

CANADA'S SMALL AIRPORTS AND ACCESS TO ACAP FUNDING (2016)

In 1994, the Canadian government created the Airport Capital Assistance Program (ACAP), as part of the National Airports Policy (NAP), to provide essential funding to Canada's 200 regional/local airports for safety improvements. The program is a valuable tool to the nation's eligible airports, however, ACAP's program and funding structures have not been kept up to date to meet the demands of the industry as well as inflation rates over the past 20 years.

The ACAP is administered by Transport Canada and there are three categories of priority for funding. They are¹:

1st Priority: Safety related airside projects such as rehabilitating runways, taxiways and aprons, the associated lighting, visual aids, sand storage sheds, utilities to service eligible items, site preparation costs, including direct environmental costs, aircraft firefighting equipment required by regulation and the equipment shelters required by regulation;

2nd Priority: Heavy airside mobile equipment and safety-related items such as runway snow-blowers, runway plows, runway sweepers, spreaders, winter friction testing devices and heavy airside mobile equipment shelters; and

3rd Priority: Air terminal building/groundside safety related items such as sprinkler systems, asbestos removal and barrier free access.

To be eligible for ACAP funding, airports must be within the following guidelines:

- Not owned or operated by the federal government;
- Meet certification requirements as outlined in Aerodrome Standards and Recommended Practices (TP 312); Part III, Subpart 2, Airports; and
- Offer year-round regularly scheduled commercial passenger service, meaning that in each of the three most recent calendar years the airport handled at least 1,000 year-round regularly scheduled commercial passengers as reflected in Statistics Canada's official passenger statistics. If the airport is not part of these statistics, it must complete a statutory declaration.

The ACAP provides approximately \$38 million per year towards airport essential safety projects.² The program was reviewed and it was announced in 2011 that it is expected to hold the funding to \$38 million. This amount has held steady since 1995, but the cost of doing business has increased considerably over that period with increases in inflation and security requirements imposed after 2001. Transport Canada has stated that the program has not been utilized to the fullest by the airports that are eligible to receive funding while airports state that the application can be onerous, with the consultation portion taking so long that many projects, some Priority 2 but most Priority 3, are pushed off into the future. This consultation program between airport operators and ACAP administrators also vets many projects before they are submitted meaning that Transport Canada is not receiving a full list of the capital funding needs of small airports. The process of decision making within ACAP also remains

¹ [The Types of Projects ACAP Funds. \(2010\). Retrieved March 4, 2016, from https://www.tc.gc.ca/eng/programs/airports-acap-types-projects-funds-325.htm](https://www.tc.gc.ca/eng/programs/airports-acap-types-projects-funds-325.htm)

² [Evaluation of the Airports Capital Assistance Program \(ACAP\). \(March 2015\) Retrieved March 5, 2016, from https://www.tc.gc.ca/eng/corporate-services/des-reports-1267.html#toc2](https://www.tc.gc.ca/eng/corporate-services/des-reports-1267.html#toc2)

a closed governmental procedure. There is little to no transparency to this process, which would provide valuable information to airports on deadlines, timelines, and notification of application receipt.

The National Airport System (NAS) is a sustainable system for the airports in the program. There are six that do not qualify for funding as they are located on federal land even though they fall under the ACAP requirement of less than 525,000 passengers annually. These six airports, Prince George, London, St. John’s, Charlottetown, Fredericton and Gander, as NAS airports must also pay rent to the government. In addition, since they are located on Crown land, the expectation is that Crown assets should not be in competition for funding. These six airports have been deemed essential by the NAP but are experiencing difficulties paying for all of the capital requirements necessary for airports in Canada, for property, buildings and infrastructure that the Crown maintains ownership of. These capital requirements also include emergency vehicles and proper aprons for aircrafts, safety requirements as per Transport Canada. If an airport is not able to supply the proper level of safety equipment that is mandatory, they must notify Transport Canada of their inability to do so and this limits the airports ability to respond to emergency situations. As of March 2016, the six smaller airports require just over \$9 million dollars in safety and emergency equipment upgrades alone.³

Transport Canada also acknowledges the situation that the six airports are facing and has also concluded that the financial burdens that they are facing are not going away, with some of them reaching the critical point on runway and equipment replacement. Requests for funding for capital improvements to the six airports have been submitted in 2012, 2013 and 2014, , totaling approximately \$7 million dollars per airport, per year, and have been denied by Transport Canada on the basis that funding is not available for them as they are on Crown land, however, Transport Canada staff have also completed a number of assessments on the six airports and have come to the conclusion that they are in need of some form of capital funding assistance as they are not financially sustainable without it.⁴ The combined total upgrade costs required for all six of the unfunded airports, as of March 2016, is approximately \$146.1 million.⁵ While the airports believe that the expectation that Crown assets should not receive federal funds is reasonable, they are not, as proven, able to sustain themselves as required by their NAS status and will have even greater challenges maintaining and improving their infrastructure and security requirements in the coming years.

The Airport Capital Assistance Program is vital to all small airports across Canada. Airport associations across the country, including the Canadian Airports Council, Conseil des aéroports du Québec, Regional Community Airports of Canada, Atlantic Airports Council and the Airport Management Council of Ontario are also joining together to advocate for changes to the ACAP. After over 20 years, the program is in need of revision and improvement to reflect the changes in inflation and regulation so that it can remain a viable source for the nation’s small airports.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Increase ACAP funding to account for inflation and increased project costs;

³ Canadian Airports Council

⁴ Evaluation of the Airports Capital Assistance Program (ACAP). (March 2015) Retrieved March 5, 2016, from <https://www.tc.gc.ca/eng/corporate-services/des-reports-1267.html#toc2>

⁵ Canadian Airports Council

2. Streamline communications and make the application process more timely and transparent so that airports can complete the process in a reasonable timeframe and be able to follow the progress of the application; and
3. Revise the ACAP requirements to include the six small NAS airports that are currently excluded due to their status so that they may fulfill their obligations as NAS airports without financial hardship that may cause the loss of the airports themselves.