

Alberta – British Columbia Northern Airports Strategy

Prepared for:

NORTHERN B.C. & ALBERTA AVIATION COMMUNITIES

Prepared by:

Sypher

a Division of Jacobs Consultancy Inc.

220 Laurier Ave. W., Suite 500
Ottawa, ON
K1P 5Z9

In association with:

Pryde Schropp McComb, Inc.

30 September 2006

Released: November 2006



Alberta – British Columbia Northern Airports Strategy

Prepared for:

Northern B.C. & Alberta Aviation Communities

Prepared by:

Sypher

a Division of Jacobs Consultancy Inc.

220 Laurier Ave. W., Suite 500
Ottawa, ON, K1P 5Z9

In association with:

Pryde Schropp McComb, Inc.

30 September 2006

Released: November 2006



Alberta – British Columbia Northern Airports Strategy

Table of Contents

Section	Page
EXECUTIVE SUMMARY	i
I. Introduction	i
II. System Overview	ii
III. Findings.....	ii
IV. Next Steps.....	v
I INTRODUCTION.....	1
II. NORTHERN AIRPORTS ARE PART OF A GLOBAL INDUSTRY: NORTH AMERICAN AVIATION TRENDS	7
III. A TIME FOR ACTION.....	9
IV. TRAFFIC CHANGES WITHIN THE ALBERTA – BRITISH COLUMBIA NORTHERN AIRPORTS SYSTEM	13
V. ECONOMIC FACTORS INFLUENCE THE GROWTH OF AIRPORTS....	15
VI. AIRPORTS HAVE SIGNIFICANT BENEFICIAL IMPACTS ON PROVINCIAL ECONOMIES.....	19
VII. NORTHERN ALBERTA AND BC AIRPORTS SYSTEM STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS	25
VIII. ALBERTA – BRITISH COLUMBIA NORTHERN AIRPORTS STRATEGIC OPPORTUNITIES AND OPTIONS	31
IX. BUILDING PARTNERSHIPS	41
X. SUGGESTED PERFORMANCE BENCHMARKS	47
XI. MOVING FORWARD: IMPLEMENTATION.....	49

Alberta – British Columbia Northern Airports Strategy

Table of Contents (Cont'd.)

List of Appendices:

- A Methodology
- B Airports Consulted
- C Key Stakeholders Consulted
- D Airport Survey: Strength, Weakness, Opportunity, Threats (SWOT)
- E System Maps Developed from Airport Reported Data

EXECUTIVE SUMMARY

I. Introduction

Following an Alberta-British Columbia joint premiers and ministers meeting in 2004, the Ministers of Transportation were asked to review their airport strategies in relation to the airport strategy of the Federal Government. There was an agreement to work together with stakeholders to facilitate the development of a northern airports strategy that recognized the role of airports as economic enablers for business, freight and tourism.

Sypher:Mueller International Inc. (now Jacobs Consultancy Canada Inc.), along with PSMI, were engaged by the Governments of Alberta and British Columbia to help airport communities develop a viable plan to enhance the economic contribution of these essential elements of the transportation infrastructure of northern British Columbia and Alberta.

The thrust of the Northern Airport Strategy assignment was the identification of opportunities, possible options for action and a direction for northern airport communities to move forward as a whole. This would provide airport operators, not only those in northern British Columbia and Alberta but in all regions, with a platform to address pressing issues and to conduct benchmarking of their operations.

There was a high degree of aviation community stakeholder involvement in the strategy development process. In parallel with an initial review of previous initiatives and background data collection, airports were asked to identify their significant, site-specific strengths, weaknesses, opportunities and threats. These were then used as a starting point to develop a more integrated, system wide strategy.

Thereafter, extensive consultation took place with all levels of government and stakeholders through three separate full day workshops held in Prince George and Edmonton, and over 35 one-on-one stakeholder interviews.

At each stage in the development of the strategy the evolving systemic issues were fed back to the stakeholder group for discussion, development and prioritization in terms of both importance and urgency.

II. System Overview

Northern airports in Alberta and British Columbia link their communities to the rest of Canada and the world. Those same airports are also significant contributors to the economic wellbeing of their communities and enablers of further economic activity and growth. In essence, northern airports:

- Facilitate trade and travel through linkages to the national and global marketplace;
- Feed traffic into larger regional airports;
- Help attract new business, thereby facilitating economic development;
- Support tourism activities in local communities;
- Provide social functions (e.g., medical evacuation, fire-fighting, search & rescue); and
- Allow for connections/reunions with family and friends.

New approaches and partnership arrangements are needed to enable these essential elements of economic infrastructure to achieve their optimum potential. The strategy developed here is forward-focused and pragmatic in outlook. It also carries the active commitment of the many stakeholders involved in its development. This is a first step. The most important steps will follow.

III. Findings

Airports in Northern British Columbia and Alberta connect their communities to the world and are affected by global forces that shape the industry. The same economic and security issues that have affected the international aviation scene have also impacted northern airport operations and viability

In Canada, beginning in the mid-1990's, there has been a general slimming down and focus on the trunk routes between major centres, resulting in a general reduction in scheduled service to many regional and local centres in the Northwest. Others have lost service altogether. In terms of passenger growth, total passenger numbers in the Northwest peaked in 1998 and have steadily declined since that time. There are specific exceptions – mostly the influence of growing economies in the regional urban centres – and external influences

which affect the aviation industry as a whole and which also affect the level of air service in Northern Canada.

A decline in demand is a serious problem for airports and the communities that support them. Airports have high fixed costs and revenues that are almost entirely demand driven.

The size and dispersed population in northern Alberta and British Columbia, outside the main urban centres, make air travel essential. For some remote communities air is the only mode of transportation available year round. Air transportation is to remote regions what public transit is to large cities – an essential service. Airports also provide the infrastructure required for other essential public services such as air ambulance, forest fire fighting, search & rescue, policing and other medical services such as organ transport.

Northern aviation sustains over 3,500 jobs – both at the airports and in their surrounding communities - and contributes nearly \$260 million to the overall GDP of the two provinces.

All key stakeholders interested in the vitality of the northern airport system recognize that it would not be capable of meeting the needs of citizens, communities and businesses in the future unless significant changes are made, or planned for, now.

The consequences of deferring infrastructure renewal are becoming more obvious, and will result in lower economic growth and less competitive and sustainable communities unless addressed.

There are many challenges to the northern transportation system which need to be addressed to enable communities to remain viable and reach their economic potential. Prioritization of these challenges and options for change resulted in the need for solutions in fourteen key areas identified below:

- ***Cooperation Issues:***
 - Community awareness of the economic & health impacts of airports;
 - Lack of focus & effective planning skills available to airports – strategic, land use and business;
 - Shared resource initiatives – skills, purchasing and recycling surplus equipments; and
 - Cooperative training initiatives.
-

- ***Air Service Issues:***
 - Tourism growth as a key part of traffic growth;
 - Air service proposal development; and
 - Alternative funding sources for air service development & marketing.
- ***Commercial Land Development Issues:***
 - Maximizing potential of commercial lands; and
 - Creating land development partnerships.
- ***Infrastructure Issues:***
 - Timely development and deployment of GPS approaches.
- ***Government Support Issues:***
 - The negative impact of provincial aviation fuel tax on the North;
 - Regulatory impacts;
 - Payment for services provided to governments (e.g. CBSA); and.
 - Public ownership, and availability, of data.

In moving ahead there is a general consensus at all levels of government, within the industry and among key stakeholders that the viability of the northern airports system is a shared responsibility of local, provincial and federal governments, and business and government service interests that rely on the airport infrastructure.

No one stakeholder holds all the answers or the resources to realize the opportunities and overcome the shortfalls highlighted in the Strategy. Enduring partnerships will be required to meet the long term goals.

Measuring progress and successful outcomes is important if a wide range of stakeholders are going to contribute their time and resources to this strategic initiative. Exhibit Ex-1 illustrates suggested benchmarks that could be used to plan and measure progress on the fourteen Priority 1 & 2 issues identified.

Exhibit Ex-1

Category	Issue	Suggested Measure	Suggested Target in Year One
Air Service	Tourism growth a key part of traffic growth	Pilot projects with tourism bodies	Develop 2 joint tourism initiatives (1 ea A/BC)
Air Service	Air service proposal development	Development of simplified approach and templates	Develop 2 site-specific air service proposals (1 ea A/BC)
Air Service	Alternative funding sources for air service development	Identify sources and develop protocols for funding	Identify & negotiate 2 sources of potential funding
Commercial Land	Maximizing potential of commercial lands	Develop pilot projects	Initiate 1 Pilot Project
Commercial Land	Land development partnerships	Develop Partnership Agreements	Initiate 1 Pilot Project
Cooperation	Community awareness of the economic & health impacts of airports	Develop Economic Impact template & Polling of stakeholders	Initiate 4 pilot projects and achieve 60% positive awareness
Cooperation	Lack of focus, skills for effective planning – strategic, land use, business	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Cooperation	Shared resource initiative – skills, mentoring, used equipment	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Cooperation	Cooperative training initiative	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Govt Support	Provincial fuel tax on aviation fuel has a negative impact on the North	Reduction in rating	Commitment to 50% reduction
Govt Support	Regulatory Issues and Burden	Changes to Alberta Municipal Act & Beneficial changes to specific CARs	Recognize airports as municipal infrastructure and improvements in approach ban burden on smaller airports
Govt Support	Public ownership and availability of data	Reach agreement with TC to provide data thru ECATS & TC Support for change to Stats Can Act	Agreement with TC to amend Regulation or Stats Can Act to enable data distribution
Govt Support	Payment for services provided to governments	Reach agreement with federal and provincial departments	Agreement to reimburse 20% Total identified
Infrastructure	Timely development and deployment of GPS approaches	Elapsed time to implement from date of submission	Agreed time to implement new GPS approaches

IV. Next Steps

Participants in the workshops prioritized the list of key issues they had developed and then indicated where they, as individual organizations, would get involved going forward as shown in Exhibit Ex-2.

For each of the priority issues a specific “champion” organization has been identified. The intention is that a key person from that organization would act as a coordinator to chair conference calls and generally act as a catalyst to get things done.

It was also determined as important that some regional organization with appropriate resources provide a coordinating function and act as a secretariat for this northern aviation communities initiative.

An option favoured by the Stakeholder Workshop was to create an ad hoc Conference of Northern Aviation Communities (CNAC) which would be the opportunity for continuing involvement by Stakeholders. CNAC would not be a permanent association but rather a time and task-limited group brought together for the specific purpose of advancing the Northern Airports Strategy.

If this approach is adopted, it is anticipated that the Conference would meet every six months for the two year period anticipated by this Strategy. The coordinating body discussed previously would act as the *Secretariat*.

Exhibit Ex-2

Category	Issue	Actions	Stakeholders												Priority							
			<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Airports</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Task Force (1)</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Local Economic Development Offices</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Governments (2)</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Airports</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Associations (3)</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Governments</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Northwest Corridor (4)</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Chambers of Commerce</div> </div>												1	2	3					
			Suggested Lead Agency	Suggested Partners											Suggested Champions	1	2	3				
Govt. Support	Public ownership and availability of data	Develop position on public ownership, access				X				X									Govts of A & BC		2B	
Govt. Support	Payment for services provided to governments	Develop picture what is being paid, not paid	X							X	X								Quesnel Airport		2B	
Govt. Support	Provincial fuel tax on aviation fuel has a negative impact on the North	Lobby for provincial investment in North or elimination of fuel tax	X						X	X	X			X					Grande Prairie Airport	1A		
Govt. Support	Regulatory Issues and Burden	Alberta - amend Municipal Act to include airports as municipal infrastructure and to enable non-contiguous Lobby federal govt to ensure all new regulations supported by independent risk and benefit-cost assessment Municipalities and airports write immediately opposing approach ban regulations				X	X	X											Council of Tourism Associations (BC)	1A		
Cooperation	Community awareness of the economic & health impacts of airports	Develop common materials, program for community awareness Develop template for economic assessment Each airport do EIA and show overall impacts	X						X	X									Prince Rupert EDO	1B		
Cooperation	Lack of focus, skills for effective planning – strategic, land use, business	Develop common templates, resources for planning	X						X	X	X								Terrace Airport	1B		
Cooperation	Shared resource initiative – skills, mentoring, used equipment	Develop inventory of skills, equipment replacement schedules Amend ACAP to eliminate salvage value if sites give equipment to smaller non-ACAP sites Develop auction website for equipment for airports (by June 06) Ensure airports have access to Public Works Association websites that list used equipment	X	X					X		X								Terrace Airport		2A	
Cooperation	Cooperative training initiative	Develop Inventory of supply, demand for training, suppliers Create database of personnel skills, resources Develop Mentoring program	X						X										Northern Alberta Development Council		2B	
Air Service	Tourism growth a key part of traffic growth	Regional branding for Northern Tourism Airports become part of tourism associations Airport Industry Monitoring Program - no participants from the North							X	X	X	X	X						Lloydminster EDO		2B	
Air Service	Air service proposal development	Develop common simplified approach, templates, methods	X						X	X									Air Canada		2B	
Air Service	Alternative funding sources for air service development	Engage tourism, economic development, 3P in strategies Get Northern rep on Council of Tourism Associations (BC)			X				X		X								Fort St. John Airport		2B	
Infrastructure	Timely development and deployment of GPS approaches	Lobby for a performance standard on response from Nav Canada, Transport Canada Seek clear communications on how waitlist is prioritized by Nav Canada	X						X		X								BC Ambulance	1A		
Commercial Land	Maximizing potential of commercial lands	Develop Common, simplified approach to assessment, appraisal cycle Clarify impact of transfer of BC crown lands to MOT Tap into knowledge of sites with successful commercial land development							X	X									Edmonton City Centre Airport		2A	
Commercial Land	Land development partnerships	Develop common, simplified approach to prospectus to market land	X								X		X						Prince George Airport		2A	

NOTE: 1. Task Force refers to a sub-group of the stakeholder set who have a particular interest and wish to pursue an identified priority issue together
 2. Refers to all three levels of government as appropriate
 3. Associations refer to groups such as BCAC and Aviation Alberta which represent aviation stakeholder interests
 4. Northwest Corridor Development Corporation is a development organization dedicated to promoting trade through the Northwestern corridor of Alberta and BC.

I INTRODUCTION

Following an Alberta-British Columbia joint premiers and ministers meeting in 2004, the Ministers of Transportation were asked to review their airport strategies in relation to the airport strategy of the Federal Government. There was an agreement to work together with stakeholders to facilitate the development of a northern airports strategy that recognized the role of airports as economic enablers for business, freight and tourism. The Alberta – British Columbia Northern Airports Strategy was the result.

Northern airports in British Columbia and Alberta are generally defined as those public use land airports along the Highway 16 corridor and points north (see Exhibit 1-1). While these airports operate as part of the overall network of airports within the two provinces, linked to the rest of Canada and internationally, the strategy developed here focuses on northern airports and their communities, and examines the options for strengthening the role of the aviation sector including airports and air services to further contribute to northern economic development.

While the strategic options developed by stakeholders in this study were primarily aimed at the northern airports system, as a whole, many of them could apply to any airport regardless of geographic location.

The methodology employed in the development of the strategy is shown in schematic form at Appendix A.

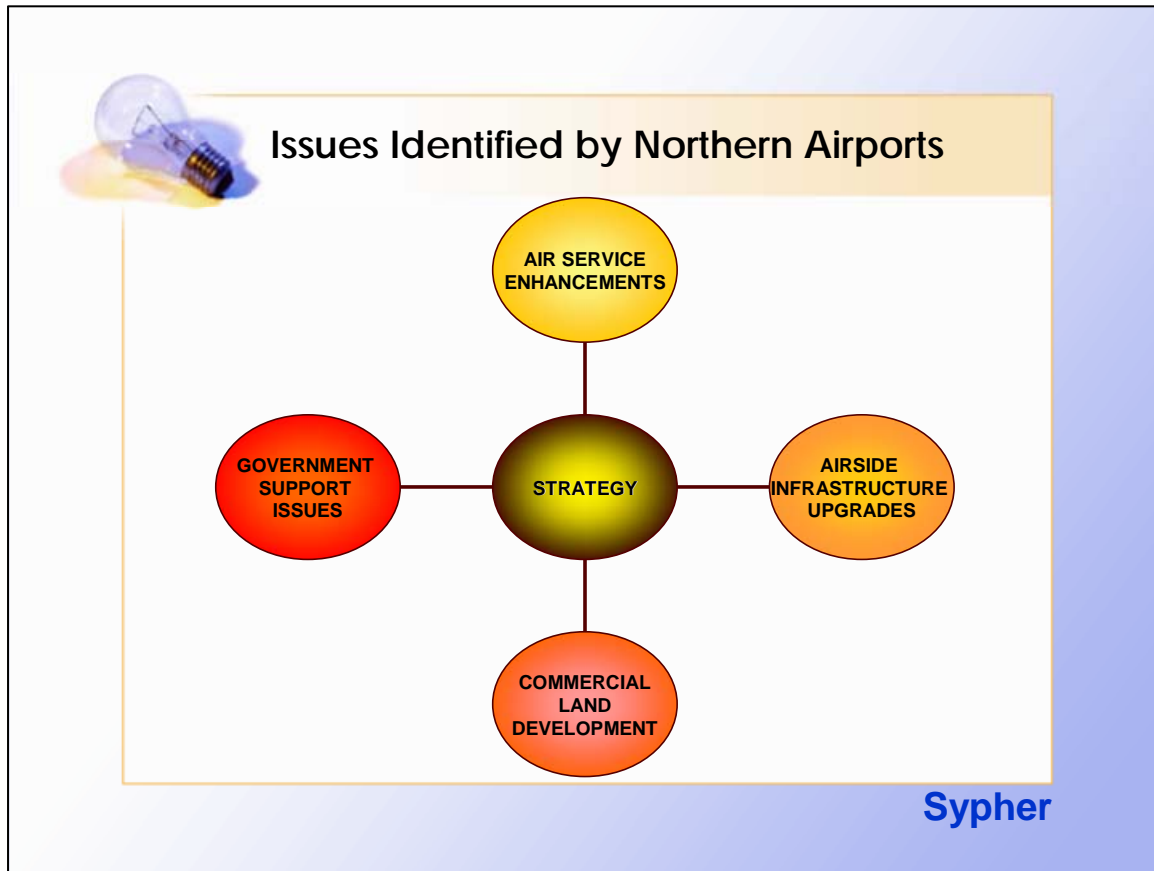
Following a period of initial data gathering, including an initial individual site SWOT self-analysis, a list of common issues facing Northern airports was developed and two joint provincial workshops held (one took place in Prince George, BC and the other in Edmonton, AB).

The work undertaken in these workshops:

- Situated the Northern Airports Strategy within the wider provincial and aviation industry context;
 - Identified common issue streams from northern airports' input;
 - Brainstormed the agreed streams most likely to yield significant benefits;
 - Provided Breakout Group Summaries & Conclusions; and
 - Developed a list of Next Steps.
-

The four key issues identified by northern airports are illustrated in Exhibit I - 2.

Exhibit I – 2



The results of the workshops together with extensive key stakeholder consultation (a list of airports and stakeholders consulted is at Appendices B & C) and the SWOT analyses were used to refine and reduce the list of issues for consideration and prioritization by workshop participants.

At all steps in the process, airport stakeholder involvement was encouraged and resulted in a high level of participation. The original list of issues refined through the process resulted in the long term system strategic issues which will be discussed in depth in Section VIII.

Over the course of the analysis the original 22 issues identified by airports and stakeholders in the pre-workshop data gathering process were refined into the following 14 key themes:

-
- Government Support Issues:
 - The negative impact of provincial aviation fuel tax on the North;
 - Regulatory impacts;
 - Public ownership, and availability, of data issues; and
 - Payment for services provided to governments (e.g. CBSA).
 - Infrastructure Issues:
 - Timely development and deployment of GPS approaches.
 - Cooperation Issues:
 - Community awareness of the economic & health impacts of airports;
 - Lack of effective planning skills – strategic, land use and business;
 - Shared resource initiative – skills, purchasing and surplus equipments; and
 - Cooperative training initiatives.
 - Air Service Issues:
 - Tourism growth as a key part of traffic growth;
 - Air service proposal development; and
 - Alternative funding sources for air service development.
 - Commercial Land Development Issues:
 - Maximizing potential of commercial lands; and
 - Land development partnerships.

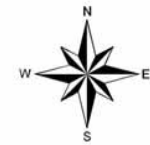
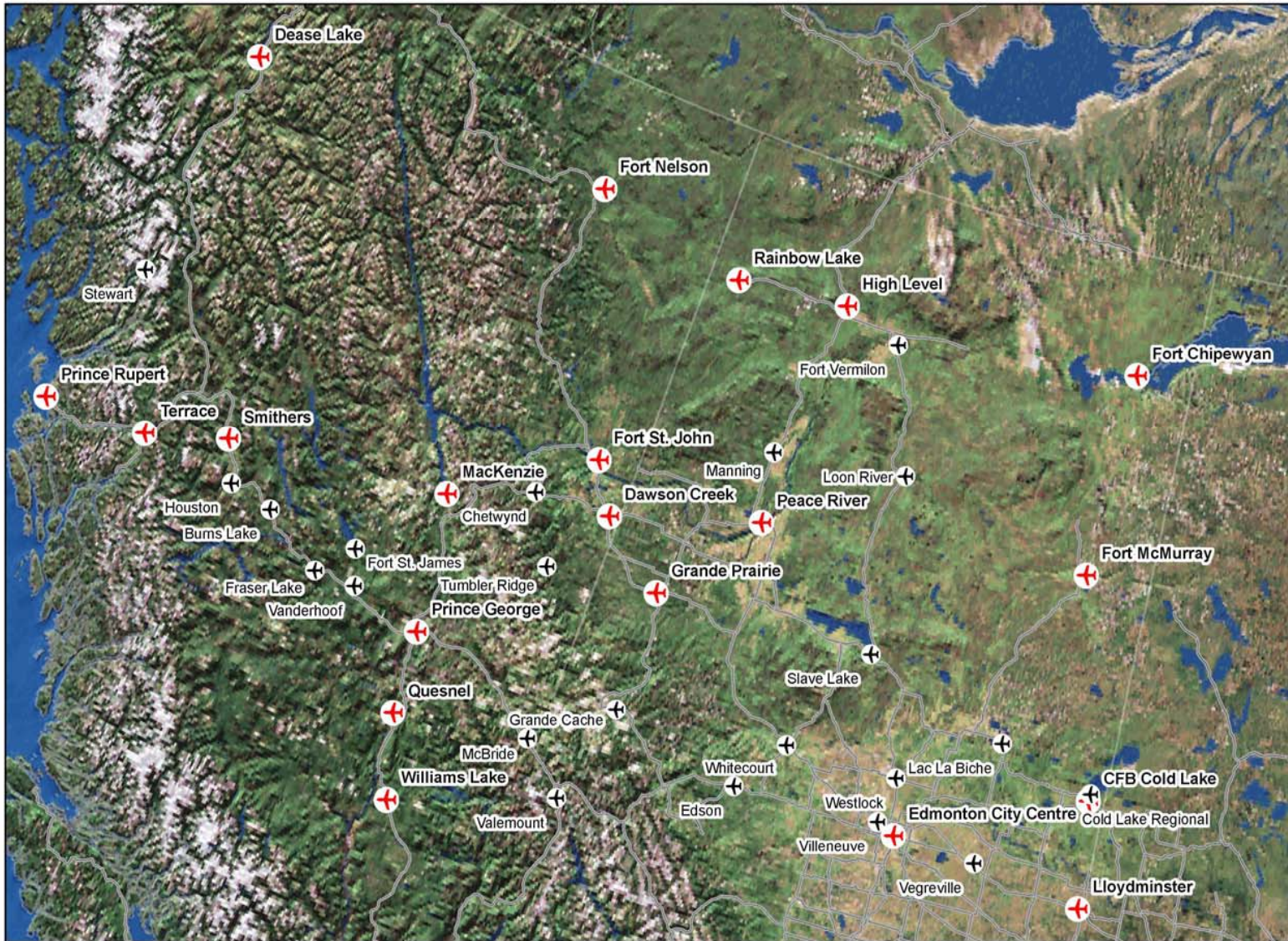
The need for productive and sustainable transportation partnerships between stakeholders, airports and government was an overarching theme heard from many participants.

As a base for “public service operations” airports were seen to provide essential staging bases and links to facilities in the South. On any one day it was estimated that between 25 and 35 medevac flights were using BC’s northern airports alone. Ready access to acute medical facilities and senior staff resources centred in the major urban areas is essential if the resource and eco-tourism industry is to achieve its growth potential.



Exhibit I-1. Study Airports

Alberta - British Columbia Northern Airports Strategy



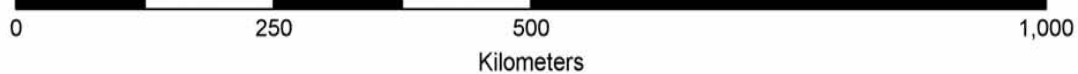
Legend

- Scheduled Service Airport
- Non-Scheduled Service Airport
- Primary Highways

Notes:

For Planning Purposes Only

May, 2006
PSMI# 11480



Moreover, for access to key exploration and resource extraction clusters in the north, airports were often recognized as vital as the primary transportation portal.

Northern airports are also an important element of the tourism infrastructure with many examples of tourism offerings that would not be possible without access through a community airport, encompassing visitors getting to Northern Communities and then experiencing the available tourism products from heli-skiing to wilderness tours. Northern airports in BC are also seen as critical to expanding the benefits of 2010 beyond the Whistler/Vancouver axis.

With the increase in economic activity in the North, movement of high value cargo has become an issue. With the demise of Canadian Airlines and the substitution of smaller aircraft by Air Canada, together with Tier III operators with smaller aircraft, the carriage of air freight has become more difficult and unreliable.

