadians who live in Nunavut, where there are more than 25 communities that are fly-in and fly-out. They're only accessible by air. They depend on aviation for medical service, for fresh food on their shelves and for other critical supplies. However, the reality remains that many of our rural and remote communities continue to face barriers to air travel, ranging from limited flight options to prohibitive costs.

As stewards of the aviation industry, it is incumbent upon us to address these challenges head-on and to work collaboratively together with government, stakeholders and local communities to enhance air travel. Investing in airport infrastructure, supporting regional carriers for essential service and implementing targeted incentives are just a few examples of the measures that can be taken to foster competition and expand air travel opportunities in under-served areas.

All airports in the territories rely on funding from the airport capital assistance program—which we call ACAP—and also on territorial government funding. The ACAP fund was created in 1995, and it's only funded at \$38 million annually, so that's \$38 million to support nearly 200 small airports across the country.

To put that into context, the cost to pave just one runway is approximately \$10 million at a small airport. There's extensive need across the country, especially in the north and in rural and remote areas, for safety-related infrastructure. We have been calling for this fund to be increased to \$95 million annually to support the actual level of need across the country, and we were pleased to see it at that level throughout the pandemic.

Aviation in Canada is a network, and optimizing air travel includes removing barriers. One barrier I see is the need to protect our airspace from development. Another is that airports should not be a profit centre for government. This was a policy decision made when the airports were divested back in the early nineties, but it continues today. Are other modes of travel a direct profit centre for government—rail, ferries and roads? For most Canadians air is how they choose to travel, with more than 150 million trips annually, but

for some in remote communities, it is the only mode of travel, so when it comes to public policy, air travel should be viewed through a lens of the essential role it plays in our economy. To put this in context with just one example, there are 9,000 people from Yukon who travel to Vancouver each year for medical appointments, and Yukon's total population is fewer than 50,000 people.

CAC is ready to work with the members of this committee to strengthen the journey for all passengers, including through a commitment to northern and remote communities. Let us recognize the transformative power of aviation in bridging distances, connecting people and fostering prosperity.

● (1230)

I look forward to the discussion.

**The Chair:** Thank you very much, Ms. Pasher.

[*Translation*]

Mr. Lemieux, you now have the floor for five minutes.

**Mr. Justin Lemieux (Vice-President, Operations and Business Development, Propair Inc.):** Good afternoon, everyone.

Good afternoon, distinguished members of the committee.

As vice-president of operations and business development for Propair Inc. and Edgard Co-Chartering Platform, I'm honoured to have the opportunity to appear before you as part of this meeting. Thank you for inviting me.

Founded in 1954, Propair Inc. has the distinction as the oldest company of its kind, enjoying a predominant position in the specialized air charter and aeromedical transport industry in Quebec for several generations. Based in Rouyn-Noranda, in Abitibi-Témiscamingue, the company operates 12 turboprop aircraft, including four ambulance aircraft, to serve communities in northern Quebec, 24 hours a day, seven days a week.

Our organization's success is based on dedicated professionals with superior expertise and a culture that fosters the development of regional aviation. Despite this, Propair Inc., like all players in the airline industry, faces many challenges and obstacles. These include a growing shortage of qualified professional pilots, unstable weather conditions on gravel airstrips, and limited facilities and equipment, to name but a few.



Is it normal to head to a northern community to save a life and not know whether the runway is cleared properly, not know what the weather conditions are and not have access to de-icing equipment? These challenges must be addressed in a context where our activities are carried out 24 hours a day, and their impact on the stress level of the crews and, by extension, on the level of risk to transportation safety must be considered.

I would have liked the witnesses in the first panel to hear my speech today.

To reduce operational risk and improve essential services to Canada's remote communities, we need a commitment from government institutions to invest in improvements to airport equipment and air navigation systems, as well as meteorological services.

I can't help but refer to the latest Canadian aviation regulations on flight crew hours of work. These regulations are intended to reduce the risk, but they also significantly reduce the experience in the cockpit.

