

Gating Strategy

YYC Calgary International Airport

15 September 2019

The Region we Serve

calgary
be part of the energy™



- Canada's 4th largest metro area
- Population: 1.5 Million
- Gateway to the Canadian Rockies
- The Capital of Canada's Oil and Gas Industry
- Most corporate head offices per capita in Canada
- Diversity: 30% of Calgarians have immigrated to Canada.

Our Company and Mandate

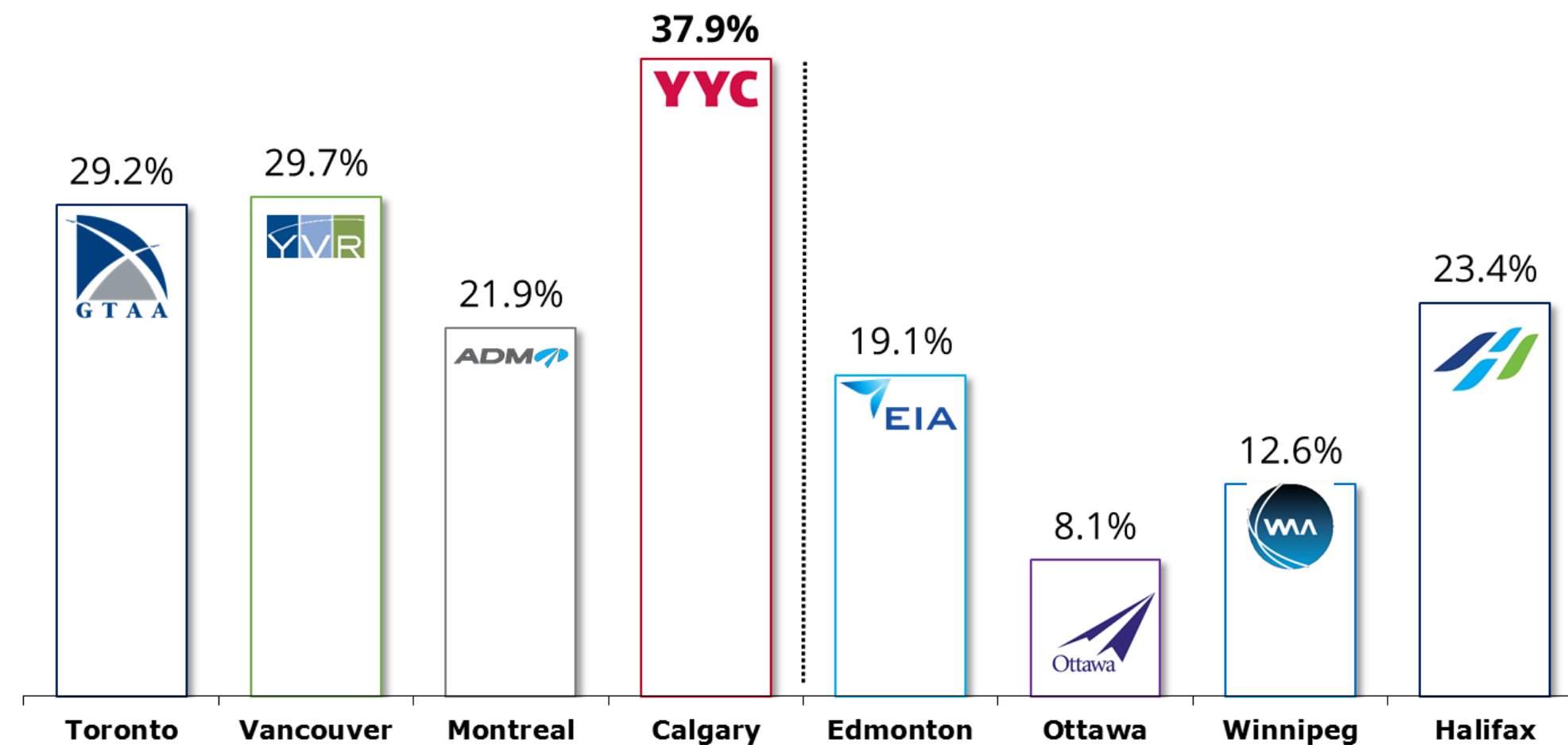
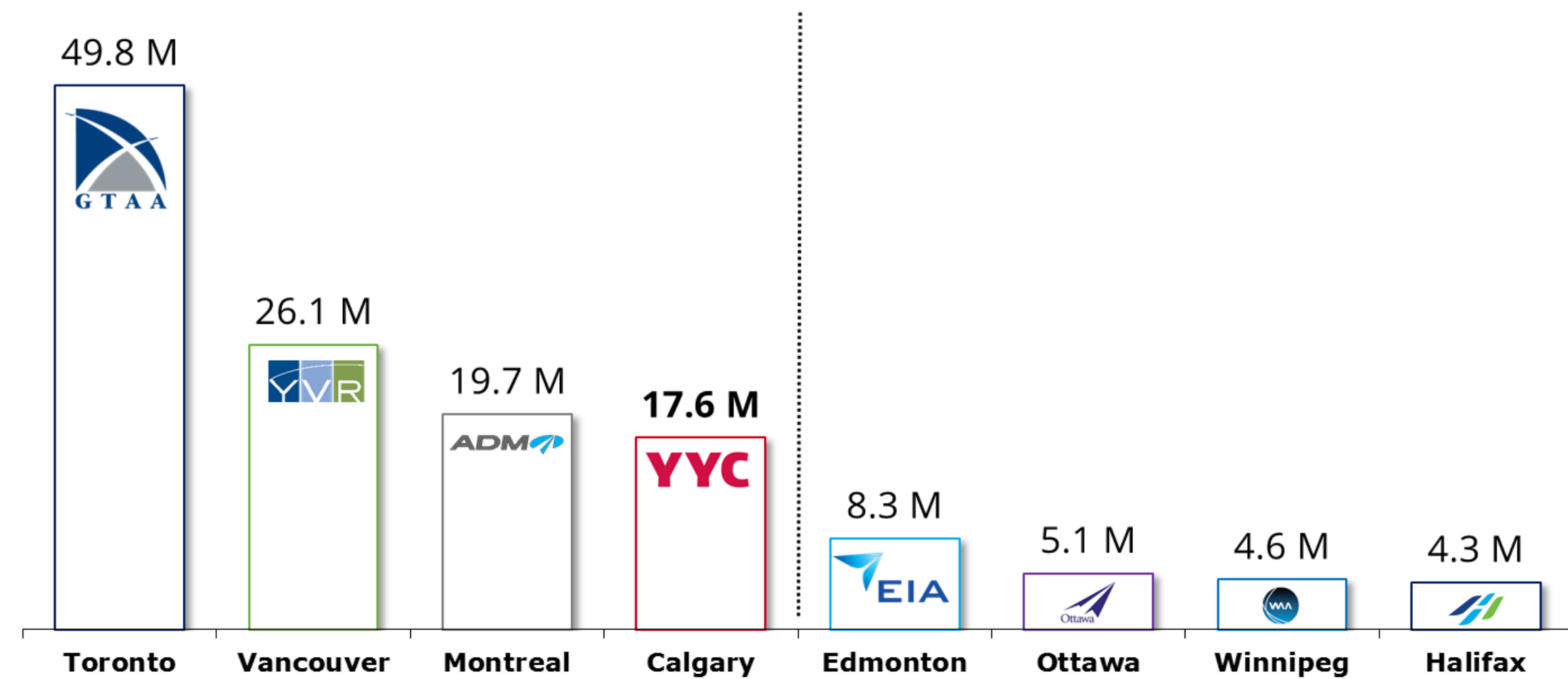


- Operator of Calgary International Airport since 1992.
- Responsible for operation and development of YYC under an 80 year lease with the Government of Canada.
- Not-for-Profit Organization
- Also operate Springbank Airport (YBW); a general aviation reliever airport for YYC.

