

Airport Infrastructure Funding

Mr. Speaker, the Department of Transportation is committed to working with our public sector partners to maintain a safe and efficient multi-modal transportation system.

The Northwest Territories' 27 community airports are critical to the economic and social well-being of our residents. In fact, four of our communities have no road access whatsoever and are completely reliant on a combination of marine and air services. In addition to enhancing safety operations, improvements to airport infrastructure help to better connect families, provide increased tourism opportunities, enhance reliable delivery of essential goods to remote communities, and support emergency medevac and response capabilities.

All airports in the NWT are federally regulated. Improvements to air services and airport infrastructure are mutually beneficial to both the Government of the Northwest Territories and the Government of Canada. The federal government plays an important role in funding northern aviation infrastructure.

A number of federal infrastructure funding programs have supported upgrades to NWT airports in the past.

The Airport Capital Assistance Program was developed in 1995 to help regional airports across Canada, by paying for up to 100 per cent of the costs of projects

related to safety, such as airside surfaces and lighting, emergency response equipment, and mobile heavy equipment for airside operations. Currently, 20 of the Department of Transportation's 27 airports qualify for ACAP assistance.

Since 1995, a total of \$24 million has been invested in airports across the Northwest Territories under the ACAP program. This includes the purchase of a new snow blower in Hay River, the rehabilitation of airfield lighting in Norman Wells, Aklavik and Tuktoyaktuk, and runway surface rehabilitation in Sachs Harbour, Tulita, Inuvik, Yellowknife and Norman Wells. This year, roughly \$805,000 is being provided to purchase an aircraft rescue and firefighting vehicle for the Yellowknife Airport. The vehicle is expected to arrive in March and will help improve our emergency response capacity at the territory's gateway air hub.

The GNWT is also able to access other federal funding programs to assist with improvements at NWT airports. New airports were built in Trout Lake in 2016 and Colville Lake in 2012 under the previous Building Canada Plan. This increased the safety and capacity of air travel in both communities.

A series of air terminal building replacements were undertaken in 2011 in Sachs Harbour, Paulatuk, and Tuktoyaktuk under Canada's Infrastructure Stimulus Fund. This program also funded the replacement of the combined services building in Yellowknife. These projects provided resilient infrastructure with improved efficiency for community use. We have also recently undertaken work to prepare for replacing the Inuvik Air Terminal Building.

Mr. Speaker, while federal investment in our transportation system cannot be underestimated, we cannot depend solely on Canada for necessary improvements at

NWT airports. Federal funding is limited and there is no certainty that the Government of the Northwest Territories will receive approval for critical infrastructure improvement projects under federal programs. These programs do not always allow us to invest in the projects we know are required.

The Department of Transportation will continue to lobby the federal government for increased funding, but, at the end of the day, essential capital investments in safety and security need to be made in a timely manner.

As Members know, the Department of Transportation has proposed a new approach to funding the Yellowknife Airport, the North's biggest and busiest airport. In other parts of Canada, airports of this size are usually able to pay for themselves without requiring substantial subsidies from government. Those airports do this by charging tenants and users a fair and competitive price for the services they receive from the airport. This is not currently the case in Yellowknife.

In Yellowknife, the government continues to contribute substantially to the airport, requiring the GNWT to allocate money from within its operating budget. Money to fund capital improvements, while partially coming from Canada at times, also comes from the GNWT's limited capital budget, which also has to fund the construction of schools, health centres and public housing.

Our studies show that the Yellowknife Airport substantially undercharges compared to Canadian airports of the same size. Landing fees are currently only 25 percent of those at comparable airports in southern Canada. The GNWT has to make up that difference, requiring us to divert resources from other programs and projects. We think it would be better for the businesses and people that directly benefit from use of the Yellowknife Airport to pay their fair share of those costs, rather than

requiring government money better suited for other programs and uses that would benefit all residents. We understand nobody likes to hear that their expenses are going to go up, Mr. Speaker, but the fact is that these fees are a normal cost of doing business at airports across Canada and around the world. It does not make sense for government to subsidize these same services. The proposed fee increase will bring the charges at Yellowknife Airport in line with rates charges at similar sized airports in southern Canada.

To address this, the government is proposing a revolving fund for the Yellowknife Airport that will allow the Airport to become financially self-sufficient. The Yellowknife Airport has sufficiently robust volumes that could support a user-pay system. Revenues collected at the Yellowknife Airport would go directly into this fund and be used to finance its operations and infrastructure investments. This model works at most similar-sized airports in Canada, providing freedom to finance infrastructure improvements and take advantage of economic opportunities without using taxpayer dollars.

Mr. Speaker, building capacity at NWT airports to support safe and efficient travel and enhance business opportunities is critical to the future development of our economy and ensures self-sustainable communities. We will continue to work with our federal partners to make improvements to our air transportation system while investigating new ways to make strategic investments in our infrastructure.

Thank you, Mr. Speaker.