

**Toronto
Port
Authority**



**Administration
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August 29, 2013

Councillor Adam Vaughan
City of Toronto
100 Queen Street West
Toronto, Ontario M5H 2N2

Dear Councillor Vaughan:

Re: Toronto Port Authority and the Billy Bishop Toronto City Airport

I take this opportunity to follow-up on one of your November 16, 2012 statements on *The John Oakley Show* regarding the Toronto Port Authority (“TPA”) and the Billy Bishop Toronto City Airport (“BBTCA”). This is the 13th such letter since 2008 along similar lines regarding your many other misunderstandings, misrepresentations, and falsehoods (June 27, 2008, August 28, 2009, October 20, 2010, December 1, 2010, September 13, 2011, March 23, 2012, March 27, 2012, November 13, 2012, November 29, 2012, March 8, 2013, April 23, 2013, and July 10, 2013), all of which are available, for transparency purposes, in the Executive Correspondence section at www.torontoport.com.

During the Nov. 16, 2012 *Oakley Show*, you claimed that the TPA and I (by name) are “economically evicting” the Ornge Medevac service and forcing it to move to another location by increasing Ornge’s BBTCA landing fees so as to be able to create more commercial landing slots at the airport.

As you know, Ornge advised the TPA of its intention to leave the BBTCA in an e-mail dated May 18, 2010, well prior to the date¹ when the TPA Board began to consider raising landing fees for non-commercial² fixed and rotary wing aircraft. My letters to you of September 13, 2011 and November 13, 2012 also provided information on this point.

I write today in light of additional information publicly released by Ornge, and reported in an area media outlet³, again confirming that your ongoing claim that either I or the TPA has ever made a move to evict or otherwise encourage Ornge to leave BBTCA is unfounded:

¹ Sept. 22, 2010

² Landing fees for commercial aircraft are set via a Deficiency Agreement formula

³ <http://www.northumberlandnews.com/news-story/4026893-ornge-abandons-plans-for-oshawa-base/>

Under Mazza's controversial tenure atop ORNGE, the agency devised plans in 2010 to relocate its Toronto helicopter base - now housed at the Toronto City Centre airport - to Hamilton.

It was later announced that Oshawa would also serve as a base and a hangar was purchased there in mid-2011 in preparation for the move.

"Toronto Island has two crews and so the idea was to put one crew in Hamilton and one crew in Oshawa," ORNGE spokesperson James MacDonald said Friday. Yet one senior official in ORNGE's aviation branch said he voiced objections to the relocation, noting that Oshawa airport lacked an instrument landing system to enable aircraft to land in bad weather and low visibility.

"Oshawa was certainly not an airport of my choice - on the analysis," Rick Potter later told a Queen's Park committee.

Oshawa had put together an incentive program to help lure ORNGE to the city's airport with benefits that included waiving landing fees, reduced prices for aviation fuel and a possible break on property taxes for the hangar.

And the potential move had the backing of federal Finance Minister Jim Flaherty, who represents the riding where Oshawa airport is located.

However, new managers brought in to replace Mazza "re-evaluated just about everything," MacDonald said.

"Under new leadership and new board they decided to revisit a lot of the old decisions and one of them was whether or not we were going to be moving the Toronto Island base," MacDonald said.

"It was decided then there was no need to move, that Toronto island was providing suitable service," he said.

According to the August 2013 interviews provided by Ornge executives:

- "the agency devised plans in 2010 to relocate its Toronto helicopter base – now housed at the Toronto City Centre airport (sic) – to Hamilton."⁴
 - A decision Ornge took on its own volition, as I advised you multiple times in writing prior to your repeated appearances on the November 2012 Oakley shows in question.
- "It was later announced that Oshawa would also serve as a base and a hangar was purchased there in mid-2011 in preparation for the move."
- "Toronto Island has two crews and so the idea was to put one crew in Hamilton and one crew in Oshawa, [said] Ornge spokesperson James MacDonald."

⁴ See my correspondence of Sept. 13, 2011

- “One senior official in Ornge’s aviation branch said he voiced objections to the relocation, noting that Oshawa airport lacked an instrument landing system to enable aircraft to land in bad weather and low visibility.”
 - Again, confirming that the move from BBTCA was an initiative of Ornge, and in no way related to costs or fees at BBTCA⁵.
- “Oshawa was certainly not an airport of my choice – on the analysis, Rick Potter later told a Queen’s Park committee.”
- “Oshawa had put together an incentive program to help lure Ornge to the city’s airport with benefits that included waiving landing fees, reduced prices for aviation fuel and a possible break on property taxes for the hangar.”
 - The Oshawa Airport was actively providing financial incentives to attract Ornge, flying in the face of your claim that Ornge was being “economically evicted” from BBTCA. In fact, other locations were trying to poach the operator.
- “It was decided [that] there was no need to move, that Toronto island was providing suitable service.”