Canada's 4th Busiest Airport & Leader in Connectivity

Total Passenger Traffic

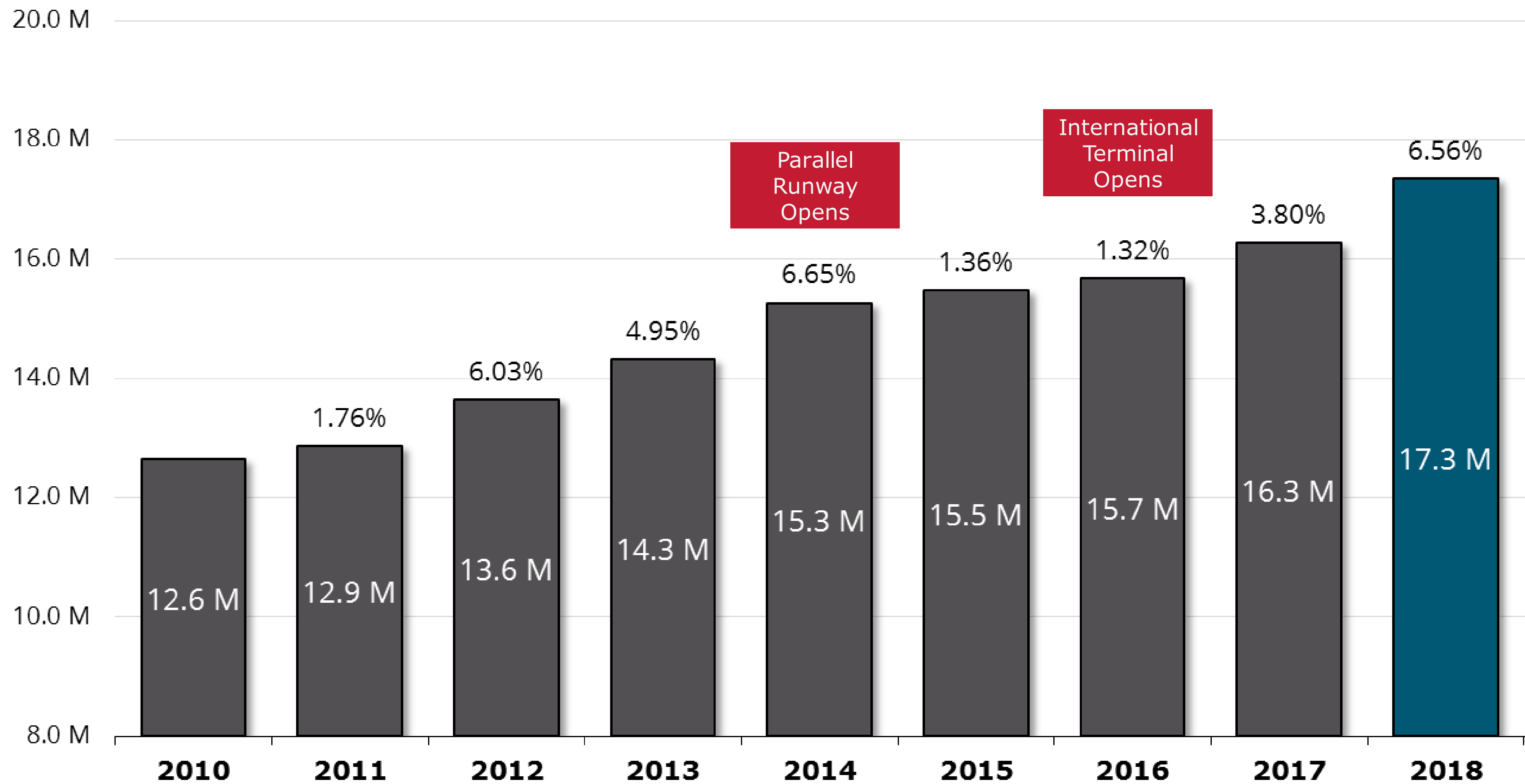
- Ranked 4th in annual E&D passengers
- One of four hub airports



