



**THE VANCOUVER BOARD OF TRADE**

**REPORT BY SPECIAL COMMITTEE  
ON THE  
VANCOUVER INTERNATIONAL AIRPORT**

**DECEMBER 18, 2000**

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## The Vancouver Board of Trade

### REPORT BY SPECIAL COMMITTEE ON THE VANCOUVER INTERNATIONAL AIRPORT

#### Summary

Vancouver International Airport Authority (the "Authority") has been a remarkably successful example of the devolution of airports from the federal government to community control. The very substantial improvements to the airport in recent years were enabled by the change to community control and the creation of the Authority in 1992. These developments have contributed to the airport's achievement of national and international recognition for passenger convenience and satisfaction, remarkable increases in passenger and cargo volumes, and a high rating from bond agencies.

Despite the Authority's obvious success, there have been continuing concerns with the Authority's governance structure and processes. These were outlined in a Vancouver Board of Trade task force report in 1994, and by PricewaterhouseCoopers in their 1998 report of the mandatory five year review of the Authority. Problems with respect to other major community controlled airports in Canada and a negative review by the Auditor General concerning Transport Canada's role regarding airport governance led to the Minister of Transport stating that legislation would be introduced to change the state of affairs.

The Vancouver Board of Trade ("The Board") is quite concerned that the legislation could adversely affect community control of airports. Accordingly, in June, 2000 The Board formed a Special Committee to deal with the situation. The purpose of the Special Committee on Vancouver International Airport is to suggest community-based improvements to the governance structure and processes of the Authority in advance of the legislation to be introduced by the Minister of Transport. In carrying out its work, the Special Committee has consulted with each of the other nominating entities and with a broad cross-section of stakeholders and knowledgeable observers. The need for the work of the committee has been confirmed by the release of the Auditor General's report and through discussions with the Ministry of Transport.

The current governance structure of the Authority provides for seven community-based nominating entities that each appoint a director to the board of the Authority. An additional entity, the federal government, appoints two directors. The President and Chief Executive Officer is automatically a director. In addition, the board of the Authority itself elects up to five (currently four) additional directors at large, for a total of fifteen (currently fourteen) directors.

In almost every case, not-for-profit societies such as the Authority have members who hold ultimate power over the organization. The directors of the society are responsible to the members and are elected by them. However, in the case of the Authority, the directors also act as the members of the society. Technically, they are not accountable to anyone else. *It is the lack of explicit accountability that is at the root of the current concern with respect to the governance structure and processes of the Authority.*

Fundamental to any future direction is the intent for community accountability that was set out by the Minister of Transport when the Authority was created in 1992. The process envisioned at that time had the individual directors accountable to their nominating entities, with the nominating entities providing community input. However, it immediately became apparent that the fiduciary responsibility of directors was to the Authority, and this effectively created a barrier to the kind of accountability that had been intended. Thus, a fundamental flaw in governance was created from the outset.

The Special Committee of The Board of Trade believes strongly that any changes which are made affecting the governance structure and processes of the Authority must not adversely affect the performance of the organization and must not be cumbersome. These changes should simply provide community-based solutions to problems that have been, for the most part, apparent since the establishment of the Authority.

Following are the key recommendations of the Special Committee for changes in the governance structure and processes of the Authority:

- The nominating entities would continue to appoint directors as at present.
- The role of member and the role of director should be separated.
- The nominating entities would be designated as the members of the Authority, and would act as surrogate shareholders.
- The members' role would be primarily to elect directors and carry out other functions at the annual general meeting of the Authority.
- Members, not the directors, would appoint directors at large after consultation with the Authority.
- Transport Canada should develop guidelines relating to the role and duties of nominating entities (members).
- The areas of British Columbia outside of Greater Vancouver are vitally dependent upon Vancouver International Airport. There should be provision to have two directors who reside in areas of British Columbia outside Greater Vancouver.
- As might be expected in any enterprise of this magnitude and complexity, there will be situations that arise involving conflict or disputes between users and the Authority. To deal with these, after consultation with the Authority, members should appoint an Ombudsman.
- The approval of changes to fees and charges should be a responsibility of the Board of Directors of the Authority, with the right of appeal to the Ombudsman.
- It is important that there be no return to a regulatory regime involving regulatory authority such as has existed in the past with respect to transportation. Oversight of the Authority ought to be community-based and not regress to the Canadian Transportation Agency or other federal body.
- The transparency, openness and accountability of the Authority appear to be uneven. It is important that the Authority, as an organization operating in the public sphere, make vigorous efforts to help ensure consistent transparency, openness and accountability.
- There should be prescribed minimums of communication that will ensure that the nominating entities/members have the information required to discharge their responsibilities.
- All significant matters facing the Authority should be subject to a broadly based, open and transparent public consultation process. In consultation with the nominating entities and other key stakeholders, the Authority should develop and publish a policy prescribing the consultation processes covering a broad range of potential issues.



**The Vancouver Board of Trade**

**REPORT BY SPECIAL COMMITTEE ON THE  
VANCOUVER INTERNATIONAL AIRPORT**

**DECEMBER 18, 2000**

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**1. BACKGROUND**

**1.1 Introduction**

The Vancouver International Airport Authority was incorporated as a not-for-profit federal society under the Canada Business Corporations Act—Part III, in 1992. The governance principles were outlined in documents issued at the time, which contemplated community control of the facility.<sup>1</sup>

Vancouver International Airport Authority (“Authority”) has been a remarkably successful example of the devolution of airports from the federal government to community control. The Vancouver Board of Trade (“The Board of Trade”) has played a key role in this achievement, and in related developments. The Board of Trade took the lead role in the community in the formation of the Vancouver International Airport Authority. The Board of Trade was also one of the leading organizations in advocating approval for the new parallel runway at the airport, which has largely eliminated the delays that frequently occurred when only one runway was operational during poor weather conditions. The Board of Trade is one of 8 entities that nominate directors of the Authority.

**1.2 Improvements and Achievements re Vancouver International Airport**

The improvements to the airport in recent years have been substantial and were enabled by the change to community control and the creation of the Authority. These improvements and other achievements of the Authority include:

- the establishment of the parallel (north) runway, which has substantially relieved aircraft congestion at the airport;
- the construction of a new international passenger terminal;

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<sup>1</sup> Transport Canada, *Backgrounder—Local Airport Authorities: Structure and Accountability*, No. 59/92, for release April 3, 1992. (See Excerpt—Appendix A).

