



# Challenges, Issues, Problems and Solutions of Regional Air Transport

Challenges, Issues, Problems and Solutions of  
Regional Air Transport

Regional Air Transport Summit in Québec

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## 1. BACKGROUND

Québec, like the other provinces of Canada, is characterized, among other factors, by its low population density and its vast territory. Eighty-nine percent of Québec's 8.2 million inhabitants live in Montréal, in Québec City, or in the nine administrative regions located in the immediate vicinity of these two urban centres.<sup>1</sup> Given the geographic location and isolation of certain communities and the importance of regional economic development, the Gouvernement du Québec has always been concerned about the following regional air transport problems:

- the high cost of this transportation mode;
- the limited frequency of flights (given that service often is assured by only one or two carriers);
- the underfunding of airport infrastructure.

Whereas the Gouvernement du Québec has adopted sustainable development principles<sup>2</sup> that particularly seek the economic efficiency of Québec and its regions and intergovernmental cooperation with a view to making development sustainable, these concerns become a priority issue that will be the subject of consultations with multiple stakeholders. These consultations will culminate in a Regional Air Transport Summit, which the Gouvernement du Québec will hold in February 2018.

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<sup>1</sup> Institut de la statistique du Québec, 2016.

<sup>2</sup> <http://www.mddelcc.gouv.qc.ca/developpement/principes.pdf>

## 2. AIRFARES

### 2.1. HIGHER FARES IN THE REGIONS

Regional airfares in Québec are perceived as very high by the communities that use this transport service. A brief search conducted in February 2017 on Expedia and certain regional carrier sites (presented in an appendix) indicated that the fares for two-week stays in Montréal (departure from Sept-Îles and Chibougamau), Paris (departure from Montréal) and Beijing (departure from Montréal) (flights reserved 7 and 45 days before departure) were fairly comparable, ranging from \$683 to \$755. However, the fare for a return flight to Fort Lauderdale (departure from Montréal) was clearly lower, ranging from \$319 to \$446. For travellers, it may seem surprising that passengers must spend nearly \$55 more to go to Sept-Îles than to China. However, for an air carrier, the operating costs often are indirectly proportional to the distance travelled, given the costs occasioned by the takeoff and landing cycles. Moreover, the low population density in the region does not justify the use of high-capacity aircraft that allow distribution of operating costs over a large number of seats. Finally, as indicated in the report of the study on the air transport fare structure in the northern territories of Québec, conducted by Abscisse Recherche<sup>3</sup> in 2014 on behalf of the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports (MTMDET), climate conditions and the high cost of skilled labour mean aircraft maintenance and operating costs are a heavier burden in northern territories. Added to these operational challenges is the fact that fuel is more expensive in northern Québec.

The price of the airline ticket is a factor that had been identified as crucial by travellers during a study<sup>4</sup> of regional air transport conducted in 2008 by Concordia University on behalf of the MTMDET. The travellers surveyed who were flying for personal reasons (vacation, family visit, medical appointment) attached more importance to the fare paid than those who were travelling for occupational reasons. Moreover, 75% of the respondents had indicated they would refuse to pay more for an increase in the quality of service (onboard comfort, choice of schedules, airline personnel, etc.), pointing out they considered the fares were high enough. Finally, the virtual absence of tourists in the sample of 2011 people surveyed during this study suggested that high airfares were a hindrance to tourist development in Québec's regions.

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<sup>3</sup> Abscisse Recherche Inc. (2014), *Portrait de la structure tarifaire applicable à la desserte aérienne des territoires nordiques du Québec*, Rapport final.

<sup>4</sup> I. DOSTALER, L. SABBANE, C. STEIN and T.J. TOMBERLIN (2008), *Profil de la demande de transport aérien régional de passagers au Québec et tendances*, Collection Études et recherches en transport, Ministère des Transports du Québec, 356 pages, [http://www.mtq.gouv.qc.ca/portal/page/portal/ministere/ministere/recherche\\_innovation/cqtt/collection\\_etudes\\_recherches\\_transport](http://www.mtq.gouv.qc.ca/portal/page/portal/ministere/ministere/recherche_innovation/cqtt/collection_etudes_recherches_transport).

