



## STAFF REPORT

**Title:** Federal Budget - CATSA

**Meeting Date:** April 16, 2019

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### **Executive Summary:**

It has come to administration's attention that the Federal Government passed provisions which could be used to transform the Canadian Air Transport Security Authority (CATSA) into an entity independent of the Canadian Government. The authority currently operates as a crown corporation.

These provisions were within the Federal Government's 2019 Budget, and were not highlighted by the government itself, nor were they covered in detail by the media.

In conversation with a Quebec-based consultant, administration was able to confirm that these provisions are being examined by the industry, although no clear consensus of what their impact may be has been reached.

It was also suggested that the provisions will likely not be acted upon until after the next federal election.

### **Background:**

In 2015, the House of Commons unanimously passed a motion to include a number of airports that had been seeking CATSA screening services in a new, cost-recovery service delivery model. The City of Cold Lake was named among the interested airports that could make use of the new model.

Prior to this time the list of airports approved for CATSA screening services has been frozen since the September 11, 2001 terrorist attacks which spurred the creation of CATSA.

Administration has worked with Transport Canada, CATSA, and consulting firm Air Biz to develop plans for a terminal that would meet Transport Canada and CATSA requirements while also meeting any requirements expected to be in place under the licence agreement with the Department of National Defence.

Administration has also worked with CATSA to develop a better understanding of how the cost-recovery service delivery model could work, although the details and exact cost structure will not be known until the details of an air carrier's service expectations can be released.



Work towards finalizing the cost structure and expectations of CATSA and Transport Canada is on hold pending the signing of the licence agreement, the progress of which has been discussed in camera.

**Alternatives:**

This report is presented for the Committee's information.

**Recommended Action:**

This report is presented for the Committee's information.

**Budget Implications (Yes or No):**

No

**Submitted by:**

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