Air Transportation: Can’t We Do Better?

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Air Sector Doing Well Overall

- Good passenger and cargo growth
- Airport authority model is sound
- Airlines are profitable
- No major problems with safety and security
- Many and improved air bi-laterals
But When One Digs Deeper...

- Passengers are getting “loonied” and “toonied” for far too many items
- Up to 5 million Canadians use US airports
- Canada has the 4th most costly air transportation system in the world
- Complaints about a slow and complicated customs and security processing
- Canadians fly on average less than Americans
- Little real competition and poor, costly service for smaller centres
Can’t We Do Better?

• Attract more passengers and cargo
• Make YVR, YYZ, et al much bigger international hubs and gateways
• Reduce the costs for passengers and the system overall
• Generate more competition, both domestic and international
• Stop using the air sector as a ‘cash cow’
• Instead, use the air sector as a growth engine
Suggestions for Improvement

• GoC eliminates airport rent, excise fuel taxes, etc
• GoC absorbs half of air security costs
• Pass reduced costs on to passengers
• Remove all foreign ownership restrictions
• Negotiate real Open Skies agreements (cargo and passengers) with like-minded countries
• Faster and simpler air security, customs and transit/traveler processing
• Make airport authorities more efficient and less costly
Conclusions

• Overall one can make the case that all is well

• But are we not missing a real opportunity for much more growth?

• For a less complicated and less costly system?

• If so, how and when can this be done?