## 2.2. TAXATION

There seems to have been little change in the situation since this research was conducted, and the question of high fares resurfaces regularly in the media.<sup>56</sup> Some observers recently raised the question of the taxes charged on tickets for regional flights<sup>7</sup> compared to international flights, alleging they add to the demographic factors and further penalize regional communities. We note, however, that the results of the brief study presented in the appendix do not show a higher percentage of taxation for regional trips (whereas taxes are around 31% to 44% for a flight to Florida). Obviously, the limited number of observations does not allow us to conclude with certainty that the surtax problem is nonexistent, especially since the study conducted by Abscisse Recherche<sup>8</sup> in 2014 noted a higher level of taxation in Québec than in the rest of Canada. In fact, the obsolete nature of the framework governing air transport in Canada has been decried for several years. The most articulate criticism to date comes from the authors of the Canada Transportation Act Review - Report<sup>9</sup>. This Review Panel, established shortly after the Lac-Mégantic tragedy, concluded it was time for the Government of Canada to stop filling its coffers by taxing the air transportation system in different forms and to consider it as an engine for Canada's economic development and competitiveness. However, let us add that American and European travellers also complain they have to pay high taxes and fares.<sup>10</sup>

## 2.3. SUPPLY AND DEMAND IN REGIONAL AIR TRANSPORT

High regional airfares are often explained by weak demand, which would result from low population density. The limited size of regional markets does not allow the survival of enough competitors to exert downward pressure on fares. The reverse effect is also possible: the perception in the regions that fares are high may be the cause of weak demand. This argument is put forward by several stakeholders, who would want to see Québec regions become more popular tourist destinations.<sup>11</sup> We should also note that the consolidation observed in air transportation over recent years (while there were six major carriers in the United States in the early 2000s, their number has shrunk to four) led to a reduction of the number of seats offered and higher fares, even in bigger markets. In other words, the situation is advantageous for air carriers, but less so for travellers.<sup>12</sup> In the specific case of regional transportation in Québec, it seems difficult for small regional carriers to survive in Air Canada's shadow. During the ten-year period covered by the study conducted by Concordia University in 2008, small carriers

<sup>5</sup> <http://www.journallehavre.ca/actualites/2017/2/2/--le-transport-aerien-regional-doit-devenir-une-priorite-nationa.html>.

<sup>6</sup> <http://ici.radio-canada.ca/nouvelle/1014415/lumq-veut-sattaquer-aux-prix-des-billets-davion-en-region>.

<sup>7</sup> <http://ici.radio-canada.ca/nouvelle/1015209/cadre-juridique-faible-demographie-cout-billets-avion-region>.

<sup>8</sup> *Op. cit.*

<sup>9</sup> Government of Canada (2015), Pathways: Connecting Canada's Transportation System to the World, Canada Transportation Act Review

<sup>10</sup> <http://www.nomadicmatt.com/travel-blogs/expensive-airfare/>.

<sup>11</sup> <http://www.journallehavre.ca/actualites/2017/2/2/--le-transport-aerien-regional-doit-devenir-une-priorite-nationa.html>.

<sup>12</sup> Michael D. Wittman, M.D; Tran, H. (2015), *The Persistence of Capacity Discipline? Recent Trends in Domestic and International Networks*, MIT International Center for Air Transportation.

appeared in some markets and then disappeared. The arrival of new competitors seemed to result in falling prices until only Air Canada could survive. Fares increased as soon as the new competitors abandoned the market. The current battle between Air Canada and Westjet over the Montréal-Québec City and Montréal-Halifax links is an example of these dynamics.<sup>13</sup>