- the development of a new transborder terminal;
- expansion and improvement of a variety of gate areas and passenger lounges;
- expansion and renewal of retail areas in the terminals;
- renovation of the South terminal building;
- a new concourse in the International terminal building;
- a new parking structure and significant improvements to other parking facilities;
- a comprehensive upgrade of the domestic terminal (underway);
- opening of a 400-room, four-diamond hotel attached to the terminal facilities; and
- improvements in access roads and bridges to Sea Island.

The Authority also played a significant role in lobbying for the “open skies” policy that has resulted in a large increase in the number of U.S. cities linked to Vancouver by non-stop flights, and a corresponding growth in passenger volumes.

These developments have contributed to the airport’s achieving national and international awards for passenger convenience and satisfaction, remarkable increases in passenger and cargo volumes, and a high rating from bond agencies. A detailed account of the achievements of the Authority is contained in Appendix B.

### **1.3 Background to Formation of Board of Trade Special Committee**

The Airport Authority issued a draft land management policy in the autumn of 1999. The Authority requested consultation with The Board of Trade on this subject. In early 2000, there were extensive discussions and written communications between these organizations on revised versions of the proposed land management policy and the appropriateness of the Authority’s public consultations on the subject. These included a joint meeting between the boards of directors of the Airport Authority and The Board of Trade.

In March 2000, The Board of Trade advised the Authority that it could not support the proposed land management policy, since in The Board of Trade’s opinion there had not been adequate public consultation in an acceptable form. The Board of Trade felt that the consultative process followed by the Authority was not open and transparent. The Board of Trade suggested that a well-qualified, independent third party be engaged to review the situation, solicit input from the public and stakeholders and offer a considered opinion on the subject. A number of meetings followed that included the other nominating entities, the Airport Authority directors, The Board of Trade and an expert on corporate governance engaged by the airport. On June 23, 2000, the Authority convened a meeting with all the nominating entities, and the need for changes to the airport’s governance manual was discussed. Subsequently, the Authority changed its guidelines on how directors were to communicate with their nominating entities.

While the Authority did extend its consultations on the land management policy, it did not open up the process as earlier suggested by The Board of Trade. Other earlier advice of The Board of Trade on the subject was not acted on. Several months later, it was learned that the Authority had declined The Board of Trade’s advice.

The final version of the airport's new land management policy and guidelines on its implementation have not been communicated to nominating entities as of the writing of this report.

The Authority's proposed land management policy resulted in considerable public controversy, including extensive media coverage that continued over several months. The controversy in Vancouver and other issues involving other community-controlled airports in Canada drew the attention of the federal government and the Minister of Transport. In the summer of 2000, the Minister indicated he intended to introduce legislation to deal with problems of governance at Canadian airports.

The Board of Trade's recent involvement with the Authority, continuing concerns with the Authority's governance, identified in The Board of Trade's 1994 report on the airport and in the PricewaterhouseCooper 1998 Review of the Authority, together with the Minister's stated intentions to introduce legislation relating to airport governance, led The Board to form a Special Committee in June 2000.

The purpose of the Special Committee on Vancouver International Airport is to suggest community-based improvements to the governance structure and processes of the Authority in advance of any legislation being introduced by the Minister of Transport.

#### **1.4 The Work of The Special Committee**

Members of the Special Committee are directors or former directors of The Board of Trade with especially relevant experience. They are identified in Appendix C.

In carrying out its work, the Special Committee has consulted with each of the other nominating entities and with a broad cross-section of stakeholders and knowledgeable observers. In total, twenty-four meetings were held with approximately thirty-seven individuals. Those consulted included airlines, aviation organizations, government officials, airport tenants and others.

The Special Committee also reviewed the governance structure of several not-for-profit organizations where there is a separation of the roles of members from those of directors. Those organizations included the Canadian Blood Services, NAV Canada, the Canadian Council of Professional Engineers and the Fraser Basin Council.

#### **1.5 Process to Avoid Conflict of Interest**

The Board of Trade has been cognizant of the potential for conflict of interest in its dealings with the Authority on the land management policy, in that the past chair of The Board of Trade is a major land tenant at the airport. The Board of Trade routinely takes steps to ensure that conflicts of interest do not influence its decisions or policy positions. The Special Committee has conducted its activities and its reporting so that neither the past chairman nor any member of his



firm has been involved. Furthermore, the past chairman has been excused from all meetings of The Board of Trade, its Executive Committee and its Board of Directors concerning the Authority since the proposed land management policy was announced.

## **2. GOVERNANCE STRUCTURE OF THE AUTHORITY**

### **2.1 Prior Work of The Vancouver Board of Trade with Respect to Governance of the Authority**

The controversy surrounding the proposed land management policy brought to light concerns about weaknesses in the governance structure and processes of the Authority, particularly related to accountability, consultation and handling of grievances. A special Vancouver Board of Trade YVRAA Task Force first addressed these issues in September 1994. The following observations were made in the report of the task force:

- “There is some undercurrent of disquiet about the way in which decisions are taken at YVR.”
- “There were views expressed about inadequate consultation, or consultation after decisions appeared to have been made.”
- “Some perception still exists that consultation is inadequate.”
- “At a more fundamental level, concerns were voiced about the structure of airport governance.”<sup>2</sup>

Based on excellent leadership by senior management and directors of the Authority, the task force recommended “that the present structure of the Board of Directors not be changed” and went on to make recommendations about:

- all nominating entities being formally apprised of proposed changes to the by-laws of the Authority;
- the Authority’s establishing a procedure for grievances concerning policy matters to be addressed to the Board of Directors; and
- the Authority’s adopting a practice of disclosure consistent with publicly traded companies.<sup>3</sup>

The Authority is to be commended for now providing financial disclosure in keeping with the guidelines of the Toronto Stock Exchange and for advising nominating entities of proposed changes in by-laws. However, action is still required to introduce satisfactory procedures for public consultation and for dealing with grievances.