Proportion of Connection Traffic

- Highest among Canada's major airports
- Most seats per capita

Passenger growth continues to challenge expanded facility



Dual Hub operation with a combined capacity share of 87%

- Canada's two largest carriers both operate hub structures at YYC.
- Highest concentration of capacity between two carriers amongst major Canadian airports.
- Hub activity is often concentrated at shared peak hours.
- YYC is an IATA Level 2 Facilitated Airport to help manage facility constraints at peak times.



- 56% of total capacity
- Headquartered at YYC
- Busiest station in their network



- 32% of total capacity
- 4th busiest station in their network
- Transatlantic & transpacific gateway

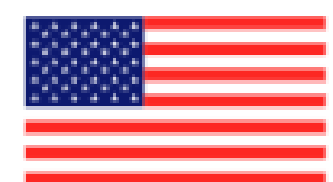
Three Sectors of Travel add Gating Complexity

- US Preclearance adds operational complexity by introducing a third sector of travel.
- YYC's International Terminal has swing gates that can accommodate either two or all three sectors of travel.
- Access is managed by an automated corridor configuration system.
- Without swing gates, aircraft turning between sectors must be towed between terminals.

2018 YYC Sector Traffic Mix



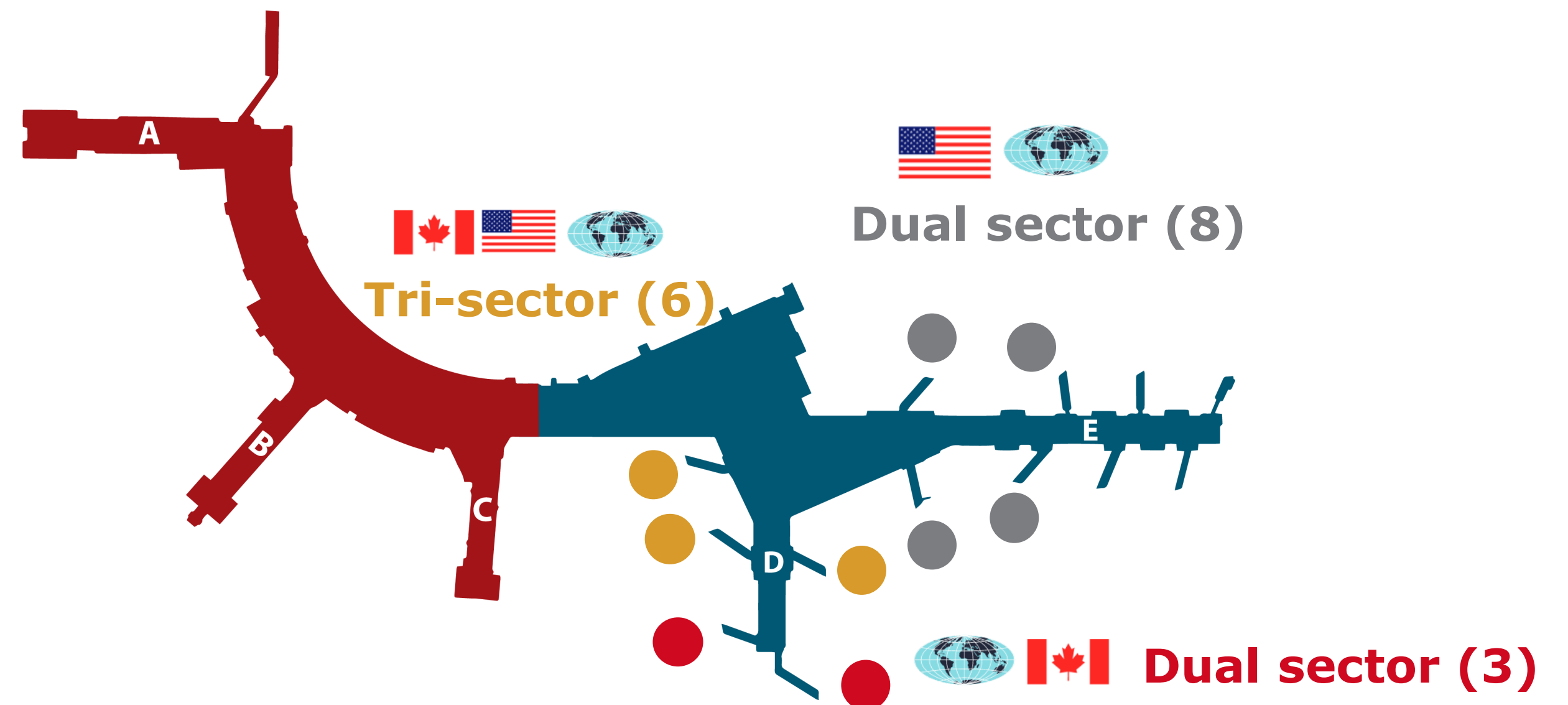
71%



19%

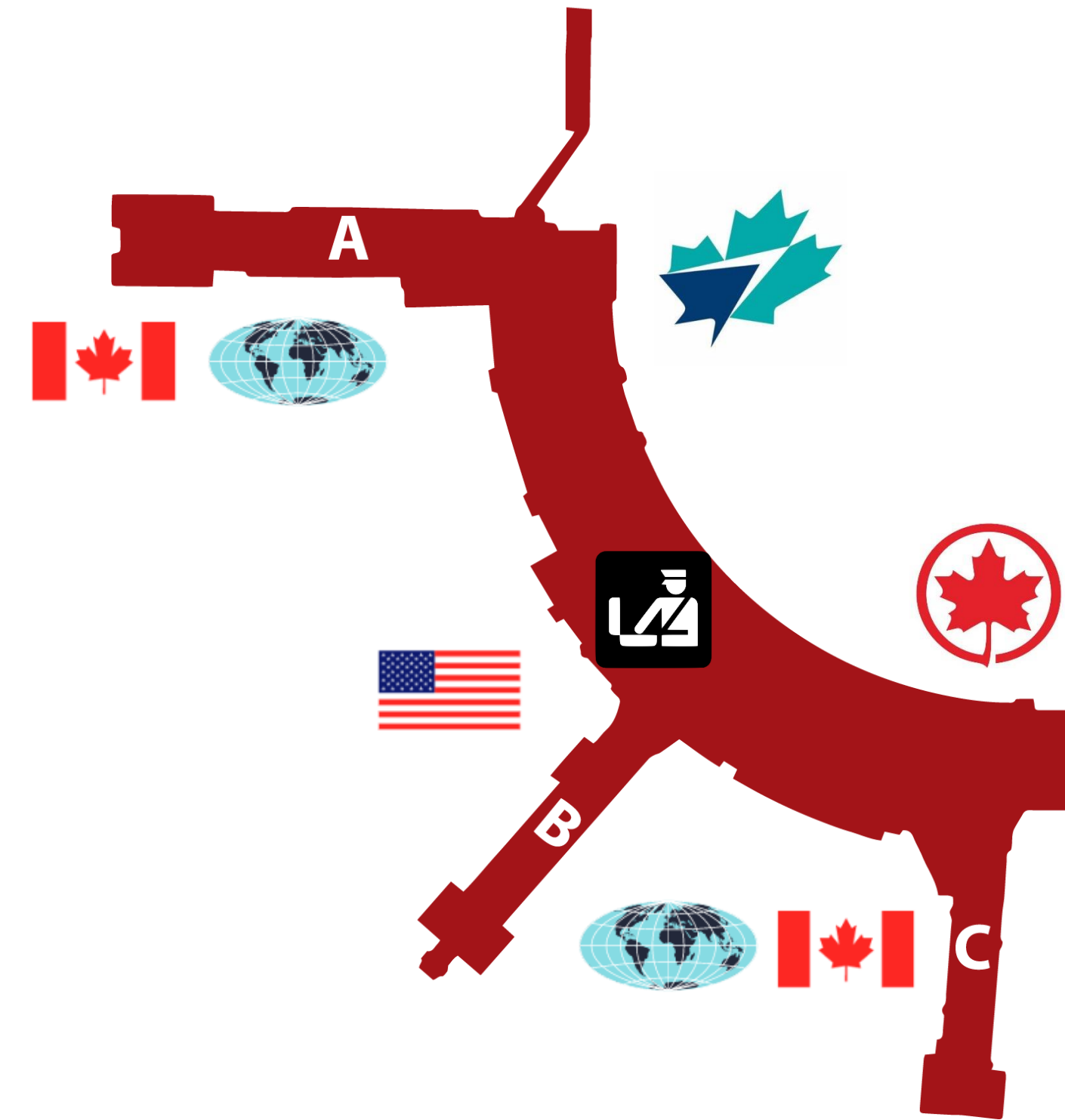


10%



Single Terminal Operation was Operationally Beneficial

- Prior to October 2016, YYC operated with a single terminal, serving all travel sectors.
- **Benefits with single terminal operations:**
 - **Gate flexibility**
 - More swing gates
 - Mixing of domestic and international departing traffic
 - **Equitable carrier positioning**
 - Hub carrier domestic operations in equal proximity to customs facilities and transborder gates.
 - **Short travel distances**
 - Connection experience added by compact facility



Terminal Expansion Generated New Challenges

- Total gate capacity grew by over 50%
- 26 new aircraft stands introduced.
- Existing terminal becomes domestic only.

Gating Challenges:

