

Monday, April 13, 2020

The Honourable Justin Trudeau
Prime Minister of Canada
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pm@pm.gc.ca

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

Dear Prime Minister:

I am writing to thank you for your swift action and support for the airport industry's request for federal government assistance to survive the COVID-19 crisis, and to share information on the challenges that remain for Halifax Stanfield International Airport (Halifax Stanfield) in Nova Scotia.

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. Halifax International Airport Authority (HIAA) has been working closely with the Government of Nova Scotia 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 while the airport remains open to support the essential travel needs of the province during this pandemic.

However, as you also know, the pandemic has put an unprecedented strain on airport facilities and operating budgets. HIAA and its business and stakeholder partners have been significantly impacted. Halifax Stanfield is expecting more than 80 per cent fewer flights and 90 per cent fewer passengers over the next few months due to dramatic airline schedule reductions. This sudden drop in passenger traffic means they are facing immediate and significant financial impacts. As part of their response, they are looking at every opportunity to increase efficiency, consolidating parking lots and closing sections of their terminal building, significantly reducing discretionary operational budgets and deferring capital projects to future years.

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 further government action and relief.

We appreciate and applaud your support for Canada's national airport network by waiving federal ground lease rent payments for 10 months, which will immediately assist Halifax Stanfield in their rent payment. **However, more support is needed for Canadian airports to address their immediate cash flow challenges and to ensure that they can recover.** In total, Canada's airports are projecting to lose \$2.2 billion in 2020 in operating revenue due to COVID-19.

HIAA has cut operating costs in virtually every area of the operation and delayed or cancelled capital infrastructure projects. All efforts are being made to keep Halifax Stanfield 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.

Halifax serves as the regional gateway for tourism and trade in our region and the financial health of our region's largest airport is of critical importance to our business community. In 2019, Halifax Stanfield served 4.2 million passengers and processed a record 41,000 metric tonnes of cargo. A diverse airport community, with 120 organizations operating on site, Halifax Stanfield contributes \$355 million annually in provincial labour income.

Halifax Stanfield is an economic catalyst for business, tourism and trade contributing over **\$3.8 Billion in total economic impact annually and accounting for over 24,000 direct and indirect FTE jobs.** Cuts within the airport ecosystem will have dire effects for our province's ability to recover.

I am reassured to see your government move so quickly to introduce economic measures to help stabilize the economy and understand that Transport Canada is currently assessing the financial impact for Canada's airports. The long-term viability and resiliency of Canada's aviation sector is of critical importance to our province.

I very much hope we can count on Ottawa to continue to support all of Canada's airports.

Thank you for your consideration.

Sincerely,



Patrick Sullivan
President and CEO
Halifax Chamber of Commerce

CC:

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