



21 December 2016

Matt DeCoursey, MP  
494 Queen Street (Main Office), Suite 300  
Fredericton, New Brunswick E3B 1B6

Dear Mr DeCoursey:

**Re: Broad Business Community Support for Planned Expansion of the Fredericton International Airport**

We are writing today as an outcome of the federal pre-budget consultation hosted with you at our office on December 9, 2016. The attendees of that meeting, representing a broad cross-section of the business community, were in unanimous agreement that the planned expansion of the Fredericton International Airport is a critical priority for all attendees. Indeed, most identified the project as the most important issue to drive economic growth in our region and requested that a letter should be drafted on their behalf to encourage the federal government to find a solution to the policy issue (described below) holding up construction.

As you are aware, New Brunswick's capital city has had a great need to expand our airport for many years at a cost of approximately \$30 million. The Fredericton International Airport Authority is able to fund one-third of this cost and the provincial government is prepared to provide another one-third. We need the federal government as a partner to make an equal one-third investment to propel our community forward. It is our understanding that while the federal government is generally supportive of this investment, a funding policy related to the National Airport System is inhibiting its ability to partner on this project.

**Policy Issue: National Airport System ("NAS") and the Airports Capital Assistance Program ("ACAP")**

The Fredericton airport is one of 26 airports that form the National Airport System. These airports have been identified as being strategically important to the country's air travel system. However, NAS airports are excluded from ACAP funding - which was established to help airports with fewer than 525,000 annual passengers with capital project funding, but specifically excludes airports that sit on Crown Land, which includes all NAS airports. There are no other targeted funding programs for these airports. Fredericton is one of six such airports that are small enough to otherwise need and receive ACAP funding but for this policy.

While the NAS is self-sufficient overall, the smallest of these airports (despite increasing passenger loads) are not able to independently generate the full amount required to maintain capital infrastructure. In addition to Fredericton, these include airports in Prince George, Charlottetown, Gander and Saint John. The federal government recognizes the infrastructure funding challenges of smaller airports in Canada through the National Airports Policy which created the Airports Capital Assistance Program ("ACAP").



### **Economic Impact**

The issue is particularly acute for the Fredericton airport which was designed to accommodate 200,000 annual passengers but has seen steady year-over-year increases in passengers coming through the airport, hitting the 350,000 mark in 2015 and will well-exceed that mark in 2016. In many ways this is a 'good' problem to have as these numbers reflect a growing population and economy in the Capital Region, but an expanded airport is needed to continue this growth. As our local economy is heavily reliant on the knowledge, engineering, and other professional services sectors, efficient access to air travel is essential to exporting our services and bringing top-quality talent to the area - amongst other concerns.

Independent consultant InterVISTAS measured the airport's impact to be 586 jobs and \$24-million in GDP (including direct and indirect impacts), and an expansion would 1,015 jobs and \$41.5-million in GDP to New Brunswick by 2030 - in addition to the short-term construction economic and 319 job boost.

More broadly, New Brunswick is Canada's most export-dependent province and increasingly, those exports are in the service, education and technology sectors. This means we are exporting expertise and people. This concentration is particularly acute in the Fredericton Region, where education, technology, cybersecurity and startup culture form a large part of our local economy. Additionally, as the capital city, the Fredericton International Airport is frequently the first point of contact for foreign investors to our province. Effective air access and a modern airport that operates for the capacity designed is critical to competing in the global economy. New Brunswickers want to grow our economy and become self-sufficient - this policy and our inability to expand the airport is one barrier preventing us from reaching that goal.

### **Broad Community Support**

At a local level, in our most recent survey, Fredericton Chamber of Commerce members placed the airport expansion as the region's top infrastructure priority for economic growth by a clear margin. Municipal, provincial and federal officials have also consistently expressed their support for the expansion, but this federal policy issue remains a roadblock.

The issue has reached such a critical state that in September 2016, delegates of the Canadian Chamber of Commerce passed a policy resolution calling on the federal government to find a solution to the funding issue so that these affected communities can have the opportunity to invest in their local airports, grow their economy and create jobs. The issue also has the support of the Atlantic Chamber of Commerce, which has been advocating on the issue for several years, as well as economic development organizations, airport associations and most importantly, local businesses - including the following attendees/sectoral representatives at the aforementioned pre-budget consultation who requested this letter to be sent:

- Adam Peabody, Investment Attraction & Growth Specialist, Ignite Fredericton
- Andrew Steeves, Engineer in Residence, UNB/ Past President, Fredericton Chamber of Commerce/ Chairperson, Fredericton International Airport Authority
- Bob Chisholm, Franchisee, McDonald's Restaurants in Fredericton and Oromocto
- Bob Gallen, New Brunswick Land Manager, RPS Group
- Bruce McCormack, Downtown Fredericton Inc (economic development)



- Dan Myers, Manager, Crowne Plaza Fredericton; New Brunswick Tourism Association
- Dan Coleman, Vice-President, Academic, University of New Brunswick
- Johanne Gallant, CEO, Fredericton International Airport
- Karen Grant, Owner, Kiers Marketing
- Krista Ross, CEO, Fredericton Chamber of Commerce
- Larry Shaw, CEO, Ignite Fredericton/Knowledge Park/Planet Hatch
- Layla Rahmeh, Succession Specialist, Fredericton Intercultural Business Centre
- Mark MacKenzie, Director of Sales and Marketing, Green Imaging Technologies
- Mark Scaplen, Vice President, Regional Leader, Canada (NB and PEI)
- Meaghan Seagrave, Executive Director, BioNB
- Mike Legere, Executive Director, Forest NB
- Morgan Peters, Policy & Research Manager, Fredericton Chamber of Commerce
- Paul Simmonds, Owner, Robert Simmonds / President, Fredericton Chamber of Commerce
- Robert Burroughs, Executive Director, New Brunswick Student Alliance
- Ryan Boyer, Managing Partner, CainBoyer Benefits Group
- Shahram Ghanbari, President & CEO, Quark Oil & Gas Services Inc.
- Wendy Hallihan, Realtor, Exit Realty

The smallest NAS airports are critical national infrastructure assets and critical to regional economies that have to be properly maintained and renewed to keep pace with growth. We ask that you work with the Fredericton International Airport Authority, the federal, provincial and municipal governments and any other stakeholders necessary to address this unintended consequence of otherwise good policy.

Yours truly,

Paul Simmonds, Owner  
Robert Simmonds Clothing  
President, Fredericton Chamber of Commerce

Krista Ross, CEO  
Fredericton Chamber of Commerce

cc: Hon. Amarjeet Sohi, Minister of Infrastructure and Communities  
cc: Hon. Marc Garneau, Minister of Transport  
cc: Hon. Bill Morneau, Minister of Finance  
cc: Hon. Dominic LeBlanc, Minister of Fisheries, Oceans and the Canadian Coast Guard  
cc: Hon. Brian Gallant, Premier, Province of New Brunswick  
cc: Hon. Stephen Horsman, Deputy Premier, Province of New Brunswick; MLA Fredericton North  
cc: His Worship Mike O'Brien, Mayor, City of Fredericton  
cc: Participants in the December 9, 2016 pre-budget consultation listed above