



**Presentation to the House of Commons Standing Committee on Public Safety and
National Security. Bill C-23 (Preclearance Act)**

May 17, 2017

**Presented by: Geoffrey Wilson
Chief Executive Officer**

Thank you for this opportunity to present our perspective regarding Bill C-23 and the importance of preclearance to Canada's economy, connectivity, security and global competitiveness. My name is Geoffrey Wilson and I am the CEO of PortsToronto, the federal government business enterprise that owns and operates Billy Bishop Toronto City Airport, as well the Outer Harbour Marina complex, and the marine terminal operations in the Port of Toronto. I am joined today by my colleague Gene Cabral who is the Executive Vice President of Billy Bishop Airport, which is the area of our business we will focus on here today.

We believe PortsToronto is in a good position to speak about the expansion of the U.S. preclearance system in Canada given that we have spent the last several years working with organizations on both sides of the border to bring an expanded program to our airport.

Billy Bishop Airport has achieved overwhelming success in the last decade. Growing from a facility that serviced just 25,000 passengers per year in 2006, Billy Bishop Airport welcomed 2.7 million passengers in 2016. The airport generates more than \$2.1 billion in economic impact per year and has created 6,500 jobs, 1,900 of which are at the airport.¹ Located less than 3 kilometres from downtown Toronto, Billy Bishop Airport continues to win global awards from organizations such as Conde Nast, Skytrax and Airport Council International for being one of the top airports in both North America and the world, and enjoys a remarkable customer satisfaction rating of 99 percent.²

Through two award-winning carriers in Porter Airlines and Air Canada, Billy Bishop Airport provides direct service to more than 20 destinations including Porter Airlines' direct, non-stop travel to such U.S. hub and regional markets as New York, Chicago, Boston, Washington, Burlington, Pittsburg, Orlando and Myrtle Beach, and offers connections to an additional 80 U.S. cities through airline partnership agreements. In fact, each year more than 450,000 passengers travel to and from the U.S. through Billy Bishop Airport.

Billy Bishop Airport is the ninth largest airport in Canada, and the sixth largest for departing U.S.-bound passengers. We are however the only airport among the top nine that is currently without preclearance services. We are excited by the opportunities that preclearance at our airport presents, and will continue to work with the federal government to implement the new preclearance agreement in a way that will support the goals for the overall program and enable a new preclearance site in Canada.

I have now made my case for why preclearance should be expanded to include Billy Bishop Airport – it is a thriving, highly valuable gateway that facilitates travel and trade. Now let me take a moment to contextualize why an additional preclearance facility in Toronto is beneficial. As noted by the U.S. Department of State, the “bilateral relationship between Canada and the U.S. is one of the closest and most extensive in the world.” More than \$2 billion in goods and services and approximately 300,000 people a day cross between the two countries. Further, trade between Toronto alone and markets in the U.S. equals more than \$86 billion per year.³

¹ InterVISTAS Economic Impact Study. December 2014.

² Environics Public Opinion Survey. June 2016.

³ U.S. Department of State: <http://www.state.gov/r/pa/ei/bgn/2089.htm>

Toronto is a city of nearly 3 million people with a total of 5.5 million in the greater metropolitan area. One-quarter of Canada's population lives within 150 kilometres of Toronto and more than 60 per cent of the U.S. population is within a 90-minute flight to the city.⁴ Toronto is the centre of the Canadian financial industry and home to Canada's information technology industry, life sciences sector, film industry, automotive industry as well as many of Canada's leading academic institutions. So enabling an additional and convenient link between Toronto and the U.S. via Billy Bishop Airport just makes sense.

In my last few minutes, I would like to speak specifically about preclearance and offer our perspective on the Land, Rail, Marine and Airport Preclearance Agreement.

As you know, U.S. preclearance started in Canada in 1952 at Toronto's Pearson International Airport. Preclearance has developed over the years into a sophisticated program to enhance both trade between the United States and Canada and border security.