Reduced sector flexibility

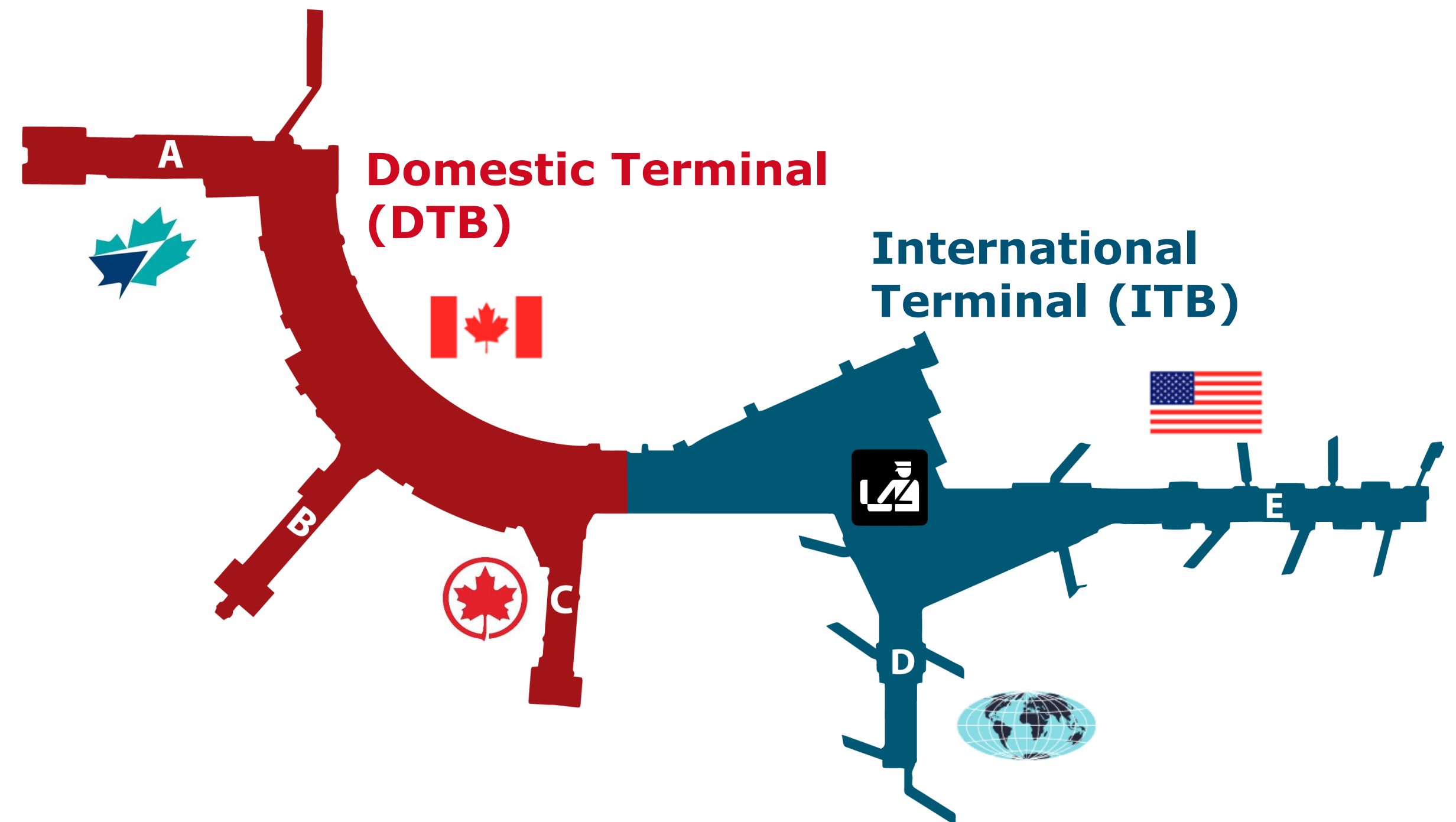
- Limited swing gates that accommodate all sectors.
- Elimination of co-mingling

Gate Desirability Changes

- Distance to ITB makes Concourse A least desirable

Domestic-Intl Connection Distance

- Max distance between gates far exceeds previous configuration.
- Shuttle established to mitigate impact

