

**Deputation to Pickering Council by David Masters,
Treasurer of Land Over Landings
Jan. 27, 2014**

Good Evening Mayor Ryan and Members of Council, My name is David Masters and am a CPA in private practice in Claremont and I am also Treasurer of Land over Landings and CDCA.

I am speaking tonight to deliver my strong support for Councillor Pickles Motion before Council with regard to the proposed Pickering Airport.

I was here 15 years ago when Council sent a strong message against any proposed airport. Back then GTAA was saying that an airport was desperately needed and would be built and be operational by 2004 for the Toronto Olympics.

In 2004 GTAA produced a Pickering Airport Draft Plan which stated that the airport would be operational by 2012.

In 2008 the GTAA commenced a study to determine when a Pickering Airport would be needed. The report was released in 2011 and generally stated that it thought an airport may be needed sometime in the period 2027 to 2037. This report was written during the last recession and the forecasted passenger traffic to date seems overly optimistic.

Spring forward to 2013 and Finance Minister Flaherty announced an airport will be built to be operational by 2027. His only support for a business case being the GTAA study written 5 years previously by a biased organization in the midst of the worst worldwide recession since the great depression of the 1930's.

One would think that further independent studies would have been undertaken to support a multi billion \$ undertaking, but sadly NO

Why has there been no Airport built over the past 15 years despite the best efforts of Transport Canada and the GTAA?

BECAUSE THERE IS NO BUSINESS CASE TO BUILD AN AIRPORT.

There are many people who think that a Pickering Airport would be a great boon for Pickering and would create thousands of much needed Jobs.

Even our own Regional Chair Roger Anderson stated in a TV interview on TFO 360 and I quote "I ASSUME COMPANIES FROM AROUND THE WORLD WILL WANT TO FLY IN THERE"

WHY CAN WE ASSUME ANYTHING. Transport Canada assumed that Mirabel would be successful and how many companies are flying in there? How many passengers go through Mirabel. How many Jobs are there at Mirabel.

The answer to all those questions is none.

Hamilton International Airport is struggling with very few passengers and is mainly a cargo airport.

Kitchener Waterloo airport is struggling and has to pay a subsidy to a US airline in order for it to continue service to Chicago.

It has been shown the world over that secondary hubs are inefficient and are disliked by the airlines. The advantages of a strong single hub is that passengers may transfer from domestic routes onto international routes within the same hub. Domestic routes are generally less profitable than international routes and having multiple hubs would mean operating more unprofitable domestic routes which would bring the overall profitability of the airline down.

The only cases of successful secondary hubs are in the US where there are 3 strong national airlines.

In Canada we only have 1 plus Westjet which has much fewer international routes.

It will be very difficult to persuade airlines to relocate from Pearson. We saw that Westjet relocated from Hamilton to Pearson in order to increase efficiencies.

Airlines will move out of Pearson only when there is no alternative and they are given financial incentive to move.

Pearson will be expanded to its maximum extent possible.

In 2012, 35 million passengers used Pearson and there were 434,000 aircraft movements.

There are plans for Pearson to add a 6th runway and to redevelop Terminal 3 -- although these plans have been put on hold for the moment as there is currently no need to expand as they have sufficient capacity over the next 10 years.

GTAA states that once these improvements are in place their practical maximums are 54 million passengers and 580 thousand aircraft movements. Although forecasting is a mugs game. For example Transport Canada forecasted back in the 70's that Pickering Airport would see 198 million passengers in the year 2000. Just a little off.

It is likely we won't see 54 million passengers for another 20 to 30 years which would push that well into the 2030's. Airport efficiencies will also likely push that number even further back as Heathrow has 70 million passengers and only 2 runways.

We haven't even considered Hamilton and Kitchener Waterloo which are operating at less than 5% of their present capacity.

We can see that the demand for another airport isn't going to arise for many decades and probably for at least another 40 years. Are we going to continue wasting opportunities for another 40 years? There are better opportunities to create jobs. Agriculture and Agri foods being one of them.

Giving you my opinion means nothing. We must have an open, independent and transparent study of the requirements for a new airport at Pickering.

It is going to cost billions and what corporation would not want to study its plan in detail, including outside consultants, before going ahead with its project.

In the UK the Government has formed a 5 person Airports Commission who have asked interested parties to present evidence. They have commissioned studies and have issued interim reports.

This is an example of an independent open and transparent study which we need in this case to convince the supporters of an airport that it is not needed. We have had one white elephant we don't need another.

It is time to move on. We can't waste another 40 years

Thank you Mayor Ryan and members of Council.