Yes, the labour challenge is a concern and is hindering the growth of organizations like ours that want to train more pilots and increase the frequency of regional and rural air services. Transport Canada made these regulations mandatory, without consulting us and without taking into consideration the operational realities of regional carriers. In addition, these regulations have required us to increase our workforce by 35% just to maintain our operations. It's difficult for us, as well as a number of other airlines, to understand Transport Canada's reasoning in this matter.

While the above points raise major concerns for our industry, I'm confident that they are being studied carefully and that we're all working to improve the accessibility and strengthening of air services. We all want to encourage economic development in northern communities.

For information, starting up a new air link connecting a major city to a rural community with an 18-seat plane, at a frequency of five days a week and with three hours of flight per day, represents a financial risk of several million dollars.

This is a risk we would be willing to take, along with our federal and provincial governments, if a grant program were put in place to offset the losses associated with starting a new link. This would allow us to offer travellers a better rate.

Although the creation of new commercial airlines in remote areas is good for the economic development of those regions, there are other ways to improve air service, without even hiring more pilots or buying more planes.

It's in this spirit of solutions, and with the objective of improving access to the regions, that my partner Étienne Lambert and I came up with the innovative idea of creating a co-chartering platform, which we named Edgard.

Our mission is to make chartered air travel accessible to more travellers in a safe and reliable manner, and to provide more options for travellers, primarily in Canada's northern, rural and remote communities.

In order to comply with current regulations, co-charter seats available on our platform are offered only to companies and their employees. This approach respects charter operators, carriers, and co-charters, while maintaining the benefits of charter flights.

Many large corporations, both private and public, need and use charter flights to move their employees. These flights are generally between major cities and remote communities in Canada. While 100% flight capacity would be ideal, it's virtually impossible for these companies to have a perfect ratio between the number of employees who need to travel, aircraft capacity and flight frequency, which means that seats remain vacant and unused.

• (1235)

As I mentioned earlier, the current model isn't available to all travellers, but only to companies and their employees. However, it would be possible, in collaboration with government bodies, to relax certain air passenger protection regulations and make these seats available to all travellers, without restrictions.

The main reason for chartering an aircraft is to have total control over the aircraft, schedules and routes. It's therefore unrealistic to imagine a company and its carrier offering its vacant seats to the public if they run the risk of having to compensate passengers if they exercise their right to reroute a flight to meet their own charter needs.

It's only by optimizing chartered flights that major companies, along with their partner carrier, will be able to improve accessibility to Canada's northern, rural and remote communities.

I would add that, in such a case, seat pricing should be done in co-operation with commercial airlines to avoid unfair competition and to respect each other's operational realities.

In conclusion, my colleagues and I believe that everyone should be free to enter into a contract on terms and conditions that they consider satisfactory, especially if it promotes the accessibility and democratization of regional flights. In that sense, we're convinced that this bill can make a big difference.

On behalf of myself and Propair Inc. and its Edgard app, thank you for the opportunity to share some of our realities we face and our vision.

I can tell you that we've made a strong commitment to regulation and to working with the various players in the industry.

• (1240)

**The Chair:** Thank you very much, Mr. Lemieux.

[English]

We'll only have one round today, colleagues, of five minutes each.

We'll begin our line of questioning with Mr. Strahl. Mr. Strahl, the floor is yours, sir.

**Mr. Mark Strahl:** Thank you, Mr. Chair.

Thank you to the witnesses for their patience and their presentations.

I would like to address Ms. Pasher.

You were obviously following our previous study on competition as a result of Lynx going bankrupt, essentially, and filing for creditor protection. We talked about a number of airlines that have suffered a similar fate. We had the major airlines and some of the smaller airlines as well come before the committee. All of them referenced airport fees as a key inhibitor to being able to offer lower fares and thereby increase competition.

We've heard all of them, and lots of stakeholders, say that perhaps the solution is that the federal government should stop collecting the \$400 million in airport rents and put it in general revenue and reinvest it, or not collect it altogether and let the airports spend that money in another way.

