

AIR CANADA



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Project: Improving the Land Transport Infrastructures in the Vicinity of
Montreal-Trudeau Airport

This brief is presented on behalf of ACE Aviation Holdings Inc. (ACE).

We are grateful for the opportunity to comment on the significance of this important project as it is felt that improvements to the transportation infrastructure near the airport are in the interests of our many customers.

ACE is an important corporate citizen in the Montreal area where we employ close to 8,000 individuals. ACE is the parent holding company of Air Canada, Air Canada Jazz and other subsidiaries. Air Canada is the country's largest domestic and international full-service airline and the largest provider of scheduled passenger services in the domestic market, the transborder market and each of the Canada-Europe, Canada-Pacific, Canada-Caribbean/Central America and Canada-South America markets. Air Canada is also a founding member of the Star Alliance network, the world's largest airline alliance group.

In addition, ACE is the parent company of Aeroplan LP, Canada's premier loyalty program and Destina.ca an on-line travel site. The Corporation also provides technical and maintenance services through ACTS LP, cargo services through AC Cargo LP, aircraft ground handling services through ACGHS LP as well as tour operator services and leisure vacation packages through Touram LP (Air Canada Vacations).

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From an operational standpoint, Air Canada together with Air Canada Jazz operates an average of 216 flights per day, to and from Montreal-Trudeau Airport, which represents approximately 35% to 40% of the airport's total daily commercial flight movements. From a passenger perspective, Air Canada and Air Canada Jazz embarks and disembarks approximately 16,000 people everyday or 50% to 60% of the total daily passenger flow at the airport. A percentage of these passengers are in transit through the airport awaiting a connecting flight to their final destination and therefore do not use the transportation infrastructure surrounding the airport.

Efficient and well-established air transportation is a known catalyst of economic growth. In fact, the International Civil Aviation Organization (ICAO) estimated the "multiplier effect" of civil aviation to be 7.2 for jobs and 4.7 for output. In practical terms this implies that for every 100 jobs in civil aviation 720 additional jobs are created in other industries. Moreover, for every \$100 of air transportation output an additional \$470 of demand in other sectors is created.¹ Therefore, from the perspective of future growth, the benefits of an improved overall transportation infrastructure are widespread.

Without a doubt, improved access to the airport by road and efficient public transportation, including a planned direct rail link from downtown Montreal, will offer an added benefit for our customers. In the context of maintaining Montreal as a key hub in our worldwide network, we view this project as an eagerly-awaited infrastructure improvement and we are excited at the prospect of enhancing our customers' overall travel experience.

We consider that this project is of great benefit to Montrealers and visitors who travel to and from Montreal-Trudeau Airport for business or tourism. The ease of transit between the airport and downtown Montreal as well as the ease with which one can enter or exit the airport by road reflect on the overall reputation of Montreal as a truly modern and efficient city and can significantly contribute to growing its economic importance. In this respect, ACE has a definite interest in such an outcome. Clearly, ACE wants to see the air transportation market grow at Montreal-Trudeau Airport and to do so, improving access to the airport is of critical importance.

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¹ Cornelia Fisher, ICAO, Air Transport Bureau, Forecasting and Economic Planning Section, "Economic Contribution of Civil Aviation (ECCA)". The multipliers referenced here are for US civil aviation in 2000.

We understand that in order to accommodate the integration of the other aspects of the overall project, Aéroports de Montréal (ADM) will be contributing ten million dollars (\$10,000,000.00) for road work on land that it currently occupies. Given the overall public interest of this project to the city of Montreal, we are of the view that, except for this fixed contribution by ADM as it specifically relates to its property, the entire cost of this project must be assumed by the various levels of government involved. Under no circumstance should ADM be requested to provide additional financing to cover any cost overruns or additions to the original scope of the project.

Moreover, we strongly recommend that, in the planning phase prior to construction, every effort be made to limit the disruptions for individuals travelling to and from the airport. In this regard, we respectfully suggest that a proactive and highly visible communications plan be developed in order to inform airport users of issues such as alternate routes and changes to the configuration of particular roads throughout the duration of the project.

ACE Aviation is confident that the full implementation of this project will yield significant economic benefits and sincerely hopes that the completion of an improved transportation infrastructure supporting Montreal-Trudeau Airport quickly comes to fruition.

Sincerely,



Steve Beisswanger
Manager, Government and Community Relations
ACE Aviation Holdings Inc.