

B.C. on the Move: Engagement Meeting Notes

NOVEMBER 25, 2014

11:30AM

CONFERENCE CALL

ATTENDEES/AFFILIATION	Eamonn Horan-Lunney, Director of Government and Community Relations, Western Canada, Air Canada
MOTI REPRESENTATIVES	Kirsten Pedersen, Executive Project Director, BC on the Move, Ministry of Transportation and Infrastructure (MoTI) Ed Miska, Chief Traffic, Electrical, Hwy Safety and Geo Standards Engineer, MoTI
NOTE TAKER	Carmen Bennett, Kirk & Co. Consulting Ltd.
KEY THEMES (3-6)	
1)	Airports: The participant noted that the cost of landing in B.C. is high, which makes it difficult for B.C. to remain competitive in international aviation.
2)	Airports: The participant noted that airlines typically run on a hub-and-spoke system in order to maximize efficiency, and Air Canada is the only airline that has made Vancouver a hub airport. The participant noted they would like to continue to grow the hub-and-spoke system in Vancouver.
3)	Airports: The participant noted there are regulatory issues presenting challenges for airlines, and there are economic factors that make it unappealing for airlines to touch down in Canada as opposed to the U.S.
CHALLENGES AND OPPORTUNITIES	
	<ul style="list-style-type: none"> The participant suggested the number one barrier to aviation in B.C. is cost, and anything that can be done to lower the cost of landing in B.C. would help grow the capacity of B.C. airports.
MOVING FORWARD – STRATEGIES	
1)	Moving People and Goods Safely and Reliably
	<ul style="list-style-type: none"> The participant noted that the Discussion Guide primarily discusses local aviation infrastructure and questioned whether a larger aviation strategy is being considered in the development of a 10-year transportation plan. The participant noted that B.C. is domestically Air Canada's second-largest market and the majority of flights are routed through Vancouver (the second-largest national hub). Airlines typically run on a hub-and-spoke system, and having this hub in Vancouver is important to efficiently and effectively moving people to different communities in the north and other areas of the province. The participant noted that Air Canada is the only airline that has made Vancouver a hub airport, and the airline accounts for 44% of traffic in and out of YVR. The participant noted that Air Canada would like to keep growing the hub and spoke system. Air Canada noted that, in order to maximize this system, providing rural airports in B.C. with core infrastructure, where possible, is important. The participant noted that Canada is ranked #1 by the World Economic Forum when it comes to aviation infrastructure, and suggested this is largely because of the user-pay system. When it comes to cost, the same report shows that Canada is among the more expensive countries when it comes to landing aircraft. The cost structure in the U.S. generally makes it more cost-effective for airlines to land at U.S. airports. The participant noted that a bigger question to consider is whether our cost structure is sustainable, and if there is a different model that would allow B.C. airports to be more competitive. The participant noted there are regulatory issues presenting challenges for airlines, and there are economic factors that make it unappealing for airlines to touch down in Canada as opposed to the U.S. Air Canada suggested there are ways to make the system stronger, and noted that in Canada right now, there is a very mobile workforce due to the growth in the natural resource sector. The participant suggested that, if infrastructure is not available, private companies may want to build more private airports to service construction projects. The participant noted that, as the natural resource sector grows, more communities are becoming bedroom communities for workers. He suggested that a more sustainable way to grow air access in B.C. is to make Vancouver a hub for international traffic. Growing capacity in Vancouver allows for more routes and more flights to take place. Vancouver is the second-largest airport in Canada, but it is still half the size of Toronto. The participant added that Seattle is Vancouver's biggest challenge in terms of international travel, and American airports are increasingly targeting Canadian traffic.
2)	Growing the Economy
	<ul style="list-style-type: none"> The participant suggested the number one barrier to aviation in B.C. is cost, and anything that can be done to lower the cost of landing in B.C. would help grow the capacity of B.C. airports. The participant noted that aviation is important economically in a number of different ways. For example, B.C. cherries are picked in the Okanagan, and Air Canada flies them to China and Japan within 30 hours of being picked, because the demand is there and the transportation capability exists in B.C. This is partly due to the road network in the interior, which allows for efficient transportation.
3)	Connecting and Strengthening Communities
4)	Maximizing Collaboration and Investment with Partners and Stakeholders

TOP THREE PRIORITIES FOR TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS	
<ul style="list-style-type: none"> The participant noted that finding ways to lower the cost of landing at B.C. airports would help B.C. remain competitive in international aviation. 	
<ul style="list-style-type: none"> The participant suggested that providing rural airports with infrastructure would assist the growth of the hub-and-spoke system out of YVR. 	
<ul style="list-style-type: none"> The participant noted that making B.C. a hub for international travel will help grow the economy in a sustainable way. 	
ADDITIONAL COMMENTS/DISCUSSION	
<ul style="list-style-type: none"> Kirsten Pedersen noted that the plan is going to be putting forward strategies and priorities of this Government with respect to the four themes in the discussion guide. 	
<ul style="list-style-type: none"> The participant noted that the Province of Alberta is also working on a transportation plan, as is the Federal Government through the Canadian Transportation Act Review. 	
<ul style="list-style-type: none"> Air Canada noted that there are concerns around increasing capacity for bilateral air transportation agreements, and suggested they would promote the Blue Skies model over the Open Skies model, from an aviation perspective. 	