



Worrisome costs at Pearson airport

March 25, 2008

Upset by a painfully poor rating in a global study of airport efficiency, the agency running Pearson International Airport has opted to be dropped from the annual survey. That retreat is unfortunate. The more than 30 million passengers who pass through Canada's busiest airport each year deserve to know where this facility stands, and so do the airlines and other businesses that depend on Pearson.

Useful information will be harder to obtain now that the Greater Toronto Airports Authority (GTAA) – the non-profit agency that runs Pearson – has dropped out of the yearly review of more than 150 airports around the world. The 2007 survey, headed by University of British Columbia business professor Tae Oum, listed landing fees at Pearson as the world's highest.

In fairness to the GTAA, Pearson does face some exceptional challenges. Foremost is the huge amount going to Ottawa each year in leasing payments for federal land. Since taking over the airport from Transport Canada in 1996, the GTAA has paid the federal government well over \$1 billion in rent. Even worse, this burden is painfully unequal. Although Pearson currently handles 33 per cent of Canada's air traffic, by 2010 it will be obliged to provide 63 per cent of all rents being paid to Ottawa by Canadian airports.

GTAA officials note that comparing costs between facilities is fraught with complications, especially at the international level, because government involvement differs, services provided by airport authorities vary, and costs are calculated in different ways. Some U.S. airports receive heavy federal funding, for example, while southern sites, such as Atlanta's highly rated international airport, are spared the cost of snow clearance and de-icing.

To its credit, the GTAA is striving to do better and did lower its landing fees by 3.1 per cent at the beginning of this year. Unfortunately, that didn't even offset the 7 per cent increase imposed just the year before, and it

still left Pearson among the costliest of airports.

Despite the GTAA's objections to Oum's findings, his rather bleak assessment is supported by an earlier and unrelated Transport Canada "scorecard." This assessment of 21 Canadian airports gave Pearson disappointing grades for efficiency and costs when compared with Vancouver and Calgary. Such discrepancies need to be addressed.

Accountability is important, and comparisons can provide industry and the public with valuable information. Rather than dropping out, the GTAA should remain in Oum's yearly survey and vigorously defend its position.

Meanwhile, Ottawa could do its bit by cutting Pearson's annual rent to the national average.

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