In a report on five-year performance commissioned by the Authority itself and submitted by PricewaterhouseCoopers on December 17, 1998, these issues were raised again, particularly under Section 3.1.2, *Appropriateness of Board Composition and Governance Structures*. PricewaterhouseCoopers presented several quotes from The Vancouver Board of Trade’s task

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<sup>2</sup> The Vancouver Board of Trade’s YVRAA Task Force Report dated September 1994, p. 8

<sup>3</sup> *Ibid.*, p. 11

force report of 1994 and went on to discuss overall satisfaction with the composition of the Board of the Authority. The report also made the following statements:

- "...however, a number of interviewees commented on what they perceive as a flawed accountability framework under which the Authority operates."
- "Indeed, some nominating entities and others interviewed in the course of our research characterized the Authority as fundamentally unaccountable, lacking a structure with either normal corporate or public sector accountability mechanisms."<sup>4</sup>
- "There is nothing inherent in the structure of the board that guarantees accountability of board members or the board collectively to the nominating entities or to the community at large."
- "However, it is interesting that the perceptions captured in 1994, by The Board of Trade's task force, concerning the Authority's accountability, have survived to the present."
- "The Authority has been extremely fortunate, over its first five years of operation to have been a beneficiary of strong board leadership and an exceptional management team."
- "Although these factors have served to overcome the fundamental flaws in the underlying corporate structure, there can be no assurance that they will do so in the future."
- "It may, therefore, be appropriate for the Authority to consider alternative corporate structures or governance models. We believe that it is always constructive to endeavour to reinvent and improve the mechanisms of corporate accountability."<sup>5</sup>

## 2.2 More Recent Developments

Despite the obvious continuing success of the airport, within the past year the controversy over the proposed new land management policy brought issues of governance to the forefront once again.

The Auditor General of Canada, in his annual report published in October 2000, stated that "...airport authorities are virtual monopolies and enjoy a captive market."<sup>6</sup> The Vancouver Board of Trade agrees. Although Vancouver International Airport, to an extent, has to compete for air traffic with other west coast airports and perhaps Calgary, in essence airlines, tenants, passengers and other users of Vancouver International Airport are dealing with an entity that has monopoly powers.

This raises the question of adequate checks and balances and the continuing appropriateness of the governance structure and processes.

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<sup>4</sup> *Five-Year Performance Review of Vancouver International Airport*, PricewaterhouseCoopers, December 17, 2000, pp. 13-14.

<sup>5</sup> *Ibid.*, p. 14.

<sup>6</sup> *Report of the Auditor General of Canada—October 2000*, Chapter 10, Transport Canada, Airport Transfers: National Airports System, p. 38.

## **2.3 Current Governance Structure**

The current governance structure of the Authority provides for eight nominating entities that each appoint a director to the board of the Authority. One entity, the federal government appoints two directors. The President and Chief Executive Officer is automatically a director. In addition, the board of the Authority itself elects up to five (currently four) additional directors at large, for a total of fifteen (currently fourteen) directors. The nominating entities are:

- The City of Richmond
- The City of Vancouver
- The Greater Vancouver Regional District
- The Law Society of British Columbia
- The Association of Professional Engineers and Geoscientists of British Columbia
- The Institute of Chartered Accountants of British Columbia
- The Vancouver Board of Trade
- The Government of Canada (which nominates two directors)

In almost every case, not-for-profit societies such as the Authority have members who hold ultimate power over the organization. The directors of the society are responsible to the members and are elected by them. However, in the case of the Authority, the directors also act as the members of the society. Technically, they are not accountable to anyone else as would be the case in almost all other societies and not-for-profit organizations and private sector corporations whose shareholders would have that responsibility. The directors of the Authority legally are not accountable to any stakeholder, except that the Minister of Transport and the federal government do have the ability to withhold approval of changes to the by-laws of the Authority. Of course, the Minister always has the authority to introduce legislation affecting airport authorities.

*It is the lack of explicit accountability other than through the authority of the Minister and the federal government that is at the root of the current concern with respect to the governance structure and processes of the Authority.*

## **3. OBSERVATIONS AND RECOMMENDATIONS**

### **3.1 Ensure Continuation of Excellent Performance of the Authority**

In interviews that the Special Committee held with nominating entities and other stakeholders and observers, there was unanimity that the Authority has done an outstanding job in improving the airport and achieving a world-class standard of excellence. Accordingly, any changes which are made affecting the Authority must not adversely affect the performance of the organization and must not be cumbersome. These changes should simply provide community-based solutions to problems that have been, for the most part, apparent since the establishment of the Authority.

### **3.2 Community Accountability**

Fundamental to any future direction is the intent for community accountability that was set out in the initial press releases from the Minister of Transport in 1992.<sup>7</sup> The process envisioned at that

time had the individual directors accountable to their nominating entities, with the nominating entities providing community input. However, it immediately became apparent that the fiduciary responsibility of directors was to the Authority, and this effectively created a barrier to the kind of accountability that had been intended. Thus, a fundamental flaw in governance was created from the outset.

### **3.3 Proposed New Model of Governance structure and processes**

Following are the key proposals the Special Committee recommends for changes in the governance structure and processes of the Authority:

- The nominating entities would continue to appoint directors as at present.
- The role of member and the role of director should be separated.
- The members of the Authority would act as surrogate shareholders.
- The nominating entities would be designated as the members of the Authority.
- Nominating entities should be organizations that believe in the model of community accountability and which are prepared to carry out their duties accordingly. Demonstrated performance of those duties should be a condition for a nominating entity continuing in that role.
- The existing number of nominating entities is sufficient.
- The federal government should nominate two directors as at present, and have two votes at meetings of members.
- As surrogate shareholders, the members' role would be primarily to elect directors and carry out other functions at the annual general meeting of the Authority. At the annual general meeting the members would be responsible for approving other key items such as:
  - changes to the by-laws of the Authority;
  - the appointment of auditors;
  - the appointment of the firm to undertake the five-year review of the Authority;
  - the annual report of the Authority, including financial statements;
  - changes to the capital structure of the Authority;
  - any new business or policy initiatives that would go beyond the scope of normal airport operations; and
  - appointment of the proposed Ombudsman in consultation with the Authority (see section 3.6) and receipt of annual and other reports on the activities of the Ombudsman.

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<sup>7</sup> Transport Canada, *Backgrounder—Local Airport Authorities: Structure and Accountability*, No. 59/92, for release April 3, 1992. (See Excerpt—Appendix A).

- For any meeting of members, each member would designate a representative to attend, with voting power.
- Quarterly reports with financial statements for the Authority should be sent to each member.
- Members, not the directors, would appoint directors at large. A slate of directors at large would be prepared by the board of the Authority for consideration by the members, who would be free to add names to the list from which the directors at large would be elected.
- Members would appoint the Ombudsman after consultation with the Authority.
- On very serious matters, the members would provide a safeguard. They would have the ability to call special meetings of members, and act to change their own directors as well as the directors at large.
- Transport Canada should develop guidelines relating to the role and duties of nominating entities.