My question is this: If the federal government were to eliminate, reduce or return those airport rents that are currently charged, would there be any noticeable impact to passengers in terms of lower fares, or would the airport simply keep that revenue, keep their airport improvement fees where they are and keep the amount they charge to airlines to fly out of those airports the same? What would be the benefit to consumers or passengers if the government were to reduce or eliminate those airport rents?

**Ms. Monette Pasher:** Of course, if we're going to be reducing costs in the aviation ecosystem in Canada, passengers would see lower costs, as this is a system that's based on a user-pay model.

When airports were divested from the federal government to our non-share business corporations, they essentially reinvested all profits back into the infrastructure. We're unique in that way in Canada. I think that that has proven to be a good model when we look at the time span, but we just faced the pandemic, and it was a challenging period. Other than health care, this is probably the industry that has been most challenged.

It went on for so long, and I think we're all still recovering financially from those impacts. Carriers are. It was certainly a challenging time for Lynx, which we saw, but challenging for all carriers and challenging for airports. Now we're on the other side of that challenge, which is the good news. We need to be looking to the future and talking about how we're going to grow our industry. It is a growth industry, which is good news.

When we look at that in terms of airport rent, the \$400 million that is paid to the government annually for land lease would be better used reinvested in essential airport infrastructure across this country, as there is a great need for infrastructure improvements.

**Mr. Mark Strahl:** Mr. Chair, as this might be our last public meeting in this session, I would like to use my remaining minute to

get on the record the motion I submitted to the committee on June 11. I'll read it into the record. It says:

Given the amount of unfinished work at this committee, the committee instructs the chair to schedule five meetings between July 8 and September 13, to address outstanding business and pressing matters facing Canadians, such as meetings agreed to by this committee to investigate appointments at the Canada Infrastructure Bank, and the minister's appearance to testify on the budget, and other ongoing work by the committee.

That's the motion, Mr. Chair.

I would defer to my colleagues. I know that they do want to ask some questions. I wanted to read it into the public record and I hope that we can address it next week when we meet again. I didn't want that to happen behind closed doors. I wanted to get it out in public.

I don't know what the procedure is here for you, Mr. Chair. I'm anxious to allow my colleagues to have their rounds of questioning, but I did want to get that motion on the record.

● (1245)

**The Chair:** Mr. Strahl, could you kindly clarify whether you just wanted to read your motion into the record or whether you are formally moving the motion? It will determine what the next steps are, sir.

**Mr. Mark Strahl:** Let's leave it at reading it into the record so that the public can acknowledge that I intend to try to get a vote on it next week.

**The Chair:** Thank you for clarifying, Mr. Strahl. That concludes your time.

I will now move to Ms. Koutrakis.

Ms. Koutrakis, the floor is yours. You have five minutes, please.

**Ms. Annie Koutrakis (Vimy, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses for being with us here today.

Thank you, Ms. Pashed. It's nice to see you again before this committee.

I'll address my question to you, Ms. Pashed. Can you please explain to this committee the role that your organization plays when it comes to airlines providing rural and remote connectivity?

**Ms. Monette Pasher:** It's obviously the role of carriers to service our country, but our airports represent communities. What we do to support air service development is work with carriers and provide incentives to try to attract more air service to communities. We work with provincial governments. Many of our airports are municipal airports, and we're working with municipal airports. We're working with the federal government. Part of our role as airports across this country is to represent our communities and to advocate and push and develop the air service that's required, working with all partners. It's something we're very passionate about.

Certainly with the pandemic and the postpandemic recovery, there's been a challenge in regional and rural connectivity. As a system, we're back to about 100% this year in terms of passenger traffic, but there have been a lot of shifts. We're seeing larger aircraft and less frequency, and our regional airports are suffering.

Some of our smaller airports are at 70%, some 50%, some 30%. We've seen some dramatic market shifts: Airports that used to have over 10 flights a day are down to two or three. This impacts communities. Frequency is certainly a concern in rural and remote areas, as well as the cost of flying. That's something that we hear, being community entities. We're very close to our communities and we hear about this often.