In fact, Air Canada's virtual monopoly is often identified as one of the causes of high regional airfares. However, as noted by Abscisse Recherche in the 2014 report, weak demand for regional air transport probably does not allow "yield management", a fare management technique widespread in air transportation, which allows constant price modulation to optimize revenue. This management practice is based on understanding, anticipating and influencing consumer behaviour and seeks to maximize the revenue that can be generated by an airline seat, which is a fixed and time-limited resource. Yield management is based on sophisticated mathematical models and allows strategic control of the seat inventory with the aim of selling each seat to the right traveller, at the right time and the highest possible price.<sup>14</sup> This explains the considerable variations in the prices applied by the same air carrier from one day to another, which any traveller can observe by searching the Internet at different times. Air Canada's presence in the regional markets is probably explained more by a will to supply its Montréal and Toronto transfer hubs than by a profitability objective, because weak demand probably does not allow yield management and revenue optimization, as are possible in bigger markets.

#### **2.4. GOVERNMENT ACTION TO REDUCE FARES**

The Gouvernement du Québec does not have regulatory authority over air transportation, but can develop programs within the budget envelope available to temper the harmful effects on fares of the quasi-monopoly situation and the operational characteristics of regional air transport. For example, the Programme de réduction des tarifs aériens (RTA - Airfare Reduction Program), which reimburses a portion of the airfares of residents of certain remote and isolated regions of Québec, allows them to travel at a lower cost.

Moreover, the low population density in regions remote from major centres means that one of the most valuable "resources" in regional air transport is the number of potential travellers; the scarcity of this resource varies from one region to another and it must be allocated with care. The possibility for private, public and parapublic sector employees to reserve their airline tickets individually on scheduled flights for their business trips does not allow optimum management of the demand for regional air transport. Resorting to charter services to connect passengers with air transportation service providers would allow more efficient management of part of this demand. In short, the scarce resources represented by regional air transport users in Québec should be agglomerated as efficiently as possible to fill aircraft.

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<sup>13</sup> <http://www.journaldequebec.com/2017/02/14/bataille-au-quebec-sur-le-cout-des-billets-davion>.

<sup>14</sup> [https://en.wikipedia.org/wiki/Yield\\_management](https://en.wikipedia.org/wiki/Yield_management).

**Discussion starter questions**

- ✓ Are the organizations you represent or of which you are part affected by regional airfares in Québec? If so, why and in what ways?

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- ✓ How do you evaluate airfares in Québec?

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- ✓ What justifies these fares, in your opinion?

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- ✓ How have fares evolved over the past ten years?

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- ✓ If there have been changes, what explains them?

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What do you think of the Programme de réduction des tarifs aériens (RTA - Airfare Reduction Program) for remote and isolated regions?

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- ✓ Should this Program be modified? If so, how? Should it be replaced? If so, with what?

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- ✓ What other measure could favour a reduction of airfares in Québec?

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- ✓ The low demand for regional air transport is often considered one of the causes of high fares, because it does not favour economies of scale? Have you observed regional initiatives that could stimulate or favour the aggregation of demand for regional air transport in Québec?

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### 3. QUALITY OF SERVICE

#### 3.1. GOVERNMENT ACTION TO IMPROVE SERVICE

The quality of regional air service and the maintenance of an adequate network of regional air services have always been a major concern for the Gouvernement du Québec. The Government has put forward some initiatives to this effect:

- An agreement was made between Air Canada and the Gouvernement du Québec between 2003 and 2006, under which a guaranteed minimum revenue of \$2.5 million had been granted to Air Canada in exchange for maintenance of service on certain links. This arrangement gave the carrier considerable financial leeway and allowed it to preserve its virtual monopoly. Moreover, subsidizing a single carrier would contribute indirectly to subsidizing a business clientele for which government assistance often was unjustified.
- The Programme d'aide au transport aérien (PATA - Air Transport Assistance Program), established in November 2006, included four components, including one intended to "insure the financial risk of an eligible applicant during the period of restarting a regulation air service on an abandoned route considered essential".<sup>15</sup> Air carriers, community organizations, cooperatives or enterprises, or municipal bodies were eligible for this assistance program. A second component of the PATA sought to "share the financial risk related to the startup or improvement of a public, scheduled or charter regional air service, considered essential by the community and offering outlooks for medium- and long-term self-financing".<sup>16</sup> Finally, a third component had the goal of providing a financial contribution to the regional players (community organizations, cooperatives or enterprises, or municipal bodies) to deepen their knowledge of the market and be able to improve planning of the offering of air transportation services in their region. We should note that the PATA was abolished in 2015 in the context of the review of government programs. However, it was better conceived than the agreement with Air Canada because it supported communities more directly.

