

Transport Canada's plan to increase airport user fees for airlines will hit Atlantic Canada hardest, forcing up ticket prices and threatening service to the region, say officials of Air Nova, a big Atlantic carrier.

"It's without question a serious threat to the viability of our operation," spokeswoman Mary Keith said yesterday.

It's cheaper for us to fly out of Vancouver or Toronto than it is in Atlantic Canada.

The proposed increase in user fees, part of a cost-recovery program that Ottawa wants to implement . . . would make landings in eastern Canada more expensive than anywhere else in the country, Ms. Keith said.

Those costs would total about \$1 million for Air Nova next year [1991] and would be passed on to consumers, she added.

In a letter to federal MPs, marketing director Bruce MacLellan said the recovery plan would eventually make Halifax the most expensive of nine major Canadian airports, including those in Toronto, Montreal, and Vancouver.

Landing a Boeing 747 in Halifax would cost about \$2,676 compared with \$616 in Toronto, while a Dash-8 landing in Halifax would cost \$121.60 compared with \$37.60 in Vancouver, Mr. MacLellan said.

Other Atlantic centres such as St. John's, Fredericton and Charlottetown would likely be more expensive than Halifax. Smaller regional planes will see higher increases than larger jets.

That would have a very direct effect on my home airport of Sydney, Nova Scotia, because, according to cost projections by Air Nova, under full implementation, and this is with respect to landing fees only, the cost per metric tonne for a Dash-8 aircraft landing in Sydney would go up six times, for Halifax four times, for Yarmouth five times, for Fredericton six times, for St. John five times, in Moncton six times, in Deer Lake, Newfoundland, five times, in Gander and Goose Bay by four times.

● (1520)

I bring that to your attention, honourable senators, as sort of a private pre-study that I have been doing with respect to possible legislation which would have adverse effects on the regions of the country.

I want to quote briefly from an editorial in the Halifax Chronicle-Herald of May 10, 1991, entitled, "User fees can kill service":

To increase revenues and make airports more self sufficient, Transport Canada has proposed increases in user fees and new taxes

The traveller by air already is paying a hefty airport tax on top of his ticket cost.

If the price is further hiked to cover higher charges against the carriers for airport use, it will be surprising if the number of those travelling does not decrease.

That will encourage the airlines to withdraw services from smaller centres where a cost effective operation is not possible and that, in turn, would be most regrettable in Atlantic Canada where geographical factors make travel by air so desirable.

Finally, honourable senators, I want to refer to comments made by the minister which indicated her perception of the Halifax International Airport. Again, I refer you to page 18 of Issue 4 where Minister Martin said:

Halifax will not be in a position where it will be competing with Toronto, New York or some place else. It is providing local service within the Halifax area.

That is the kind of comment that boggles the mind. It is the kind of comment and lack of understanding that drives us in the regions of the country bananas. I am sure that such a statement would raise the eyebrows of members of the Halifax Board of Trade and similar organizations in Nova Scotia and would, indeed, I believe, raise the eyebrows of officials in Transport Canada.

Even the management of the Halifax International Airport would greet that statement with keen astonishment and astounded amazement.

I have some statistics which indicate the level of activity at the Halifax International Airport with respect to itinerant aircraft movements. They indicate that in 1990 there were 1,700 transborder movements. In the same year there were 500 of what they call overseas movements. The projection for overseas movements for 1993 is 600. The projection for 1995 is 700.

I inquired of the Ministry of Transport what it was doing with respect to promoting Halifax as an international airport. I refer briefly to a letter which was received in my office from John Spinks, the director of marketing for Transport Canada, dated December 12, 1991. It says:

Reference your recent inquiries with Halifax International Airport concerning development of new international/transborder services, we are pleased to attach hereto an outline of a Gateway Marketing Program which we hope to have in place early in the new year.

I am going to quote a couple of paragraphs from that statement from Transport Canada. It reads:

Officials at the Halifax International Airport have been discussing with representatives of the Province of Nova Scotia and the Halifax-Dartmouth Port Development Commission the possibility of establishing a joint gateway marketing program for Halifax International Airport.

Gateway programs are aimed at enhancing an airport's role as a gateway to a region, country or continent for international or transborder traffic.

The focus of a gateway program is to expand or improve an airport's commercial air services to or from foreign countries.

Honourable senators, Halifax wants to compete with Bangor. It wants to compete with Boston and New York. It