We're working with premiers and we're working closely with all areas of government to try to develop the air service that Canadians require.

**Ms. Annie Koutrakis:** Do I understand correctly that your organization does take part in advocating to extend routes or add routes when they are cut?

**Ms. Monette Pasher:** The airports do, yes. Our airports certainly play that role in advocating for their communities, and I'm here representing our airports as the advocacy voice for all of our airports across the country.

**Ms. Annie Koutrakis:** Are you aware of whether the airports are consulted when routes are being added or cut?

**Ms. Monette Pasher:** Yes, our airports work quite closely with carriers, and of course when a route is being cut, they are spoken to. I think those are commercial decisions that carriers need to make, because they're operating a business, but yes, they do consult with their partners and certainly advise them of the decision that's been made.

**Ms. Annie Koutrakis:** Earlier, when we had the Transport Canada officials testifying in the first hour, Mr. Bijimine, I believe, was the one who said that they are looking to various jurisdictions around the world to see what they are doing to combat lack of competition and connectivity in rural and northern areas.

In the U.S., there's been a program in place since the late 1970s, when the airline industry was deregulated. Under the essential air service program and under the Department of Transportation, they currently subsidize air carriers to serve approximately 60 communities in Alaska and 115 communities in 48 states. In your opinion, should the Government of Canada subsidize air service to rural, remote and northern regions the same way this program does in the U.S.?

• (1250)

**Ms. Monette Pasher:** Thanks for the question.

Our colleagues in the U.S. say this program works well for communities. It's certainly something we've been asking for.

The essential air service program in the U.S. is funded at \$368 million now. It has increased over three times since the eighties. It's a subsidy based on a revenue guarantee, the route and the aircraft type, and they RFP that.

I think that any way we can work with carriers and communities to support these regions that rely on essential service and have no other forms of service or have very little is very important to our network and the fabric of our communities across this country. I definitely think this is a program worth investigating further.

**The Chair:** Thank you very much, Ms. Koutrakis.

Thank you, Ms. Pasher.

[*Translation*]

Mr. Barsalou-Duval, you now have the floor for five minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Thank you to the witnesses for being with us today.

I'm very excited to speak with Mr. Lemieux. My fellow member Sébastien Lemire told me about something new in the world of regional air carriers, which work hard to serve people in regions.

Propair developed the co-chartering platform Edgard, which Mr. Lemieux talked about in his opening remarks. I want to follow up on that, because I think it's important for everyone to really understand what the platform does.

The platform makes it possible to share charter flights, which we are very used to taking. The system uses new technology to open up available seats on a charter flight to other people interested in taking the flight, while making it possible for companies to share the cost, and providing better connectivity and better regional service.

I think that's amazing. It's a revolutionary idea. However, you mentioned in your opening remarks, Mr. Lemieux, that only companies have access to the flights and that regulatory changes are needed to make them available to everyone.

What kinds of changes are we talking about?

**Mr. Justin Lemieux:** Thank you for your question.

The air passenger protection regulations wouldn't necessarily need to be changed, but exemptions would need to be added to the regulations.

The reason we work solely with companies and their employees is to ensure that charterers, the ones that charter the flights, retain the benefit of the charter flight. That's what I was getting at in my opening remarks.

To show what would have to happen in order to make the service available to the public, I'll give you a very simple scenario.

Let's say someone doesn't have a job because of poor health and has to travel outside the region where they live. Currently, the regulations prevent us from offering that person a seat on a co-chartered flight. However, if an exemption were added to section 4.1 of the air passenger protection regulations, that person could choose the type and conditions of carriage that suited them.

If you're interested, my entire team and I would be glad to provide you with an official document on the regulations that would need an exemption so that we could make our charter flights available to the public.

Currently, those are the regulations that apply when a seat not on a co-chartered business-to-business flight is sold to an individual.

A company that charters a private flight doesn't want to open itself up to penalties, if I can call them that. The company doesn't want to have to compensate passengers if it changes the flight itinerary in response to its own needs—the whole reason it chartered the flight.