#### 3.2. INFREQUENT SCHEDULES AND ABSENCE OF DIRECT FLIGHTS

The users of regional air services regularly complain about the limited frequency of the flights offered to them, the absence of direct flights and the number of seats offered during the peak season (for example, during the seal pup watching season in Îles-de-la-Madeleine). During the regional air transport study conducted in 2008 by Concordia University, the respondents indicated they had to make a detour via Montréal or Québec City when they had to travel between two regions. During discussion workshops conducted with regional representatives at the end of the study, one of the participants had given the example of Hôpital de Rimouski which, in theory, was supposed to be a "supraregional" institution. However, the institution was not used often enough, contrary

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<sup>15</sup> Ministère des Transports du Québec (2006), *Programme D'aide au transport aérien – Guide de formulation d'une demande financière*, Direction du transport maritime, aérien et ferroviaire.

<sup>16</sup> *Idem*.

to what was anticipated at the time of its construction. This was particularly explained by the fact that it was easier for the population of Îles-de-la-Madeleine to fly to Québec City to receive medical care than to get to Rimouski. This concrete example illustrated the necessity for better alignment of the transportation supply with regional development and planning of services offered in the regions. However, it is not surprising that air traffic converges on Montréal and Québec City instead of between regions. The primary goal of Jazz Aviation, which offers Air Canada in Québec under the Air Canada Express banner, is to feed the Montréal and Québec City transfer hubs. As a private enterprise, it does not have the mandate to facilitate trips by regional users.

### **3.3. DEMAND THAT "ADAPTS"**

As mentioned in the section of this document regarding airfares, the high price of regional flights is often blamed on weak demand, which is explained in turn by low regional population density. The same argument can explain the limited frequency of the air services offered and the absence of regional flights. The difficulty of filling aircraft does not allow an offering of more frequent flights. The results of the study conducted by Concordia University in 2008 also suggested the existence of a contrary phenomenon: the number of seats available would have an impact on the demand for regional air transport. The regional monographs produced under this study had indicated that the disappearance of certain carriers often translated into a reduction of air traffic. This problem had also been revealed during discussion workshops with representatives of the regions studied. Some were categorical: in their opinion, the decrease in air traffic meant a reduction of available capacity and not a decrease in demand. One of the participants had mentioned that: "The demand adapts; people settle for the situation." Such a comment gives reason to believe in the existence of a vicious circle, in which regional development is hindered by the absence of an adequate air transportation service. The economic and demographic decline that ensues has a negative effect in turn on the demand for regional air transport. Thus, the component of the PATA that enabled regional applicants to have a better understanding of the demand for air transportation in their region, and indirectly validate the hypothesis of the impact of supply on demand, seemed especially appropriate.

### **3.4. DEVELOPING ENTREPRENEURIAL CAPACITY IN AVIATION**

If the above-mentioned hypothesis were validated, it would then be justified to favour the development of entrepreneurial capacity in regional air transport and create winning conditions for small regional carriers to be able to operate their business profitably. We should note that two components of the PATA made it possible to improve the survival capacity of small players in a virtual monopoly industry. Moreover, the fact that only one company bears the weight of all air transport is harmful and presents a major risk. Indeed, if this company were to go bankrupt – let us remember this was a contingency before Air Canada restructured in 2004 – then 90% of the capacity of the regional air transport system would disappear (at least temporarily) along with it. Obviously, the consequences would be dramatic for Québec regions.