In terms of the original Ornge move to Hamilton, the facts are simple. I’ll repeat them for you again. We were advised in writing on May 18, 2010 that it was Ornge’s desire to move the operation to another location. In June 2010, Ornge began to make plans to move from the BBTCA to Hamilton International Airport.⁶ On October 19, 2010, further public mention was made of the proposed departure from the BBTCA⁷:

The move to Hamilton was prompted by several factors, including a desire for more space - Hamilton's airport has longer runways that can accommodate airplane ambulances - to weather conditions, said Ornge chief operating officer Tom Lepine.

"Toronto island is often foggy, we don't have that problem as often in Hamilton," he said.

According to Ornge’s own initial public statements, the move from the BBTCA to Hamilton related to their desire for “longer runways”, more reliable “weather conditions” and “more space”. They made no mention of cost savings as being a factor in their considerations.

⁵ According to the April 1, 2012 tariff schedule at Hamilton, the landing fee for an Ornge Agusta Westland AW139 would range between \$42.04 and \$73.47 depending on its empty versus gross weight status at the time of landing; the relevant new BBTCA landing fee is below the midpoint of the range of fees charged by Hamilton for the same helicopter. The published minimum landing fee charged by Hamilton for a fixed wing aircraft in the range of 2,001 kg-3,750 kg (such as the Ornge PC-12) is \$39.00; this fee is higher than the “new” landing fee charged by the BBTCA. Even though Ornge advised the TPA of their move four months before our Board amended the BBTCA’s landing fee schedule, it is clear that the new BBTCA rates are not higher than those assessed in Hamilton for the same aircraft in any event.

⁶ <http://www.oshawaexpress.ca/viewposting.php?view=3201>

⁷ <http://www.theglobeandmail.com/news/toronto/air-ambulance-base-to-move-to-hamilton/article4190577/>

Which begs the question:

Where did your “eviction” information come from if not from Ornge or the TPA? The most recent reports out of Oshawa reconfirm what we have been telling you for years.

Respectfully,



Mark McQueen
Chairman

cc: His Worship Mayor Rob Ford, City of Toronto

Members of Toronto City Council

John Oakley, AM640

**TRANSCRIPT OF AM640 INTERVIEW
PREPARED BY CISON CANADA INC. / Cision RADIO/TV – OTTAWA
THE JOHN OAKLEY SHOW (5) (CFMJ-AM), Toronto, 16 Nov 2012, Time:
09:38am,**

“OAKLEY: Adam, what you’re saying is each party has a right to their own opinion. The adage is you don’t have a right to your own facts and they contest as well, I’ve said.....(speakers overlap)...

VAUGHAN: But neither do they (inaudible).

OAKLEY: (Inaudible).

VAUGHAN: That’s exactly what they wonder about, as per your letter of September 13th, as per my letter, I guess Mr. McQueen says September 13th, 2011, the copy of which is attached. Toronto Port Authority has not evicted ORNGE. And last week you said they had evicted ORNGE. But he says ORNGE is moving to Hamilton.

OAKLEY: That’s right.

VAUGHAN: They’re moving to Hamilton because the rent that was being charged them to do touchdown landings and maintenance of their aircraft and fixed-wing is, and helicopter is too expensive. They are being economically evicted. Mark McQueen may not want to take responsibility for that, but when you talk to the folks at ORNGE, that’s why they’re moving to Hamilton.

FORD: (Inaudible).

VAUGHAN: The trouble is, the trouble is that... is that the move to Hamilton was interrupted by all the scandal up at Queen's Park, a separate issue. But that’s what stopped it.

FORD: So now ORNGE have all of a sudden become prudent fiscal managers, after they’ve blown, after they’ve blown millions and millions of dollars?

VAUGHAN: I'm not going to weigh into it.

FORD: (Inaudible...) on ORNGE right now?

VAUGHAN: And I hope they find out what happened there, but the issue at the heart of this is that the only way they could improve... increase the number of flights was to alter their sound contour. That required getting rid of the helicopters and fixed craft that come in from ORNGE. They have been moved to Hamilton through higher fees being charged, and that’s given the airport the ability to expand. We told them that that’s the way we’re trying to do it. We told them that and they said they...

VAUGHAN: For people like Porter with the move ORNGE out, they're moving ORNGE out so they can increase the (inaudible)[commercial airline slots].

KORMOS: ORNGE didn't do it of their own volition. They were, you say, economically...

VAUGHAN: The fees went up to a point where it was economically more feasible to do go Hamilton than Toronto. That's the economic eviction. They needed to get them out so they could get more commercial flights in. That's the goal of the Mark McQueen and the Port Authority. That's fine, they're welcome to that goal. But I don't... I don't have to recount my statements that they were evicted. They were evicted by having a huge hike in their lease."