

RATES AND CHARGES

at Toronto Pearson International Airport

Greater Toronto Airports Authority
Fact Sheet

The Greater Toronto Airports Authority (GTAA) is a private corporation which operates under the principals of a non-share corporation on a cost recovery basis.

Approach to Setting Rates

- Each year, the GTAA consults with the airlines operating at Toronto Pearson International Airport when the time comes for setting rates and charges for the upcoming year.
- This process provides an opportunity for review and discussion of both revenue generation ideas and cost reduction ideas.
- The GTAA remains committed to working aggressively on cost management.
- A large portion of the fixed costs that must be accounted for when setting rates is the ground rent paid by the GTAA to the Federal Government.
- Unlike other airports where airlines often finance facility improvements, at Toronto Pearson all construction and upgrades are paid for by the GTAA.
- In 2004, the GTAA worked with other airports across Canada through the Canadian Airports Council to request rent relief from the Government.
- With the cost recovery system, any reductions in ground rent will benefit the airlines when setting rates for landing fees.

Rate Setting Formula

- To determine the annual rates for the airlines, the GTAA projects the annual operating costs, including ground rent, PILT (payment in lieu of taxes) and debt service for the operating assets.
- To offset the total operating costs are the revenue received from concessions, parking and other commercial activities and Airport Improvement Fees.
- The residual is what the Authority uses to set the amount to be collected from the air carriers through landing fees and general terminal charges.
- The GTAA remains fully committed to working with the government, its industry partners and the community to ensure an airport system that will promote the economic well being of the Greater Toronto Area.

2008 Rates and Charges

- The rates for 2008 were calculated at the end of 2007 and resulted in a decrease of 3.1% for landing fees and 4.7% for terminal charges.
- For aircraft over 19,000 kilograms, the landing fee is \$34.02 per kg, based on Maximum Takeoff Weight.

Rate Comparison

- Comparing costs between airports can be misleading as the services provided by airport authorities vary greatly.
- The GTAA Board of Directors and management remain fully committed to working with all stakeholders to facilitate a fair and open process in setting fees.



Greater Toronto Airports Authority - Media Office
Phone. 416.776.3709

For additional fact sheets about the GTAA and Toronto Pearson, visit www.GTAA.com.