In general, airports are anticipated to continue to serve the role they currently do, but more effectively, and at a higher level of intensity.

Overall, the strategy for northern airports developed by stakeholders in this study provides a common basis for long-term planning and commitment by the many interested parties, helping to generate a recognition that each has a part to play in successfully realizing the potential of the system as a whole.

II. NORTHERN AIRPORTS ARE PART OF A GLOBAL INDUSTRY: NORTH AMERICAN AVIATION TRENDS

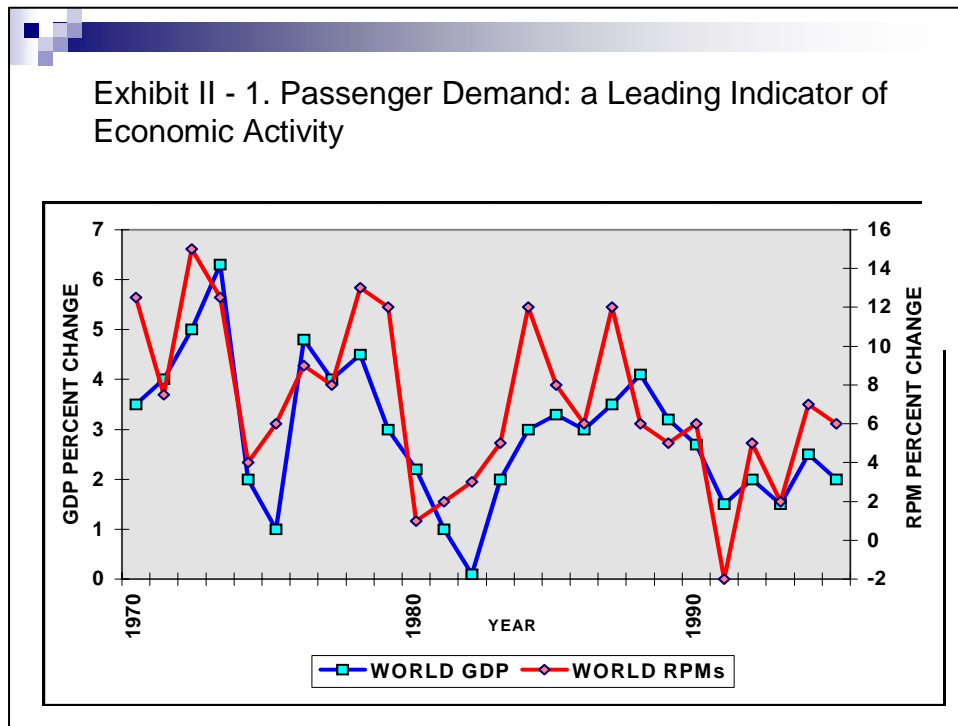
Airports in Northern British Columbia and Alberta connect their communities to the world and are affected by global forces that shape the industry.

Introduction

Northern Alberta and BC airports operate within a wider system of airports both domestically and across North America. While some parts may be distant, nonetheless changes in, and challenges faced by, the North American aviation industry profoundly affect northern Alberta and BC airports.

Significant Aviation Trends

Many of the established legacy airlines in North America have been particularly hard hit by the advent of the low-cost carrier and “commoditization” of passenger transportation. Many have either gone out of business or spent periods in bankruptcy protection, either CCAA in Canada or Chapter 11 in the US. Overall, there has been a general slimming down and focus on the trunk routes between major centres resulting in regional and local centres being served by lower cost subsidiaries (Jazz in the case of Air Canada), contracting out to Tier III Carriers (Central Mountain Air on behalf of Air Canada) or a loss of traffic to independent Tier III or low cost carriers (such as Peace Air and WestJet).



Historically, an analysis of air travel suggests a strong correlation between demand and not only GDP at the macro level but also Final Prices (fares+fees & surcharges+taxes) at the micro level.

Moreover, passenger traffic is typically a leading indicator of economic activity as shown in Exhibit II-1.

Carriers have suffered significant external shocks over the past five years including a general turndown in the US economy at the turn of the Millennium; the 9/11 terrorist attacks; the wars in Afghanistan and Iraq; and most recently the runaway increases in oil prices. Globally, fuel accounts for 16% of airline operating costs and the increases since 2004 have been eating up the recovery that the industry was ready to enjoy after four years of major restructuring.

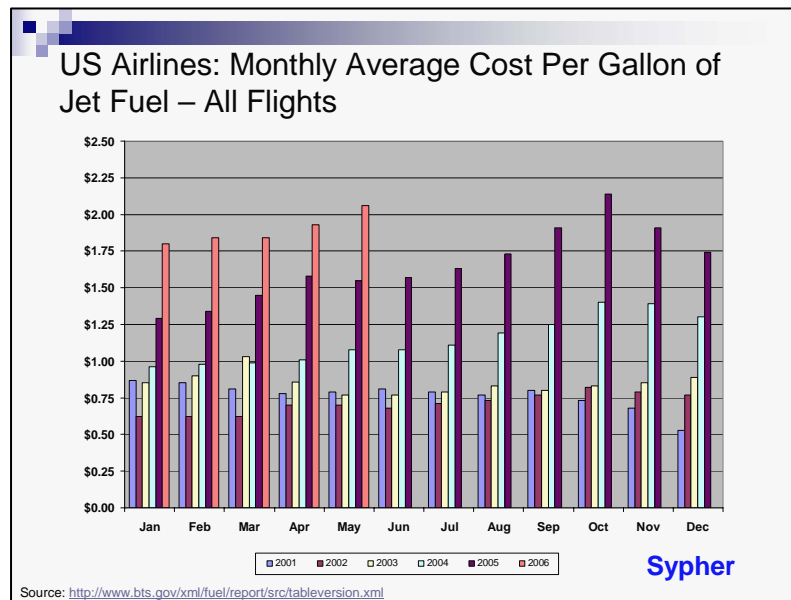


Exhibit II-2. Average Cost of Jet Fuel in US (Gallon)

Canada's aviation industry reflects these global changes over the past decade. Start-up low cost carrier WestJet has grabbed 25% of the Canadian domestic market and is increasing its capacity dramatically. Air Canada after acquiring Canadian Airlines in 1999 and thereby achieving an 80% market share is now providing approximately 55% of total domestic capacity. Air Canada shed \$12 Billion of debt and \$3 Billion of annual costs through the CCAA process. It too is expanding aggressively but generally with a fleet that is not suited – with some notable exceptions – to northern routes.

III. A TIME FOR ACTION

Alberta and British Columbia's Northern Airports are Vital to Future Economic Growth and Prosperity

Airports are Interdependent

Most stakeholders recognize that Canada's airports operate in a system that is more complementary than competitive. The "hubs" depend on the "spokes" for feeder traffic which ensures the system's overall health. Even with a gradual erosion of the hub and spoke system, given customer preference for point to point services, airports remain dependent on one another. Canada's larger airports and communities therefore need a network of smaller airports and communities to grow and prosper over the longer term. This network of airports provides a means for Canada's communities and businesses to connect to one another and to global trade markets, thus enabling a sustainable and growing economy.

Airports, particularly smaller ones, also serve an important societal role that may include medical evacuations, forest fire fighting, and search and rescue mission. Small airports also provide the vital link for northern communities where only limited or seasonal road access may exist. In short, northern airports provide several benefits. They:

- Facilitate trade and travel through linkages to the global marketplace;
- Feed traffic into larger National Airports System (NAS) airports;
- Help attract new business, which fosters economic development;
- Support tourism activities for local communities and regions;
- Facilitate public service functions (e.g., medical evacuation, fire-fighting, search & rescue); and
- Allow for connections/reunions with family and friends.

Economic activity in the north is highly dependent on access to resources and markets through the transportation network. The country's size leaves some remote areas without sufficient infrastructure to connect their regional economies, and considerable natural resource wealth, with the rest of Canada and global markets.

Investments in the North create a large demand for construction materials and labour, and airports play a critical role in delivering these resources to northern communities. The airports' strength lies in their economic enabler role. Aviation activity in Northern Alberta and British Columbia sustains nearly 3,600 jobs – both at the airports and in their surrounding communities – and contributes nearly \$260 Million to the overall GDP of the two provinces. From an economic viewpoint, northern airports are clearly important to the future of their communities. While a number of opportunities have been identified, there are also considerable challenges to both sustaining the current network and servicing growth where it is most urgently needed, particularly in serving the oil and gas industries.

The Challenges Ahead

Many challenges to the northern transportation system were identified during the study, including:

- Inadequate infrastructure (capacity and markets);
- Deteriorating infrastructure;
- Lack of Nav Canada/CBSA facilities & cost recovery;
- Regulatory cost burden;
- Lack of capital funding;
- O&M Costs/Revenue shortfalls;
- Lack of developable land;
- Inconsistent user fee system;
- Lack of schedule service;
- Competing airport/modes;
- Topography & weather; and
- Lack of strategic/master/business planning.

Despite the industry opportunities that have led to substantial amounts of investment in the North, financing the transportation infrastructure to sustain these investments and/or increasing the efficiency of the existing transportation system remains a challenge. Many northern airport communities see themselves in a "Catch 22" situation – lacking a significant and sustainable revenue stream to support capital investments which are needed if northern economic opportunities are to be realized, and economic opportunities being lost for lack of air service and facilities.

Communities in the North are also faced with high costs for air transportation services relative to their neighbours to the south. Consumer choices are often limited and inconvenient, with most travellers having to go south before going east (see Exhibit III-1). There have been several attempts by smaller air carriers to establish east-west routings in the North. At best, a limited east-west routing exists today.

Concerns regarding small airport viability have been raised across Canada for some time and recent studies commissioned by both the federal and provincial governments concluded that many of the small airports in Canada require external financial support if they are to remain viable.

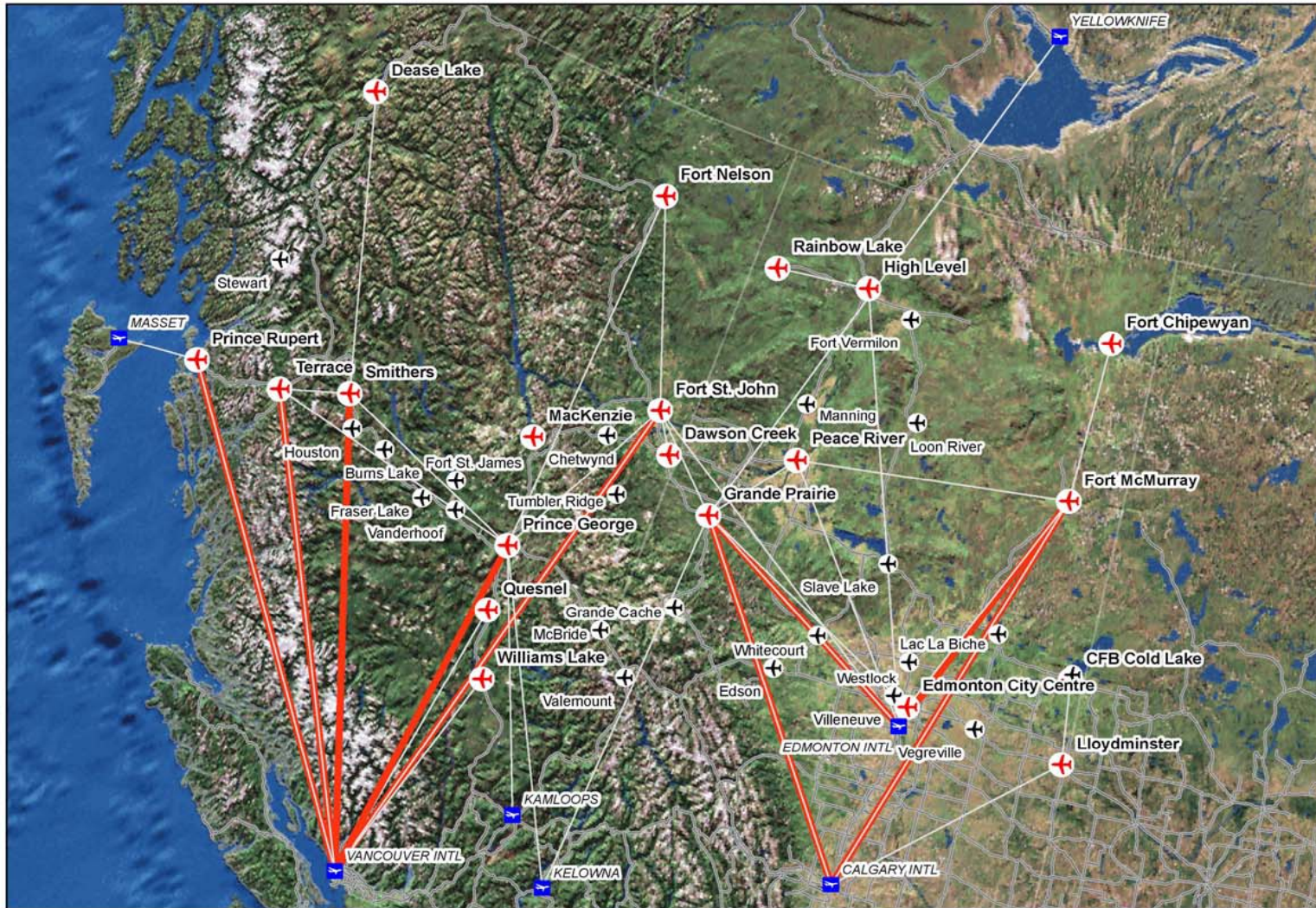
There is a general consensus within the industry and among key stakeholders that the viability of the northern airports system is a shared responsibility of business and government service interests that rely on the airport infrastructure and local, provincial and federal governments.

The development of an Alberta-British Columbia Northern Airports Strategy identifies opportunities for improving the sustainability and operational effectiveness of small northern airports with strategies that would have application to airports regardless of geographical location in both provinces. The strategies developed further in this report will enable airports and the communities they serve to more fully realize their potential.

Exhibit III-1. Scheduled Air Service Route Map



Alberta - British Columbia Northern Airports Strategy

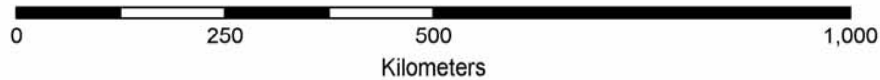


Legend

- + Scheduled Service Airport
- + Non-Scheduled Service Airport
- Non Study Airport
- Mainline Carrier Routes
- Tier III Carrier Routes
- Primary Highways

Notes:

For Planning Purposes Only
 May, 2006
 PSM# 11480



IV. TRAFFIC CHANGES WITHIN THE ALBERTA – BRITISH COLUMBIA NORTHERN AIRPORTS SYSTEM

Airports in the Northwest have experienced significant changes in traffic over the past 15 years

External influences which affect the aviation industry as a whole also affect the level of air service in Northern Canada. Overall, air service in Northern BC and Alberta has reduced over the past fifteen years. There are specific exceptions – mostly the influence of growing economies in the regional urban centres.

Current Air Service

Current scheduled air service was illustrated at Exhibit III-1.

In terms of passenger growth, all airport (BC & AB) passenger numbers peaked in 1998 and have steadily declined since that time. Northern BC

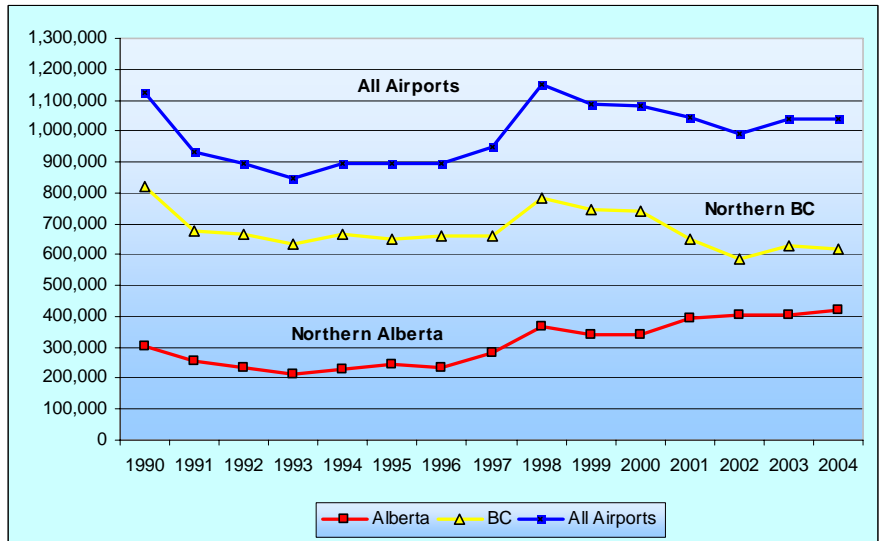


Exhibit IV-1

passenger numbers broadly reflect the “all airport” trend line but Alberta has seen steady growth since 2000 as shown in Exhibit IV-1. This divergence in provincial passenger growth may be as a result of the different economic influences, particular the influence of the oil and gas industries in Alberta.

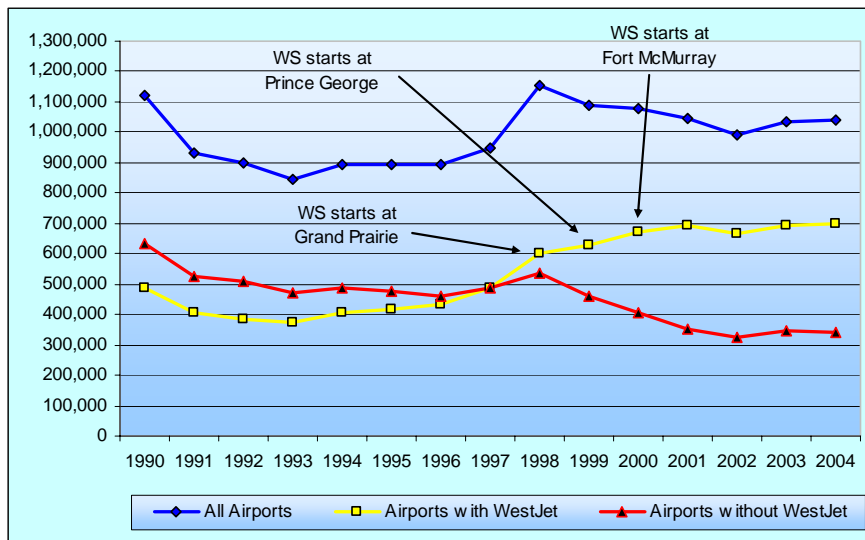


Exhibit IV-2

Three airports have had WestJet service since the late 1990’s. All are regional/business centres – Grande Prairie, Prince George and Fort McMurray. At the aggregate level, these three airports have experienced significant growth in the past five years

while the group of airports without WestJet service has seen a decline year over year as illustrated in Exhibit IV-2. But in looking for cause or effect it is clear that while WestJet undoubtedly created a modal shift (i.e. it got people out of cars and onto its planes) it is also clear the airline saw and took advantage of latent demand within these emerging markets, not necessarily by “stealing” share from the non-WestJet airports. This latter group of airports generally saw a decline in traffic throughout the 1990’s.

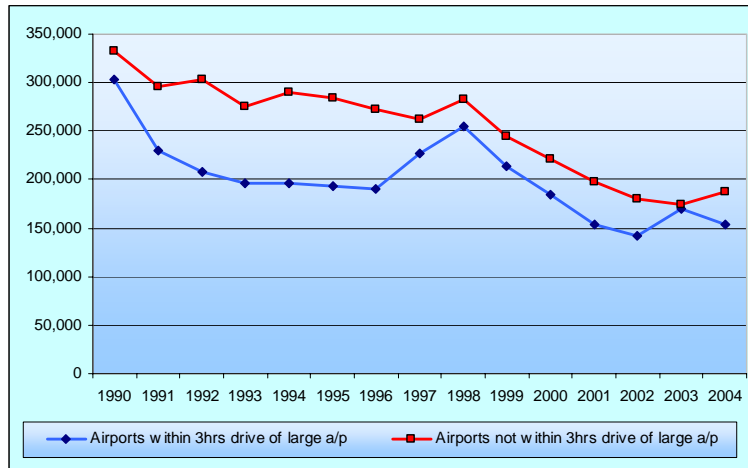


Exhibit IV-3

with WestJet service (these “large” comprised Edmonton, Grande Prairie, Fort McMurray and Prince George). The other set comprised airports beyond a three hour drive.

Exhibit IV-3 clearly shows that traffic declined more or less at the same rate independent of the proximity to a “WestJet airport”. In other words, the decline of passenger traffic at communities close to a WestJet airport was not primarily due to leakage after the airline started service but due to other environmental factors such as economic decline, loss of population and improvements in competing modes (e.g. highway improvements).

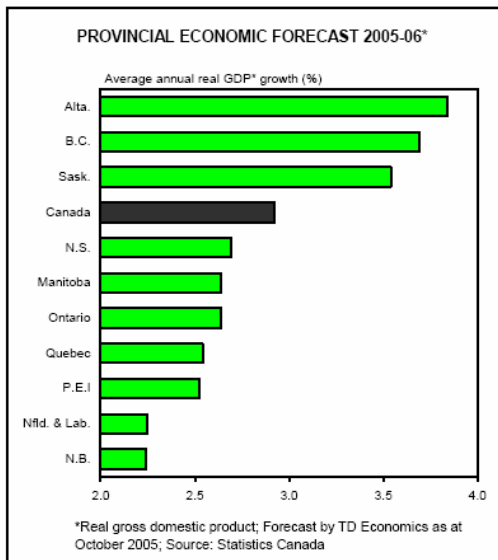
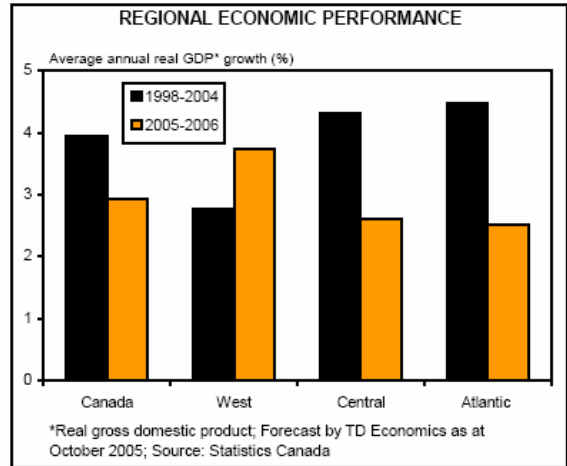
This is supported by another graph which highlights that proximity to a “WestJet” airport did not lead to a faster reduction in traffic than at other airports further away. For comparative purposes, Exhibit IV-3 illustrates the traffic changes at two groups of airports without WestJet service. One set is defined as those airports within a notional three hour drive of a “large” airport

V. ECONOMIC FACTORS INFLUENCE THE GROWTH OF AIRPORTS

While the aviation industry has a significant influence on the future of northern airports, the changing economy in the North has a more immediate influence on their future.

Alberta – British Columbia Economies

Western provinces continue to enjoy the fastest growing economies in Canada, comfortably exceeding national levels of GDP and employment growth. Both provinces are faced with the challenges of skilled labour shortages, a strong Canadian dollar, and weaker US growth.



Alberta has very strong export growth, high energy prices, robust consumer spending, high growth in manufacturing, and is enjoying large surpluses. The Province has the highest population growth, the lowest unemployment rate, highest median income, lowest personal tax rate and no sales tax.

Northern Alberta comprises 60% of the province but only contains 9% of the population. Northern Alberta’s natural resources are the driving force behind the provincial economy, and are focused in the areas of Agriculture (livestock, poultry, bees), oil & gas (Alberta has the second largest deposit of oil reserves in the world), Forestry, and Mining (exploration).

Alberta Key Indicators

- ➔ First in 2005 and Second in 2006 (f) provincial economic growth
- ➔ Highest population growth
- ➔ Home to lowest UI rate, highest participation rate, highest employment rate
- ➔ Highest median income
- ➔ Lowest top personal income tax rate and no sales tax
- ➔ Second lowest corporate tax and small business tax rate
- ➔ Government has large surpluses

BC Economic Indicators

- Gateway to Pacific Rim
- Second in economic growth (next to AB)
- Expansion steadily broadening across B.C. regions & sectors
- Strong population growth
- Strong job growth
- Brisk consumer spending
- Red-hot housing market
- Robust world demand for natural resources
- Reducing general corporate tax rate by 1.5%
- Large scale construction projects (incl. 2010 Olympics)

British Columbia is Canada's gateway to Asia. The province is second in economic growth, and expansion is steadily broadening across all provincial regions and sectors. British Columbia has strong population and job growth, brisk consumer spending, a hot housing market, world demand for its natural resources, and large scale construction projects in anticipation of the 2010 Olympics.