#### **3.4 Presence on Board of Required Skills and Regional Representation**

- As at present, the Board of Directors of the Authority should have amongst its members, individuals with expertise in a variety of important, relevant skill sets. To the extent that these capabilities are not available from amongst the directors nominated by the nominating entities, the missing skills should be provided for in the selection of directors at large.
- The areas of British Columbia outside of Greater Vancouver are vitally dependent upon Vancouver International Airport. There is a need to ensure that perspectives from the rest of the province are reflected in the policy-making and decision-making process of the board of the Authority.
- Existing directors all are residents of the Lower Mainland. There should be provision to have two directors who reside in areas of British Columbia outside Greater Vancouver.

#### **3.5 Limitation on Time that a Director May Hold that Position**

- One of the hallmarks of modern governance of many not-for-profit organizations is that directors are restricted to a set period of time or number of terms that they may hold that position. The rationale for this is that there is a need for ongoing introduction of fresh views and perspectives among board members.
- At present the by-laws of the Authority do not limit the number of terms that a director may serve, although a director must step down on reaching the age of 70 years.
- A limitation on the time that a director may hold that position should be a matter for early consideration by the members of the Authority.
- The Board of Trade recommends that the duration a director of the Authority may serve in that capacity be limited to two or three terms of three years each, or a maximum of six or nine years in total.

#### **3.6 Need for Appeals Process**

- As might be expected in any enterprise of this magnitude and complexity, there will be situations that arise involving conflict or disputes between users and the Authority. Given the

power of the airport to set fees and charges and to set policy independent of any regulating authority or process, some mechanism other than litigation would seem to be in order. The absence of such a mechanism will inevitably lead to disagreements being debated in the media, as was the case this past summer.

- It is recommended that an appeal process be established whereby the members appoint an independent person, well qualified to act in the role of an Ombudsman, after consultation with the Authority.
- The Ombudsman should be appointed for a three-year term, renewable for one or two additional terms.
- The findings and recommendations of the Ombudsman would be made public but would not be binding on the Authority. However, the Authority would need to respect these findings and recommendations and deviate from them only with very good reason.
- The Authority should compensate the Ombudsman, but members should set the compensation.
- The role of Ombudsman is well defined. There is widespread experience with this mechanism in the private and public sectors, including banks and governments. Specialized organizations exist which are devoted to enhancing the practice of this role. The responsibilities of the proposed Vancouver International Airport Ombudsman should be governed by terms of reference based on these well-established working models.
- Included in the terms of reference for the Ombudsman should be guidance with respect to dealing with matters of substance rather than frivolous or trivial complaints. There should also be a time limit on the period in which the Ombudsman is required to respond to complaints.

### **3.7 Approval of Fees and Charges**

- The approval of changes to fees and charges should be a responsibility of the Board of Directors of the Authority, with the right of appeal to the Ombudsman.
- The Committee considered whether fees and charges ought to be subject to the approval of the Canadian Transportation Agency or some other federal body. The Committee is firmly of the view that the community-based airport model, which has been so successful in Vancouver, would not be advanced at this time by federal regulation of the Airport Authority's activities.

### **3.8 Transparency, Openness and Accountability—General Considerations**

- The transparency, openness and accountability of the Authority appear to be uneven. In some respects the transparency of the Authority appears to be very good, such as the disclosure of salaries and bonuses of executives contained in the disclosure documents accompanying the annual report of the Authority. However, there have been complaints that openness is lacking in some other aspects of the Authority's activities. For example, the consultations on the proposed land use policy did not achieve a satisfactory standard, nor has there been closure on the issues. The Auditor General has commented on transparency

of contracts.<sup>8</sup> And, the airport has been both reluctant and slow to disclose the financial activities of subsidiaries.

- For any organization involved in the delivery of public services, there will always be criticism, warranted or not. It is important that the Authority, as an organization operating in the public sphere, make vigorous efforts to help ensure consistent transparency, openness and accountability. It is particularly important that this be achieved where there are significant impacts on stakeholders or the community—for example, where there are likely to be impacts on employment, service levels, costs or competition. The parties potentially impacted need to understand the process and how they may continually be informed with respect to matters that might affect them.

### **3.9 Transparency—to Nominating Entities**

- The nominating entities must be assured that the actions taken by the Authority are in keeping with the best interests of the community. To achieve that, the nominating entities must have a clear view of the significant matters facing the Authority and corresponding decisions taken by the Authority.
- Part of this will be achieved by the Authority's new plan for communications between the Authority and the nominating entities, utilizing the nominated directors. We note that these communications are to be tailored to suit the wishes of the nominating entity. However, there should be prescribed minimums of communication that will ensure that the nominating entity has the information required to discharge its responsibility.
- We suggest that, as a standard for judging whether matters are significant enough to warrant communication with the nominating entity, they should be matters of substance that have potential for public controversy or are financially significant.

## **4. CONSULTATION**

- Public consultation processes followed by the Authority appear to be uneven. For example, there is a well-developed and executed process with respect to public consultation on environmental matters, on airport noise and on the master plan for the airport. However, the lack of a parallel process with respect to the proposed land management policy is a key reason for the controversy the Authority experienced over the past year.
- The Board of Trade strongly recommends that all significant matters facing the Authority be subject to a broadly based, open and transparent public consultation process. In consultation with the nominating entities and other key stakeholders, the Authority should develop and publish a policy prescribing the consultation processes covering a broad range of potential issues. The new local government legislation in British Columbia might provide a good standard for the consultation process.

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<sup>8</sup> Report of the Auditor General of Canada—October 2000, Chapter 10, Transport Canada, Airport Transfers: National Airports System, p. 38.

## **5. CONCLUSION**

- Despite the concerns regarding its governance structure that have been well documented in the past, Vancouver International Airport Authority has achieved outstanding success in implementing badly needed and timely improvements to the airport and in achieving a standard of operation that has resulted in international awards. However, it is clear that the time has come to address the issue of governance structure and processes. In order to assure the continued control of the airport by the community and to assure the continued responsiveness of the Authority to the needs and wishes of the community, changes in governance structure and processes are required. The Board of Trade submits the following proposed changes:

