



CANADIAN UPDATE

CATHERINE KLOEPFER
Chair, ACI-AN Finance Committee
Winnipeg Airports Authority Inc.
June 10, 2019

THE
VOICE
OF
AIRPORTS®

ECONOMY

Elections!

Federal election slated for October 21

Have seen switches to conservative governments

- 7 conservative provinces, 3 liberal, and the territories use consensus gov't

Trade wars

US vs China – with Canada stuck in the middle...

Slow and steady wins the race?

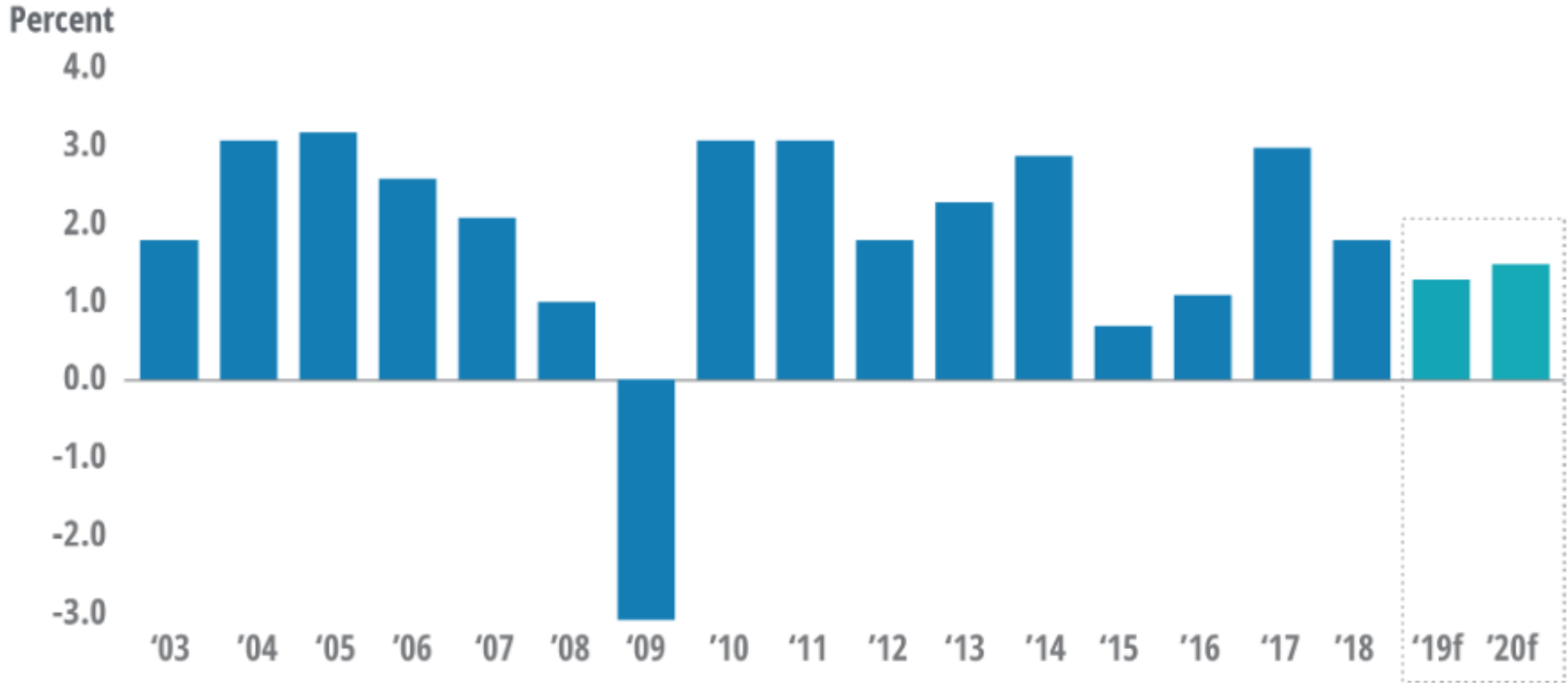
Growth has been slowing but looks to be moderating

Differing opinions...not news!