UNEMPLOYMENT RATE					
Per cent					
	2002	2003	2004	2005f	2006f
CANADA	7.7	7.6	7.2	6.8	6.9
N. & L.	16.7	16.5	15.7	15.7	14.9
P.E.I.	12.1	11.1	11.4	11.0	11.4
N.S.	9.6	9.1	8.8	8.6	8.9
N.B.	10.2	10.3	9.8	9.7	10.0
Quebec	8.7	9.2	8.5	8.3	8.4
Ontario	7.1	7.0	6.8	7.0	7.1
Manitoba	5.1	5.0	5.3	5.0	5.1
Sask.	5.7	5.6	5.4	5.0	5.0
Alberta	5.3	5.1	4.6	4.0	4.1
B.C.	8.6	8.0	7.2	6.2	6.0

f: forecast by TD Economics as at October 2005
Source: Statistics Canada, TD Economics

Alberta Study Communities (please add into table)

- Population **growing** in 67% of the study communities
- Earnings are **above** the provincial average in 59% of the study communities
- Unemployment rate is **higher** than the provincial average in 65% of the study communities

POPULATION (1996-2001)		EARNINGS (2000) Median Income (persons aged 15+) Differential from Provincial Average of \$23,025		UNEMPLOYMENT RATE (2001) Differential from Provincial Average of 5.2%	
Increasing	Decreasing	> Provincial Average	< Provincial Average	> Provincial Average	< Provincial Average
→ Grande Prairie (+18%)	→ Rainbow Lake (-14.2%)	→ Rainbow Lake (+56.2%)	→ Westlock (-24.7%)	→ Grande Cache (+7.1%)	→ High Level (-2.8%)
→ Wood Buffalo (incl. Fort Chipewyan & Fort McMurray) (+17.8%)	→ Grande Cache (-13.8%)	→ Wood Buffalo (+32.2%)	→ Mackenzie No. 23 (-23.6%)	→ Westlock (+2.4%)	→ Sturgeon County (-2.4%)
→ Lloydminster (+16.2%)	→ Northern Lights No. 22 (incl. Manning) (-5.5%)	→ Cold Lake (+31.1%)	→ Lac La Biche (-20.7%)	→ Lac La Biche (+2.3%)	→ Lloydminster (-2.0%)
→ Surgeon County (incl. Villeneuve) (+13.3%)	→ Peace River (-4.5%)	→ Slave Lake (+20.7%)	→ Vegreville (-20.6%)	→ Whitecourt (+2.2%)	→ Peace River (-1.5%)
→ High Level (+11.3%)	→ Cold Lake (-2.3%)	→ Sturgeon County (+19.1%)	→ Northern Lights No. 22 (-18.6%)	→ Northern Lights No. 22 (+2.1%)	→ Wood Buffalo (-0.7%)
→ Mackenzie No. 23 (incl. Fort Vermilion) (+10.6%)		→ Lloydminster (+13.3%)	→ Grande Cache (-12.1%)	→ Slave Lake (+1.7%)	→ Vegreville (-0.2%)
→ Whitecourt (+7.1%)		→ Whitecourt (+11.8%)	→ Edson (-2.2%)	→ Mackenzie No. 23 (+0.9%)	
→ Lac La Biche (+6.3%)		→ Grande Prairie (+10.4%)		→ Rainbow Lake (+0.5%)	
→ Edson (+2.5%)		→ Peace River (+7.9%)		→ Grande Prairie (+0.3%)	
→ Slave Lake & Vegreville (+0.7%)		→ High Level (+6.1%)		→ Cold Lake (+0.2%)	
→ Westlock (0%)				→ Edson (+0.2%)	

Note: 1. Edmonton City Centre Airport was included as part of the study. However, for the purposes of the economic analysis the City of Edmonton census data was not included because the large urban area it represents is not indicative of the general scale of northern communities and inclusion would have skewed the results
 2. Loon River was not identified separately in the census data

BC Study Communities

- Population **declining** in 88% of the study communities
- Earnings are **above** the provincial average in 71% of the study communities
- Unemployment rate is **higher** than the provincial average in 77% of the study communities

POPULATION (1996-2001)		EARNINGS (2000) Median Income (persons aged 15+) Differential from Provincial Average of \$22,095		UNEMPLOYMENT RATE (2001) Differential from Provincial Average of 8.5%	
Increasing	Decreasing	> Provincial Average	< Provincial Average	> Provincial Average	< Provincial Average
→ Burns Lake (+8.3%)	→ Stewart (-23%)	→ Mackenzie (+52.7%)	→ Quesnel (-16.3%)	→ Stewart (+15.6%)	→ Fort Nelson (-2.9%)
→ Fort St. John (+6.7%)	→ Chetwynd (-13.1%)	→ Fort Nelson (+35.8%)	→ Dawson Creek (-8.0%)	→ Chetwynd (+10.6%)	→ McBride (-1.9%)
	→ Mackenzie (-13.2%)	→ Fort St. James (+25.8%)	→ Mackenzie (-6.2%)	→ Burns Lake (+7.3%)	→ Fort St. James (-1.3%)
	→ Prince Rupert (-12.4%)	→ Houston (+22.4%)	→ Burns Lake (-5.6%)	→ Fraser Lake (+7.3%)	→ Mackenzie (-0.8%)
	→ Dawson Creek (-8.2%)	→ Fort St. John (+17.2%)	→ Prince Rupert (-0.2%)	→ Prince Rupert (+6.9%)	
	→ Houston (-9.1%)	→ Smithers (+16.3%)		→ Terrace (+5.0%)	
	→ Stikine Region (incl. Dease Lake) (-7.2%)	→ Prince George (+11.4%)		→ Quesnel (+4.9%)	
	→ Fort St. James (-5.8%)	→ Terrace (+8.6%)		→ Stikine Region (+4.8%)	
	→ Fraser Lake (-5.7%)	→ Chetwynd (+7.2%)		→ Houston (+3.5%)	
	→ Terrace (5.3%)	→ Stikine Region (+6.1%)		→ Prince George (+2.9%)	
	→ Fort Nelson (-4.8%)	→ Stewart (+2.3%)		→ Dawson Creek (+1.8%)	
	→ Quesnel (-4.6%)	→ Fraser Lake (+1.0%)		→ Smithers (+0.8%)	
	→ McBride (-3.9%)			→ Fort St. John (+0.6%)	
	→ Smithers (-3.7%)				
	→ Prince George (-3.7%)				

VI. AIRPORTS HAVE SIGNIFICANT BENEFICIAL IMPACTS ON PROVINCIAL ECONOMIES

While changes in the economy have a significant impact on the viability of northern airports, those airports in turn are significant enablers and contributors to the economic well being of the North.

Northern Airports are Economic Drivers

Northern Alberta and British Columbia airports have economic clout. Aviation activity in the North sustains nearly 3,600 jobs – both at the airport and in their surrounding communities - and contributes nearly \$260 Million to the provincial GDP's.

Ten Alberta airports and 14 B.C. airports provided direct employment figures as part of this study, including data concerning airport staff, commercial operators, flying schools, aircraft support services, airport support services and other on-airport organizations in late 2005.

Standard provincial economic multipliers were applied to this raw data and the results were used to extrapolate the total employment effects (direct, indirect and induced) as well as output and/or GDP for all the study airports. The results of the analysis are shown in the next two tables.

	Northern Alberta Airports	Northern BC Airports
Total Employment (Direct, Indirect & Induced FTE) associated with airport related activity	1,980	1,670
Total GDP as a result of airport related activity at all study airports	\$147 million	\$114 million

Exhibit VI -1

Alberta

	Total	Average per Airport in Study Group	Maximum within Study Group
Direct Employment FTE	929	58	153
Movements per FTE	n/a	468	1,857
Passengers per FTE	n/a	1,397	4,773

Exhibit VI-2**British Columbia**

	Total	Average per Airport in Study Group	Maximum within Study Group
Direct Employment FTE	974	49	386
Movements per FTE	n/a	122	348
Passengers per FTE	n/a	1,823	2,945

Exhibit VI-3

As can clearly be seen from these Exhibits, aviation activity in northern BC and Alberta creates significant levels of economic activity and jobs.

For both BC and Alberta they indicate that throughput does matter in terms of productivity: there are significant economies of scale. Comparing the difference between the average number of passengers or aircraft movements handled per full-time equivalent employee (FTE) we see there is a three to one or better productivity lift between the average in both categories and both provinces, and the maximum in both categories and both provinces. While the individual responses are confidential, the most “productive” and cost effective airports are generally those with the higher throughput. However, the support and societal needs of all northern communities highlighted by the survey require good and consistent air access.

Airports Support Critical Societal Needs

The size and dispersed population in Northern Alberta and British Columbia, outside the main urban centres, make air travel essential. For some remote communities air is the only mode of transportation available year round. Air transportation is to remote regions what public transit is to large cities – an essential service. Airports also provide the infrastructure required for other essential public services such as air ambulance, forest fire fighting, search & rescue, policing and other medical services such as organ transport. The percentage of airports reporting activity in these critical areas is shown below and illustrated at Appendix E

Public Interest Services	% Responding Northern Alberta Airports indicating activity in this category	% Responding Northern BC Airports indicating activity in this category
Air Ambulance	80%	90%
Forest Fire Fighting	70%	65%
Search & Rescue	60%	75%
Policing	60%	80%
Other Medical (e.g. organ transplant)	40%	40%

Exhibit VI-4

Airports Support Economic Development

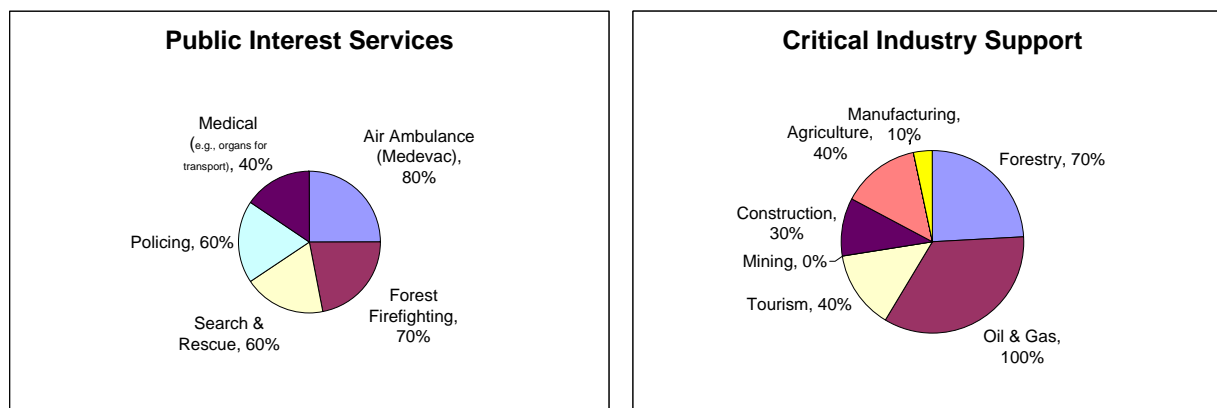
Air service is not only a means of transportation, it is also an essential tool for regional development. Industry requires effective air transportation to move its products and people within the region and beyond. In the North, air transportation is often the only means of transport for labour crews, and for moving essential parts and equipment.

Businesses have often indicated that their decision to locate in a community is based in large part on the transportation infrastructure, including airports. The economic impact of industry on communities reaches far beyond that of the airports – jobs are created, money is spent and re-spent, tax dollars are generated, and other industries see spin-off effects. Tourism is also greatly affected by the availability of transportation. For communities to grow and develop – they need airports.

Critical Industry Support	% Responding Northern Alberta Airports indicating activity in this category	% Responding Northern BC Airports indicating activity in this category
Oil & Gas	100%	35%
Forestry	70%	90%
Tourism	40%	80%
Agriculture	40%	15%
Construction	30%	20%
Manufacturing	10%	30%
Mining	0%	30%

Exhibit VI -5

The socio-economic importance of northern airports has been demonstrated over time and is very much top of mind for those charged with developing the economic potential of the Region. Another way of looking at the same data is presented below. In terms of northern Alberta, the percentage of airports identifying usage of facilities in support of the following critical services/industries is summarised in Exhibit VI-6.

Exhibit VI -6¹

¹ Note: the percentages in these graphs will not add up to 100%. They reflect the information reported by individual airports which indicated which of these multiple activities take place at their site.

In Northern BC, the percentage of airports identifying usage of facilities in support of the following critical services/industries is summarised in Exhibit VI-7.

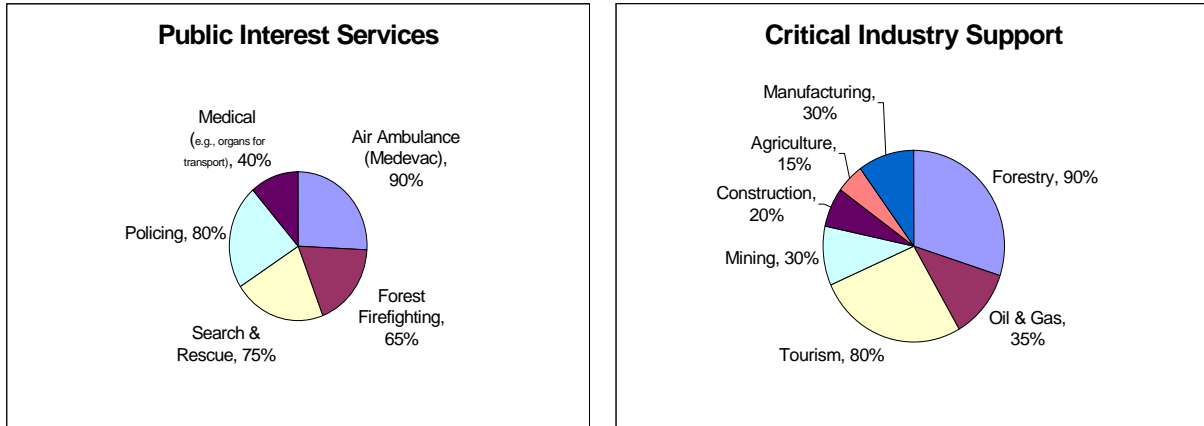


Exhibit VI -7²

What we mean: “Tanker and Forest Fighting Bases”

Tanker Bases are permanent support bases for the provincial forest fire fighting aircraft fleets. They can comprise: operating elements; maintenance units; and/or logistics support centres.

Forest fire fighting bases host the deployed operational assets. These bases may only be used from time to time as forward operating bases when fire activity is experienced, or anticipated, in a region.

² Note: the percentages in these graphs will not add up to 100%. They reflect the information reported by individual airports which indicated which of these multiple activities take place at their site.

VII. NORTHERN ALBERTA AND BC AIRPORTS SYSTEM STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Many competing internal and external factors shape the airport's view of the world as it tries to meet the needs of its community.

Introduction

As part of the active engagement of the stakeholder community, northern airports were asked early in the study to identify their strengths, weaknesses, opportunities, and threats (SWOT). While this produced a wide array of different factors under the four SWOT headings, several common key themes emerged. These are outlined below in aggregate form and in more detail in Appendix D. Exhibit VII – 1 summarizes the System Wide SWOT based on the issues most consistently identified by the airport operators. The percentage of airports identifying each SWOT item is shown.

Some items identified by individual airports are not necessarily consistent with experience throughout the industry: for instance, some saw opportunities in new flight training facilities whereas the flight training industry in most provinces is precarious at best. On a system wide basis some of these issues were contradictory – those associated with infrastructure for instance. But it was the underlying issues – often associated with viability issues or lack of capital funding – that became the focus of the study as it moved forward.

Airport Operator Identified SWOT Issues

Strengths. The primary strengths that were identified by the study airports were Geographical Location, Infrastructure Size, Infrastructure Condition, Abundant Land for Development and Expansion, and Proximity to Industry and Municipal Centres.

This was especially evident for the BC airports where over 2/3 had these identified as their primary strengths.

A few sites (most often one or two) identified the following as strengths. This is probably indicative of their viability concerns, and how dependant these sites are on non scheduled passenger traffic:

- Long Term Tenants
 - Scheduled-Charter Service
 - Competing Carriers
-

- Essential Services
- Nav Canada Facilities
- Operationally Viable

Only two sites identified Economic Activity (one from each province) and three sites identified Regional Demographics and Population (two from AB, one from BC) as a strength, which perhaps is illustrative of how the 'boom' currently happening in areas of Northern AB and BC is somewhat localized. Since the devolution of airports many have made significant strides in improving their operational viability, yet only one site viewed that as a strength. Sites are either sensitive to their operational viability or again they view other factors as strengths.

Weaknesses. Of the sites that responded, the main weaknesses identified were Deteriorating Infrastructure. O&M Costs/Revenue Shortfalls, Lack of Capital Funding, Runway Length, and All Weather Accessibility.

Consistent responses were received from all participants, both BC and AB, and both scheduled passenger and non-scheduled passenger sites.

In total 30 different Weaknesses were identified (compared to 21 Strengths) with the top four representing >50% of the respondents. The following weaknesses were only identified by single sites:

- Unstable Aviation Climate
- Staffing-HR
- Regulatory Cost Burden
- Zoning Protection
- Minimal Hangars/Private Investment
- Limited Marketing Funds
- Limited Industry
- Lack of Air Carrier Competition
- Land Development

Generally speaking catchment area or population base has a direct affect on the traffic levels, and competing modes/competing airports also affect traffic levels. However only 3 sites identified these items as a weakness, whereas these factors could have a significant detrimental effect on the traffic levels at several airports.

Opportunities. While there were over 20 different opportunities identified by the study airports, the six main opportunities were: Growth of Regional Industries, Land Development (airside and commercial), Tourism Flights (hunting, fishing, etc), AME/Manufacturing Facilities/Flight Training, Facility Upgrades, and Accessibility (Weather) Improvements.

Again the responses were very consistent amongst all participants in both Alberta & BC, with over 50% identifying the above six items as the primary opportunities.

A total of nine sites (all from BC) identified Tourism Flights as an opportunity. Aside from Prince Rupert, Smithers, and Terrace, the other six sites are all in the Northern BC Interior where development proposals are being made for ski resorts.

Of the nine sites that indicated Land Development as an Opportunity (four AB, five BC) all but three are from strong Oil and Gas centres. This illustrates again how regional economies and economic growth are providing opportunities for airports, although only two sites felt Economic Activity was a strength.

Threats. The primary threats identified by the sites were consistent amongst BC and AB participants and over 20% of respondents identified Lack of Capital/Operations Funding (five from AB, 12 from BC) as a threat. The other main threats outlined were Maintenance-O&M Costs, Competition Airport Leakage (five sched, one non sched – one AB, four BC)), Federal Regulations, and Financial Viability.

All six sites that identified Federal Regulations as a threat are scheduled service airports, and of the six sites that indicated Financial Viability was a threat, four are non-scheduled airports.

Summary of Airport Identified SWOT Issues

While the information at Appendix D provides a significant amount of detail on each SWOT item, and their source of identification, Exhibit VII-1 provides a summary of the SWOT issues most consistently raised by airports.

Exhibit VII-I. Summary of Top SWOT Items Identified			
Strength Item	% of Sites Identified	Weakness Item	% of Sites Identified
Geographical Location	15.4%	Deteriorating Infrastructure	13.8%
Infrastructure Condition	15.4%	O&M Costs/Revenue Shortfalls	12.8%
Infrastructure Size	14.3%	Lack of Capital Funding	9.6%
Abundant Land for Development and Expansion	8.8%	Runway Length	8.5%
Opportunities Item	% of Sites Identified	Threats Item	% of Sites Identified
Growth of Regional Industries	12.0%	Lack of Capital/Ops Funding	20.0%
Land Development (airside and commercial)	12.0%	Maintenance-O&M Costs	12.9%
Tourism Flights (hunting, fishing, etc)	12.0%	Competition Airport Leakage	7.1%
AME/Manufacturing Facilities/Flight Training	8.0%	Federal Regulations	7.1%
		Financial Viability	7.1%

Systematic SWOT Analysis

While the previous section provided a wide array of results and input from all respondents (AB airports, BC airports, sched/non-sched airports), in many cases a strength identified at one airport is seen as a weakness at another. In terms of Opportunities, two main issues were highlighted where sites with strong Oil and Gas Activity view Commercial Development as an opportunity, and Northern BC sites view Tourism in the same light.

From the body of work undertaken over many years across Canada by the consultants, a number of points of congruity emerge with respect to the issues identified by the responding airport operators. These are summarized in Exhibit VII-2 and are expanded upon below.

The bottom right-hand segment illustrates the areas of most concern that airports generally face. Top of the list is inadequate financial capacity and the state of the capital infrastructure: whatever the type of governance structure many smaller airports are financially challenged to adequately fund their long-term capital needs and, in some cases, their on-going operational needs. Ownership issues can exacerbate these concerns, such as when a municipally owned airport sits within the taxing boundaries of a different municipality. Significant threats to an airport's budget – such as

increasingly burdensome and unfunded regulation or revenue diversion (revenue raised but not directly reinvested in the system) – all work to compound these problems. Competing modes or airports likewise pose a threat. Third party service providers such as Nav Canada and CBSA can also have a significant impact on the viability of an airport community to attract and maintain service by failing to provide timely and affordable all-weather terminal flight guidance systems or immigration and customs clearance.

Land often represents a double edged sword. For those with excess land which can be serviced and for which there is a market for development, this represents an unrealized opportunity to increase their base of stable, non-aeronautical related lease revenue. For others, where non-developable land has to be maintained, it can represent a significant burden and weakness in terms of airport financial sustainability.

In the top left-hand segment, airports servicing the oil & gas industries have significant potential strength & opportunity to expand in the future. Similarly, a robust four-season tourism industry provides significant opportunity, as does hosting essential government services such as medical flights and fire-fighting aircraft - provided that government consistently pays for the use of these facilities.

An opportunity achievable amongst and between airports is enhanced cooperation, or sharing of services, on a regional basis. This could, for instance, involve a piece of on-call maintenance equipment, or training resources.

One common weakness is in the level of planning that is undertaken by smaller airports because of resource, knowledge or time constraints. Having the baseline data is a continuing challenge to aviation communities across Canada which needs to be addressed with the federal government. One common theme closer to home, is the lack of appreciation of the economic benefits conferred by these airports in their communities.

Moving Ahead

It is these emerging issues which provide the critical tests which airports face and which help provide direction for Next Steps. The overall system wide SWOT analysis is used as an input into the strategy options analysis developed in Chapter VIII.

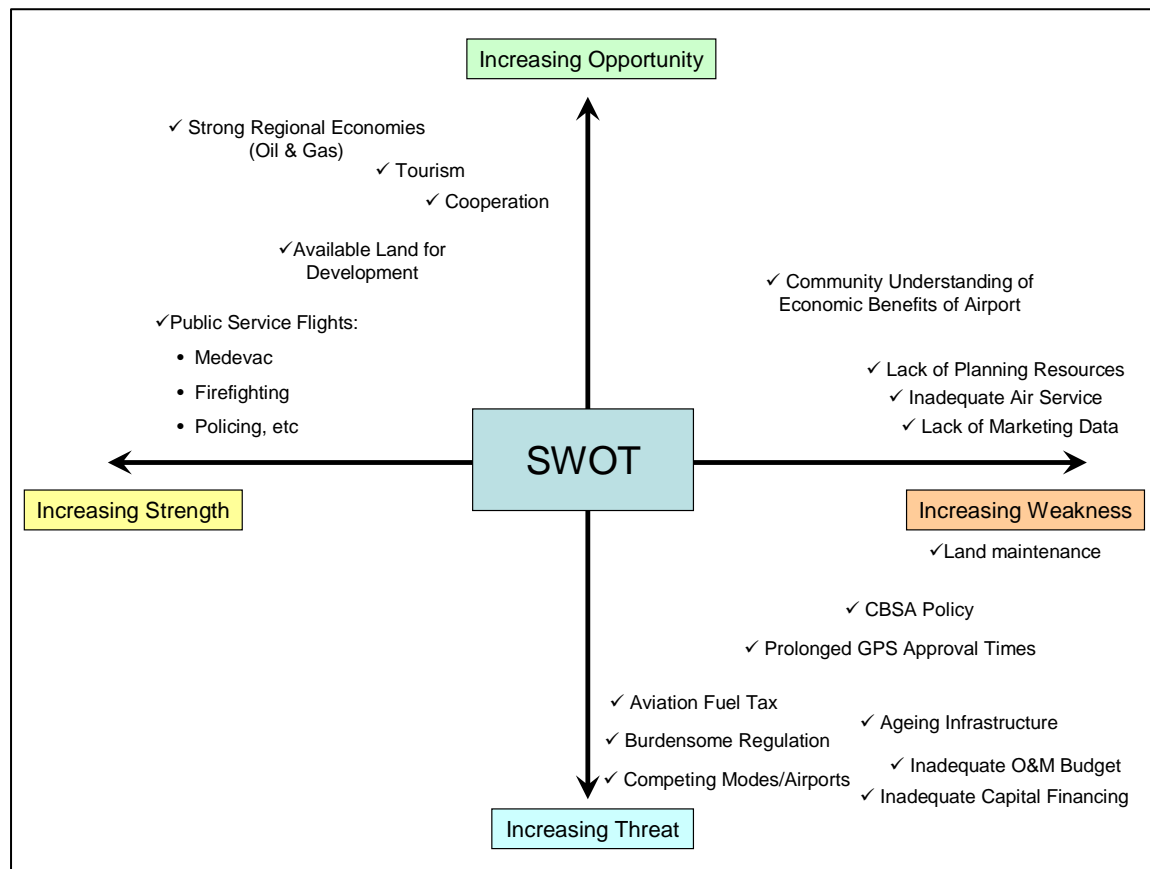


Exhibit VII-2. System SWOT Issues

VIII. ALBERTA – BRITISH COLUMBIA NORTHERN AIRPORTS STRATEGIC OPPORTUNITIES AND OPTIONS

The thrust of the Alberta and BC Northern Airports Strategy is the identification of opportunities, possible options for actions and a direction forward for the northern airport community as a whole.

