

Minister of Transport



Ministre des Transports

Ottawa, Canada K1A 0N5

May 21, 2020

Mr. Yves Giroux
Parliamentary Budget Officer
Office of the Parliamentary Officer
99 Bank Street, 9th Floor
Ottawa ON K1A 0A9

pbo-dpb@parl.gc.ca

Dear Mr. Giroux:

I am responding to your correspondence of April 28, 2020, regarding Information Request IR0474.

On March 30, 2020, the federal government announced that it would waive airport rent for the 21 airport authorities that form part of the National Airports System from March 2020 through December 2020. This measure was introduced to help airports reduce cost pressures from operations and preserve cash flow as they deal with the effects of COVID-19 on their revenues.

At this time, Transport Canada is not in a position to provide the monthly rent payments that have been waived without receiving monthly revenue/rent reports directly from airport authorities. With airport rent waived, airport authorities are not required to provide this information on a monthly basis. The information will become available in early 2021, when airport authorities are required to provide audited financial statements for 2020.

I should note that airport rent is formula driven, calculated as a percentage of airport gross revenues, and based on the following progressive scale:

Airport Revenues	
\$0 to \$5 million	0%
\$5 to \$10 million	1%
\$10 to \$25 million	5%
\$25 to \$100 million	8%
\$100 to \$250 million	10%
\$ 250 million +	12%

The government also announced that it would provide comparable treatment for PortsToronto, which operates Billy Bishop Toronto City Airport, by waiving payments made to the federal government on revenues generated by the Airport. Canada Port Authorities pay an annual gross revenue charge calculated as percentages of total revenues earned from all activities in the fiscal year and equal to the aggregate of the following amounts:

- a) 2% of the first \$10,000,000 of calculated gross revenues;
- b) 4% of the amount of any calculated gross revenue between \$10,000,001 and \$20,000,000;
- c) 6% of the amount of any calculated gross revenue between \$20,000,001 and \$60,000,000;
- d) 4% of the amount of any calculated gross revenue between \$60,000,001 and \$70,000,000; and
- e) 2% of the amount of any calculated gross revenue in excess of \$70,000,001.

The gross revenue charge calculation for the Toronto Port Authority (Ports Toronto) includes those revenues earned from the operations of Billy Bishop Toronto City Airport. Canada Port Authorities are required to remit their annual gross revenue charge payment within 90 days of the end of the fiscal year. The same annual timing applies to their requirement to issue audited financial statements. This being the case, the requested information will not be available until the first quarter of 2021, when the Toronto Port Authority is required to provide audited financial statements for 2020.

Yours sincerely,

A handwritten signature in black ink, reading "Marc Garneau". The signature is written in a cursive, flowing style with a large initial "M".

The Honourable Marc Garneau, P.C., M.P.
Minister of Transport