



*Supporting an aviation and aerospace industry that is visible, connected and thriving*

**Canada's Regional Aviation Industry:  
The Critical Modern Infrastructure Required for Post-COVID Socio-Economic Recovery**

Written Submission for the Pre-Budget Consultations in Advance of the 2022 Federal Budget

February 18<sup>th</sup>, 2022

**Who is the BC Aviation Council?**

- Founded in 1938, the association currently has 550 Members and over 3100 Supporters – airports, rotary and fixed wing operators, flight training units, aerospace companies, consulting talent, post-secondary institutions, practitioners, students, and enthusiasts;
- Ensures that aviation and aerospace in British Columbia is visible, connected and thriving;
- A registered charity;
- Employs one full-time Executive Director, periodic part-time assistance, and practicum students (pre-Covid), with the ability to expand;
- Volunteer-driven by an engaged 15-member diverse Board and ten active Committees – from Youth Engagement to Climate;
- Hosts two major events a year – Silver Wings Industry and Scholarship Awards Celebration, and the widely anticipated Airport, Aviation, Aerospace Conference;
- Canada's second largest aviation and aerospace scholarship program – awarding over \$70,000 in 2022. The current scholarship endowment is over \$450k, with a future target of \$1 million. This is Canada's largest aviation and aerospace scholarship endowment.

**Recommendations**

The British Columbia Aviation Council (BCAC) recommends that the Federal Government:

- Make permanent the elevated Airports Capital Assistance Program (ACAP) funding at \$138 million annually and, at that funding level, expand the program's eligibility criteria to help ensure the sustainability of Canada's important airports, including those without scheduled passenger services. These non-scheduled airports support remote, mostly indigenous communities (providing medevac, fire suppression, and emergency response operations) and encourage increased sustainability, safety, tourism, and accessibility initiatives. This expansion of ACAP's eligibility criteria must also include the accommodation of communities that cannot raise enough funding to fulfill the required financial contribution under the current program.
- Undertake formation and funding of an Aerospace Industrial Strategy with the involvement of the Aerospace Industry Association of Canada (AIAC), regional aviation and aerospace organizations, and the provinces to ensure it properly supports regional needs;

**BC AVIATION COUNCIL**

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- Re-assess the proposed Luxury Tax in consultation with the aviation industry. The tax, applicable to aircraft worth just \$100k, has the unintended consequence of encouraging the retention of older, less climate friendly, aircraft.
- Provide a moratorium on airport ground lease rents for at least five years or until the aviation sector recovers;
- Offer more options for interest free loans and operational support programs for airports and air operators to cover operating losses and alleviate the need for user rate increases during the industry's recovery. The industry's balance sheets underwent serious liquidation due to Covid. As a result, capacity to rebuild is greatly weakened;
- Recapitalize the Regional Air Transportation Initiative and extend it for five more years to ensure it will achieve its goal of assisting the sector's recovery from COVID-19 with regional networks intact. The entire industry welcomes the direct grants from the Regional Air Transportation Initiative. However, with only \$206 million for distribution by all Canada's Regional Development Agencies over two years, funding is essentially being sprinkled across the country. This will not generate the full impact required to meet any program goals.

**Summary: Working Together to Ensure Success**

The support for airports and aviation announced at the height of the pandemic were welcome and represent important steps toward the survival of the Canadian aviation sector; however, with traffic still struggling to return to one-half pre-COVID levels and industry finances crippled, more is required.

The BC Aviation Council works closely with our national industry associations to ensure the success of Canada's regional air services. The Council looks forward to the opportunity to work with Parliamentarians on these critical matters and to discuss further the importance of these issues to our regional communities.

Sincerely,



Heather McCarley  
Chair

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Copy. The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance  
The Honourable Omar Alghabra, Minister of Transportation  
The Honourable Mona Fortier, President of the Treasury Board  
The Honourable Rob Fleming, B.C. Minister of Transportation and Infrastructure  
Pacific Economic Development Canada  
Walt Judas, Tourism Industry Association of British Columbia  
Dale Wheeldon, British Columbia Economic Development Association  
National and Regional Aviation and Aerospace Industry Associations