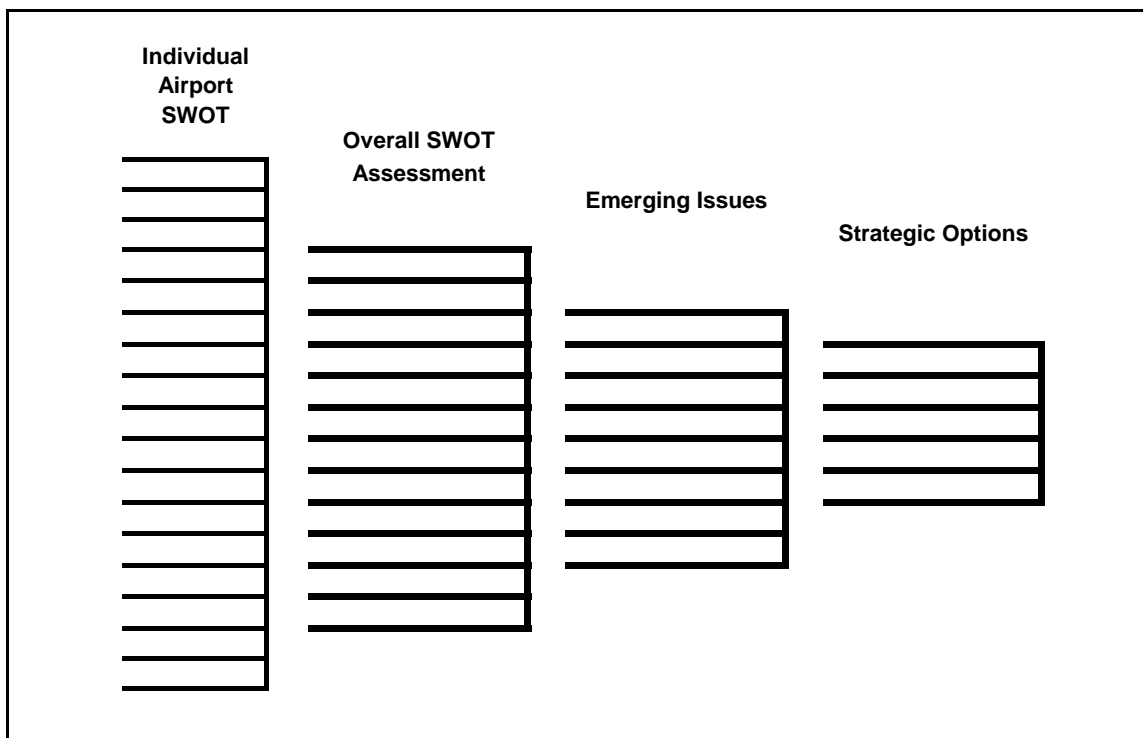
The Starting Line

To arrive at an overall strategic approach, the results of the individual airports SWOT assessment, stakeholder consultations and workshops were distilled to develop strategy options that could take advantage of opportunities and to group and present these options in a way that would enable development of an overall implementation strategy:

- Key themes were identified from individual airport SWOT assessment;
 - Workshops were held with airport managers and other stakeholders in January to confirm these emerging issues that were common to many airports;
 - The emerging issues were further synthesized into strategic issues. For each issue, the barriers to successfully addressing the issue were identified and potential strategies proposed along with possible lead organization, possible partners, relative priority and estimated duration to implement the strategy. The issues and strategic options were grouped into six categories:
 - Market;
 - Government Support;
 - Cooperation;
 - Air Service;
 - Infrastructure; and
 - Commercial Land Development.
-

In March, a final workshop was held with airport managers and stakeholders to review and confirm the strategic issues, to enable champions for specific issues to come forward and to discuss schedule and implementation strategies.

Exhibit VIII–1. Development of Strategic Options



Emerging Issues

The complete list of opportunities and threats from the individual airports was consolidated into the following emerging issues for the January workshop.

Government Support Issues

- *Federal*
 - Funding for new federal regulations
 - Access to CBSA Staff for Port of Entry Services and cost recovery policy change
- *Provincial - dedicate aviation fuel tax to development of airport airside infrastructure*
- *Provincial/Municipal - harmonization of property taxes to Alberta model for airport aviation related facilities*

Partnership, Planning & Communications Issues

- *Development of agreed definition of airports:*
 - By size
 - By criticality (economic, social, territorial, public service, etc)
 - By certified or registered
 - International; National; Regional; Local & Remote
- *Strategic, Land Use and Master Plan Funding Initiative*
- *Feasibility and Business Plan Development Funding Initiative*
- *Northern airports information exchange initiative*
- *Corporate & Community Communications Campaign - community plan (support) (OCP)*
- *Cooperative scarce resource sharing initiative (e.g. engineering)*
- *Cooperative Training Initiatives, perhaps in partnership with BCAC/AA*
- *Cooperative Purchasing Initiatives*
- *Cooperative Marketing/Land development initiatives with common prospective tenants*

Air Service Issues

- *“Vital” Air Service Program Development*
 - Regular passenger & cargo operations
 - Public service operations
 - Program definition and shared funding
- *Access to comprehensive & timely air service passenger data to help communities identify underserved routes*
- *Shared support for development of air service proposals*
- *Tourism and Economic Development Partnership (regional branding, market development, hotel tax to support tourism)*
- *Focus on enhanced East-West Connections*

Aviation Infrastructure Issues

- *Capital Funding Initiatives – more than just government (ACAP/CAP/Other?):*
 - Base eligibility on previously defined role in system of airports
 - Expansionary funding based on economic activity (industry, resource, tourism, etc.) and provincial/local business plan
 - Hub airports provide funding to feeder airports (reallocation of NAS hubs’ federal rent)
 - Cost sharing by adjacent / benefiting municipalities
 - P3 Funding (Corporate support in O&M funding)
 - Method of redistributing replaced capital equipment (right of first refusal to non-qualifying airports)
- *Public service flight funded infrastructure*
 - Medevac, forestry, fire fighting, etc.
- *Operational enhancements*
 - Regional airports to have 24 hour Nav Canada staffing
 - Essential safety upgrades
 - Approach and Nav aids enhancements including GPS approaches
 - Lighting

Commercial land development issues

- *Develop Inland Port concept – cargo transshipment opportunities*
- *Develop partnerships (public/private) to fund commercial development – access to program to help identify commercial opportunities without competing with private developers*

Exhibit VIII–2. Emerging Issues

Strategic Issues

Following a review of the emerging issues with airports and other northern stakeholders, a second consolidation was undertaken to develop the following list of key issues for the March workshop.

<p><u>Market</u></p> <ul style="list-style-type: none"> → Changes in demand → Demand for public service activity → Fixed costs and declining traffic <p><u>Government Support</u></p> <ul style="list-style-type: none"> → CBSA policy to apply cost recovery to new points of entry → Public ownership and availability of data → Payment for services provided to governments → Provincial fuel tax on aviation fuel has a negative impact on the North → Regulatory Issues and Burden <p><u>Cooperation</u></p> <ul style="list-style-type: none"> → Community awareness of the economic & health impacts of airports → Lack of focus, skills for effective planning – strategic, land use, business → Shared resource initiative – skills, mentoring, used equipment → Cooperative training initiative <p><u>Air Service</u></p> <ul style="list-style-type: none"> → Tourism growth a key part of traffic growth → Air service proposal development → Monitoring East-West service in the North → Alternative funding sources for air service development <p><u>Infrastructure</u></p> <ul style="list-style-type: none"> → Role definition for airports → Timely development and deployment of GPS approaches → Facility/Infrastructure Enhancement <p><u>Commercial Land Development</u></p> <ul style="list-style-type: none"> → Maximizing potential of commercial lands → Land development partnerships → Develop Intermodal centres
--

Exhibit VIII–3. Strategic Options

These are considered in turn in the following sections.

Market Issues

The evolving demand for aviation services in the north is having a differential impact on airports:

-
- The increasing cost of flying, and declining populations in many areas are reducing demand for general aviation and for scheduled services;
 - Those airports that do get low cost jet services are increasing their catchment area – as people are prepared to travel significant distances to take advantage of the lower fares - and their passenger traffic levels. The overall traffic levels in the North, however, mean that this list of airports is small; and
 - Some airports in areas of high economic growth, or high resource exploration and development activity are seeing increased aviation activity.

A decline in demand is a serious problem for airports and the communities that support them. Airports have high fixed costs and revenues that are almost entirely demand driven. Although virtually all the smaller airports have significantly reduced costs in the past ten years, most are operating very leanly now, and have difficulty further cutting costs to deal with reduced traffic.

Demand for government aviation services in the North (medevac, rescue, firefighting, etc.) is a small part of total demand, but important in the context of northern communities.

As governments work to streamline health services, medevac services are increasing. These services include not only emergency services, but also flights to move patients for specialty care that is only available in selected centres.

The scale of government services activity at the northern airports is not well understood outside of the airports, nor is there currently a readily available forecast of future demands as governments change their approach to delivery of services.

Government Support

Because airports serve both public and private functions, it can only be expected that there will be areas where government actions or activities have direct impacts on the airports:

- The current Canada Border Services Agency policy that applies cost recovery to new points of entry but not to “grandfathered” points generally puts smaller communities at a disadvantage to their larger neighbours that received points of entry years ago. This issue has existed for some time and is unresolved;
-

- Until the Canadian airline industry consolidated in the past 10 years, reasonably good data was available on passenger traffic – both enplaned/deplaned and origin/destination. This data has largely vanished, making it very difficult for communities to identify new potential markets. Transport Canada continues to have access to this data, but the Statistics Canada legislation currently makes it difficult to distribute the data to airports;
 - Government services use airports extensively for medevac, firefighting, forest services, etc. It appears that some departments make payments for services provided at some airports, while other airports are providing services for free. A lack of clear policies and a lack of knowledge of the practices at other airports contribute to this practice;
 - There is a provincial fuel tax on aviation fuel, but provincial services provided to aviation are limited. Attempts to have this tax fully eliminated have not been completely successful in the past. Similarly, governments have shown a reluctance to link the revenues collected to programs to support aviation;
 - There has been a continuous flow of new, and at times ill-conceived, regulation from Transport Canada in the past 10 years which has profoundly affected smaller northern communities. Issues such as changes to airport emergency services and approaches in low visibility conditions are just two examples. These changes and proposed changes have a disproportionate impact on the smaller airports in the North, increasing costs and reducing demand. Perhaps most importantly, many of the regulatory changes are not supported by risk or benefit/cost analysis or even supporting justification. Very few of them are supported by funding sources to assist with the capital and operational aspects of these changes; and
 - Many airports in smaller communities have a regulatory issue that is unique to airports. The airports are owned by the largest municipality in the town area, but are located in another township. They are financially supported by one political jurisdiction but are located in another. In Alberta, pursuant to the Municipal Government Act, a town cannot annex an airport that is situated in another jurisdiction unless the annexation order includes land that makes the airport contiguous with the boundaries of the municipality.
-

Cooperation

Northern airports are aware that individually, they may have trouble making their voices heard, but working with community groups and other airports they will be stronger. The key issue for most airports is that they have neither the resources nor the experience to assemble these cooperative concepts. Areas where cooperation would be beneficial include:

- Development of programs to raise community awareness of how airports are serving the economic and health needs of the communities;
- Planning – master planning, strategic planning and business planning;
- Sharing of resources between airports. For example, one airport may have an airfield lighting specialist, another may have an airfield line painting machine;
- Training - individually, the airports have difficulty developing and delivering training, but collectively, there may be a way.

Air Service

Limited commercial air service to smaller communities, particularly those in the north is a perpetual issue. For viability and for community economic growth, airports are interested in gaining as much non-stop air service as is supportable. For northern airports, this directly relates to tourism growth and the need for airports and tourism development agencies to work closely together.

Northern Alberta and BC are particularly constrained by the lack of East-West air services in the North, which in turn impedes tourism growth.

The operators of northern airports are aware that in today's environment, airports must actively market airlines for new routes and services, but the smaller airports lack the resources to develop air service marketing plans. They also lack the knowledge and experience of potential partners in funding air service development initiatives in many cases.

Infrastructure

Airport infrastructure issues are important to most Northern airport operators. Currently, many airports are trying to improve access through the development and licensing of GPS approaches. These approaches must be approved by Nav Canada, but at present there is no defined timeline for approval, nor is there general knowledge on how Nav Canada establishes a priority listing for approvals and how long it will take to clear the backlog of over 400 approaches currently awaiting approval.

Commercial Land Development

With the goal of being as self-sufficient as possible, managers of northern airports are aware of the importance of maximizing the potential use of commercial land on the airport. The issues they face are resources and knowledge:

- How to work with the private sector to develop land; and
- Resources to get valuations and undertake servicing.

For a small number of airports, there is the potential to become inland ports – multi-modal centres acting as cargo break out and distribution centres. Developing and marketing these concepts require resources and specialized knowledge.

A Strategic Direction

The stakeholder group (airport managers, municipalities and other key stakeholders with an interest in aviation in the north) provided a collective perspective on the relative priority of solving each of the strategic issues, a possible duration that resolution of each issue would take, and options for addressing each of the challenges. In terms of priority, the issues that stakeholders identified as Priority 1 – the issues that need immediate attention, are:

- Timely development of GPS approaches;
 - Reduction of regulatory burden;
 - Developing community awareness of the economic and health services impacts of airports on communities;
 - Development of methods, systems to address the need for additional skills and resources for strategic, business and master planning; and
-

- Elimination of the provincial fuel tax on aviation, or increased provincial support for aviation.

The group also identified the Priority 2 & 3 items and the time frame needed to address these key issues. Exhibit VIII – 5 shows the 14 key issues.

Category	Issue	Priority		Time (Months)
		1	2	
Govt Support	Provincial fuel tax on aviation fuel has a negative impact on the North	1A		12
Govt Support	Regulatory Issues and Burden	1A		12
Infrastructure	Timely development and deployment of GPS approaches	1A		12
Cooperation	Community awareness of the economic & health impacts of airports	1B		12
Cooperation	Lack of focus, skills for effective planning – strategic, land use, business	1B		24
Commercial Land	Maximizing potential of commercial lands		2A	24
Commercial Land	Land development partnerships		2A	24
Cooperation	Shared resource initiative – skills, mentoring, used equipment		2A	24
Cooperation	Cooperative training initiative		2B	24
Air Service	Tourism growth a key part of traffic growth		2B	12
Air Service	Air service proposal development		2B	12
Govt Support	Public ownership and availability of data		2B	12
Air Service	Alternative funding sources for air service development		2B	12
Govt Support	Payment for services provided to governments		2B	6

Exhibit VIII–5. Priority 1 & 2 Strategic Options

IX. BUILDING PARTNERSHIPS

No one stakeholder holds all the answers or the resources to realize the opportunities and overcome the shortfalls highlighted. Enduring partnerships will be required to meet the long term goals of the Strategy.

Introduction

Building on the strengths of the northern airports network to realize the opportunities, while addressing the challenges, will require the collaboration, commitment and determination of the airport community, business, airport operators, air carriers and all levels of government. The Northern Airports Strategy is the catalyst for engaging all of the players to enhance the economic utility of the northern airports network and each airport within it.

A description of some potential partners and their possible roles follows. This list is not exclusive and will be built upon as the strategy is implemented and stakeholders are engaged in the process.

Federal Government

Under the 1994 National Airports Policy (NAP) Transport Canada's role changed from that of an airport regulator, owner and operator, to one of regulator and landlord. This change was intended to allow airports the opportunity to tailor operations and match levels of service to local needs by operating a commercial environment that would see operating subsidies phased out. Twenty-six nationally significant airports comprise the National Airports System (NAS) and are considered essential to Canada's air transportation system supporting both domestic prosperity and international competitiveness. These airports are operated locally by Airport Authorities. They remain Crown land and are operated through long term leases. All other regional and local airports not included in the NAS were divested to local entities.

Of this latter group of airports, those with scheduled passenger service are eligible for limited capital funding for safety related infrastructure upgrades, but not expansion, under the *Airports Capital Assistance Program (ACAP)*.

The federal government also provides assistance through the Municipal Rural Infrastructure Fund (MRIF). The purpose of the \$1 billion fund is to improve and increase the stock of core public infrastructure and to provide a balanced response to local infrastructure needs in urban and rural Canada.

On February 12, 2004, the Government of Canada announced negotiations with each province and territory. Alberta signed an agreement with the federal government in April 2006. The Canada-British Columbia MRIF program was launched in October 2006.

Each province, territory and First Nations community will receive a base allocation of \$15 million with the remaining funds being allocated on a per capita basis. At least 80% of the MRIF funding will be dedicated to municipalities with a population of less than 250,000. The MRIF is cost-shared, with the Government of Canada contributing on average, one-third of total project eligible costs. Provinces and municipalities will contribute the remainder.

Government of Canada objectives on the environment, sustainable development, climate change, water quality, urban life, and innovation will guide project eligibility. The MRIF is delivered federally through five regional agencies, including Western Economic Diversification.

http://www.infrastructure.gc.ca/mrif-fimr/index_e.shtml?menu3

The \$4B Canada Strategic Infrastructure Fund complements Canada's other infrastructure programs but differs in its orientation. It emphasizes partnerships with any combination of municipal, provincial, territorial governments, as well as the private sector, and each partnership will be governed by specifically tailored arrangements. Investments will be directed to large-scale projects of national and regional significance. Regional equity considerations are taken into account and costs are generally shared between the three levels of government. Investments are made in areas that are vital to sustaining economic growth and supporting an enhanced quality of life for Canadians.

The Government of Canada will contribute to a maximum of 50 per cent of total eligible costs and is embracing a broader range of partnerships to fulfill regional priorities. As there are vast differences in the populations of Canada's provinces and territories, there is a threshold formula for defining "large-scale" projects. In those provinces with populations over 1.5 million, including Alberta and British Columbia, the threshold will be at least \$75 million of total costs. This will ensure that funded projects are large-scale and strategic within the context of the province or territory in which they are housed.

http://www.infrastructure.gc.ca/csif/index_e.shtml?menu3

Provincial Governments

Although the Governments of Alberta and British Columbia, for the most part, do not own or operate airports, they support the network of airports through taxation initiatives, capital contributions and policy support. For example, the BC Ministry of Transportation, through its *Transportation Partnerships Program* provides capital contributions for those port and airport infrastructure investments that will result in significant, incremental economic benefit.

Alberta provides support for rehabilitation work on airside surfaces to community-owned public use airports through its Community Airport Program (CAP). The CAP is focused on community airports. Airports that are eligible for federal funding, are not eligible under this program..

Funding highlights are:

- \$2M / year for small airports (72 community airports eligible) without scheduled service through the Community Airports Program for rehabilitation projects. Airports that are eligible for ACAP are not eligible for CAP.
- \$3B over five years (2005 to 2010) through the Alberta Municipal Infrastructure Program to all municipalities for infrastructure projects including community airports.
- Alberta Municipal Affairs has the “Regional Partnership Initiative” program which provides funds of up to \$75,000 for the development of a business plan and up to \$150,000 to implement the business plan. The project must include 3 municipalities or more and contribute at least 25% of the total project cost, in addition to in-kind contributions. To date, there have been no airport projects funded under this grant.
- Alberta Capital Financing Authority provides loans for capital projects at the lowest possible rates to airport authorities that are recognized under the Alberta Regional Airports Authorities Act. To date, one airport has exercised this option as a source of funding for airport expansion projects.

British Columbia provides support to airports through the Transportation Partnerships Program (TPP). The goal of the TPP is to provide capital contributions to those port and airport infrastructure investments that will result in significant, incremental economic benefit. The Ministry of Transportation has reserved \$10 million per year for capital contributions to public transportation infrastructure at ports and airports. Local/Regional government, airport and port authorities, and select third parties are eligible.

Program requirements include:

- The Ministry to be a minority contributor to a project;
- Ideally, some investment in the project by the private sector;
- Applications must provide a sound business case rationale that identifies project rationale, scope, schedule and budget, the proposed financial partners, clearly demonstrates the economic benefits of the investment, and outlines the linkages to economic development initiatives in the region;
- The Ministry will provide a “conditional contribution” governed by an agreement with the recipient; and
- The Ministry’s contribution is normally provided on project completion or phased with project milestones, depending on the circumstances of each project.

The Province will fund up to one third of the project costs, depending on the risk level.

The Community Futures Development Association of British Columbia in partnership with Western Economic Diversification Canada, fosters local entrepreneurship, and promotes, coordinates and implements a variety of community development initiatives.

Community Futures Development Corporations (CFDC) offer a variety of entrepreneurial programs, business counselling, loan programs and business information to community members interested in expanding or starting their own businesses. They provide entrepreneurs with small business loans up to \$125,000 when traditional financial institutions are unable to help. Loans are available for new business start-ups, business expansion, or can be put towards stabilizing an existing business. A loans committee comprised of community volunteers is involved with the loan review process. This ensures community input on loan approvals.

http://www.communityfutures.ca/provincial/bc/programs/index.html#program4_5

BC also has a Community Airport Exemption Regulation which currently applies to 12 airports and exempts them from property tax levies on aviation related improvements.

Municipal Governments

In Northern Alberta and BC the local airport is often owned by one or more of the local municipalities. Depending on the viability potential of the airport, local governments often contribute to the ongoing operations of the airport via subsidies if required, by investment in capital upgrades, and/or an appropriate reinvestment of property taxes collected. Anecdotally, it does not appear that municipal councils are making maximum use of the infrastructure funds available to support their local airport, either because funds are channelled elsewhere or applications are not made.

Key Stakeholders

Many different stakeholder groups, such as Chambers of Commerce, EDO's, tourism associations, etc – all of which are listed at Appendix C - were engaged in the development of the Northern Airports Strategy. Without exception they recognized the importance of the airports to the future of northern communities and the economies of Alberta and British Columbia and Canada.

Stakeholders identified a few common themes which they considered are holding back community development and related to their airport. Infrastructure and planning were cited: the former generally because of its inadequacy (lack of basic amenities in the "air terminal building" or no ATB at all; short runway; lack of GPS approaches; inability of small population base to afford essential maintenance; etc); and unplanned development creating downstream problems for the future of the airport. These stakeholder groups need to be actively engaged in supporting their local/regional airports.

X. SUGGESTED PERFORMANCE BENCHMARKS

Measuring progress and successful outcomes is important if a wide range of stakeholders are going to contribute their time and resources to this initiative.

General

To assess progress it will be necessary to develop some agreed objective benchmarks to track the benefits achieved through investment in this initiative. Exhibit X-1 illustrates suggested benchmarks that could be used to measure progress on the 14 Priority 1 & 2 issues identified. The suggested list is not intended to be exclusive and in the work that follows should be a critical first point to establish appropriate progress controls.

Although these suggested benchmarks are aimed at the system as a whole, individual airports may also wish to develop their own.

Category	Issue	Suggested Measure	Suggested Target in Year One
Air Service	Tourism growth a key part of traffic growth	Pilot projects with tourism bodies	Develop 2 joint tourism initiatives (1 ea A/BC)
Air Service	Air service proposal development	Development of simplified approach and templates	Develop 2 site-specific air service proposals (1 ea A/BC)
Air Service	Alternative funding sources for air service development	Identify sources and develop protocols for funding	Identify & negotiate 2 sources of potential funding
Commercial Land	Maximizing potential of commercial lands	Develop pilot projects	Initiate 1 Pilot Project
Commercial Land	Land development partnerships	Develop Partnership Agreements	Initiate 1 Pilot Project
Cooperation	Community awareness of the economic & health impacts of airports	Develop Economic Impact template & Polling of stakeholders	Initiate 4 pilot projects and achieve 60% positive awareness
Cooperation	Lack of focus, skills for effective planning – strategic, land use, business	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Cooperation	Shared resource initiative – skills, mentoring, used equipment	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Cooperation	Cooperative training initiative	Pilot projects	Initiate 2 Projects (1 ea A/BC)
Govt Support	Provincial fuel tax on aviation fuel has a negative impact on the North	Reduction in rating	Commitment to 50% reduction
Govt Support	Regulatory Issues and Burden	Changes to Alberta Municipal Act & Beneficial changes to specific CARs	Recognize airports as municipal infrastructure and improvements in approach ban burden on smaller airports
Govt Support	Public ownership and availability of data	Reach agreement with TC to provide data thru ECATS & TC Support for change to Stats Can Act	Agreement with TC to amend Regulation or Stats Can Act to enable data distribution
Govt Support	Payment for services provided to governments	Reach agreement with federal and provincial departments	Agreement to reimburse 20% Total identified
Infrastructure	Timely development and deployment of GPS approaches	Elapsed time to implement from date of submission	Agred time to implement new GPS approaches

Exhibit X–1. Suggested Benchmarks

XI. MOVING FORWARD: IMPLEMENTATION

Participants in the workshops developed a list of key issues that affected the system of airports in Northern British Columbia and Alberta. They prioritized those issues and indicated where they, as individual organizations, would get involved going forward. The outcome was a suggested implementation plan, including a suggestion for a secretariat to help things along.

To implement the strategic issues identified, a priority and urgency was attached to each. In addition, an agreed list was developed by stakeholders highlighting the “lead agency” for each initiative, the partners for each option and an issue champion to ensure items were addressed. These are shown in Exhibit XI-1.

For each of the priority issues identified a specific “champion” organization has been identified. The intention is that a key person from that organization (a number of participants from those organizations had already volunteered to help) would act as a coordinator, chair conference calls and generally act as a catalyst to get things done. It is not intended that the champion do all the work.

Each priority issue has a lead agency identified and partners who between them would provide resources and/or assistance to identify the goal for each issue working group and provide resources to achieve the group’s agreed goals.

To ensure the Northern Airports Strategy moves forward it is important that some regional organization with appropriate resources provide a coordinating function and act as a secretariat for a suggested Northern Aviation Communities Initiative.

It was recognized at the final workshop that a coordinating body was required if the strategy was to be achieved. The airport associations in British Columbia and Alberta could fulfil this function. Another option would be for an organization which covers both provinces, such as the Northwest Corridor Development Corporation (NCDC), to take on the coordinating function and initiative to move the Strategy forward for the next two years. Deciding on which organization will take on this coordinating function should be a priority next step for stakeholders.

In moving forward it is important for stakeholders to see progress to retain buy-in to the initiative. An option favoured by the Stakeholder Workshop was to create an ad hoc Conference of Northern Aviation Communities

(CNAC) which would be the opportunity for continuing involvement by Stakeholders. CNAC would not be a permanent association but rather a time and task-limited group brought together for the specific purpose of advancing the Northern Airports Strategy.

If this approach is adopted, it is anticipated that the Conference would meet every six months for the two year period anticipated by this strategy. The coordinating body discussed above would act as the secretariat.