**Discussion starter questions**

- ✓ Are the organizations you represent or of which you are part affected by the quality of regional air service in Québec? If so, why and in what ways?

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- ✓ How do you evaluate regional service in Québec?

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- ✓ What justifies the current state of regional air service in Québec, in your opinion?

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- ✓ How has regional service evolved over the past ten years?

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- ✓ If there have been changes, what explains them?

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- ✓ What do you think of the Programme d'aide au transport aérien (Air Transport Assistance Program), which was abolished in 2015?

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- ✓ Should this Program be restored? If so, should it be modified? How?

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- ✓ What other measures could favour better regional air service in Québec?

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- ✓ Would it be necessary, in your opinion, to improve the integration of the different transportation modes (land, rail, ship and air)? If so, how?

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## 4. AIRPORT INFRASTRUCTURE

### 4.1. NATIONAL AIRPORTS

A total of 1889 aerodromes are identified in Canada (as of February 2, 2012), including 147 in Québec. Twenty-six airports are part of Canada's National Airport System (NAS) and currently accommodate 90% of all scheduled passengers and freight Canada. The application of the Canadian National Airports Policy (NAP), developed in 1994 as part of an effort to "replace the present transportation regime with an integrated and affordable national system that emphasizes safety, reliability and efficiency"<sup>17</sup> considerably altered the ownership structure of Canadian airports. The operation, management and development of the 26 airports (hitherto Government-owned), which were granted national airport status in 1994, were transferred to local airport authorities. This change undoubtedly will have allowed the national airports to develop and become more competitive. However, the model is far from perfect, and its perverse effects, such as the difficulty for airport authorities to obtain capital on the financial markets when the end of the 100-year lease approaches, their obligation to invest in improving entities they do not own, and double federal and municipal taxation, were noted by the Canada Transportation Act Review Panel.<sup>18</sup> Three national airports are located in Québec: Montréal-Trudeau, Montréal-Mirabel (which today has become an aerospace hub) and Jean-Lesage in Québec City.

### 4.2. REGIONAL AND LOCAL AIRPORTS

The second airport category defined by the 1994 federal policy corresponds to regional and local airports. The following Québec airports are part of this category: Alma, Bagotville, Baie-Comeau, Gaspé, Havre-Saint-Pierre, Mont-Joli, Natashquan, Rimouski, Rouyn-Noranda, Sept-Îles and Val-d'Or. The NAP clearly stipulated the federal government's commitment to these regional and local airports: "These airports that handle scheduled passenger traffic but are outside the criteria for the NAS are important in terms of their local and regional significance. The federal government will actively promote local airport ownership and operation of these regional/local airports and will create a federally-funded Airports Capital Assistance Program (ACAP) to assist with safety-related capital infrastructure."<sup>19</sup> Although appreciated by the airports that are entitled to it, the ACAP undoubtedly is not the best instrument to favour the emergence of innovative local development projects that can stimulate the increase in airport traffic, because it encourages the regions to rely only on attracting scheduled flights. Indeed, the ACAP only funds safety-related projects for regional airports served by commercial passenger flights and that annually receive at least 1000 passengers.

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<sup>17</sup> <https://www.tc.gc.ca/eng/programs/airports-policy-menu-71.htm>.

<sup>18</sup> Government of Canada (2015), Pathways: Connecting Canada's Transportation System to the World, Canada Transportation Act Review

<sup>19</sup> <https://www.tc.gc.ca/eng/programs/airports-policy-regional-74.htm>.

### 4.3. AIRPORTS REMOTE FROM MAJOR CENTRES

The NAP recognized a third type of airport, remote airports hitherto operated on behalf of the federal government by municipalities or local groups. However, the Government undertook to continue to fund the operation of airports defined as "remote", recognizing the need of ongoing support if these communities are to remain accessible year-round.<sup>20</sup> Indeed, air transport is the only transportation mode available year-round for the communities served by these airports. In Québec, the following airports are included in this category: Chevery, Eastmain River, Îles-de-la-Madeleine, Kuujuaq, Lourdes-de-Blanc-Sablon, Schefferville, Waskaganish and Wemindji.

