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Cheap American flights threaten Canadian airport business

Friday, May 3rd, 2013

The promise of cheaper flights is driving many Canadians across the border to U.S. airports — and costing millions in lost revenue in Canada.

The trend is disconcerting to Canada's aviation industry, which is calling on the federal government to do something to lure back those travellers.

"What we really need to do is get airports, airlines and government in the room together to develop a new national air travel strategy," said Daniel-Robert Gooch of the Canadian Airports Council.

He and other people in the aviation industry were in Winnipeg this week for the Western Canadian Aviation Forum, a conference paying close attention to the problem of air travellers taking their business elsewhere.

"It's a growing problem," said Senator Dennis Dawson, chairman of the Senate transport and communications committee.

"It has been a problem for a few years, but every year it grows by about 15, 20 per cent, so that means it is revenue lost for Canada. When you have over five million Canadians flying out of American airports, it's more people than are flying out of the fifth biggest airport in Canada," he said.

"These people are developing a habit of going to American airports, [and] all of these airports are growing to the detriment of your local airport. The reality is there have been estimates of thousands of jobs lost [in Canada]."

Manitoba is one of the provinces seeing the exodus of travellers. Close to half the cars in the parking lot at the Grand Forks International Airport have Manitoba licence plates these days.

Victor Matos and his family saved more than a thousand dollars flying to Orlando through the North Dakota city instead of leaving from Winnipeg.

"We have a lot of friends that do it, and do it regularly, like once [or] twice a month, going to Florida and other sun destinations right out of here," Matos told CBC News in an interview at the Grand Forks airport.

Melodie Ralph and her family also opted for Grand Forks airport over the one in Winnipeg to fly to Disney World in Florida recently.

She says if they found a cheaper alternative in Winnipeg, they'd take it. But so far, there isn't one because of "all those extra surcharges and taxes and fees that are added on," she said.

"We like to travel; we love to travel," Ralph said. "And we are going to find the most economical way to do that if that means driving an hour and half to Grand Forks to save a thousand dollars, that's what that means."

The reason for the vast price differences in the U.S. and Canada has much to do with geography, said Dawson.

"We are a smaller market dispersed on a bigger country. That is not something easy to deal with but in addition to that, the government has imposed rents on airports," he said.

"The government is making money out of security taxes for CATSA [Canadian Air Transport Security Authority]. They shouldn't be making money out of security taxes. All of those are costs the government can control."

A new federal strategy is needed so Canada can better compete with American airlines and airports, Dawson said, and that starts with addressing the rents airports pay, as well as other fees and charges added onto airline tickets.

"They can lower the rates of rents. They should. They should abolish them completely but, at best let's ask them to lower them," he said.

"These fees are one of the biggest impediments that can easily be controlled. We can't make our country smaller, and we can't get 10 million people more.

"If we lower those, we'll encourage people to fly out of Canada."