**Mr. Xavier Barsalou-Duval:** I see.

What you would need, then, is an exemption from the air passenger protection regulations for charter flights.

Do I have that right?

• (1255)

**Mr. Justin Lemieux:** That is right.

**Mr. Xavier Barsalou-Duval:** We'll have to see what other groups think about that, but it's worth looking into, at the very least. What a fascinating idea.

You also said that the financial viability of launching a new air link service was problematic, that the company would be taking a risk. You mentioned that a subsidy program could be helpful to fill empty seats, at least for air link service start-ups. It would be similar to the regional air access program the Quebec government introduced during the pandemic. The federal government brought in a similar program during the pandemic, but it was only for places that are not connected by road.

If the government did introduce a program like that, should it be limited to places without road access, or should it be available to remote regions as well? I'm talking about regions that are far from major urban centres but that are connected by road.

**Mr. Justin Lemieux:** I think that even if remote regions can be accessed by road, they certainly need government support and subsidy programs like those.

I'm going to reuse the example I just gave.

In Rouyn-Noranda, where I live and where our company is based, people have to drive six to eight hours to get to Montreal.

Anyone who has to see a medical specialist usually has to go to a major urban centre.

With the current level of service available through a major carrier, someone has to leave at least three days early to get to their appointment. They have to leave in the middle of the day and stay overnight in a hotel. They can't do the return trip in one day.

If support programs were in place, companies based in regions would be able to provide those air link services.

**Mr. Xavier Barsalou-Duval:** I don't have much time left, so I'll ask you just one last question. A short answer would be appreciated.

Do you think the user-pay model works for regions? Is that the way to go, or should we look for other ways to help regions?

**Mr. Justin Lemieux:** I think we need to look for other ways to help regions. We actually found a way to help them with our Edgard application.

If I can have a few more minutes, I can tell you about it.

**The Chair:** You can have 20 seconds, Mr. Lemieux.

**Mr. Justin Lemieux:** I'll do my best.

We brought together 25 companies in the region, and they invested in a fund to charter their own planes. They took matters into their own hands to get the service they needed. Monday to Friday, there's a return flight to a major centre in the Montreal area.

Yes, there are other options. The big companies need to be involved in those decisions. Even though the companies want to help their communities and open up those seats to people, they can't under the current regulations, unfortunately. All they can do is make them available to businesses and their employees.

**The Chair:** Thank you, Mr. Barsalou-Duval.

Can you tell us more about that, Mr. Lemieux? How do the current regulations prevent them from doing that?

**Mr. Justin Lemieux:** I have to watch what I say.

Actually, it's still possible. The problem, however, is this: If the company chartering the flight sells seats to members of the public, it is on the hook for passenger compensation if the flight is cancelled. These big companies charter flights for their employees' travel needs. If there's an issue with the weather, which happens everywhere up north, the company may decide to cancel the flight, even if the organization paid for a service provided by the carrier.

Under the current regulations, if tickets for those seats had been sold to members of the public, the carrier and the company that chartered the flight would be required to compensate those passengers. They would also be required to book them on another flight.

**The Chair:** I see.

Thank you, Mr. Lemieux.

[*English*]

Finally for today, we have Mr. Bachrach.

The floor is yours. You have five minutes, sir.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Thank you to both of our witnesses. I'm glad you had a chance to share your thoughts with the committee.

Mr. Lemieux, I understand your company is a charter service that provides medevac services, but I'm wondering if you can describe the situation when it comes to competition in your region. I know it's a rural region. It's probably similar to the one I represent.

Are the communities in your region served by multiple large airlines when it comes to scheduled service to larger hubs?

[*Translation*]

**Mr. Justin Lemieux:** No, not currently.

Other carriers serve the Rouyn-Noranda region, like Air Creebec, in Val d'Or. When it comes to Rouyn-Noranda, the city, in Abitibi-Témiscamingue, only Air Canada offers a daily return flight, in the middle of the day. It's the only carrier. That was the carrier I was referring to earlier.