Category	Issue	Actions	Airports Task Force (1) Local Economic Development Offices Governments (2) Airports Associations (3) Governments (3) Northwest Corridor (4) Chambers of Commerce												Suggested Lead Agency			Suggested Partners			Suggested Champions			Priority		
			1	2	3	1	2	3	1	2	3	1	2	3												
			1	2	3	1	2	3	1	2	3	1	2	3												
Govt. Support	Public ownership and availability of data	Develop position on public ownership, access			X		X								Govts of A & BC			2B								
Govt. Support	Payment for services provided to governments	Develop picture what is being paid, not paid	X				X	X							Quesnel Airport			2B								
Govt. Support	Provincial fuel tax on aviation fuel has a negative impact on the North	Lobby for provincial investment in North or elimination of fuel tax	X			X	X	X					X		Grande Prairie Airport	1A										
Govt. Support	Regulatory Issues and Burden	Alberta - amend Municipal Act to include airports as municipal infrastructure and to enable non-contiguous Lobby federal govt to ensure all new regulations supported by independent risk and benefit-cost assessment Municipalities and airports write immediately opposing approach ban regulations			X	X	X								Council of Tourism Associations (BC)	1A										
Cooperation	Community awareness of the economic & health impacts of airports	Develop common materials, program for community awareness Develop template for economic assessment Each airport do EIA and show overall impacts	X			X	X								Prince Rupert EDO	1B										
Cooperation	Lack of focus, skills for effective planning – strategic, land use, business	Develop common templates, resources for planning	X			X	X	X							Terrace Airport	1B										
Cooperation	Shared resource initiative – skills, mentoring, used equipment	Develop inventory of skills, equipment replacement schedules Amend ACAP to eliminate salvage value if sites give equipment to smaller non-ACAP sites Develop auction website for equipment for airports (by June 06) Ensure airports have access to Public Works Association websites that list used equipment	X	X		X		X							Terrace Airport			2A								
Cooperation	Cooperative training initiative	Develop Inventory of supply, demand for training, suppliers Create database of personnel skills, resources Develop Mentoring program	X			X									Northern Alberta Development Council			2B								
Air Service	Tourism growth a key part of traffic growth	Regional branding for Northern Tourism Airports become part of tourism associations Airport Industry Monitoring Program - no participants from the North				X	X	X	X	X					Lloydminster EDO			2B								
Air Service	Air service proposal development	Develop common simplified approach, templates, methods	X				X	X							Air Canada			2B								
Air Service	Alternative funding sources for air service development	Engage tourism, economic development, 3P in strategies Get Northern rep on Council of Tourism Associations (BC)		X		X		X							Fort St. John Airport			2B								
Infrastructure	Timely development and deployment of GPS approaches	Lobby for a performance standard on response from Nav Canada, Transport Canada Seek clear communications on how waitlist is prioritized by Nav Canada	X			X		X							BC Ambulance	1A										
Commercial Land	Maximizing potential of commercial lands	Develop Common, simplified approach to assessment, appraisal cycle Clarify impact of transfer of BC crown lands to MOT Tap into knowledge of sites with successful commercial land development				X	X								Edmonton City Centre Airport			2A								
Commercial Land	Land development partnerships	Develop common, simplified approach to prospectus to market land	X						X			X			Prince George Airport			2A								

NOTE: 1. Task Force refers to a sub-group of the stakeholder set who have a particular interest and wish to pursue an identified priority issue together
 2. Refers to all three levels of government as appropriate
 3. Associations refer to groups such as BCAC and Aviation Alberta which represent aviation stakeholder interests
 4. Northwest Corridor Development Corporation is a development organization dedicated to promoting trade through the Northwestern corridor of Alberta and BC.

Exhibit XI-1.

APPENDIX A

METHODOLOGY

METHODOLOGY

Exhibit A-1 illustrates the approach taken to develop the strategic options.

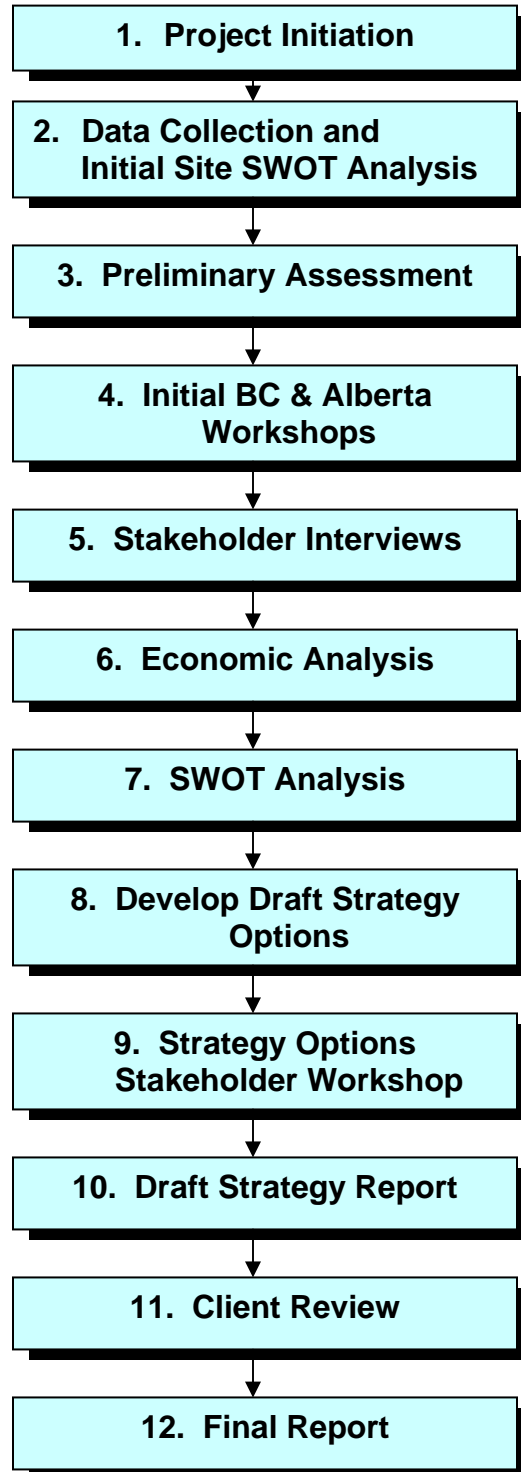


Exhibit A-1. Project Tasks and Flow of Work

APPENDIX B

AIRPORTS CONSULTED

Alberta Northern Airports	BC Northern Airports
CFB Cold Lake	Burns Lake
Cold Lake Regional	Chetwynd
Edmonton City Centre	Dawson Creek
Edson	Dease Lake
Fort Chipewyan	Fort Nelson
Fort McMurray	Fort St. James
Fort Vermilion	Fort St. John
Grande Cache	Fraser Lake
Grande Prairie	Houston
High Level	Mackenzie
Lac La Biche	McBride
Lloydminster	Prince George
Loon River	Prince Rupert
Manning	Quesnel
Peace River	Smithers
Rainbow Lake	Stewart
Slave Lake	Terrace
Vegreville	Tumbler Ridge
Villeneuve	Valemount
Westlock	Vanderhoof
Whitecourt	Williams Lake

APPENDIX C

KEY STAKEHOLDERS CONSULTED

The following key stakeholders were interviewed as part of the strategy development. Their comments to a series of questions are collated on the next page.

ALBERTA	BRITISH COLUMBIA
Company/Agency	Company/Agency
Alberta Forestry	BC Aviation Services, Ministry of Health (Air Ambulance)
Alberta Health and Wellness	BC Ministry of Forests
Commuter Air Access Network of Alberta	Council of Tourism Associations of BC (COTA)
Edmonton Airports	District of Chetwynd
Edson - Chamber of Commerce	District of Dawson Creek
Edson - Economic Development	Fort Nelson
Fort McMurray - Chamber of Commerce	Nadina Community Futures
Fort McMurray - Regional Municipality	Northern BC Tourism
City of Grande Prairie	Prince Rupert Economic Development
Grande Prairie - Chamber of Commerce	Quesnel Chamber of Commerce
Grande Prairie - Economic Development	District of Stewart
City of Lloydminster	Tourism Terrace
Manning & District Board of Trade	Tumbler Ridge Economic Development
Northern Alberta Development Council	District of Vanderhoof
County of Northern Sunrise - EDO	Villers Air (also Chamber)
Shell Insitu Plant, Community Relations	
Slave Lake - Chamber of Commerce	
Slave Air (1988) Ltd.	
Vegreville - Economic Development	
Vegreville - Tourism	
Westlock - Tawatinaw County Futures Development Corp.	
Whitecourt - Chamber of Commerce, Tourism, Economic Development	
Transport Canada	

Question 1. How is the airport important to your Community?**Comments Received**

- Critical due to geographical isolation. Next closest community is 4 hrs away. 16 hrs to Edmonton, 10 hrs to Prince George;
 - Supports healthcare: medevacs to Grande Prairie or Prince George, or Edmonton or Vancouver for more serious cases;
 - Supports industry. Oil & gas (companies have HQ in Calgary; employees often AB based) - travel between AB & BC. Forestry - CANFOR owns plywood & OSB plant - based in Vancouver;
 - Supports economic development. Companies & people look for communities that can provide connections; airport needs to be within a reasonable drive;
 - Connectivity for Northern airports is an issue - need to go down to YVR & then back up;
 - Critical due to remoteness; challenging topography & widely dispersed population = need for air service with many airports;
 - Critical for tourism;
 - Airports are huge economic generators for a Region;
 - Prince George as an international hub is key to tourism, cargo & pax transport;
 - Difficulty in northern BC is distance - go down to YVR & back up again. Tickets expensive;
 - Critical. BC Ambulance sub contracts out ALL of their air service (government employs paramedics; private sector for planes & pilots);
 - Last year moved 1300 patients in the North (north of Prince George) ~ 1 flight/patient. Norm is 24-25 patients/day ; high is 34-35/day;
 - Critical for public safety. In West, rely on land based air tankers therefore need a lot of airports;
 - High mining & forestry activity in North = need for air protection (fire suppression);
 - Fire crews need medevac support within 45 mins;
 - Key piece of infrastructure - medevac; business use (crew & materials transfer for resource development firms)
 - Critical for public safety; medevac - a lot of accidents in area given poor roads & high logging activity; fire protection (particularly during pine beetle epidemic)
 - Flying school is a going concern - a lot of private aircraft owners using airport;
 - Very. It is 1.5 hrs from coast. Terrace is major service centre (hospitals, tourism) for villages within a 6 hr drive;
 - Tourism is HUGE in Terrace; Heli-ski operator wouldn't be there without airport. Only grizzly bear tour operator in province - airport is critical to his business;
 - Critical to mining Industry (along HWY 37) to move people & supplies;
 - Not really important - hardly used at all - occasional private aircraft, mostly in summer;
 - Occasional medevac;
 - Helicopter pad is critical for exploration activity & medevacs;
-

-
- Critical for forestry industry - corporate travel and moving crews in/out. West Fraser Mills has corporate office in Quesnel - need to get sales people in/out. West Fraser drives the Quesnel economy;
 - Very important to get residents in/out;
 - Driving an hour in winter to get to Prince George is risky from a personal safety perspective (bad weather, poor roads and driving on same roads with lots of truck traffic);
 - Essential for industry;
 - Critical for medevac;
 - Single most important economic generator for community;
 - Mining. Serves all 4 operational mines in northern BC. Each company generating 150-800 NEW jobs. Worldwide operations require good air service;
 - By 2007, there will be an increase of 17,388 passengers per year at airport from mining activity;
 - Four Season Destination Tourism. By 2010, airport can expect to see additional 112,000 pax per year (during ski season) based on Ski & Ride market data;
 - Access to health services (259 medevacs last year);
 - Link to YVR and to other charters for sports fishing, hunting & guiding;
 - Extremely important;
 - Link to south i.e., medevacs & industry;
 - Essential for public safety (medevac); business (a lot of traffic between PR and YVR);
 - Prince Rupert is an international player because a port city. Only 4 international ports in North America (LA, Seattle, Vancouver, PR) and other 3 are congested. It's time for PR to grow;
 - Prince Rupert expanding business - need airport to build industry;
 - Business travel & tourism on rise - airport an important part of this;
 - Need an airport for a community to grow. Pax need to have access to easy transportation. If no airport, population drops, communities dries up;
 - Important to industry. Coal mining - 4-5 active mines within 100-150 km (Dawson is closest centre); Forestry; Oil & gas - a dozen or so new service companies (instrumentation, pipe fitting manufacturing, etc);
 - People would rather come directly to Dawson Creek rather than drive to/from Grande Prairie or Fort St. John;
 - Industry tends to set up shop/base in the community with the direct air service;
 - Airports are lifelines to northern sites; emergency services; forest fire fighting; communication and transportation link; lifeline for economies; government access; highly important access to isolated areas;
 - Airports in northern sites allow 'equal representation' or 'equality' in providing transportation link;
 - Base for the water bombers;
 - Important for air ambulance, courier, bank drops, resource sector, and oil and gas. Important for head office employees to fly in, industrial side;
 - Horrifically important to business; very busy airport. Medical services are required in Edmonton (MRI, etc). Need to minimize the time away, prefer flying over driving. Hwy 63 is congested, travelers are at risk;
 - It is important as it brings in a lot of traffic and business people. We need to enhance services;
-

- Vital and efficient business passenger link between capital city and very important region;
- It is vital as it is the hub for NW Alberta - serves a trade area of 250,000 people. Need appropriate connections and frequency of flights;
- Very important to the region - more so than the town. Strategic location between Saskatoon and Edmonton;
- Extremely important as it houses the air tanker base; oil and gas industry is doing well;
- Absolutely critical to O & G and service industries, under serviced for air;
- Important to O & G, forestry, staging area for firefighters, air tanker base, private jets, but no scheduled service;
- Necessary means for medevac, higher level of care. Transport employees to/from O & G;
- Air access is vital but negatively affected by ECCA policy;
- EA has right to manage and don't need large plane access but market should determine access needs;
- Crucial for day to day travel. Possibly expand airport, a lot of people drive, could benefit if they could fly;
- Commercial flights, non passenger. Crop dusters, private pilots;
- Important to recreational users;
- Vitally important to both province and resource industries: it is the North that is driving prosperity;
- Important as it brings in tourists from Canada and USA. There are 8-12 charters per week on the way to Alaska and they stay overnight, eat at the restaurants, good for business. O & G and forestry are important.

Question 2. Are there planned activities or new business ventures that could affect air transportation positively or negatively in your community or region? If so, what are they? Describe the potential impacts.

Comments Received

- None other than annual traffic growing. The two Tier III carriers don't meet the full need of oil & gas traffic which are forced to charter;
 - 2010 Olympics. Many more people coming into province. Entire province will be spotlighted. Need infrastructure; airport system is key;
 - Container port in Prince Rupert is key to cargo development;
 - Planning a runway extension at Prince George;
 - 4 fixed wing contracts (critical care) soon up for renewal - will be performance based specs;
 - Paramedics carry more equipment now;
 - Using bigger, faster air tankers therefore need appropriate infrastructure (e.g., longer runways) - currently running into issues at Fort Nelson;
 - Overall increase in industrial activity = more traffic at the airport;
 - Lots of helicopter activity; lots of corporate jets - mostly from Calgary;
 - Enbridge is coming through;
-

-
- Lots of recreational properties (2nd homes) - people buying up the lakeshore;
 - Adventure tourism just taking off (heli-skiing, white river, fishing lodges). 5 large fishing lodges in area;
 - New owners of Grand Duke site (copper mine) thinking of re-opening; lots of gold, silver etc deposits, but no known mines opening up;
 - Huge forestry growth due to pine mountain beetle epidemic. Annual allowable cut increased = lots of logging activity. 2 pellet plants and 1 new mill looking to set up in Quesnel;
 - Shortage of skilled labour in Quesnel so need to bring in trades from out of area (fly them in/out);
 - New coal mine looking at Quesnel - would hire 300 people;
 - Industry growth - coal mines, oil & gas;
 - Increase in mining activity expected to result in increased cargo/freight activity;
 - Northern Film Commission has seen a 20% increase in requests for filming in Northern locations. Disney movie (8 Below) filmed in Smithers;
 - Container facility will be open in 2007 Q3. By 2010 will have capacity to handle more than all the container traffic currently in Vancouver;
 - Prince Rupert becoming a transportation hub on an international scale. PR is hub between northern BC, AB & Alaska, and China & rest of Asia;
 - Natural Resource activity. Oil & gas, expansion of coal port (sulphur will move through port), grain facility expanding;
 - Cruise Ship Stop (in play now) - partial disembarkment at PR to connect to other transportation modes. 150-200 pax to take excursions, 2-3 times/week;
 - Freight. Currently PR is centre for frozen & chilled seafood products & Edmonton is centre for frozen meats. Prelim discussions to see how the 2 can connect to move products to Asia;
 - college is growing - has an aircraft maintenance program;
 - Edson is growing with a lot of development in forestry, O & G, coal mining;
 - Negative point - demands placed by TC are impossible to meet. No funding, extremely costly to run an airport. Considering shutting down the airport;
 - Positive point - as the town grows, so does air traffic. Strong economy, industrial sector;
 - Some businesses leaving, unable to get staff. Not feasible for small business to fly staff in;
 - Growth of the community is positive for the airport. The Women's Curling Championship gave GP good exposure;
 - Major hotel chains are looking at GP - need to travel to get to GP. A lot of growth in the last 2 years;
 - Lack of expansion of air services to ECCA. NW Air Lease Yellowknife-GPA-Kelowna service. AC added flight to YYC, WJ added flight to YYC (via YEG);
 - GP is one of the fastest growing regions in Canada. Major expansion at Ainsworth, strand board plant \$220 million plant, 14 miles south of town;
 - There is a proposal for a \$30 million dinosaur interpretive centre west of GP to be built in 2008 or 2009;
 - New hotels planned for GP;
 - A negative point is the escalating cost of fuel, hitting the aviation industry hard;
 - Security fees hurt the air traveler;
 - Have a contract with CATSA, trained to do security checks;
-

- Oil sands 10 miles from town. Diamond mine might pan out. Iron ore deposit west of town;
- Peace Region has the second largest oil sands;
- There's been a major expansion south of the highway - Wal-Mart, Canadian Tire, Sobey's, etc - just came in, bringing new people to shop, spin offs;
- New Wal-Mart will be opening, construction starting soon. Other ventures not yet named. Vegreville is short listed, 1 of 3, for an ethanol plant;
- Attract commuter air service. Fort McMurray market;
- Fort McMurray workers live in Westlock. There is potential to transport these employees;
- There is a paradigm shift going on. CNRL has built a strip & more of that will take place. One has been approved for 767;
- Eco Tourism was starting to take off with people coming from Europe and US – passport requirements from US may affect growth;
- Approval was just received for a casino, towards Swan Hills - expecting at least 6 charters per week because of that. Runway is extended now - 5th busiest airport in AB.

Question 3. What do you see as the role of your airport in 5-10 years?

Comments Received

- No change. Remains as critical infrastructure. Council looking at development lands at airport-maybe a light industrial hub;
 - Prince George - international hub;
 - Same service & priorities - only busier;
 - General pax service centre - increased demand - more, larger aircraft;
 - Not really important - helicopters don't need an airport - just a helipad;
 - Service industry;
 - Service industry (oil & gas, and coal);
 - Still an economic generator;
 - Major transportation hub for this part of Province. Would like to eventually see international travel from the north (Alaska) and more east-west flights;
 - Don't intend on competing with Prince George for international pax by adding customs service;
 - Increasingly important to the southern link;
 - To attract business and professionals, you need a strong airport with connections. Business travel & tourism on rise - airport an important part of this part of a full intermodal service targeting Asia;
 - Part of transportation link;
 - Essential for community growth;
 - Shuttle service to Edmonton and Calgary;
 - Just hope to maintain it and keep it open;
 - Hope to accommodate the air traffic. Currently in a construction state, dynamics will change when in operational state. Different group of people (construction vs. operation). Hope to see a hotel at the airport (have the land);
-

-
- With the development of the oil sands, it should have international status as an airport;
 - Regional hub airport for northern AB, northern BC, Yukon and NWT;
 - Vital transportation link, a lot of business done with Calgary and Edmonton. Edmonton business community reaching to northern communities. No indication that things will slow down;
 - With the growing economy, there will be more flights to Calgary. Air carriers need to be more stable. Oil companies chose charters over scheduled flights because they're cheaper;
 - Will only get bigger;
 - Would expect regular flights to ECCA; passengers don't like going to YEG as meetings are usually downtown. Very limited service right now;
 - Definitely expanding, Slave Lake is growing. Increase runway length and lighting;
 - Even more substantial than now, greater or equal to car traffic;
 - Increase to include passenger travel to the Muni;
 - Staying abreast of regulatory creep;
 - Help communities understand the intrinsic value of these facilities, including the value of serviced industrial land;
 - Critical to the growth of Westlock and region. Good quality of family life in Westlock, it's affordable, good education. Just 1 hour north of Edmonton;
 - Should be servicing the average resident more as opposed to the business traveller.

Question 4. What opportunities or niches do you think the airport could serve that it is not serving?

Comments Received

- Cargo. Used to have lots of parts (for oil & gas) coming in by air but with failure of Canadian Airlines, Tier III carriers can't meet demand with smaller planes. Industry moved to a ground solution. Would have to work hard to recoup this business. Cargo during hunting season (hunting gear, dead animals) wreaks havoc on passenger traffic;
 - Potentially more tourism - but small growth. Want to be a stop on the Edmonton-Whitehorse flight;
 - Potentially more sched flights;
 - Tourism. North needs to be ready to receive influx of tourists (to handle overflow tourism from golden triangle);
 - Adventure tourism fastest growing segment at 11-12% p.a.;
 - Cargo re-distribution centre & refuelling stop for flights from Asia. Prince Rupert is closer to Japan than to Vancouver. Prince George not as congested as YVR therefore carrier would see time and fuel savings;
 - International tourism - planning on directly flights to Germany, Italy, Seattle;
 - New aircraft with longer range (Hong Kong);
 - Fly-drive market with international tourists. Fly direct to Prince George then drive elsewhere in north - opens up a lot more of the north than flying to YVR & driving north;
-

- Growth in high-end lodge tourism; hunters with guns & game - what can be done to make it easier for them?
 - Some preliminary interest in sched. Pax traffic to Vancouver, maybe Edmonton, and maybe Calgary;
 - Service niche for guide outfitters, experiential tourism (e.g., remote fly fishing, heli-skiing);
 - Sell hangar space to corporate & private aircraft owners;
 - Fuelling facilities;
 - Tourism. Rocky Mountain Air Vacations coming to Quesnel on May 2 as part of circle route (train will stop 3x/wk with 80-200 pax per train). As tourism grows, so will demand for aerial sightseeing (currently 1 operator at airport);
 - Air service to Seattle. West Fraser Mills has requested (most of their Board live in Seattle and it's a hard drive in winter) - recognize difficulty getting customs service;
 - Small freight in support of industry;
 - No real opportunity. For charters basing at Chetwynd because they're more likely to base where the parts/cargo come from (e.g. Calgary);
 - Community land development around airport (e.g., a/c engine repair program at local HS but none of the carriers do their maintenance in Smithers = training opportunity);
 - Need better connections to Edmonton & Vancouver (then can link to other destinations);
 - Cargo / freight;
 - Aircraft maintenance & painting companies based at airport;
 - Polar over flight;
 - Pipelines;
 - Pacific gateway;
 - Mines;
 - Resources;
 - Share people, resources and economic development;
 - Peace Air tried a charter service, didn't make it. Would like to see flights from Edson to Fort McMurray, direct flight to Calgary. There's no scheduled service;
 - The airport is doing what it can now, services have picked up. Need more planes in Fort Mc. Housing issues drive the whole town, need sufficient housing. Land is available at airport - should build a hotel. Car rental agencies are already there;
 - GP is the hub of NW Canada/ Territories. Is becoming an international community because of Oil & Gas;
 - Access to ECCA, YYZ, increased access to YVR and Yellowknife, access to YMM and Whitehorse;
 - Frequency of flights and connections. For a while, WestJet cancelled their morning flight out of GP, recently brought it back;
 - Land use - airport land won't get heavily developed with hangars. Serviced land is so expensive;
 - Daily flights - why does Hay River have daily flights to Edmonton, and Manning doesn't?
 - Region is booming;
-

-
- Would like to see scheduled service, comments have been negative, no commitment to bring sched. service;
 - Potential for scheduled service, next tier of passenger service;
 - ECCA not looking enough at economic development issues;
 - Some of the communities are up to a five-hour drive: need access to downtown airport;
 - Market it more in terms of business travel;
 - Passenger service;
 - Transporting workers to Fort McMurray. Opportunity to have housing right at the airport. People have their own planes;
 - Federal government and province need to get involved with permanent surface access;
 - Cargo – can you starburst?
 - Serviced industrial land – with support from municipalities to make it happen;
 - Support to tourism;
 - Partner to meet needs of Oil & Gas and high value mining industries;
 - Increase flights for pleasure traveller.

Question 5. What are the roadblocks stopping the airport from taking advantage of these opportunities?