## **6. CONSOLIDATED LIST OF PRINCIPLES AND RECOMMENDATIONS**

- 6.1 Any changes which are made affecting the Authority must not adversely affect the performance of the organization, must not be cumbersome, but should simply provide new approaches to the problems of governance structure and processes.
- 6.2 Nominating entities should be designated as members. The members would act as surrogate shareholders. The federal government should have two votes at meetings of members.
- 6.3 Each nominating entity would continue to appoint a director as at present, except the federal government would appoint two directors.
- 6.4 The role of members as surrogate shareholders would be primarily to elect directors and carry out other duties at the annual general meeting of the Authority. At the annual general meeting the members would be responsible for approving other key items such as:
  - changes to the by-laws of the Authority;
  - the appointment of auditors;
  - the appointment of the firm to undertake the five-year review of the Authority;
  - the annual report of the Authority, including financial statements;
  - changes to the capital structure of the Authority;
  - any new business or policy initiatives that would go beyond the scope of normal airport operations; and
  - appointment of the Ombudsman and receipt of reports from the Ombudsman.
- 6.5 On very serious matters, members would provide a safeguard. They would have the ability to call special meetings of members and to change their own directors as well as the directors at large.
- 6.6 Nominating entities should be organizations that believe in the model of community accountability and should be prepared to carry out their duties accordingly. Continued



- performance of those duties should be a condition for a nominating entity to retain this role.
- 6.7 Transport Canada should develop guidelines relating to the role and duties of nominating entities.
- 6.8 The existing number of nominating entities is sufficient.
- 6.9 The members, not the directors, would appoint directors at large. A slate of directors at large would be prepared by the board of the Authority for consideration by the members, who would also be free to add names to create a list from which the directors at large would be elected.
- 6.10 As at present, the Board of Directors should have, amongst its members, individuals with expertise in a variety of important, relevant skill sets. To the extent that these capabilities are not available from among the directors nominated by the nominating entities, the missing skills should be provided for in the selection of directors at large.
- 6.11 There should be provision to have two directors who reside in areas of British Columbia outside Greater Vancouver. There is a need to ensure that perspectives from the rest of the province are reflected in the policy-making and decision-making processes of the board of the Authority.
- 6.12 The tenure of the Authority's directors should be limited to two or three terms of three years each, or a maximum of six or nine years.
- 6.13 An independent dispute resolution mechanism and process should be available to deal with disagreements when they arise. It is recommended that an appeal process be established whereby an independent person well qualified to act in the role of an Ombudsman is appointed by the members in consultation with the Authority to act within well defined and generally accepted rules for that type of function.
- 6.14 The Ombudsman should be appointed for a three-year term, renewable for one or two additional terms.
- 6.15 The findings and recommendations of the Ombudsman would be made public, but would not be binding on the Authority.
- 6.16 The Authority should compensate the Ombudsman, but members should set the compensation.
- 6.17 The responsibilities of the proposed Vancouver International Airport Ombudsman should be governed by terms of reference based on current working models for this type of function and approved by members.

- 6.18 The approval of changes to fees and charges should be a responsibility of the Board of Directors of the Authority, with a right of appeal to the Ombudsman.
- 6.19 It is important that there be no return to a regulatory regime involving regulatory authority such as has existed in the past with respect to transportation. Oversight of the Authority ought to be community-based and not regress to the Canadian Transportation Agency or other federal body.
- 6.20 The Authority should be required to continue its current practice of financial disclosure at least consistent with that of companies listed on the Toronto Stock Exchange.
- 6.21 The Authority should send quarterly reports with financial statements to the nominating entities in their capacity as members.
- 6.22 The Authority should be required to consult with nominating entities on proposed changes to by-laws.
- 6.23 Nominating entities must be provided with a clear view of the significant matters facing the Authority and corresponding decisions taken by the Authority.
- 6.24 There should be prescribed minimums of communication that will ensure that the nominating entity and members have the information required to discharge their responsibilities.
- 6.25 All significant matters facing the Authority should be subject to a broadly based, open and transparent public consultation process.
- 6.26 In consultation with the nominating entities and other key stakeholders, the Authority should develop and publish a policy prescribing the consultation processes covering a broad range of potential issues. The new local government legislation in British Columbia might provide a good standard for the consultation process.
- 6.27 The members, directors, management, Ombudsman, and nominating entities should be alert for additional areas of importance where consultation is required.

**APPENDIX A**

**Transport Canada Backgrounder as part of the YVRAA Transfer Press Release in 1992**

**APPENDIX B**

**Achievements of the Vancouver International Airport Authority, 1992 – 1999**

**APPENDIX C**

**Members of The Vancouver Board of Trade Special Committee on the Vancouver International Airport**

**EXCERPT**  
**TRANSPORT CANADA BACKGROUNDER**  
**Part of YVRAA Transfer Press Release in 1992<sup>1</sup>**

**Local Airport Authorities: Structure and Accountability**

- The LAA is a legally constituted entity, established under provincial enabling legislation or the *Canada Corporations Act-Part II*.
- It is a “not-for-profit” corporation with a Board of Directors appointed by municipal or regional governments or by organizations such as The Board of Trade, Chamber of Commerce, Law Society, etc.
- The federal or provincial governments may not appoint directors and no elected official or government employee may be named to the Board of Directors.
- As a not-for-profit corporation, the LAA has no shareholders and profits are reinvested in the airport operations. Excess profits, after operational requirements have been met, may be invested at the discretion of the Board of Directors.
- The LAA cannot change its document of incorporation, certain of its by-laws, its nominating process or its not-for-profit status without the approval of the Minister of Transport.

**Accountability**

- Individual members of the LAA Board of Directors are accountable to their nominating organization. They must adhere to conflict of interest guidelines no less stringent than those governing directors of corporations under the *Canada Business Corporations Act*.
- The LAA must use generally accepted accounting principles in applying the terms of the transfer agreement.
- The LAA must arrange for an annual independent audit of its financial statements and provide a signed report from its auditors to the government.
- The LAA must hold an annual public meeting at which its audited financial statements are tabled.
- The LAA must arrange for an independent review of its management, operation and financial performance every five years, with the results to be made available to the public on request.
- The government may appoint its own auditors to examine the LAA's financial and other business records and procedures.

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<sup>1</sup> Transport Canada, *Backgrounder—Local Airport Authorities: Structure and Accountability*, No. 59/92, for release April 3, 1992.

## Board of Trade Briefing Document <sup>1</sup>

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### YVR: British Columbia's Airport

The Vancouver International Airport (YVR) is uniquely positioned as a premier international gateway between North America and Asia-Pacific.

Since 1992, the Vancouver International Airport Authority, a community-based, not-for-profit organization dedicated to community service and global leadership, has operated YVR. This arrangement has rapidly become a management model for airports around the world.

#### **Our Mission**

To serve our community by building better airports for the 21st century

#### **Our Vision**

YVR: A premier Global Gateway  
The Airport Authority: Local Champion, Global Operator.

