



FREDERICTON
CHAMBER
OF COMMERCE
— *The Voice of Business* —

364 York Street, Suite 200
Fredericton, NB
E3B 3P7



31 March 2020

Rt. Hon. Justin Trudeau
Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A2
pm@pm.gc.ca

Re: Support for Canada's airports facing severe financial impact of COVID-19

Dear Prime Minister:

I am writing in strong support of the airport industry's request for immediate federal government assistance to survive the COVID-19 crisis.

In a month normally marked with booming passenger travel to sun destinations and travel bookings for a busy tourism season, instead our airport has turned on a dime to respond to this crisis and ensure the health and safety of their passengers, staff, and community.

As you know, Canada's airports continue to work with public health officials to facilitate the safe return of our citizens, while also maintaining the flow of essential cargo supplies in a time of tremendous need. The Fredericton International Airport Authority has been working closely with the Government of New Brunswick Public Health Department and the Public Health Agency of Canada to ensure that rapidly changing travel information and subsequent procedural changes are quickly disseminated, implemented, and enforced and the airport remains open to support the travel needs of our region during this pandemic.

Those travel needs include essential services such as enabling the movement of cargo (including medical supplies), providing medevac flight access for our region's hospitals, and support for 5th Canadian Division Support Base Gagetown should they need to move supplies or troops in response to this emergency.

However, as you also know, the pandemic has put an unprecedented strain on airport facilities and operating budgets. Both the airport authority and the local businesses located at the airport have been significantly impacted.

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- To date, the Fredericton airport has lost Sunwing and Porter service, seen a 50% reduction in WestJet service, lost its Air Canada flight to Toronto, and seen further reductions in frequency on the remaining Air Canada flights. Although these are temporary changes, there is no way to know when the flights will return.
- Passenger numbers have already declined by about 61%. Overall, traffic levels are expected to decline by 70-90% from March through May and a total reduction of 40-50% for the full year.
- Revenue loss projections are severe and is uncertain how long recovery will take, and when traffic levels will return to 2019 levels. What the airport authority does know is that it will be virtually impossible to recover without assistance.

To make matters worse, operational costs related to safety, runway maintenance and passenger services are fixed and stricter health protocols aimed at controlling the spread of COVID-19 are putting an even bigger strain on airport cash flows. The grim reality is that many parts of the aviation sector could shut down without swift government action and relief.

For these reasons, I urge your government to support Canada's airports by **providing short-term financial relief to address immediate cash flow challenges**. The announcement on Monday to provide rent relief will be much appreciated by Canada's larger airports, however, smaller airports such as ours pay very little rent.

I urge your government to be prepared to further support Canada's airports by providing direct non-repayable funding support to offset operating shortfalls to ensure that they can survive and recover.

I would also encourage you to plan ahead for the sector's recovery once the pandemic is over. Ottawa must support airports' role in stimulating Atlantic Canada's tourism sector as soon as public health officials determine it is safe to do so. Similarly, infrastructure investments at airports or with airport partners could help stimulate a recovery.

The airport authority has cut operating costs in every area of the operation and has delayed or cancelled capital infrastructure projects, with the exception of the terminal construction project which was well underway. All efforts are being made to keep the airport open for business. They are doing everything possible to ensure they are responding effectively to the COVID-19 outbreak, but as we are all aware, this is an unprecedented challenge they can't weather without your government's help.

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Our province's airports are an economic spark plug for business, tourism, and trade contributing over **\$777 million in total economic impact annually** and accounting for nearly **4,000 FTE jobs** in the province. Cuts within the airport ecosystem will have dire effects for our community's ability to recover.

I am reassured to see your government move quickly to introduce economic measures to help stabilize the economy and acknowledge the need to address the long-term viability and resiliency of Canada's aviation sector.

I very much hope we can count on Ottawa to swiftly follow through on this promise.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that appears to read "Krista Ross".

Krista Ross, CEO
Fredericton Chamber of Commerce

cc: Hon. Marc Garneau, Minister of Transport (mintc@tc.gc.ca)
Cc: Hon. Bill Morneau, Minister of Finance (Bill.Morneau@canada.ca)
cc: Hon. Melanie Joly, Minister of Economic Development and Official Languages (ED.minister-ministre.DE@canada.ca)
cc: Jenica Atwin, MP, Fredericton
cc: Johanne Gallant, CEO, Fredericton International Airport

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