Comments Received

- Small population - challenge keeping passenger levels up;
 - Money. Airports are expensive infrastructure;
 - Cost of air travel;
 - Accessibility - lack of connections;
 - Territorialism in rural Canada, i.e. if one airport grows - everyone thinks they should grow. Really though most people see benefit of having a hub airport in middle of province;
 - infrastructure - currently running into problems at Fort Nelson (runway length);
 - Airport fees & charges;
 - Hard to find avgas at some airports - have dealt with this by going directly to suppliers;
 - Initially worried about changes at Nav Canada but think it will work out;
 - Lack of terminal (currently a shack);
 - Inadequate navigation aids (need PAPI, lighting, GPS approaches);
 - Limitations re location (not in best location for flight paths);
 - Lack of interest from municipality (huge infrastructure piece for a small population base of 5000); internal tugs of war;
 - No terminal with basic amenities (washrooms);
 - Lack of jet fuelling facilities;
 - Runway in failed state;
 - Accessibility - Flight Frequency. One lodge operator has 114 people coming in every 14 days & is having trouble getting people in at the airport (not enough flights) so is bringing them in by air to other airports (e.g., Rupert) and then bussing them to Terrace - huge inconvenience;
-

- Approach ban - none of the airports in NW BC qualify - will have a huge economic impact;
 - Small population (500 people);
 - No ATB;
 - Approach infrastructure - weather is unpredictable. Business travellers want guaranteed flights - so go through Prince George rather than taking chance on not being able to land. Benefits of a GPS approach would be ten-fold;
 - Funding - big concern for a small municipality;
 - Existing infrastructure. Runway length too short (needs to be 5000 feet for medevac flights);
 - Lack of capital funds;
 - Ownership of land - currently own all but one lot & future development may be hampered by one external lot owner;
 - Staffing. Maintenance staff also maintain roads - roads take priority. Could use 2 FTEs for airport ops alone;
 - Existing runway length & navigational aids. Just did terminal upgrades for security;
 - Potential loss of NAV Canada services. Currently have 24 hr FSS. NAV Canada has agreed to reduced service (16 hrs/day) but still in negotiation;
 - Regional airports in north competing against each other for scarce resources;
 - Funding;
 - Facilities currently available wouldn't attract new carriers (terminal bldg in sad state of repair);
 - Existing infrastructure. These opportunities have exploded in last 18 months so nobody really planned for them. Airport must have infrastructure capable of supporting the development in the community;
 - Better access to the airport. Currently logistics issues/isolation because on an island;
 - Existing runway too short (3000') - can build an add'l 3000' for \$15M;
 - NAV Canada talking about discontinuing service;
 - Airport not currently self-sustaining;
 - Proximity to Grande Prairie (1.5 hrs drive) serving pax travelling east; and Fort St. John (1 hr drive) servicing people traveling to Prince George or YVR;
 - Accessibility – improvements are being made with GPS technology;
 - Future of ECCA – is a long term concern. Closure of ECCA would cause the program to be defunct – YEG university hospital is 45 min by road;
 - Costs of O&M and capital;
 - Change in aircraft fleet and mix;
 - Accessibility;
 - Access to technology (to improve accessibility);
 - Money;
 - Work camps used to only be in rural and fringe areas; now they are in town right at the construction sites, not a good thing. Operational staff are flying in to company airstrips, not giving the airport the revenue;
 - Need to get International status. Runway lengths might not be long enough. Not sure about the airport equipment. We don't have natural roadblocks (like mountains) as Kelowna does;
-

-
- Cost of CARs 303, failure of federal and provincial government to fund airport operations as transportation, federal emphasis that airports should be paying their own way, and access to Regional Jets is a barrier;
 - They have the weather station where samples are taken every hour - threats to remove this station. Conflicting land uses around the airport; farmers by the airport can have many oil wells on their land instead of letting the airport develop it;
 - People are driving to Peace River to catch a flight, so maybe it's not feasible financially to have additional flights;
 - Too political, didn't want to comment. ECCA is a key destination - ridiculous to fly to YEG. Not sure who is allowed to fly into YPE;
 - No idea why there is no commitment;
 - Runway length, not big enough for large planes. Terminal needs expansion;
 - Money - probably some political red tape too. Based on the need, do we have the facilities big businesses need?
 - No roadblocks. Convince air service providers there is a need;
 - Size of runway - has to be expanded. Make connections with industries in Fort McMurray;
 - Government is currently a roadblock. Need to have real partnerships with all three levels of government – major and regional airports are part of the solution;
 - Level playing field with other modes – support road infrastructure but for some northern communities air access is their “road”;
 - Airport is not big enough, just expanding now. Aware of potential but not really doing much about it.

Question 6. What would you do if given the chance to enhance the effectiveness of the airport in serving community needs?

Comments Received

- Assist connections on international flights e.g., interlining between major carriers & smaller carriers; code-sharing;
 - Regional planning & marketing (rather than each community looking at itself);
 - Provincial funding for small, remote communities not eligible for ACAP; some subsidization;
 - Funding for airport planning (strategic, business, master plan);
 - Training. TC isn't doing this - who is?
 - Air navigation & customs service. It's a federal responsibility;
 - Decrease regulatory burden of CARs 308;
 - Increase foreign investment limits in airlines which will increase competitiveness;
 - Expand ACAP (funding purse & range of eligible projects);
 - Eliminate ATSC. National security shouldn't be borne by one mode of transport;
 - Customs;
 - Runway extension at Prince George;
 - Facilities to handle cargo - current facilities would congest pax traffic;
-

- Strong regional airports that are well serviced (not necessarily bigger) e.g., good snow removal;
 - Subsidies for non-profitable, but necessary routes;
 - Increase amount of paved facilities in north that can take heavier, larger aircraft (would love to see paved strip in Jonika);
 - ATB (versus current shack);
 - Resurfaced lighting;
 - More lots available for lease (currently only have 1);
 - Better nav aids;
 - Better infrastructure in general;
 - Develop property around airport - it's just sitting there idle (except a small agricultural operation);
 - Bring runway up to standard;
 - Add nav aids (runway lights, GPS);
 - Marketing;
 - Understand what kinds of partnerships and funds are available;
 - Bridge gap between federal government and municipalities - could engage Industry Canada;
 - Local industry likely to support airport with investment if there's a strong business case. Need someone to develop the business case;
 - Need to better service passenger - comfort. Step up the amenities at airport (e.g., info centre, small retail, gas station, rental cars, parking);
 - Enhance facilities (runway & nav aids). GPS planned for 2006 Q2; hoping to get funding for 2500' runway extension. Can't accommodate RJs currently and AC is restructuring its fleet;
 - Get regional northern airports working together (collaboratively) versus competing against each other;
 - Airports working together could result in each having their own niche & could generate more east-west travel;
 - Marketing (more public outreach, encourage public to travel more, joint marketing with existing carriers);
 - Attract large major carrier (ac jazz) back to ft nelson somehow, to enable more streamlined connections to the south;
 - Needs to be affordable for sched carriers (fees are high enough);
 - Develop the land / expedite the development process (issues with soil contamination on leased property); would like to see more private hangars, fueling facility, light industry;
 - Improve airport infrastructure & access;
 - Attract new businesses at the airport;
 - Improve infrastructure;
 - Ask the community what it needs, not what the industry needs. Pay attention to community needs. Industry will always get what it wants;
 - Extend runway and complete capital projects;
 - Air service frequency - links with Vancouver, Edmonton, Calgary, eastern Canada. Have significant population from Nfld., getting workers from Saskatchewan and Ontario. Local labour market is tapped; Accommodation is very expensive;
-

- Want stable government policies. Don't want threats. TC passes rules (mandatory fire protection stations at airport - too expensive);
- Add more pleasure flights. Poor highway driving, infrastructure getting wrecked;
- Market some vacation packages. Market some business packages/ conferences;
- If there was sched service, people would use it;
- Improve passenger terminal;
- Extend the runway, did an overlay in 2005. Market it to big business. Have to accommodate bigger planes;
- Increase services offered at airport. Market the airport more;
- Expand the runway to accommodate 737's. Maximize opportunities with industry in western Canada;
- Not sure that could describe northern airports as connected as that implies connectivity and they tend to stand alone, often in competition;
- Cooperate together better – procurement, travel bank, etc.;
- Communities have to contribute to the future of their airports;
- Think mass transit like Air Canada. Can you commute to the Peace?
- Chamber and County need to take a larger role in supporting airport.

Question 7. What potential partnerships would you foresee that might benefit the airport, community, region, or all?

Comments Received

- Government of BC should continue to advocate and influence; Open Skies;
- Continue to enhance Transportation Partnership Program;
- Air service trust funds (tourism industry, exporters, business, government) - province to facilitate development;
- Work with destination marketing offices (national, provincial & regional) to promote air transport;
- Small airports could join aim BC and BC chamber of commerce;
- Work with regional tourism & destination marketing organizations throughout province. They're all funded by the province. Good relationship to have;
- Work closely with economic development agencies & accommodation sector;
- BC Ambulance very interested in building partnerships & getting information from communities e.g., Northern Health Authority;
- Fire protection should get together with industry (oil & gas, forestry) to discuss safety needs (e.g., medevac) as part of this strategy;
- Larger regional airports e.g., Dawson & FSJ could look at Tumbler Ridge as a satellite or connection to their established routes. **MARKETING**;
- Business community with smaller pax service (charter)?
- Coordination & collaboration among northern airports & community stakeholders. Fort St. James is a going concern - why not Vanderhoof - need to learn from them;
- Need a Champion. Airport Manager in Prince George supportive;
- Need to keep the doctors happy;
- Municipality needs to work with Regional District - the airport isn't just a muni issue - airport serves the RD;

- FCM is coming up - would love to see Rural Communities and airports on the agenda;
 - Airports working together to increase economic development in the region to benefit all. Spend time understanding how each community benefits region; share innovative ideas; address government with a unified voice; help each other out rather than trying to one-up each other;
 - Work with airlines in region. What's good for NW BC is really good for all airports in community;
 - More industry involvement in airport (\$\$ or through development on airport property);
 - Develop partnerships with existing businesses at airport;
 - Work with the town;
 - All levels of government need to work together (first nations, municipalities, provinces & federal government);
 - Joint marketing & economic development with city and region;
 - Funding from federal government & province;
 - Edmonton Airports;
 - Edmonton Economic Development;
 - AB Tourism;
 - Trucking Associations;
 - Rail;
 - City of Edmonton;
 - Government, including Education, Health, etc.;
 - Partnership with Province to get financial assistance;
 - Not lacking partnerships. As a community, we don't know what the airport does; no communication between Chamber and airport. This study is the first indication of communication;
 - Oil & Gas need freight transportation. Partner with larger players;
 - Federal/Provincial funding as part of national transportation system, enhancement to tourism partnerships;
 - Partner specifically with Edmonton, huge benefits to both parties. Develop relationship with Edmonton business community. Northern community relationship;
 - Unmanned aircraft industry. Military emergency landing;
 - Worthwhile to link High Level and Manning;
 - Partner with other airports, partner with ECCA, helicopter tours. Economic Development is looking at developing Oil & Gas partnerships;
 - Alberta Health & Wellness. Oil & Gas companies, transporting their employees;
 - Partner with big business, get spin offs. People live in Vegreville but don't work in Vegreville;
 - Develop relationships at all government levels, with the Town, Edmonton, Fort McMurray, Calgary (Oil & Gas), private pilots, promote the area (tourism);
 - Business relationships have been established already.
-

Question 8. Are there any other comments you would like to make?Comments Received

- The farther away the visitor is, the more they spend;
 - Most people travelling within BC do it by rubber tire (air is #2);
 - Chicken-egg situation in small communities where there is tourism potential. Need the infrastructure to see results, but need pax to build infrastructure;
 - Great idea - a northern airports strategy. Glad to see province is working on an integrated strategy vs one-offs;
 - Mostly charters used in northern, remote communities;
 - Contract (long-term) aircraft not required to go into gravel strips, but charters do;
 - Biggest issue in BC is mountainous terrain. GPS is nice to have, but not the 'be all & end all';
 - BC Ambulance strong proponent of twin engine aircraft (safety) due to terrain;
 - Just because a runway has lights & airport is night certified, doesn't mean it's safe for an air ambulance pilot who is not familiar with the airport or terrain, flying at high speeds in mountainous terrain;
 - Chicken-egg. Do you make investment now & hope that aviation activity will follow or do you wait for the traffic?
 - Need an appropriate level of investment in North to serve a broad number of interests;
 - Need recognition of the collective gain;
 - Need to get everyone's interests on table with appropriate metrics, to decide on priorities;
 - Very important to understand industry's needs;
 - Most of northern airports' infrastructure built for the Alaskan Highway - no new investment. Now time to do an overall cost/benefit to determine where new investment should be made;
 - Vanderhoof in a strategic location - meteorologically speaking;
 - Four car rental companies note that people fly to Terrace & then drive to Prince Rupert, Smithers, Stewart & Kitimat;
 - All northern airports critical given distance between them. If 3 airports are closed for say weather, people have to fly into Prince George which is an 8 hr drive in poor road conditions;
 - Terrace & Smithers are only 3.5-4 hrs away - people don't mind the drive - they have to do it to go shopping anyway;
 - Very impressed with Central Mountain Air. Would love to see them increase frequency - it is difficult to get to/from YVR in same day;
 - Driving an hour in the city is no big deal. Driving an hour in the north is a very big deal in winter;
 - Not a supporter of regionalization of airports - particularly in the north. Need to protect our airports;
 - Every Saturday get a call from someone in a mining or logging camp wanting to go home & can't get out - have to drive 1 hr to Dawson Creek;
 - Don't currently collect landing fees - ask for donations - more cost effective. Looking into 'parking meters';
-

- Industry will decide which airports they will use, which will drive which airports need infrastructure to support them (industry chooses - not the airports);
 - Recent success with Disney movie +\$21M in local economy, +\$30M in total spending in Vancouver. Disney has indicated they will not film in a northern location without an airport;
 - Runway extension proposal has been submitted. Currently have 80% of funding;
 - Biggest issue is lack of funding;
 - Looks like there's lots of land avail for development but much of it has surface contamination and it takes at least 1 year to get a clean parcel of land;
 - Running out of airside land (poor planning on part of TC and by District when they first took over);
 - Inability to sell land (must lease) discourages development (hangars, light industry);
 - PR on the 'hilt' of the NW corridor (North AB/North BC);
 - 20 mining developments along the corridor (pipelines being built between oil sands & coast);
 - Railway as important to the airport as it is to rail & ocean;
 - Right now have real transportation clusters to build around;
 - Let the past go - look ahead - focus on future;
 - Highlight positive aspects and issues for politicians;
 - Airports are vital to northern communities;
 - Airports should seek alternate funding sources if operating in the red;
 - Airports should operate themselves as a businesses;
 - Regulatory burden: cost benefit analysis should be completed for all regulations - send recommendations to CARAC - state position in writing if opposed to Transport Canada regulation or policy
 - Have 10 bases in AB with 12 aircraft;
 - All flights > 225km from Edmonton or Calgary are with fixed wing aircraft (King Air 200). King Air 200 can operate into any northern airport;
 - 70%+ of flights are from northern AB. Most flights are medical transfers;
 - Most (60%) to university hospital, rest to Royal Alexandria;
 - Flights categorized by 5 priorities (red-white);
 - Enhancements: better technology (improved accessibility) - passenger services/commute services;
 - ASRD has air tanker bases at 11 sites and regular operations occurring from an additional 3;
 - Limited potential increases in physical presence at airports;
 - Existing infrastructure at Grande Cache and Rainbow Lake is restricting operations with the L188 Electra;
 - Status quo envisioned for next 5-10 years;
 - ASRD is anchor tenant at most of the study sites;
 - User fees – ASRD feels at larger sites they get treated fairly. At smaller and former provincial sites ASRD is paying higher proportion;
 - Site services – need water at tanker bases and sewer;
 - Issues of Concern: at GPA and Fort Mc increased traffic is slowing ASRD response times - lack of awareness of ASRD's requirements - long term
-

maintenance at smaller sites to sustain infrastructure - Transport Canada regulations, SMS;

- They were given a white elephant with no money, and a limited budget. Need an operating grant;
 - Communication is so important;
 - To get from GP to Fort McM. you have to go through Edmonton, takes all day to get there;
 - Airports are part of the Provincial/Federal transportation system;
 - NAIT campus to be established in GP. \$10 million project; have the land; to build new building soon;
 - Air service for even just a few days per week would be great;
 - Have a good facility for the size of community;
 - Full elimination of excise tax on fuel;
 - Too much cookie cutter regulation;
 - US has decided these are assets;
 - If province needs access for public service flights then should pay;
 - Western Development should fund on a program basis legitimate business cases;
 - There are some industrial lots associated with property - has potential;
 - Need a strategy that facilitates airport development and does not constrain them. We have to treat northern airports as other pieces of essential infrastructure and treat them as if they are for elites.
-

APPENDIX D

**AIRPORT SURVEY:
STRENGTH, WEAKNESS, OPPORTUNITY, THREATS (SWOT)**

Airport Assessed Strengths, Weaknesses, Opportunities and Threats

As noted in the body of the report, at the onset of this study a consultation process was undertaken with the study airports which included an airport profile questionnaire. Included in the questionnaire were questions related to each airport’s strengths, weaknesses, opportunities, and threats. In advance of the first two workshops, preliminary individual SWOT tables were prepared for each airport and subsequently circulated in draft form for feedback.

Exhibit D-1 shows all SWOT items which were compiled from the airport questionnaires. The individual airport generated SWOT are shown at the end of Appendix D.

Exhibit D-1 System Wide SWOT Summary			
Strengths	Weaknesses	Opportunities	Threats
24/7 Access	All Weather Accessibility	Accessibility (Weather) Improvements	Airline Demise
Abundant Land for Development and Expansion	Catchment Area/Population Base	Air Tanker Base-Fire Fighting	Airspace Constraints
CBS Facilities	CBS Facilities and CBS Costs	AME/Manufacturing Facilities/Flight Training	Competition Airport Leakage
Community Support	Close to City-City Growth	Cargo	Cost of Flying
Competing Carriers	Competing Airport/Modes	Enhanced Emergency Services (ie medevac)	Edmonton City Centre Airport Issues
Economic Activity	Competition in Land Development	Facility Upgrades	Federal Government Cost Recovery
Essential Services	Deteriorating Infrastructure	GPS Approaches	Federal Regulations
Geographical Location	Fuel Supplies	Growth of Regional Industries	Financial Viability
Infrastructure Condition	Inadequate Infrastructure	Hangar Development	Geographical Location
Infrastructure Size	Inconsistent User Fee System	Hotel	Human Resources – attraction and retention
Location/Proximity for Primary Users	Lack of Air Carrier Competition	Incorporation into Economic Development Plans	Inadequate Primary Access to Airport
Long Term Tenants	Lack of Capital Funding	Increased Passenger Volumes	Infrastructure Condition
Nav Canada Facilities	Lack of Developable Land	Intermodal Transportation	Lack of Approach Aids (ILS/GPS WAAS)
Navigational Aids/Accessibility	Lack of Facilities to Accommodate Land Development	Land Development (airside and commercial)	Lack of Capital/Ops Funding

Exhibit D-1 (cont)			
System Wide SWOT Summary			
Strengths	Weaknesses	Opportunities	Threats
Non Federal Ownership	Lack of Nav Canada Facilities	Longer Range Service (with longer runway)	Lack of Freehold
Operationally Viable	Lack of Navigational Aids	New Air Service Connections	Lack of Information on Users
Paved Facilities	Lack of Strategic/Master/Business Plan	None	Maintenance-O&M Costs
Proximity to Industry and Municipal Centres	Limited Industry	Primary Access Improvements	Municipal Development By Laws
Regional Demographics and Population	Limited Marketing Funds	Scheduled Passenger Service	Municipal Servicing (ie water, sewer)
Scheduled-Charter Service	Minimal Hangars/Private Investment	Serving Resource Sector	Nav Canada Level of Service
Volunteer User Fees	No Scheduled Service	Tech Stop Base	No Commercial Lots
	O&M Costs/Revenue Shortfalls	Tourism Flights (hunting, fishing, etc)	No Fuel Facilities
	Passenger Terminal Building	Transborder/Sun/Fun Spot Charters if CBS in Place	None
	Registered Zoning/Zoning Protection	Transportation Link to the North/Alaska	Operating Budget
	Regulatory Cost Burden		Political Change
	Runway Length		Population Base
	Security		Regulation Creep
	Staffing-HR		Runway Length
	Topography & Weather		User Fees
	Unstable Aviation Climate		

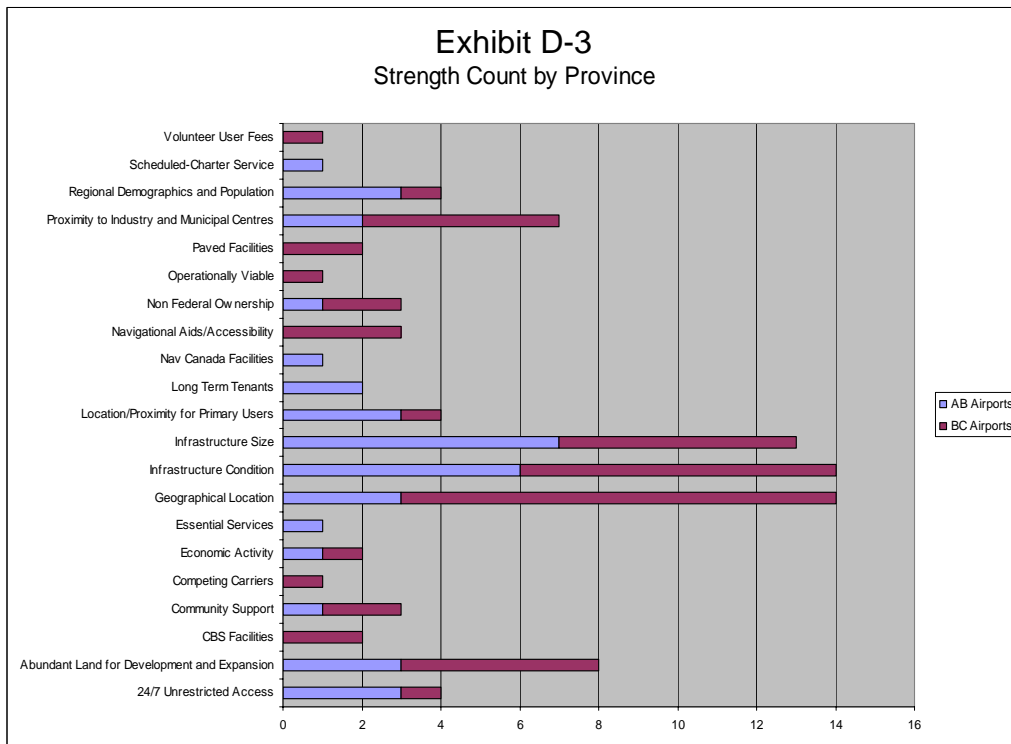
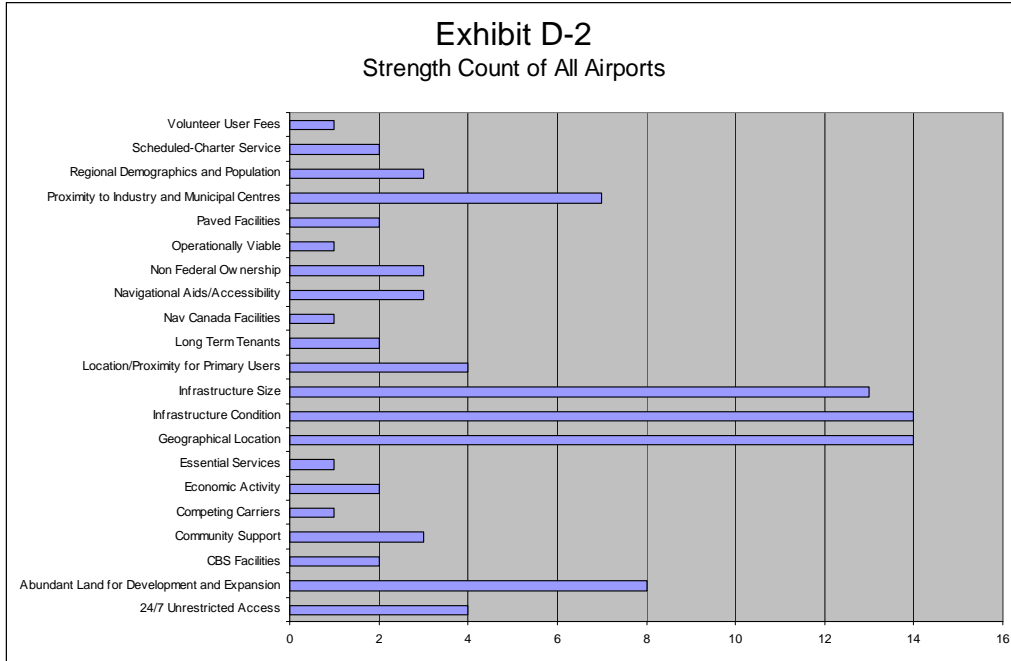
In an attempt to 'quantify' the results of the system wide SWOT analysis, each of the site-specific SWOT items was analyzed based on the following criteria:

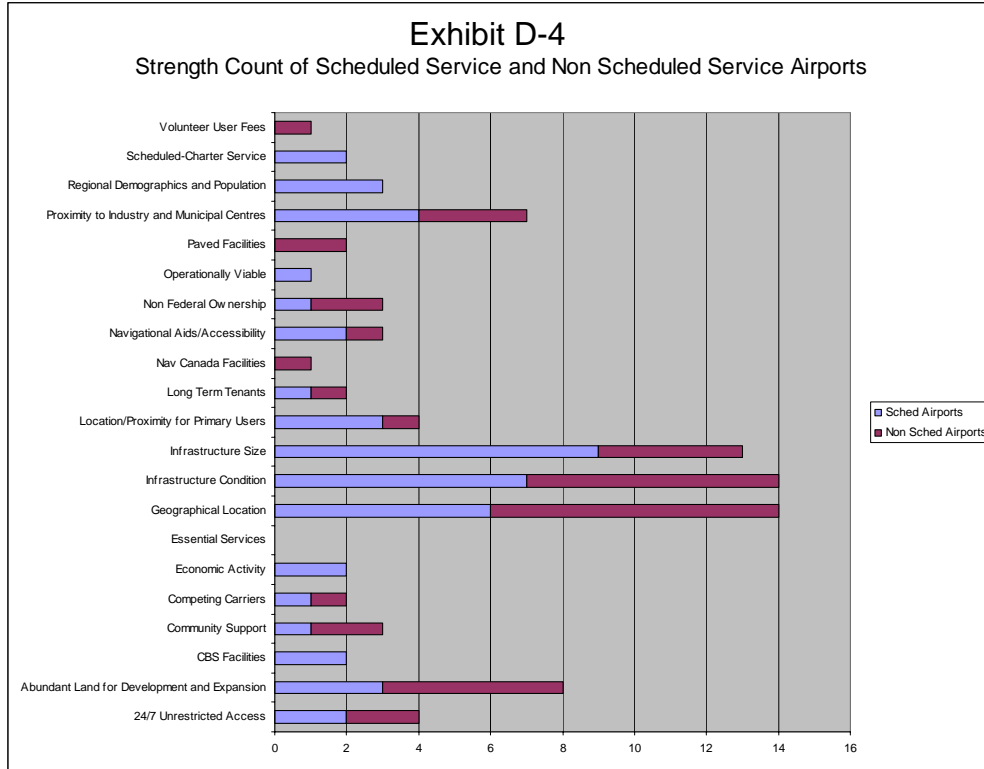
- Total number of airports which identified each SWOT item;
- Scheduled or non-scheduled service airport; and
- Geographic location (AB or BC).