### *YVR: A Premier Global Gateway*

YVR is realizing its full potential as a major:

- Gateway—taking full advantage of the airport's strategic location and market opportunities in the Asia-Pacific region, the U.S., Europe, and Latin America
- International and domestic destination—capitalizing on the tourism appeal of British Columbia and associated trade and travel opportunities
- Intermodal distribution centre—for the transshipment of airfreight by sea, truck, and rail between the world's major trading blocks.

### **The Airport Authority:** *Local Champion, Global Operator*

Within the province and specifically the Greater Vancouver region, the Airport Authority is a:

- source of local pride because of its outstanding facilities and services
- key generator of jobs and economic activity on Sea Island and beyond
- champion for the community by leading and supporting various initiatives benefiting the area
- exemplary organization to work for and deal with because of the way it does business.

### **Vancouver International Airport Authority: 1992-1999**

The following summary outlines major milestones in the history of the Vancouver International Airport Authority and the evolution of Canada's Pacific Gateway Airport. It is a chronicle of phenomenal growth, steadily improving service, and broad-based community support.

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<sup>1</sup> Source: Vancouver International Airport (YVR)—October 26, 2000

While it's rewarding to recognize our past achievements, the 21<sup>st</sup> Century is taking us in new directions. Strengthened by our partnerships and the support of our community, we are committed to aiming even higher and reaching even farther.

## Financial & Operating Highlights

Year	Operating		Ground Lease	Net Earnings	Retained Earnings	Capital Expenditures		Aircraft Movements	Cargo Handled		Concession Revenue Per Passenger
	Revenue	Expenses				For The Year	Passengers		(thousands of tonnes)	Concession Revenue	
	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(thousands)	of tonnes	Revenue	Per Passenger
1999	245.1	135.9	60.3	49.5	353.1	91.9	15.8	323.6	290.4	61.1	3.87
1998	236.7	128.6	43.5	64.6	303.7	73.4	15.5	324.9	255.4	56.9	3.67
1997	213.6	113.0	56.4	44.1	239.1	51.0	14.8	299.3	260.8	52.5	3.55
1996	189.7	96.8	51.6	41.3	194.9	115.2	14.0	289.0	249.2	49.0	3.50
1995	146.4	46.1	41.8	58.5	153.6	210.5	12.0	268.0	213.0	33.3	2.77
1994	128.4	40.0	35.0	53.4	95.1	98.5	10.8	256.0	182.0	28.3	2.62
1993	107.0	37.2	33.8	36.0	41.7	58.2	10.2	244.0	151.0		
1992	41.0	16.9	15.5	8.6	5.7	14.7	9.9	249.0	144.0		

### 1992: Devolution of British Columbia's Airport

- The Federal government transfers control of YVR to the Vancouver International Airport Authority, a community-based, not-for-profit organization.
- The Federal government commits to a new Control Tower and Instrument Landing System.
- Plans for a new \$350 million International Terminal Building and Parallel Runway commence.
- Construction financing arranged through consortium of financial institutions.
- Passenger traffic climbs to 9.9 million.
- Cargo volume increases from 143,000 tonnes in 1991 to 145,000 tonnes in 1992.
- Overall traffic up to 290,297 aircraft movements compared with 288,106 in 1991.
- Construction progresses on expanded retail, airline and passenger hold room areas at Gates 9 and 10 in the southwest finger.
- A covered walkway at Gate 32 is completed to protect travelers using commuter aircraft from adverse weather.
- The Authority—in conjunction with Air Canada and Canadian Airlines International—constructs two new passenger lounges.
- Level 2's commercial parking area is modified to increase capacity by 50%.
- An airport-wide environmental audit is completed and implemented.
- Sea Island Conservation Area, a 140 hectare preserve, is set aside and transferred to the Canadian Wildlife Service as a permanent conservation habitat for many different species, including hawks, owls, and the Great Blue Heron.
- To ensure our people are equipped with the best customer service experience and information available, the Authority makes training the cornerstone of its operation. An extensive program is launched, training all employees on team skills and processes. In addition, over 200 SuperHost and SuperHost Japan classes are offered to airport staff, tenants, and concessionaires.

**1993: Investing in the Future**

- As the first year of construction comes to an end, YVR's three-year expansion project is proving to be one of the single largest development undertakings in British Columbia.
- To finance airport expansion and improvement, the Authority begins charging the Airport Improvement Fee (AIF) as of May 1.
- In its first full year as a community-based, not for profit organization, YVR supports more than 16,000 direct jobs and 19,000 spin-off jobs.
- YVR contributes \$3.6 billion to B.C.'s economic output.
- Passenger levels surpass 10 million.
- Aircraft movements reach 290,000.
- Air cargo volumes climb to 157,000 tonnes.
- New \$2 million food fair on Level 2 of the Main Terminal Building provides passengers with a greater selection and competitive, street-level prices.
- YVR hosts the arrival and departure ceremonies of the Vancouver Summit of Presidents Bill Clinton and Boris Yeltsin in April.
- The Authority opens a Customer Services Counter on Level 3 to provide a face-to-face customer service link between passengers and the Authority.
- In co-operation with the airlines, a glycol mitigation program is implemented.
- Environmental Regulatory Review completed.
- YVR becomes the first airport to complete Transport Canada's new procedures for amendments and publication of new aircraft noise restrictions at Canadian Airports.
- Northwest Airlines and Cathay Pacific commence service to YVR.
- The Authority grants a 25% reduction in landing fees for new international freighter services.
- Annual revenues reach \$82.3 million.

**1994: Building Locally, Expanding Globally**

- The Authority and the City of Richmond sign the "Richmond Accord", a broad agreement which acknowledges YVR's unique relationship with the city in which it is located. The Accord sets up a positive partnership for handling a number of local and regional issues.
- YVR supports more than 16,500 direct jobs and an additional 21,000 spin-off jobs.
- YVR directly contributed \$975 million, or 1.6% of BC's Gross Domestic Product.
- Passenger levels reach 10.8 million.
- 301,000 aircraft movements reached.
- Air cargo volumes climb to 182,000 tonnes.
- Revenue Minister David Anderson opens the International Commercial Centre at YVR. Designed to facilitate international commerce and to make Vancouver the gateway of choice for reaching the NAFTA market, the ICC is a neutral area where international business can add value to goods before they enter their final destination country, thereby reducing product costs, increasing trade, and creating jobs in Canada.
- Host Marriott opens phase one of their development, which includes: Cheers, The Body Shop, Skyway, Shogun, and Starbucks.
- Royal Bank opens full service banking at YVR.
- Canadian Helicopters opens 12,500 sq. m facility.
- Esso Avitat constructs 1,900 sq. m hangar.
- Cathay Pacific expands its flight kitchen to 2,200 sq. m—more than doubling its current space.
- New, pay-on-foot automated parking system installed in hourly parking lot.
- The Authority installs new noise monitoring terminals and introduces a 1:00 a.m. to 6:00 a.m. departure restriction for noisier Chapter 2 aircraft.