From a consumer perspective, one of the key benefits is that once passengers are through the preclearance process in Canada they travel essentially as a domestic passenger to the United States. This means they arrive at a domestic gate in the receiving airport and leave the airport as would a domestic U.S. passenger, either to connect with another flight or start their travel in the United States.

This opens up potential new markets in the U.S. for trade and travel as it enables passengers to access cities that are serviced by smaller airports that may not have U.S. Customs and Border Protection facilities. It also provides greater choice for consumers in the airports and rail terminals available to them and will go a long way in making travel quicker and more efficient by providing more choice and access points.

A report released by Toronto's Pearson International Airport last week estimated that more than 110 million passengers and over 1 million tonnes of cargo will flow through southern Ontario airports by 2043, compared to 49.1 million passengers and more than 470,000 tonnes of cargo today.⁵ That is double what it is today. This expected growth in population, economic activity and air service demand presents real capacity challenges that southern Ontario must acknowledge and prepare for. Expanding preclearance is one way of preparing for this growth and opening up more airports to U.S. travel.

But preparing for growth and opportunity by introducing measures to promote speed, access and efficiency does not have to come at the price of border security. In fact, it is our understanding that through an expanded preclearance agreement borders will become more secure and enforcement officials will have more resources to keep borders safe and protected.

In meetings we have participated in on the operational side of preclearance we have come to understand that Canadians will benefit from the fact that, should they have difficulty accessing the U.S. for reasons such as inappropriate identification or paperwork, they are still in their home country, subject to the rights and protections of Canadian law.

⁴ Canadian International Development Platform: <http://cidpnsi.ca/blog/portfolio/canadian-foreign-directinvestment-overseas-quick-review>

⁵ Flying Together: The Southern Ontario Airport Network. May 9, 2017.

Preclearance avoids tremendous cost and disruption to travelers, airlines and border security services on both sides of the border by identifying admission concerns early in the process.

At the isolated extreme, preclearance in Canada also identifies and manages any security threat before borders are crossed. Threats to national security can be identified before the threat boards a plane for foreign destinations, giving Canadian border officials more control and resources to work with to identify risk and keep Canadians safe.

Billy Bishop Airport and Porter Airlines have been working with U.S. Customs and Border Protection (CBP) and teams at Transport Canada, Public Safety and Foreign Affairs to establish U.S. preclearance at the airport, with the goal of becoming the first facility to open under the new bilateral preclearance agreement.

We understand Canada and the United States have work to do to implement the new agreement. We are prepared and have committed to operate the preclearance facility under any and all reasonable requirements established by the U.S. and Canada. We also understand that the new model for funding U.S. CBP operations in Canada will be different for us than for the other existing facilities in Canada, including the new model for paying for U.S. CBP personnel which will represent a new expense to the airport and its passengers. We are committed to ensuring that our preclearance facility is a tremendous benefit that is cost effective and enables travel and its benefits between our two countries.

Of note, Billy Bishop Airport has started construction of a preclearance facility as part of a larger terminal upgrade to bring improved amenities and more space to the facility. There are currently eight airports in Canada operating very successful U.S. preclearance facilities in Canada and our airport is ready and able to move forward with a facility in short order.

It is our vision that Billy Bishop Airport can become a convenient and valuable connection point between downtown Toronto and regional and hub markets in the U.S. An expanded preclearance program holds the potential to encourage bilateral trade, facilitate convenient travel for business and leisure passengers, and reinforce national security.

I thank you for your time today and appreciate the attention this committee is giving to the legislation and the topic of U.S. preclearance. We look forward to continuing our support of Canadian officials' discussions related to implementing a U.S. Customs Preclearance facility at Billy Bishop Airport, and realizing the important bilateral opportunities that exist in the areas of cost efficiency, customer service, trade relations and security.

Thank you for your attention.