The results are presented graphically below.

Strengths

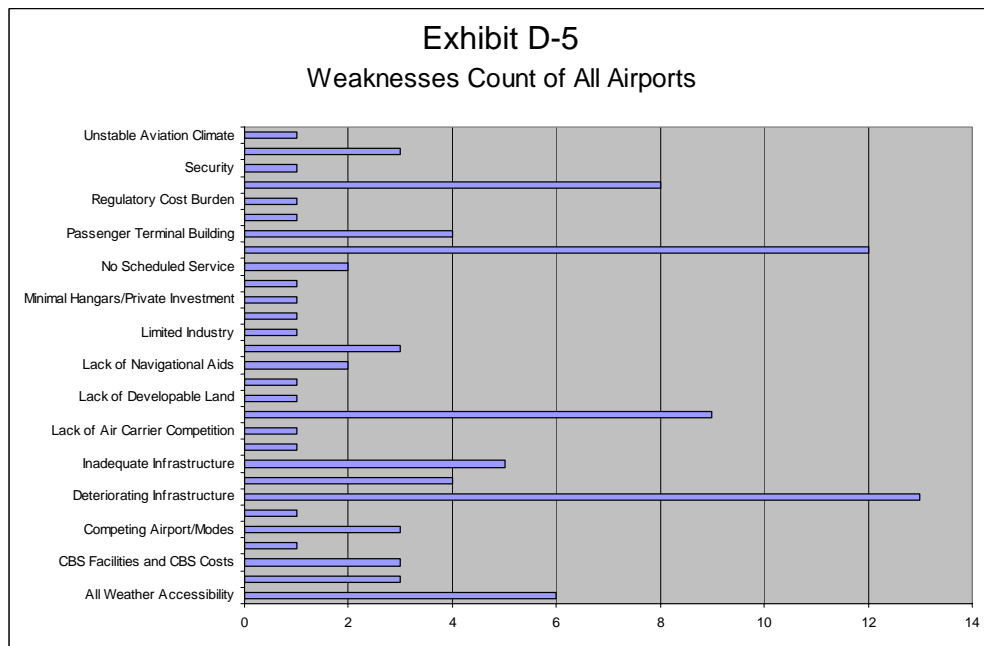
The following several exhibits summarize the strength counts for all airports, by province, and by scheduled service-non scheduled service.

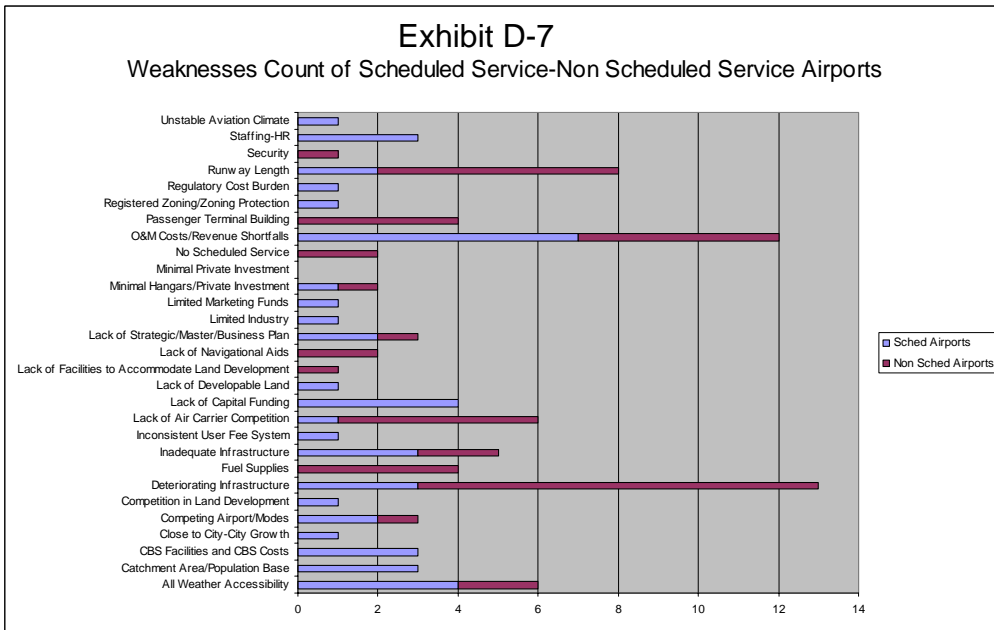
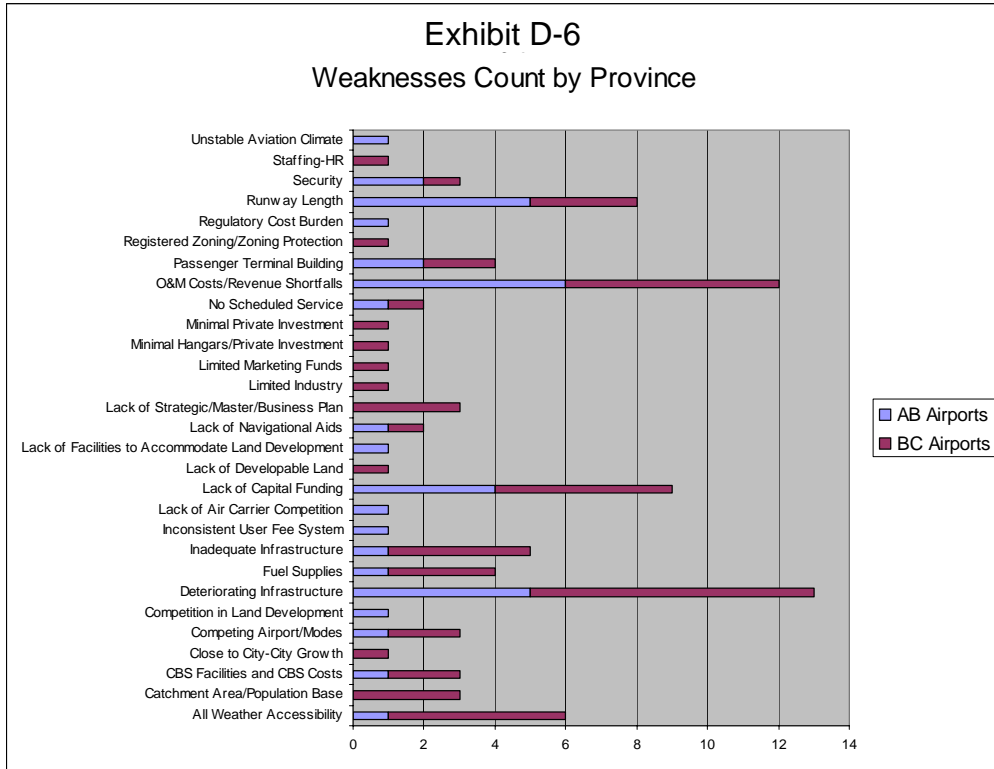




Weaknesses

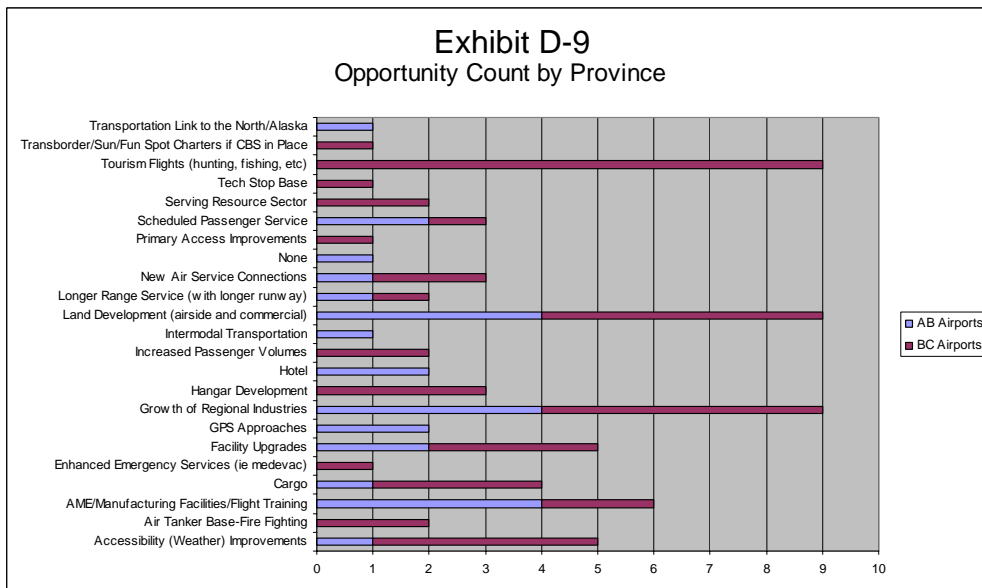
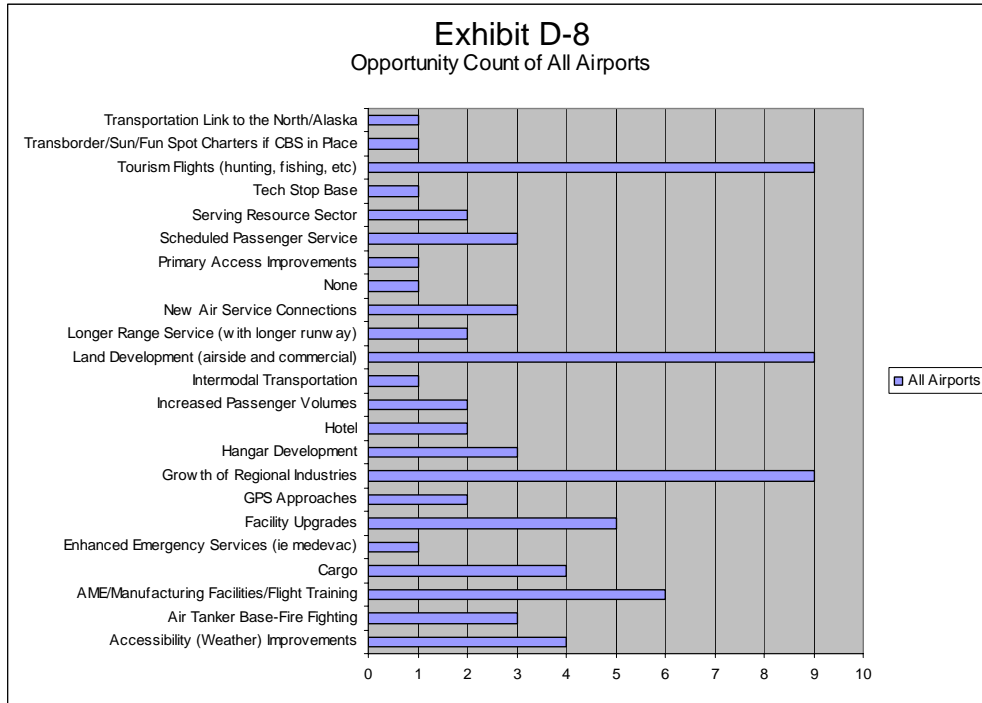
The following several exhibits summarize the weaknesses counts for all airports, by province, and by scheduled service-non scheduled service.

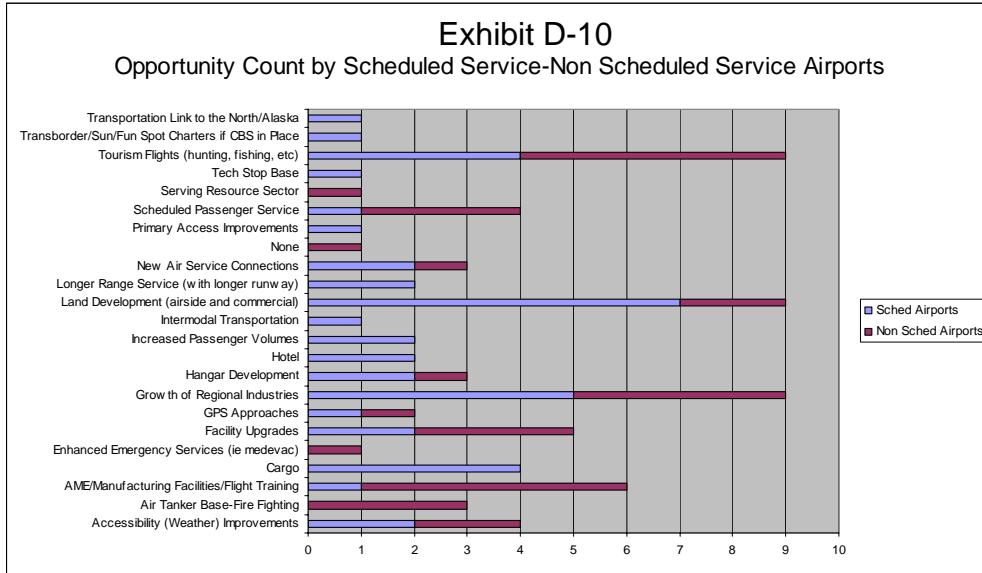




Opportunities

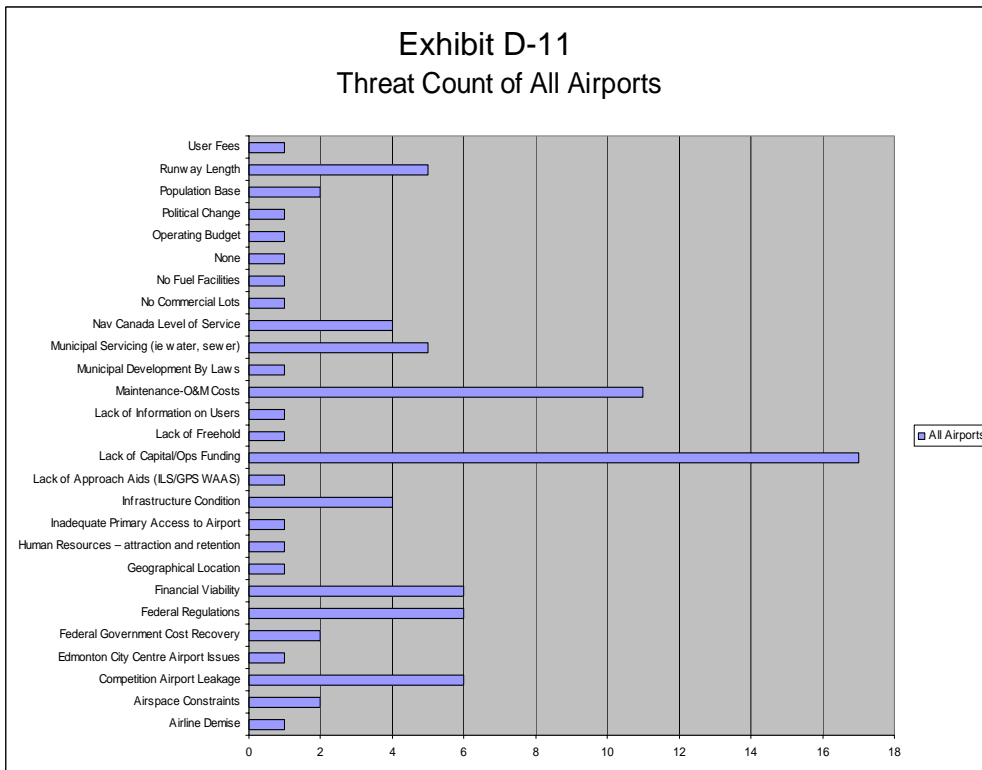
The following several exhibits summarize the opportunities counts for all airports, by province, and by scheduled service-non scheduled service.

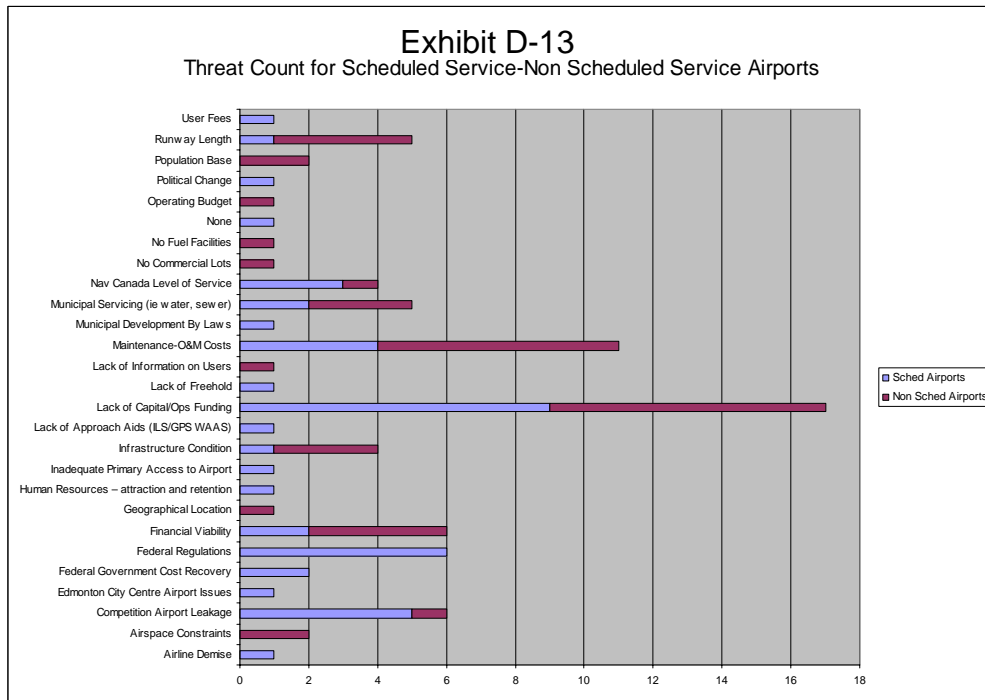
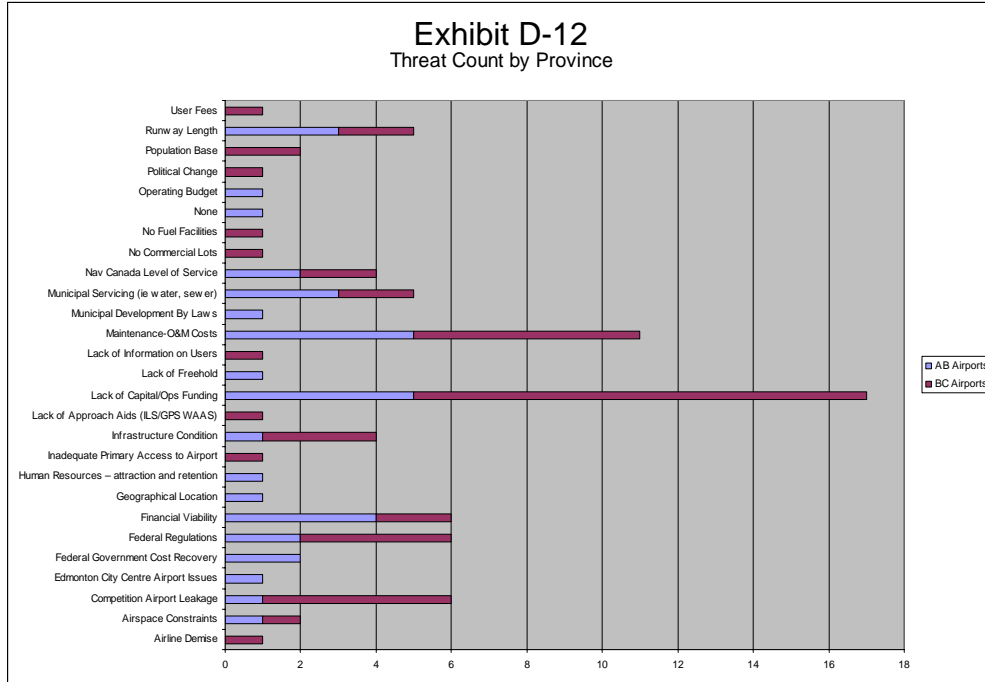




Threats

The following several exhibits summarize the threat counts for all airports, by province, and by scheduled service-non scheduled service.





As noted above individual airport SWOT tables were prepared for the participating airports. These follow.

Airport SWOT Analysis

Burns Lake

Strength	Weakness	Opportunity	Threat
24/7 Unrestricted Access Geographical Location Infrastructure Condition	Deteriorating Infrastructure Passenger Terminal Building Runway Length	Facility Upgrades	Lack of Capital/Ops Funding Infrastructure Condition

Airport SWOT Analysis

CFB Cold Lake

Strength	Weakness	Opportunity	Threat
24/7 Unrestricted Access Infrastructure Size			None

Airport SWOT Analysis

Chetwynd

Strength	Weakness	Opportunity	Threat
Infrastructure Condition	Runway Length	Scheduled Passenger Service	Runway Length
Proximity to Industry and Municipal Centres	Fuel Supplies	Growth of Regional Industries	Maintenance-O&M Costs
Volunteer User Fees		Accessibility (Weather) Improvements	Airspace Constraints

Airport SWOT Analysis

Cold Lake
Regional

Strength

Weakness

Opportunity

Threat

Fuel Supplies

Air Tanker Base-Fire
Fighting

Passenger Terminal Building

New Air Service
Connections

Runway Length

Runway Length

Scheduled Passenger
Service

Airspace Constraints

Airport SWOT Analysis

Dawson Creek

Strength	Weakness	Opportunity	Threat
Community Support	Inadequate Infrastructure	Growth of Regional Industries	Competition Airport Leakage
Infrastructure Condition	Minimal Private Investment	New Air Service Connections	Political Change
Proximity to Industry and Municipal Centres	Close to City-City Growth	Cargo	Nav Canada Level of Service

Airport SWOT Analysis

Fort McMurray

Strength	Weakness	Opportunity	Threat
Infrastructure Condition	Staffing-HR	Cargo	Federal Regulations
Non Federal Ownership	Runway Length	Hotel	Federal Government Cost Recovery
Regional Demographics and Population		Land Development (airside and commercial)	

Airport SWOT Analysis

Fort Nelson

Strength	Weakness	Opportunity	Threat
Geographical Location	Deteriorating Infrastructure	Land Development (airside and commercial)	Lack of Capital/Ops Funding
Infrastructure Size	O&M Costs/Revenue Shortfalls	Facility Upgrades	Financial Viability
Navigational Aids/Accessibility	Catchment Area/Population Base	Hangar Development	

Airport SWOT Analysis

Fort St. James

Strength	Weakness	Opportunity	Threat
Infrastructure Condition	Fuel Supplies	Facility Upgrades	Maintenance-O&M Costs
Infrastructure Size	Inadequate Infrastructure		Infrastructure Condition
Proximity to Industry and Municipal Centres			

Airport SWOT Analysis

Fort St. John

Strength	Weakness	Opportunity	Threat
Economic Activity	Lack of Capital Funding	New Air Service Connections	Lack of Capital/Ops Funding
Geographical Location	Lack of Developable Land	Land Development (airside and commercial)	Federal Regulations
Infrastructure Size	O&M Costs/Revenue Shortfalls	Increased Passenger Volumes	User Fees

Airport SWOT Analysis

Fort Vermilion

Strength	Weakness	Opportunity	Threat
	O&M Costs/Revenue Shortfalls		Maintenance-O&M Costs
Infrastructure Condition	Runway Length	Growth of Regional Industries	Runway Length
Long Term Tenants	Deteriorating Infrastructure		Financial Viability

Airport SWOT Analysis

Fraser Lake

Strength	Weakness	Opportunity	Threat
Paved Facilities	Inadequate Infrastructure Security Deteriorating Infrastructure	Hangar Development	Maintenance-O&M Costs

Airport SWOT Analysis

Grande Cache

Strength

Weakness

Opportunity

Threat

Essential Services

Deteriorating Infrastructure

Airport SWOT Analysis

Grande Prairie

Strength	Weakness	Opportunity	Threat
Infrastructure Condition	Lack of Capital Funding	Land Development (airside and commercial)	Lack of Capital/Ops Funding
Infrastructure Size	Regulatory Cost Burden	Longer Range Service (with longer runway)	Municipal Development By Laws
Regional Demographics and Population	CBS Facilities and CBS Costs	Hotel	Federal Government Cost Recovery

Airport SWOT Analysis

High Level

Strength	Weakness	Opportunity	Threat
Long Term Tenants	Competition in Land Development Intermodal Transportation		Competition Airport Leakage
Regional Demographics and Population	Lack of Capital Funding	Growth of Regional Industries	Federal Regulations
Scheduled-Charter Service	Unstable Aviation Climate		Edmonton City Centre Airport Issues

Airport SWOT Analysis

Houston

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	O&M Costs/Revenue Shortfalls	Growth of Regional Industries	Population Base
Geographical Location	Lack of Capital Funding	Tourism Flights (hunting, fishing, etc)	Lack of Capital/Ops Funding
	Deteriorating Infrastructure		