- New air services at YVR: Air Canada initiates two weekly summer flights to Paris, two to Dusseldorf and one to Glasgow as well as three per week to Seoul, four to Osaka, and four to India via London. Canadian Airlines starts new services to Shanghai and Beijing as well as increasing capacity on other Asia destinations.
- The Authority holds 75 in-house training sessions to further enhance the skills and knowledge of employees.
- Earnings from operations total \$21.4 million, an increase of 36% over 1993.
- Gross revenue for the year increase by 10.6% to \$91 million.
- Four-year collective agreement with PSAC reached.
- The Authority negotiates a reduction in aviation fuel tax.
- Devolution of airport control to the community it serves continues across the country and around the world. In late 1994 and early 1995, the Authority sets up two new subsidiary companies to assist other airports to develop and operate more effectively: YVR Airport Services (YVRAS) Ltd. for domestic business opportunities, YVR International Services for international business.

### **1995: Managing Growth, Expanding Horizons**

- Open Skies agreement signed. The new bilateral agreement “opens” the skies for air travel between Canada and the U.S. by lifting restrictions on the airlines.
- Direct employment climbs to 17,400 workers, 90% of whom are full-time. Airport jobs tend to have above average wages: \$40,000 per year, 32% higher than the BC average.
- Direct airport employment generates \$650 million annually in wages.
- \$280 million in wage income is generated by indirect employment.
- Total taxes and fees paid by the airport community in 1995 equals \$550 million—over 50% of the direct GDP of the airport.
- The Authority consults broadly throughout the community, conducts thorough analysis and achieves broad consensus on an Airport Master Plan 1995 – 2015.
- Passenger levels reach 12 million. Trans-border traffic increases 20% over 1994 and international traffic increase 11%.
- Air cargo volumes climbed 192,000 tonnes.
- Construction of a new \$25 million, 1, 560-stall parkade begins.
- Car rental operators invest more than \$10 million in their new facilities.
- International Terminal Building reaches 90% completion.
- Noise attenuation programs continue with the installation of a new noise monitoring flight tracking system and three new noise-monitoring terminals.
- YVR hosts 50 delegates from 12 countries for Airports Council International’s Pacific Environmental Management Workshop.
- Gross revenue increases to \$104.2 million.
- Total aircraft movements increase to 312,000.
- New air services at YVR: Air Canada—Los Angeles, San Francisco, Denver, Hong Kong, Frankfurt; America West—Phoenix; American Airlines—Dallas; Canadian Airlines—Chicago; Delta Airlines—Salt Lake City; Northwest Airlines—Minneapolis; Reno Air—Reno; United Airlines—San Francisco; KLM—Amsterdam; Malaysia Airlines—Kuala Lumpur.

### **1996: Opening the Global Gateway**

- All expansion projects completed on time and on budget.
- Nearly 95,000 people attend the new International Terminal Building’s Open House.
- YVR’s new \$250 million International Terminal Building opens with 16 jet gates and a new Transport Canada control tower.
- YVR’s new four-level parking garage opens. The facility has covered walkways to both the International and Domestic Terminal Buildings.
- 10,000 people turn out for the opening of YVR’s new Parallel Runway—Canada’s first with a Category III instrument landing system. Soon after, the runway receives its first travelers.



- All 22 Ministerial Directives in response to the Environmental Assessment and Review Process Panel recommendations for the new runway are met before the runway opens.
- Passenger levels surpass 14 million.
- The Canadian Bond Rating Service and Dominion Bond Rating Service gives YVR an “A-High” rating.
- A record 18,700 people work on Sea Island.
- The non-profit Physician’s Committee for Responsible Medicine ranks YVR second among North America’s airports for offering travelers healthy food choices such as low-fat and vegetarian options.
- *World Airport Retail News* magazine votes YVR’s Pacific Market Restaurant Top Honours for Best New Food and Beverage Concept in North America.
- The Authority receives the Human Resources Management Association Award for progressive people management practices.
- New air services at YVR: Alaska—San Diego/Los Angeles; American—Miami/New York JFK; America West—Las Vegas; Canadian—Portland/Las Vegas; Delta—Atlanta/Cincinnati; Northwest—Detroit; United—Denver/Los Angeles; Air Canada—Zurich; Cathay Pacific—New York JFK and 2<sup>nd</sup> daily Hong Kong flight; Philippines Airlines—Manila and Newark.
- Total revenue increases by 29.6% to \$189.7 million.

### **1997: Consolidating Gains**

- YVR and related industries becomes BC’s third largest employer.
- 14,818,564 passengers pass through YVR. All passenger sectors show increases during the year, with growth of 4% in the domestic sector, 8.3% in the transborder sector, and 6.4% in the international sector. 1997 is the fifth record year of growth in a row.
- Take off and landings grew by 3.5% to 299,285.
- Cargo shipments through the airport set a record 260,773 tonnes, an increase of 4.6% over 1996.
- A comprehensive upgrade of the Domestic Terminal begins. The project is designed to increase capacity and update systems and finishes consistent with the general theme and quality of the International Terminal Building.
- The Authority verifying with all stakeholders and the community revises the Noise Management Plan—a multi-year action plan to improve the noise environment around the airport.
- Surveys of GVRD residents show that over 90% of YVR’s neighbours have a good-to-excellent impression of their airport.
- YVR freezes landing and terminal fee increases for a third consecutive year. In an independent international ranking of airport charges, YVR ranks as the 8<sup>th</sup> most affordable airport out of 40 airports.
- The Authority receives public recognition from the GVRD, through their “Recycling Works Program,” for progress made in recycling in the workplace. In 1997, the Authority recycled 390 tonnes of cardboard, paper, and containers. This saved approximately 459 dump truck loads of space in GVRD landfills. An estimated 38 tonnes of compostable food waste is processed into organic fertilizer products instead of being land filled.
- Purolator Courier commences operation of an 11,250 sq. m sort facility on 7.2 hectares.
- Federal Express more than doubles the size of its facilities and constructs its own aircraft parking ramp.
- Vancouver Airport Services (YVRAS) currently manages 14 airports in 7 countries that handle a total of approximately 13 million passengers annually.
- Total revenue for the year increases by 12.6% to \$213.6 million.
- To ease traffic flow, additional lane construction on Grant McConachie Way begins.
- The Balanced Scorecard, a work process measurement system, is introduced.