### 4.4. SMALL AIRPORTS

Another category, small airports, is added to the foregoing categories. These are airports that belong to municipalities, are not served by scheduled flights and thus are not eligible for the ACAP. Nonetheless, they may be a local development engine. For ample, several aviation companies are established at Trois-Rivières Airport. Amos Airport, which could play an important role in the development outlook for northern Québec, is another example.<sup>21</sup>

### 4.5. THE MTMDET'S AIRPORTS IN NUNAVIK

Further to the commitment by the Government of Canada and the Gouvernement du Québec under the James Bay and Northern Québec Agreement (JBNQA), two agreements on the development and implementation of an airport planning and development program within the territory covered by the JBNQA and located north of the 55 degrees North latitude, were made in 1983 and 1994 between the two governments. These agreements allowed the construction of the MTMDET's twelve airports in Nunavik (Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsualujuaq, Kangiqsujaq, Kangiqsuk, Povungnituk, Quaqtaq, Salluit, Tasiujaq, Umiujaq).

Although the responsibilities of the two levels of government under these agreements have lapsed, their commitments arising from the JBNQA remain in force, particularly for the funding of projects favouring the economic development of the Aboriginal communities of Nord-du-Québec and capital projects. This is why it is important to obtain the federal government's contribution to ensure the maintenance and operation of the MTMDET's airport infrastructure in Nunavik. Moreover, in the absence of an agreement between Canada and Québec, the MTMDET assumed the totality of the costs of the work eligible under the ACAP between 2010 and 2016 for its airports in Nunavik, estimated at over \$26 million.

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<sup>20</sup> <https://www.tc.gc.ca/eng/programs/airports-policy-remote-312.htm>.

<sup>21</sup> Conseil des aéroports du Québec (2013), *Étude sur l'état des infrastructures aéroportuaires côté piste aux aéroports municipaux du Québec*.

Moreover, Nunavut's territory does not benefit from measures to promote social and economic development established by the Government of Canada under its comprehensive Northern Strategy.

#### 4.6. THE AVAILABLE GOVERNMENT ASSISTANCE PROGRAMS

The underfunding of airport infrastructure is added to the problem of regional air transport in Québec. A study conducted in 2013 by the Conseil des aéroports du Québec (CAQ)<sup>22</sup> of 23 municipally-owned airports that do not receive scheduled air services allowed the conclusion that an amount of \$39 million would be necessary over the next five years to redo, rebuild or asphalt the runways.

The CAQ report presented an inventory of federal and provincial financial assistance programs that could support airport projects. Apart from the ACAP, one of the federal programs available was Building Canada. Its 2007-2014 edition had allowed the repair of the Maniwaki Airport runway in 2009. In general, airport projects were not part of the priority categories of the Building Canada program. It was replaced by the New Building Canada Fund in 2014. This program contains a Provincial-Territorial Infrastructure Component (PTIC) that supports projects of national, local or regional importance and includes the Small Communities Fund (PTIC-SCF).<sup>23</sup> Local and regional airports are among the categories eligible for this program according to the Infrastructure Canada website. Two other federal programs are available, Canada Economic Development for Quebec Regions (CED)<sup>24</sup> and the Community Infrastructure Improvement Fund.<sup>25</sup>

In Québec, the fourth component of the PATA, abolished in 2015, had the goal of providing financial support for the development of "airside" infrastructure projects and airport accessibility improvement projects. Although the CAQ indicated in its 2013 study that the PATA budget envelope was modest, it nonetheless considered that it was "the main program available to assist municipal airports in maintaining their airport infrastructure".<sup>26</sup> Among the other provincial programs that have supported airport projects, we should note the Programme d'infrastructures Québec-Municipalités<sup>27</sup> (Québec-Municipalities Infrastructure Program) and certain programs of the Ministère de l'Économie, de la Science et de l'Innovation.

