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John Henry, Chair
Durham Regional Council
605 Rossland Road East
Whitby, Ontario L1N 6A3

April 8, 2021

Dear Mr Henry,

I am writing with regard to the posting of March 9, 2020, on Durham Region's website. The post, about a Pickering airport, is seriously misleading, announcing conclusions that KPMG did not reach and featuring claims that the report did not contain.

More than a full pandemic year after the appearance of this post, the inaccuracies are still there and have become increasingly objectionable. It is dishonest for the Region to mischaracterize KPMG's conclusions and then use that mischaracterization to imply that the airport is a certainty. It is not. In 2020, the aviation sector was already widely viewed as being on a collision course with climate change – and that was before COVID-19 surfaced and sent it into a tailspin. There is still no clarity as to when a global post-pandemic recovery will start, how long it will take, and how different the world will be in its wake. In the past twelve months, airlines have gone bankrupt, hundreds of airports around the world have faltered or been shuttered, and many expansion plans have been cancelled or have failed to attract investors. COVID-19 was often the cause, but so was the growing realization that greenhouse-gas emissions must be tackled seriously and swiftly as the climate emergency intensifies.

In short, it is deceptive of Durham Region to imply that a Pickering airport is a foregone conclusion (it is not) and that KPMG recommended a Pickering airport to Transport Canada (they did not). The public deserves an accurate accounting of KPMG's findings and conclusions.

We have taken the liberty of extracting the most egregious statements from the 2020 post, explaining why they mislead and showing what KPMG really said. Please see attached. The page numbers are the individual reports' page numbers followed in square brackets by the compiled report's page numbers.

These errors must be addressed, either by revising the 2020 post or, better still, posting a new and accurate one for 2021. We hope you will give the matter prompt attention, and we trust that the public will be able to read the results on the Region's website very soon.

Sincerely,

Mary Delaney
Chair, Land Over Landings

/Attachment

Errors and misleading statements in the Region's website post of March 9, 2020

<https://www.durham.ca/en/news/new-pickering-airport-could-serve-a-variety-of-uses.aspx>

Quote from para 1: "... KPMG Aviation Sector report on the future of the Pickering lands once again makes a strong case for the development of a modern, 21st century airport..."

The report does no such thing. Having determined that no airport would be needed to relieve Pearson before 2036 (the study was limited to a planning horizon ending in 2036), KPMG then looked at other types of potential airports – but their report's Conclusion is rife with cautions:

- "the analysis ... can serve as a useful tool for understanding the potential of various types of airports"
- "this study is exploratory in nature"
- "definite conclusions regarding the potential of each type of airport cannot be drawn"
- "investors ... will need to conduct their own analysis and draw their own conclusions regarding the potential financial outcomes and economic impacts a new airport would have"
- "There is a significant level of uncertainty associated with the assumptions used to generate the scenarios, and it is likely that the future will deviate from the assumptions presented in this report" (report 4: p. 84 [447])

By no stretch of the imagination did KPMG "make a strong case for the airport," particularly since all detailed economics of potential airports were redacted in their public report.

Quote from Chair, in para 2: "We have an opportunity to make Canada's newest airport ... a shared space that supports our agricultural community"

As it happens, an airport sharing space with agriculture is not a happy pairing. There are some well-documented reasons for this:

- Aircraft noise stresses grazing livestock and affects feeding, growth, and reproduction rates.
- A great many common crops cannot – in fact, must not – be grown near an airport, because they attract birds and other wildlife.
- Aircraft and airports emit numerous pollutants that contaminate agricultural products.

The agricultural community would not welcome an airport on that prime farmland, nor would it welcome the idea of sharing space with one.

Quote from para 3: "Last week, Transport Canada released its KPMG Aviation Sector Analysis, which confirmed that the Greater Toronto Area (GTA) needs a new airport in 2036."

The Analysis did not confirm this. What it said was (italics and underlining added):

- "Although the Supply and Demand Report concluded that a new Pickering Airport *would not be required based on the forecast demand within the study horizon, at current growth rates, Toronto Pearson Airport is expected to reach and exceed its runway passenger capacity sometime after 2036*. Therefore, *it is recommended that Transport Canada monitor policy and industry factors and events that could change projections and / or the timing for a decision to develop a new airport on the Pickering Lands.*" (report 2: p. 19 [223])

- “A new airport on the Pickering Lands is *not anticipated to be required* to accommodate a shortfall in air passenger capacity ... *before the 2036 horizon* of the Supply and Demand Report. Forecast air passenger demand up to 2036 can be accommodated by the existing facilities of the southern Ontario airports system with modest improvements....” (report 3: p. 99 [334])

As 2036 was the study’s horizon, KPMG looked no further than that date. *No date of need was suggested by KPMG, let alone confirmed.*

Quote from Para 4: “The report recommended that the Pickering Airport Lands could be used for...”

KPMG made no such recommendations. They merely identified “most appropriate options” to consider in terms of other types of potential airports, since Pearson would not need a reliever during the period covered by the study. They wrote:

- “The most appropriate options, based on the evaluation criteria ... are an Industrial Airport (providing Aviation Commercial Development Lots) and a Specialty Passenger Airport (facilitating point-to-point scheduled and charter passenger air services, including those by ULCCs)” (report 3: p. 99 [334])

And they concluded, in the revenue-generating section (italics added):

- “The study conducted and documented within this report was exploratory in nature, and is based on a number of assumptions reflective of the early nature of the analysis conducted. From this perspective, *the results should not be interpreted as providing conclusive evidence regarding the potential success (or lack of success) of a new airport on the Pickering Lands.*” (report 4: p. iii [360])

Quote from para 5: “...the report looked at five options ... with such a large and complex infrastructure project such as an airport, planning will need to begin now.”

Misleading in more ways than one. KPMG immediately discounted three of the options and developed scenarios for only two. Scenarios are “what if?” exercises, which could result in a recommendation – but KPMG made no recommendations. What KPMG had to say was this:

- “The selection of these scenarios does not imply that they are more or less likely to occur than a scenario that has not been explored. ... What will unfold over the next 10-20 years will likely be different from the scenarios contained in this report.” (report 4: p. 9 [372])

Nor did KPMG *ever* state that planning needed to begin now (or even soon). Any sense of urgency seems to have come only from representatives of the municipalities consulted (emphasis added):

- “All municipalities consulted showed strong support for the development of an airport on the Pickering Lands and stated *the critical need* for the federal government to make a decision on the Pickering project *as soon as possible.*” (report 1: p. 42 [58])

While KPMG did include a construction timeframe for each of the six development scenarios, the suggested dates appear to have been arbitrary. Each set of assumptions that emerged for use with the scenarios was based, cautions KPMG, “on a limited data set and broad assumptions.” (report 4: p. 8 [371])

Quote from para 7: “... this new airport will continue to drive economic development ... this eastern airport will be a hub for innovation and growth for decades to come.

The statement seems intentionally misleading. Boosterism, not factual information. An airport that doesn’t exist can’t *continue* to drive anything. And given the massive environmental hurdles that aviation will have to navigate in the coming decades, airport-driven economic development and growth are in no way assured.