**1998: Improving Service & Satisfaction**

- YVR is rated the #1 North American airport for overall passenger convenience in a third quarter survey by IATA of international business travelers.
- YVR is ranked 1<sup>st</sup> in a number of individual service categories by international passengers including comfortable waiting areas, restaurant/eating facilities, shopping facilities, baggage cart availability, and friendliness of staff.
- YVR exceeds its critical mass targets in key areas. Passenger volumes reach 15.5 million, 2% above target, while continental destinations and continental frequencies exceed target by 15% and 5% respectively.
- YVR is presented with the British Columbia Paraplegic Association's Award of Appreciation recognizing the Authority's contribution to the social and economic participation of individuals with mobility impairments.
- Despite the downturn in the BC economy and the effects of the Asian 'flu', YVR achieves projected net earnings of \$7.6 million over budget.
- YVR continues to lead all West Coast airports in terms of growth of total international passengers. YVR moves into the #2 gateway position in terms of international passenger traffic, with a market share of 23.3%, an increase of .9% over the same period last year. This is at the expense of San Francisco, which lost 1.5% market share, and Portland, which has lost 0.3%.
- Customer satisfaction on the rise: 84% of passengers say that they are 'satisfied' or 'very satisfied' with YVR facilities and services. This is the highest third quarter rating in the past three years.
- YVR's Valet Parking is transformed into a four-star service, offering value-added features, while increasing revenues some 31% in its first four months of operations.
- *Gifts of the Raven*, a store specializing in local aboriginal art, succeeds with customers.
- YVR's web site is awarded first prize by ACI North America conference.
- YVR receives an award from the Fraser River Estuary Management Program for our innovative approach in the lighting pier and for overall environmental practices.
- The Authority's CEO meets with many community groups and receives wide acceptance of YVR's Noise Management Plan.
- The sale of Vistas to employees is concluded and internal project financing is made available to YVRAS.
- YVR successfully concludes negotiations with Transport Canada to reduce ground lease payments on new land development and to eliminate ground rent on AIF revenues.

**1999: Aiming Higher, Reaching Farther**

- YVR ranked first for overall satisfaction among international, business, and leisure passengers in the International Air Transport Association (IATA) North America's survey of 14 leading airports.
- IATA's global survey of 65 leading airports ranked YVR among the world's top five for overall passenger satisfaction.
- In surveys conducted by American Airlines and *Asia-Pacific Business Travel* magazine, passengers ranked YVR "airport of choice" when transiting en route to Asia.
- Condé Nast *Traveler* magazine ranked Vancouver International Airport among the top ten in the world.
- The Authority's exceeds its own targets in quarterly customer satisfaction surveys (conducted by McIntyre & Mustel and analyzed by InterVistas). 87% of respondents indicate that they are either satisfied or very satisfied.
- YVR receives an Award of Merit from the Quality Council of B.C. for process management. The Authority is also nominated for an award in three other categories: Leadership, People Focus and Customer Focus.
- *B.C. Business* magazine hails Vancouver International Airport Authority one of the top ten companies to work for in British Columbia.
- YVR is identified by *Airports International* magazine as having one the top two wildlife programs in the world.

- The Authority maintains strong, positive relations with surrounding communities and municipal governments. A 1999 community survey of Greater Vancouver showed almost 75% of residents had a favourable or excellent impression of the airport and over 90% recognized YVR's importance to the local economy.
- YVR is a vital economic engine for Western Canada. The airport now employs nearly 23,000 people—more than B.C.'s mining and fishing industries combined.
- YVR surpasses San Francisco to become North America's second largest West Coast airport in terms of international passenger volume.
- YVR's gateway marketing strategy succeeds. Comparing international passenger data between all the major West Coast airports from 1991 - 1998, YVR comes out ahead with a 104% growth rate.
- Passenger travel increases to 15.85 million, up 2.2% over 1998. The Asia-Pacific travel sector rebounds with 7.9% growth over 1998.
- Cargo volumes increase 13.8% over 1998, achieving volumes of 290,000 tonnes; well exceeding forecasts and cargo growth at other West Coast airports.
- Concession sales climb 6.3% in 1999, bringing an increase in revenues of 9.1%. Advertising sales increase 100% through enhancements to the existing program as well as corporate sponsorship.
- YVR receives the 1999 Safety Recognition Award from the Canadian Society of Safety Engineering.
- Although YVR is located in the busy Pacific Flyway, the rate of bird strikes at YVR is less than half of those experienced at other Canadian airports. Vancouver is only the second airport in world to introduce specially trained border collies to help prevent bird strikes. YVR is also selected to host the Birdstrike '99 North America Conference.
- YVR is the first airport in Canada, and among the first in the world, to introduce a new winter ice control chemical which is more effective at controlling ice and significantly less harmful to the environment.
- Bond rating agencies confirm a stable outlook for the Vancouver International Airport Authority's A-high rating.
- YVR's 400 room, 4-diamond Fairmont Vancouver Airport Hotel opens. It is the first in the world to offer in-room airline check-in service. It is also the first in North America to introduce satellite check-in service from the airport arrivals hall.
- The newly renovated South Terminal Building re-opens with higher than ever customer satisfaction ratings.
- YVRAS concludes the first ISO certification of any airport in North America.
- A new concourse in the International Terminal Building is open on schedule and below budget. Final costs for ITB expansion project are expected to be \$27 million or 18% below budget.
- YVR launches the Y2K Project to evaluate all internal systems to ensure compatibility. The International Air Transport Association, after auditing 57 airports in North America, rates YVR's program #1.

**Members of  
The Vancouver Board of Trade's  
Special Committee on the Vancouver International Airport**

Co-chairs:	Mary Collins	Secretary-Treasurer, The Vancouver Board of Trade Director, The Vancouver Board of Trade President, Amarok Holdings Ltd.
	Grayden Hayward	Director, The Vancouver Board of Trade President and Chief Executive Officer Carrera Property Group
Members:	Peter Jeffrey	Director, The Vancouver Board of Trade
	Darcy Rezac	Managing Director, The Vancouver Board of Trade
	Bruce Rozenhart	Principal, Counterpoint Communications Inc., and Formerly a Director of The Vancouver Board of Trade
	Al Thompson	Formerly a Director of The Vancouver Board of Trade
Secretary:	Dave Park	Assistant Managing Director and Chief Economist The Vancouver Board of Trade