



PRESS RELEASE

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Gander, NL - March 27, 2007

Downsizing not on airport's radar

Gander Mayor Claude Elliott says he is confident there are no plans to scale back operations or infrastructure at Gander International Airport as a cost-cutting measure.

Council met with the Board of Directors of the Gander International Airport Authority (GIAA) Monday night to discuss the facility's current financial status, details of the federal government's recent offer of interim financial assistance and rumors that airport management planned to reduce services as a means of lowering operating expenses.

"The Airport Authority has assured us that they have no plans for downsizing of any services presently offered at the Airport," Mayor Elliott said following the meeting. "We will continue to work with the GIAA, the Gander and Area Chamber of Commerce, the Mayor's Committee and other interested parties to create a sound and sustainable solution that is acceptable to all parties."

The GIAA is confident a solution can be achieved with federal cooperation, particularly on the issues of restrictive visa policies and the servicing of NATO and State Owned aircraft, which comprise up to half of all traffic at Gander International. Under terms of the treaty, NATO allies do not charge each other for such services, but the GIAA says that agreement is a federal responsibility and the airport wants to be reimbursed for those costs through a payment from the Federal Government.

Late last year, GIAA rejected an interim federal offer of up to \$5.9 million over two years, claiming complex conditions and lack of clarity attached to the offer would likely prevent the airport from accessing a substantial portion of the funding. The Provincial Minister of Intergovernmental Affairs, the Honourable John Ottenheimer, and our MHA and Minister of Business, the Honourable Kevin O'Brien, have offered to mediate further negotiations on the terms of the offer.

Mayor Elliott said the Town is working to arrange meetings with the appropriate authorities in Ottawa with a view to reaching a sustainable, long-term solution to secure the airport's viability and expects the meetings to happen in the near future.

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