



Chambre de commerce
du Montréal métropolitain
Board of Trade
of Metropolitan Montreal

August 19, 2002

Mr. James C. Cherry
President and CEO
Aéroports de Montréal
1100 René-Lévesque Blvd. West
Suite 2100
Montreal, Quebec H3B 4X8

Re: Regional development of Aéroports de Montréal

Dear Sir:

On behalf of the Board of Trade of Metropolitan Montreal, I would like to express our opinion regarding ADM's recent decision to consolidate the respective missions of the Dorval and Mirabel airports by transferring all passenger flights to Dorval and transforming Mirabel into an industrial airport dedicated exclusively to freight (all-cargo).

The Board of Trade of Metropolitan Montreal naturally views this decision in light of its concerns regarding the long-term strategy for Greater Montreal's economic development and international visibility and the role of the airports—Dorval, Mirabel and St. Hubert—in this strategy. ADM's interest in managing the St. Hubert airport operations, as reported in the weekend *Gazette*, is, in this regard, totally relevant.

We understand that your recent decision will have a direct financial impact on Aéroports de Montréal, allowing it to reduce the substantial annual losses associated with running passenger flight operations at Mirabel. Moreover, if this measure signals the culmination of an initial phase to stabilize the financial position and logistical situation of Aéroports de Montréal, it is important to look further ahead and begin contemplating now the subsequent phases as part of an integrated, long-term development of airport infrastructures for the metropolitan region.

In this context, the Board of Trade agrees with the impending transfer of passenger flights provided that a number of specific conditions are respected in terms of Dorval Airport's new specialized role. As such, the process of making Montreal an international air destination begins with significantly improving the access to and quality of the equipment and layout of Greater Montreal's main airport. For example, it is high time to consolidate the road infrastructures leading to Dorval in order to enhance the airport's efficiency and ability to attract both passengers and air carriers. The Board of Trade hopes that the apparent consensus between the different levels of government will at long last translate into the renovation of the Dorval circle. Lastly, we understand that the curfew will be maintained and that chartered flights in and out of Dorval will comply with the permitted flight times.

Given the importance of exports for the Montreal economy, the decision to develop the industrial air cargo niche at Mirabel strikes us as both appropriate and promising. Not only do we believe that Mirabel's new all-cargo vocation will sustain the economic development of the entire metropolitan region, it will also make it possible to keep the infrastructures intact. We believe it very important to continue using Mirabel's infrastructures in a manner that complements the airport activities of Greater Montreal and prevents their deterioration.

As well, to develop its full potential as an air cargo centre, the Mirabel airport would do well to maintain its status as a customs-free zone. Tax advantages currently granted by the governments of Quebec and Canada allow companies located in Montreal's foreign-trade zone at Mirabel to benefit from certain tax credits and holidays in order to, among other things, build facilities, train personnel and conduct research. A federally established customs-free zone would encompass a physical area where cargo could be stored, processed and re-shipped without requiring customs clearance. The Board of Trade encourages Aéroports de Montréal to pressure the Canadian government to make this scenario a reality. This simplified way of managing cargo would be a strong incentive for cargo companies and companies interested in concentrating their processing and cross-border distribution operations to locate at Mirabel.

To ensure Montreal's place as a North-American cargo hub, Mirabel Airport needs the right facilities. For example, Amsterdam has a leading-edge cargo airport equipped with bonded warehouses and X-ray machines that can screen a full container, thus greatly speeding up the clearance of foreign arrivals and making it possible to maintain the highest security standards, which in today's international context, provides incontrovertible added value. It goes without saying that to develop an effective cargo niche, we need to demonstrate both vision and a commitment to equip Mirabel with modern equipment and the necessary incentive programs to position this airport as a world-class air cargo centre.

The presence of the foreign-trade zone and the specialization of air cargo operations at Mirabel Airport are in themselves ideal conditions to create a value-added customs-free zone (the likes of Amsterdam, which handled some 1.2 million tons of cargo in 1999, 10 times more than Dorval and Mirabel combined) that could become the cargo hub of North

America. In such a context, the Board of Trade strongly recommends that steps be taken in the short term to examine the feasibility of such a project for Mirabel.

Lastly, the Board of Trade would like to underscore the relevance of your project to manage the operations of the St. Hubert airport, whether it is through an agreement negotiated with the owner of this site, Transport Canada, or with the City of Longueuil, which currently has the management mandate. Many advantages such as rapid access to downtown and minimal traffic, thus reducing embarkation time, would make it an ideal airport for general aviation and short- and medium-haul business flights. From a metropolitan development perspective, the Board of Trade would like Aéroports de Montréal to add the management of the St. Hubert operations to its responsibilities with a view to implementing an integrated vision for metropolitan Montreal's infrastructures and harmonizing the operations of the three sites. A feasibility study on the specialization of the three airports would no doubt show that leveraging the comparative advantages of each airport would encourage efficient and complementary development.

In a context of fierce competition among the metropolises of the world, there is no doubt that adopting a regional vision and strategy is critical for the development of city-regions, and Montreal is certainly no exception. Greater Montreal's airport infrastructures must be developed in the same perspective, where the three airports are managed by one regional entity, and must rely on existing complementary facilities to propel Montreal to the stature of North American hub. In this context, the Board of Trade will continue to closely monitor your decisions because the business community is counting on Aéroports de Montréal to be a partner whose initiatives will make a concrete contribution to the overall vision and prosperity of the Montreal Metropolitan Community.

Sincerely,



Benoit Labonté
President

cc: Minister of Transport, Canada
Minister of Transport, Quebec
Mayor of Laval
Mayor of Longueuil
Mayor of Montreal