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<sup>22</sup> *Idem.*

<sup>23</sup> <http://www.infrastructure.gc.ca/plan/sc-cp-eng.html>.

<sup>24</sup> <http://www.dec-ced.gc.ca/eng/index.html>.

<sup>25</sup> <http://www.dec-ced.gc.ca/eng/funding/initiative/community-infrastructure/index.html>.

<sup>26</sup> *Op. cit.*

<sup>27</sup> <http://www.mamot.gouv.qc.ca/infrastructures/programme-dinfrastructures-quebec-municipalites-piqm/>.

**Discussion starter questions:**

- ✓ How do you rate the quality of the airport infrastructure in your region?

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- ✓ Has the infrastructure improved or deteriorated over the past ten years? Why, in your opinion?

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- ✓ Have you noticed an increase or a decrease in the passenger volume in your region's airports over the past ten years?

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- ✓ What explains these changes, in your opinion?

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- ✓ Have you observed initiatives that could stimulate an increase in passenger volume in your region's airports?

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- ✓ What do you think of the Programme d'aide au transport aérien, Volet 4 (Air Transport Assistance Program, Component 4), which was abolished in 2015?

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- ✓ Should this Program be restored? If so, should it be modified? How?

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- ✓ What other measures could favour an improvement of the airport infrastructure in your region?

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- ✓ What do you think of the National Airports Policy established by the Government of Canada in 1994? How could this policy be improved?

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- ✓ What changes should be made to Québec airport infrastructure to favour better integration of the different transportation modes, particularly land transportation?

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## 5. CONCLUSION

The questions of regional airfares and the quality of service and airport infrastructures should be approached from several angles, and each of the stakeholders (carriers, airports, users, municipalities, companies, legislators, etc.) is likely to see things differently. It is legitimate for remote and isolated communities to want to be connected practically and affordably to the major urban centres. Moreover, the positive impact of a truly integrated transportation system on Québec's economic development and land occupancy is irrefutable.

Let us add that the question of environmental impacts must also be considered when thinking about the problem of regional air transport. In particular, the heavy ecological footprint of the often aging fleets operated by the regional carriers should be taken into account in the calculation of the cost of air transport. To achieve its land occupancy objective, Québec must seek the development of an integrated, safe, secure, efficient and sustainable transportation system.



### APPENDIX – COMPARISON OF FARES

<b>Tip Two-week stay</b>	<b>Fare Taxes</b>	<b>Reserved 7 days in advance</b>		<b>Reserved 45 days in advance</b>	
Sept-Îles—Montréal	Fare	81.78%	618.00\$	81.23%	555.00\$
	Taxes	18.22%	137.67 \$	18.77%	128.23\$
	<b>Total</b>	<b>100.00%</b>	<b>755.67 \$</b>	<b>100.00%</b>	<b>683.23 \$</b>
Chibougamau—Montréal	Fare	81.38%	569.00\$	81.38%	569.00\$
	Taxes	18.62%	130.23\$	18.62%	130.23\$
	<b>Total</b>	<b>100.00%</b>	<b>699.23\$</b>	<b>100.00%</b>	<b>699.23\$</b>
Montréal—Paris	Fare	82.76%	616.00\$	82.75%	616.00\$
	Taxes	17.24%	128.36\$	17.25%	128.44\$
	<b>Total</b>	<b>100.00%</b>	<b>744.36\$</b>	<b>100.00%</b>	<b>744.44\$</b>
Montréal—Beijing	Fare	80.23%	549.00\$	80.23%	549.00\$
	Taxes	19.77%	135.26\$	19.77%	135.26\$
	<b>Total</b>	<b>100.00%</b>	<b>684.26\$</b>	<b>100.00%</b>	<b>684.26\$</b>
Montréal—Fort Lauderdale	Fare	55.74%	177.98\$	68.93%	307.98\$
	Taxes	44.26%	141.33\$	31.07%	138.79\$
	<b>Total</b>	<b>100.00%</b>	<b>319.31 \$</b>	<b>100.00%</b>	<b>446.77\$</b>