Bank of Canada projections

- Keeping inflation between 1 and 3%

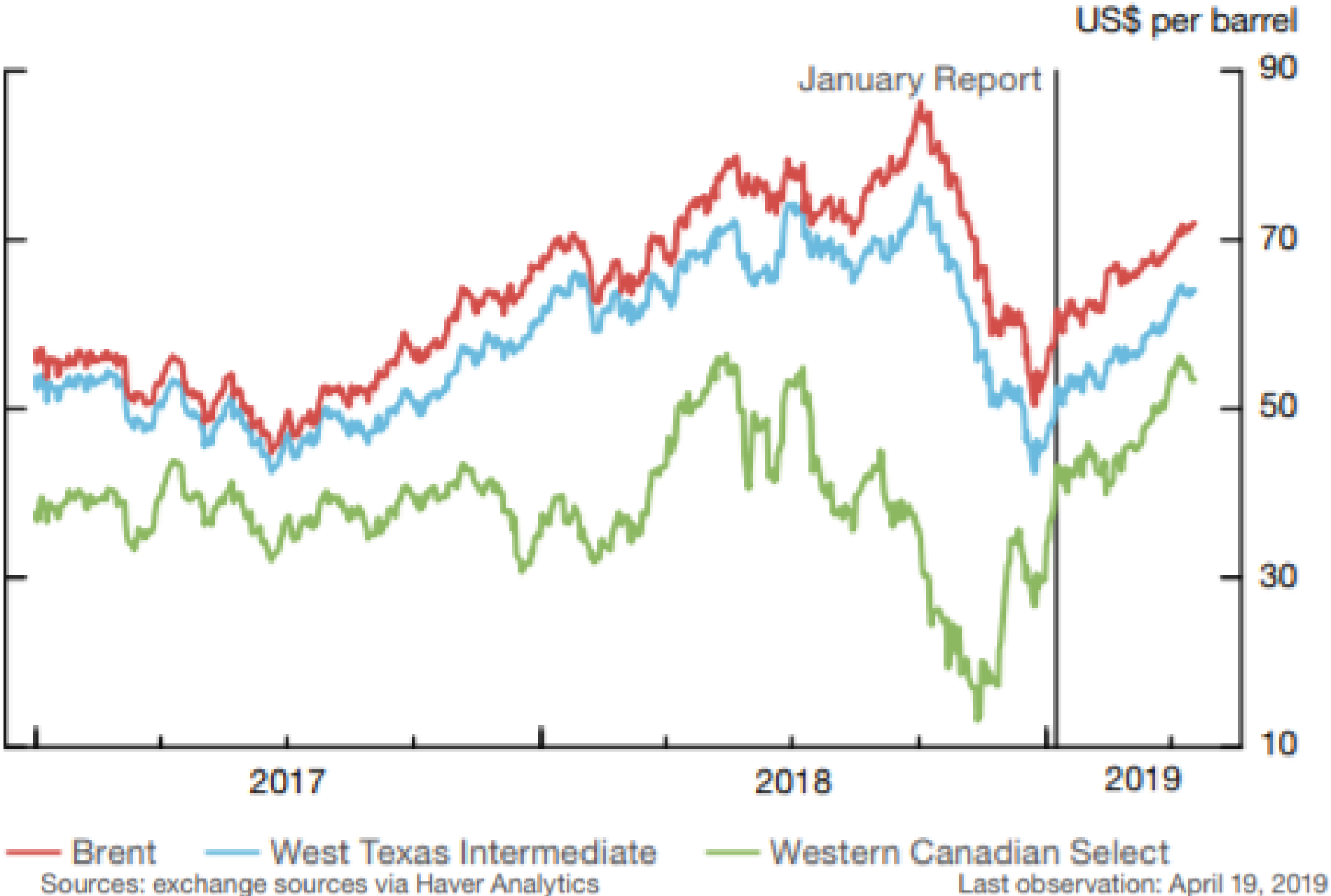
GDP: HISTORICAL AND FORECAST



Sources: Statistics Canada, Haver Analytics, Forecast by Deloitte.

Oil prices have partially recovered from recent declines

Daily data



AIRPORT GOVERNANCE

Government of Canada has stated they will not pursue any changes “for the time being”

Election this fall will likely resurrect this file within the Department of Finance

- Regardless of who wins the election

Various options on the table previously

- Monetize the ground leases
- Cancel the leases and sell the land/airport
- Use concession agreements

REGULATORY CHANGES

- Recent introduction of regulations for 'Passengers Bill of Rights'
- Regulations take effect: some on July 15, some in December
- Covers only airlines at this juncture: airports will be next
- What does it mean for passengers?
 - Broadly, flight disruptions — tarmac delays, flight cancellations, and denials of boarding — that are within an airline's control, require compensation be paid, standards of treatment be upheld and the passenger's itinerary be completed.*
 - Flight disruptions within an airline's control but required for safety reasons will not require compensation but airlines will have to maintain a standard of treatment and complete a passenger's itinerary.*
 - If outside of airline control, must ensure the passenger's itinerary is completed.*
- Potentially unworkable because
 - The regulations will apply to all flights to, from and within Canada, including connecting flights.***
- Concern over impact on airport and airline relationships

AIRPORT IMPROVEMENT FEES

Agreement on business terms reached between the two negotiating committees

Agreement wording is being drafted

Plan is to have it in effect for September 1, 2019

Briefings with the rest of the signatories to the agreement are planned for this week

Provides for a standard process for consultation across all airports and airline consultative committees

Provides standard fee for all airports

Specifies dispute resolution mechanisms

Questions?

