



01 November 2022

Mrs. Deborah Flint
President and Chief Executive Officer
Greater Toronto Airports Authority

Re: Increase of aeronautical rates and Airport Improvement Fee in 2023

Dear Mrs. Flint,

On behalf of the airline members of the International Air Transport Association (IATA) operating in Canada, I am writing to express the industry's serious concern about the recent announcements, on the 4 percent increase in aeronautical rates, and the Airport Improvement Fee (AIF) increase by CAD 5 to reach a total of CAD 35 per departing passenger and by CAD 1 to reach CAD 7 for connecting passengers (both a 17 percent increase), all effective 1 January 2023.

The resulting cost increases on aeronautical fees at the airport have drawn considerable attention and concern from the airline community, as this additional cost is simply untenable for airlines, especially when international traffic has not recovered. In light of these announced increases, we view it as important to work collaboratively with the GTAA to have the Canadian Government address the failures of the "user pay" model during the recovery of our industry. The failure to address the user pay model will result in an uncompetitive air transport system that will harm all consumers., who instead of choosing Toronto Pearson as a departure or connecting airport, might divert to another airport that has a lower fee and therefore benefit from a more attractive airfare.

In this context, we believe that Canadian airports must urge the government to review the "user pay" model to support the industry recovery, starting with a waiver of the airport rent, rather than increasing fees charged to airlines and passengers. In this regard, we note that increased volumes of passengers contribute to a reduction in fees charged by other airports in the world, for example the USA.

Although the airline community was notified three months before the effective date, we strongly believe that as part of the industry's recovery, it is crucial that airports play an active role in supporting the industry and the restart of travel and tourism process by eliminating or reducing taxes, fees, and any other potential charge. Considering the circumstances described, we urge that you reconsider these increases.

IATA and its member airlines remain fully committed to the continued collaboration with the GTAA. I appreciate your favorable consideration of this request and look forward to your response and any further constructive dialogue that could be helpful to remedy the situation.

Respectfully,

Peter Cerdá
Regional Vice President, The Americas