Airport SWOT Analysis

Lloydminster

Strength	Weakness	Opportunity	Threat
24/7 Unrestricted Access	Inadequate Infrastructure	Facility Upgrades	Nav Canada Level of Service
Infrastructure Size	Inconsistent User Fee System	GPS Approaches	Maintenance-O&M Costs
Location/Proximity for Primary Users	Deteriorating Infrastructure	Land Development (airside and commercial)	Lack of Freehold

Airport SWOT Analysis

Loon River

Strength	Weakness	Opportunity	Threat
Location/Proximity for Primary Users	Deteriorating Infrastructure	None	Operating Budget Geographical Location

Airport SWOT Analysis

MacKenzie

Strength	Weakness	Opportunity	Threat
Geographical Location	Competing Airport/Modes	Tourism Flights (hunting, fishing, etc)	Competition Airport Leakage
Infrastructure Condition	O&M Costs/Revenue Shortfalls	Serving Resource Sector	Municipal Servicing (ie water, sewer)
Infrastructure Size	Limited Industry	Growth of Regional Industries	Maintenance-O&M Costs

Airport SWOT Analysis

Manning

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	O&M Costs/Revenue Shortfalls	AME/Manufacturing Facilities/Flight Training	Financial Viability
Infrastructure Size	No Scheduled Service		
Proximity to Industry and Municipal Centres			

Airport SWOT Analysis

McBride

Strength	Weakness	Opportunity	Threat
Geographical Location	Fuel Supplies Lack of Capital Funding Runway Length	Enhanced Emergency Services (ie medevac) Air Tanker Base-Fire Fighting Tourism Flights (hunting, fishing, etc)	Runway Length Lack of Capital/Ops Funding

Airport SWOT Analysis

Peace River

Strength	Weakness	Opportunity	Threat
Geographical Location	O&M Costs/Revenue Shortfalls	Growth of Regional Industries	Lack of Capital/Ops Funding
Infrastructure Size	Lack of Air Carrier Competition		Human Resources – attraction and retention
Location/Proximity for Primary Users	Staffing-HR		

Airport SWOT Analysis

Prince George

Strength	Weakness	Opportunity	Threat
CBS Facilities	CBS Facilities and CBS Costs	Cargo	Lack of Capital/Ops Funding
Competing Carriers	Catchment Area/Population Base	Transborder/Sun/Fun Spot Charters if CBS in Place	Infrastructure Condition
Operationally Viable	Limited Marketing Funds	Tech Stop Base	Federal Regulations

Airport SWOT Analysis

Prince Rupert

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	Staffing-HR	Tourism Flights (hunting, fishing, etc)	Maintenance-O&M Costs
CBS Facilities	Deteriorating Infrastructure	Primary Access Improvements	Inadequate Primary Access to Airport
Location/Proximity for Primary Users	Lack of Capital Funding	Cargo	Lack of Capital/Ops Funding

Airport SWOT Analysis

Quesnel

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	Competing Airport/Modes		Competition Airport Leakage
Infrastructure Condition	O&M Costs/Revenue Shortfalls	AME/Manufacturing Facilities/Flight Training	Lack of Capital/Ops Funding
Proximity to Industry and Municipal Centres	All Weather Accessibility	Hangar Development	Lack of Approach Aids (ILS/GPS WAAS)

Airport SWOT Analysis

Rainbow Lake

Strength	Weakness	Opportunity	Threat
Economic Activity	O&M Costs/Revenue Shortfalls	Transportation Link to the North/Alaska	Financial Viability
Infrastructure Condition	All Weather Accessibility		
Proximity to Industry and Municipal Centres	Runway Length	Growth of Regional Industries	Runway Length

Airport SWOT Analysis

Slave Lake

Strength	Weakness	Opportunity	Threat
Community Support	Competing Airport/Modes	GPS Approaches	Municipal Servicing (ie water, sewer)
Geographical Location	Runway Length	AME/Manufacturing Facilities/Flight Training	Maintenance-O&M Costs
	Lack of Capital Funding	Scheduled Passenger Service	Financial Viability

Airport SWOT Analysis

Smithers

Strength	Weakness	Opportunity	Threat
Infrastructure Condition	Catchment Area/Population Base	Tourism Flights (hunting, fishing, etc)	Maintenance-O&M Costs
Proximity to Industry and Municipal Centres	All Weather Accessibility	Accessibility (Weather) Improvements	Competition Airport Leakage
Scheduled-Charter Service	O&M Costs/Revenue Shortfalls	Longer Range Service (with Nav Canada Level of Service longer runway)	

Airport SWOT Analysis

Stewart

Strength

Weakness

Opportunity

Threat

Paved Facilities

Minimal Hangars/Private
Investment

Passenger Terminal Building

No Scheduled Service

Growth of Regional
Industries

Airport SWOT Analysis

Terrace

Strength	Weakness	Opportunity	Threat
Geographical Location	CBS Facilities and CBS Costs	Tourism Flights (hunting, fishing, etc)	Lack of Capital/Ops Funding
Infrastructure Size	Registered Zoning/Zoning Protection	Increased Passenger Volumes	Airline Demise
Navigational Aids/Accessibility	Lack of Strategic/Master/Business Plan	Land Development (airside and commercial)	Federal Regulations

Airport SWOT Analysis

Tumbler Ridge

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	All Weather Accessibility	Land Development (airside and commercial)	No Fuel Facilities
Geographical Location	Lack of Capital Funding	AME/Manufacturing Facilities/Flight Training	No Commercial Lots
Infrastructure Condition	Deteriorating Infrastructure	Tourism Flights (hunting, fishing, etc)	Lack of Information on Users

Airport SWOT Analysis

Valemount

Strength	Weakness	Opportunity	Threat
Geographical Location	All Weather Accessibility	Accessibility (Weather) Improvements	Lack of Capital/Ops Funding
Navigational Aids/Accessibility	Deteriorating Infrastructure	Tourism Flights (hunting, fishing, etc)	Financial Viability
Non Federal Ownership	Lack of Navigational Aids		

Airport SWOT Analysis

Vanderhoof

Strength	Weakness	Opportunity	Threat
Community Support	Deteriorating Infrastructure	Air Tanker Base-Fire Fighting	Competition Airport Leakage
Geographical Location	Lack of Strategic/Master/Business Plan	Serving Resource Sector	Lack of Capital/Ops Funding
Non Federal Ownership		Tourism Flights (hunting, fishing, etc)	Population Base

Airport SWOT Analysis

Vegreville

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	O&M Costs/Revenue Shortfalls	AME/Manufacturing Facilities/Flight Training	Lack of Capital/Ops Funding
Geographical Location			Municipal Servicing (ie water, sewer)
Infrastructure Condition	Lack of Navigational Aids		Maintenance-O&M Costs

Airport SWOT Analysis

Villeneuve

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	Lack of Facilities to Accommodate Land Development		Nav Canada Level of Service
Infrastructure Size	O&M Costs/Revenue Shortfalls	Land Development (airside and commercial)	Lack of Capital/Ops Funding
Nav Canada Facilities	Lack of Capital Funding	AME/Manufacturing Facilities/Flight Training	Municipal Servicing (ie water, sewer)

Airport SWOT Analysis

Whitecourt

Strength	Weakness	Opportunity	Threat
24/7 Unrestricted Access Infrastructure Condition Infrastructure Size	Deteriorating Infrastructure Passenger Terminal Building	Facility Upgrades	Lack of Capital/Ops Funding Maintenance-O&M Costs Infrastructure Condition

Airport SWOT Analysis

Williams Lake

Strength	Weakness	Opportunity	Threat
Abundant Land for Development and Expansion	Lack of Strategic/Master/Business Plan		Federal Regulations
Geographical Location	All Weather Accessibility	Accessibility (Weather) Improvements	Municipal Servicing (ie water, sewer)
Infrastructure Size	Inadequate Infrastructure	Land Development (airside and commercial)	Lack of Capital/Ops Funding

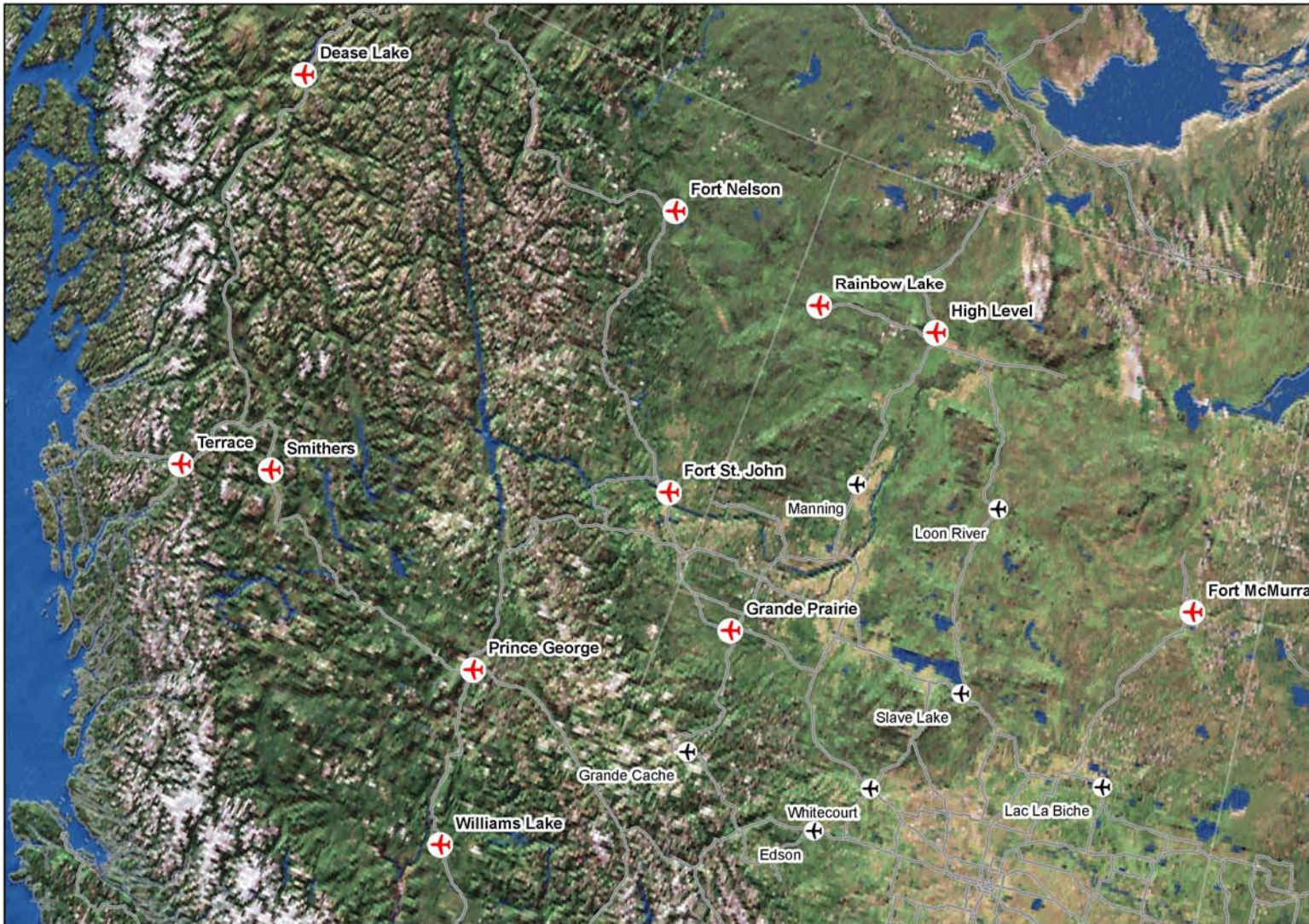
APPENDIX E

SYSTEM MAPS DEVELOPED FROM AIRPORT REPORTED DATA

Exhibit E-1

Government Services - Air Tanker Base

Alberta - British Columbia Northern Airports Strategy



Legend

- + Scheduled Service Airport
- ✚ Non-Scheduled Service Airport
- Primary Highways

Notes:

For Planning Purposes Only

May, 2006
PSMI# 11480

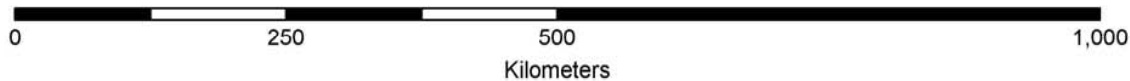




Exhibit E-2

Government Services - Forest Fire Fighting

Alberta - British Columbia Northern Airports Strategy



Legend

- + Scheduled Service Airport
- ✚ Non-Scheduled Service Airport
- Primary Highways

Notes:

For Planning Purposes Only

May, 2006
PSMI# 11480

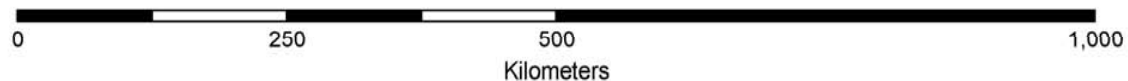
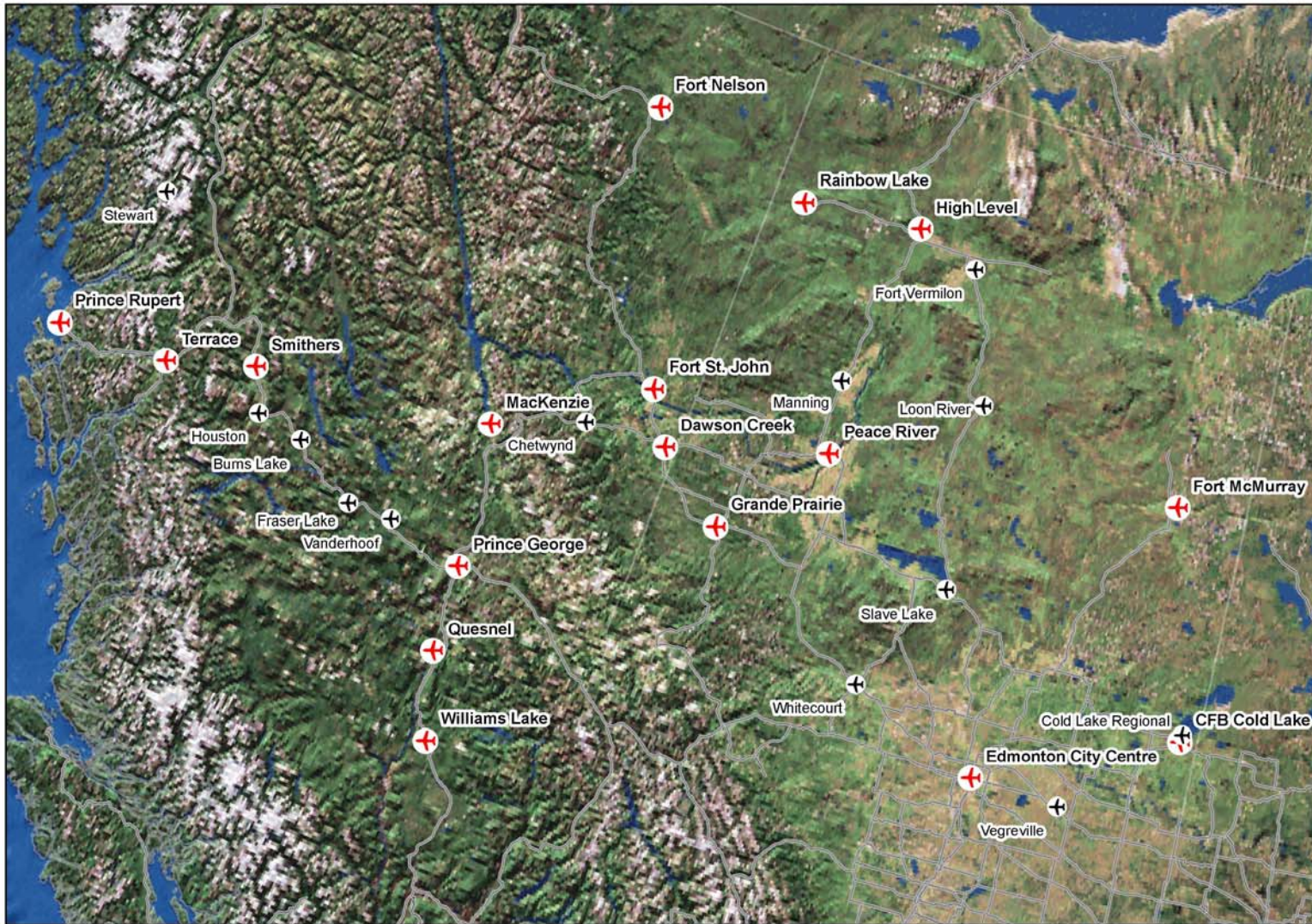




Exhibit E-3 Government Services - Medevac

Alberta - British Columbia Northern Airports Strategy



Legend

- + Scheduled Service Airport
- ✚ Non-Scheduled Service Airport
- Primary Highways

Notes:

For Planning Purposes Only

April, 2006
PSMI# 11480

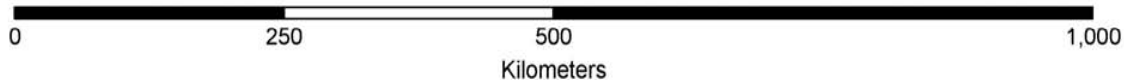
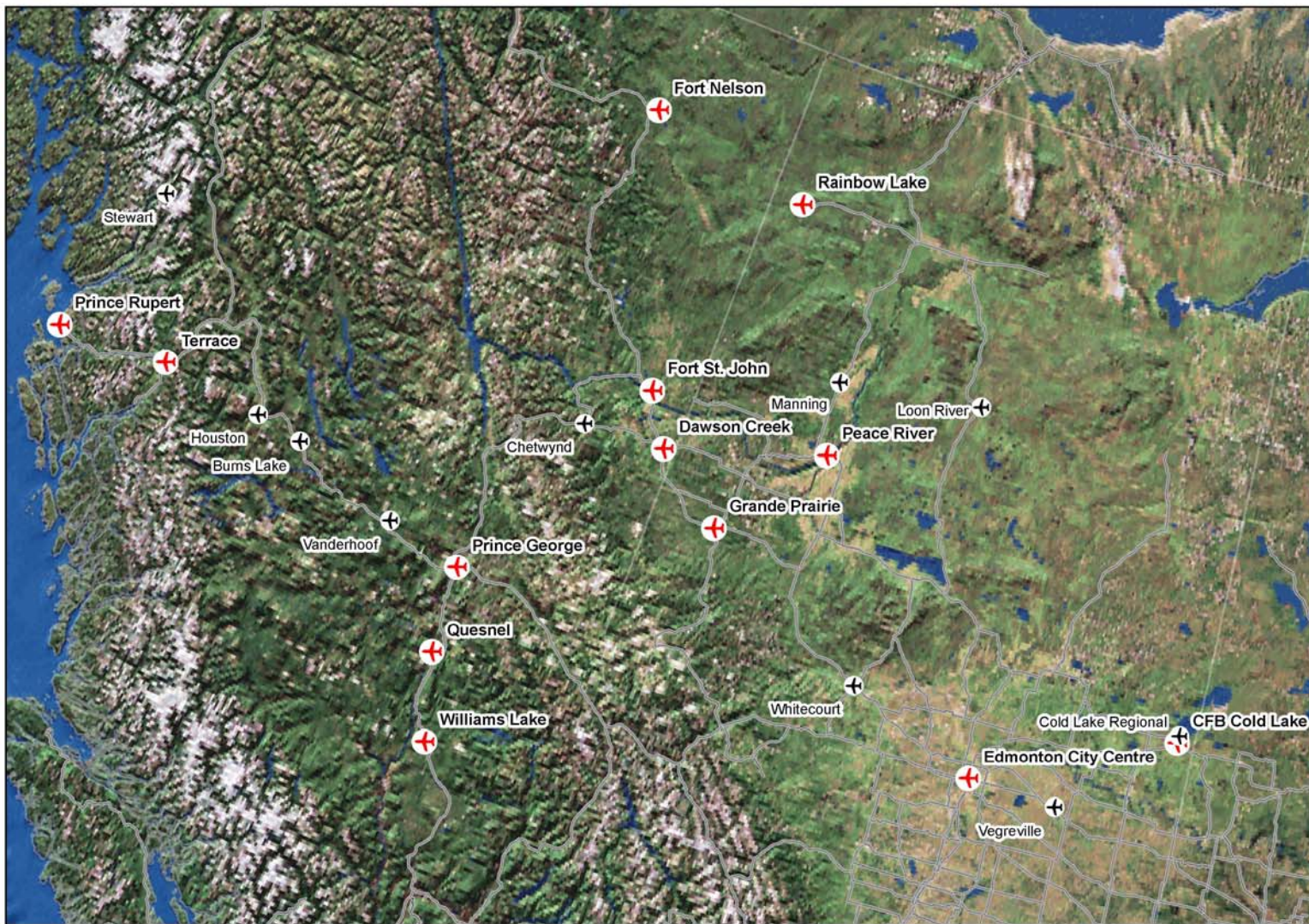


Exhibit E-4

Government Services - Search and Rescue

Alberta - British Columbia Northern Airports Strategy



Legend

- Scheduled Service Airport
- Non-Scheduled Service Airport
- Primary Highways

Notes:

For Planning Purposes Only

May, 2006
PSMI# 11480

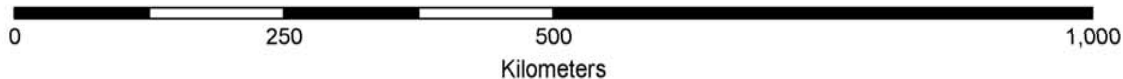
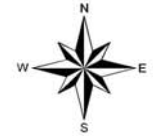
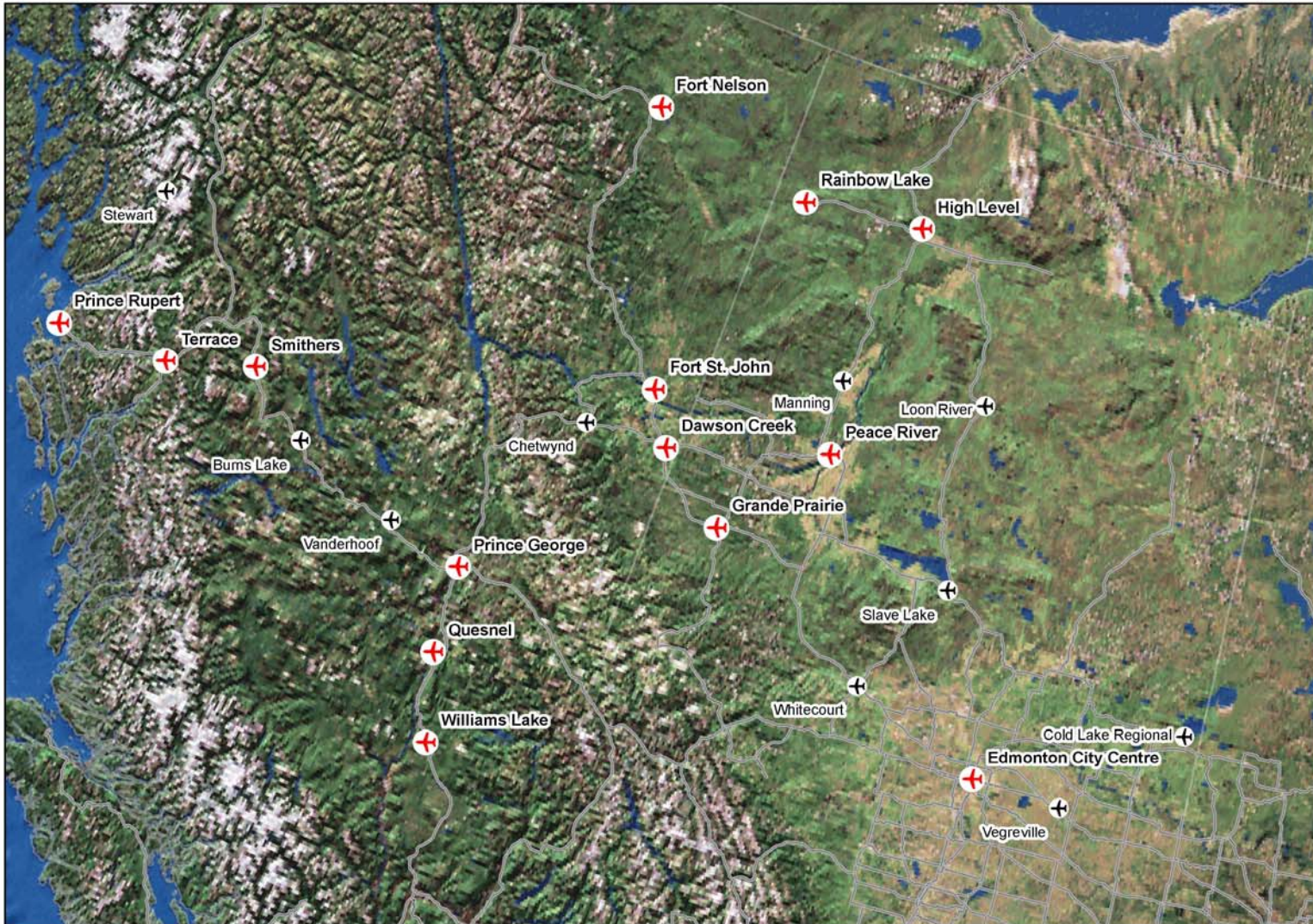




Exhibit E-5

Government Services - Policing

Alberta - British Columbia Northern Airports Strategy



Legend

- + Scheduled Service Airport
- ✚ Non-Scheduled Service Airport
- Primary Highways

Notes:
 For Planning Purposes Only
 May, 2006
 PSMI# 11480