As I just said, thanks to the program we created with other organizations, a link between Rouyn-Noranda and Montreal is now available, Monday to Friday, morning and evening.

Small carriers have tried in the past, including our company. Some carriers tried launching services in cities like ours, in regions, but 90% of the time, a major carrier I won't name opted to offer the service at a rock-bottom price until the competition disappeared. That's what happens in a lot of regions.

That's why I said in my opening remarks that it would be good to have a joint program with governments to offset the losses associated with launching a new service. When a new service is launched, take-up hinges on people's developing a new habit, so they need to see the quality of the service being made available.

If we just had a program that helped new services launch and offset their losses, it would help us show people who need those services that regional carriers can provide quality service.

• (1300)

[*English*]

**Mr. Taylor Bachrach:** Thank you for that. It sounds like a situation very similar to what we experience in northwest B.C., and it is certainly consistent with what we've heard from other witnesses from rural areas: It's difficult to compete with large airlines that are able to use their size and their market dominance to force out smaller players.

Ms. Pasher, I was very interested to hear about the U.S. model. I believe it's called the essential air service program. It almost harkens back to the time before deregulation, when smaller regional routes were licensed to specific carriers by the federal government, and there were conditions based on service to those communities.

Of course, there's a certain amount of subsidy in this case to allow those carriers to make a business case, but it also ensures that they're providing an adequate level of service for those communities.

I'm wondering if any party submitted the U.S. Department of Transportation as a potential witness to share more information about that program.

**The Chair:** The answer is no.

**Mr. Taylor Bachrach:** I think it would really benefit this study to understand that in greater detail. I understand from Mr. Bijimine, who was with us earlier at this meeting, that Transport Canada is looking at the U.S. example, but it would really help us with our recommendations if we understood in greater detail how that program works.

Therefore, if it's in order as an emerging motion, Mr. Chair, I will move that the committee invite a representative from the U.S. Department of Transportation to appear as a witness as part of this current study.

**The Chair:** Thank you very much, Mr. Bachrach.

Is there any disagreement on that? Perhaps we can do that with unanimous consent.

(Motion agreed to)

**The Chair:** Thank you very much, Mr. Bachrach.

You have one minute left if you have other questions you'd like to ask. Otherwise, we can adjourn. It's up to you.

**Mr. Taylor Bachrach:** Maybe I'll ask Ms. Pasher about affordability, because often what we hear from the airports is the need for government investment in infrastructure, and I certainly understand those concerns.

This committee has supported a recommendation to reinvest the rent that airports currently pay to the federal government into airport infrastructure to help make their operations more viable and more sustainable. However, the question in my mind is how those investments get passed along to passengers in terms of greater affordability. My experience in a rural region is that when a carrier has a monopoly, they seem to charge passengers pretty much the maximum people are willing to pay for the flights.

How do we ensure that when we invest in airports and reduce the cost of operation for airlines, those savings get passed along to customers through more affordable airfares?

**Ms. Monette Pasher:** In a user-pay model, these user fees are a flow-through on the ticket. If it wasn't there, then it wouldn't flow through to the ticket, and the airline wouldn't need to charge it.

However, I think ultimately what you're talking about is affordability of air travel broadly. Really, our view is that the best way to have lower airfares for consumers is to have competition. We've seen with WestJet, Porter and Flair that head-to-head competition drives down fares. I think the good news is that we have Porter on the scene and growing, with nearly 80 planes expected in their fleet by 2025, so it's much-welcomed competition.

We as policy-makers need to make sure we have the right environment for Canada and for the aviation ecosystem in order to com-

pete. I think the more we reduce costs and burden on this system, the more affordable it will be for Canadians to fly and the better that will be for rural and remote communities as well.

**The Chair:** Thank you very much, Ms. Pasher, and thank you, Mr. Bachrach.

That concludes our meeting for today. I'd like to thank our witnesses for appearing before us.

This meeting is adjourned.

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