



Schedule 1 to the Minutes of the
General Purposes Committee
meeting held on Monday, June
21, 2010.

June 18, 2010

Mayor and Members of Council
City of Richmond
6911 No. 3 Road
Richmond, BC
V6Y 2C1 Canada

Re: Requested UBCM resolutions

Dear Mayor Brodie and Council Members:

Every time an aircraft lands at Vancouver International Airport, significant economic benefits are generated, much of which accrue to the City of Richmond. Transborder and international flights are particularly important:

- a transborder flight operated by a domestic carrier generates 218 hours of employment per flight;
- an Asia-Pacific air service operated by a foreign carrier (with a local crew) generates close to 795 hours of employment per flight; over a year, a twice daily services generates 369 person years of employment.

YVR and other airports in British Columbia have traditionally marketed their airports independently, but have recently concluded it would be advantageous for airports and the Province to act collectively. We have also identified the fuel tax levied by the Province on international flights as a major disadvantage relative to competitive airports in Alaska, on the US Pacific Coast, and Alberta. As major international carriers anticipate a return to growth in travel, and will be looking to establish new routes, we believe that now is the time to address these issues. I have attached a report on this subject prepared by BC airports which addresses these questions in more detail for your information.

We would very much appreciate your support in making it clear to the Province that airport communities recognize the economic contribution made by their airports, both in terms of direct employment and the benefits resulting from increased tourism and business activities. We are joining with other BC airports to request our communities submit and support resolutions at the forthcoming UBCM session urging the Province to enter into a joint marketing program with airports, and to eliminate fuel tax on international passenger flights.

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You will find proposed draft resolutions attached to this letter for your consideration. YVR would be pleased to answer any questions that you may have about the material in the attached report and the proposed resolutions. Please contact me (insert phone #) or John Korenic (insert phone #) in that regard.

I recognize that time is tight, given the deadline for UBCM sessions is the end of June, but request your consideration of the proposed resolutions at the earliest opportunity.

Yours truly,

A handwritten signature in black ink, appearing to read 'Tony Gugliotta', with a stylized flourish at the end.

Tony Gugliotta
Sr. Vice President Marketing & Business Development

Encl.

cc Andrew Nazareth, General Manager, Finance & Corporate Services, City of Richmond

Resolution: Elimination of Provincial Fuel Tax on International Passenger Flights

Sponsor's Name

WHEREAS local airports and communities recognize and appreciate that the Province eliminated fuel taxes on international cargo operations, and that the carbon tax is not applicable to international flights;

AND WHEREAS other provincial jurisdictions have eliminated fuel tax on international flights, placing them in a more competitive position to significantly enhance new opportunities and gain new business;

THEREFORE BE IT RESOLVED that the Government of British Columbia eliminate the fuel tax on all international passenger flights, which would cost the government approximately \$20 million annually in forfeited revenue but the growth in international travel would quickly offset this amount, and generate a net increase in government's overall revenues, as well as supporting economic development in airport communities and improving BC's international connectivity, building a base for future growth.

Resolution: Provincial Support for Airport Marketing Programs

Sponsor's Name

WHEREAS local communities across British Columbia recognize their airports are a significant economic generator but there is no systematic marketing effort for our airports;

AND WHEREAS recent changes in international agreements will facilitate travel from Asia and the recovering world economy will stimulate new route planning by airlines, and the World Route Development Forum held in Vancouver in September 2010 – in North America for the first time – will give the province additional profile among airlines and travel planners;

THEREFORE BE IT RESOLVED that the Province of British Columbia work with BC airports to create an air service marketing program that would generate awareness of what our province has to offer, leverage financial resources and initiate a greater sharing of information among partners to help improve BC's marketing, and increase international and transborder flights to BC. Such a program, involving the Province, BC Airports and regional economic development agencies, would include promoting British Columbia as Canada's gateway between North America and Asia for air travelers and air cargo, as well as identifying specific target markets in the US and Europe and appropriate promotional materials.