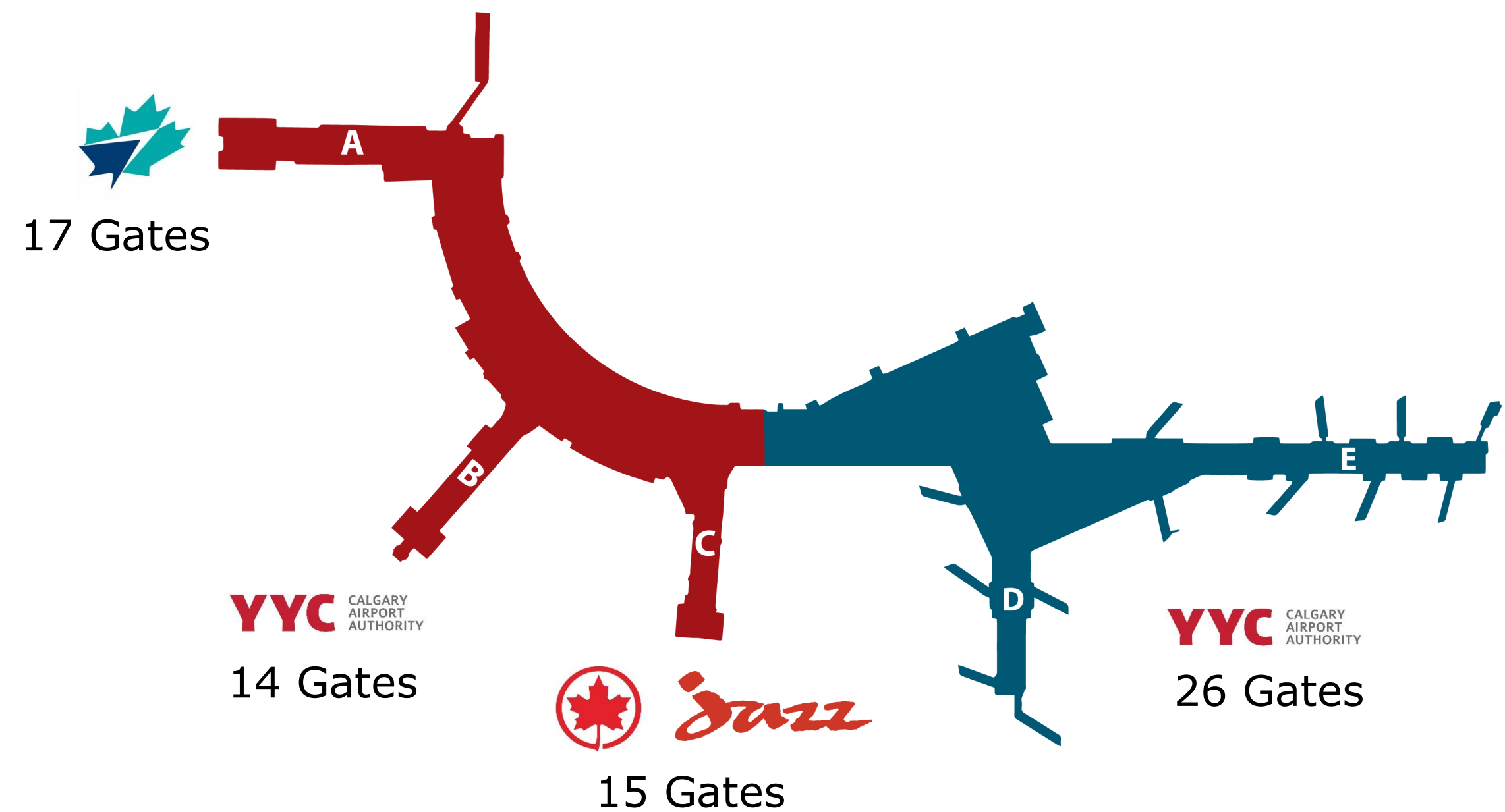


Airport currently manages only 56% of terminal gates

- WestJet, Air Canada and Jazz manage the gates on their respective domestic concourses with exclusive use.

Challenges with decentralized gating:

- **Inefficient asset management**
 - Four organizations managing 72 gates
- **System capacity not optimized**
 - Carriers prioritize own operation
 - Gate squatting and blocking
- **Data integrity**
 - Carriers not motivated to ensure accurate data in Resource Management System



A change in gating strategy necessary for continued growth

Strategic Shift:

Infrastructure Development  Asset Optimization

Catalysts for Change:

- Limited capital resources
- Connectivity critical to continued growth
- Nearing 100% gate occupancy at peak hours in both terminals
- Address changes in domestic gate desirability; promote fairness

Full Common Use Model to be implemented in 2020

Transformation includes multiple steps:

Reacquisition of all bridges

- WestJet currently owns and maintains bridges on Concourse A

Establish Comprehensive Gating Rules

- Gate assignments to be based on connectivity profile
- Limited preferential gates maintained; no gate exclusively
- Prioritization by carrier vs. aircraft size

In-source all gating

- Airport Authority to manage all gates
- Increased operating cost with staffing more than doubling in Resource Management Unit
- Capital cost to expand and reconfiguration Integrated Operation Centre