

A solution for the REM station at Montréal-Trudeau

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The major REM project was launched in 2016. One of its most structuring components is the link with Montreal-Trudeau. Montreal will finally join the group of cities around the world that have a fast and traffic-free connection with their international airport. It is a modern, sustainable development solution that will also improve the commute of 13,000 people who work at YUL. The *YUL-Aéroport-Montréal-Trudeau* station is a major project in itself. It will respond to the specific needs of our passengers. The REM will arrive from the north, pass under the runways, and connect with the terminal building 35 metres underground. Preparatory work has begun. However, because of the crisis, we will soon have no more money to continue. This is what we will explain at ADM's (virtual) annual meeting in a few days. We need a solution, and we have one to propose to the governments.

A contribution from ADM

This station is the only one of the 26 REM stations that is not part of the funding agreement between the Caisse de dépôt and its partners. The station is an integral part of a complete redevelopment of ways to access the airport. It is a \$2.5 billion project that will be carried out while maintaining fluid operations. Given the logistical complexity of our project, we had agreed with CDPQ-infra to take care of it. We were eager and proud to participate in the REM project and we had the capacity to do so. YUL was experiencing one of the highest passenger traffic growth rates in North America, increasing 6% to 9% per year. This was a direct result of global economic growth, Montreal's stellar performance, and Air Canada's strategy to make Montreal a major connection hub for its international routes. In 2019, YUL surpassed the 20 million passenger mark, and the upward trend was set to continue for at least the next 15 years .

Virtually non-existent revenues, for the moment

The crisis has hit us hard, too. Excluding repatriation flights for Canadians in March and April, domestic flights, and a few passengers who are travelling for essential reasons, activity has plunged by 97%. The good times will come back. Air travel is resilient and Montreal's international charm will continue to attract visitors. But it will take some time. According to IATA, it will take at least two years for air traffic to return to pre-pandemic levels. ADM's revenues, therefore, will not recover for at least two years. It should be noted that, unlike the situation in most countries in the world, Canada's major airports do not receive any government subsidies. We are in a user pay model. ADM is a not-for-profit organization, financed by contributions from the travelling public (parking lots, concessions, etc.) and airlines (landing fees and other aeronautical charges). At present, however, since there are no users, there are no payers. Our revenues are virtually non-existent.

A simple and responsible solution

We remain committed to building the connection with the REM. It is unthinkable that the REM would not go to the airport. To further enhance the quality of the network, we even believe that it should continue for another 700 metres to link up with the Via Rail station at the Dorval circle. We need a financial bridge to continue the work. We are proposing to the governments that a loan with flexible repayment terms,

based on the restoration of our revenues, be granted to us. We think this is a solution that is both simple and responsible.

Everyone agrees that Montreal cannot afford to miss this opportunity. This is an exceptional recovery project with significant environmental benefits. Such an important project must not get lost somewhere between the levels of government.