



FOR IMMEDIATE RELEASE

Council and the Gander and Area Chamber of Commerce Displeased with Air Canada's Decision

(Gander, NL – July 27, 2018)

The Town of Gander and the Gander and Area Chamber of Commerce are voicing their dissatisfaction and concerns regarding Air Canada's decision to discontinue the early morning flight from Gander to Halifax, effective October 28, 2018 to May 1, 2019.

Air Canada has decided to reduce its Halifax service from a twice daily flight using a 50-seat CRJ200 to a single daily afternoon flight using a 78-seat Q400. This reduction will represent a loss of 44 seats per day, or -22% drop in capacity to Halifax for the winter season.

Air Canada is understating performance, placing expectations on Gander that are not carried in other markets. Air Canada's amended schedule and aircraft choice will not meet the demands of local businesses and residents. Furthermore, this decrease and instability of service will be detrimental to the peak in tourism that Central Newfoundland is currently experiencing.

The Chamber's 1st Vice Chair, Sonja Maloney stated, "The Gander and Area Chamber of Commerce is very disappointed by Air Canada's decision. This change will leave the business community with a void to connect with associates in other Provinces for meetings and return home again on the same day. This will force businesses to extra expenses of having to over-night for not just one but two overnight stays. We are looking for an airline that can provide consistency, capacity and connectivity to businesses in the Gander and central area, serviced by Gander International Airport."

The Town of Gander and the Gander and Area Chamber of Commerce are encouraging Air Canada to reverse its decision, or other airlines to fill the schedule void.

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Backgrounder:

- Since 2015, Air Canada has removed 17,000 seats from the Gander market.
- Patronage for Air Canada's Halifax service from Gander has remained high. The morning flight operates a load in excess of 90% capacity while the afternoon flight is near always full, at 98%.
- It is universally accepted in aviation that airlines will not be as profitable in winter months when expenses are high and demand is softer, but this does not mean a market is seasonally abandoned.
- Air Canada is placing expectations on Gander that are not carried in other markets.
- Since WestJet entered the market, competition has led to cheaper average airfares – down as much as -30% and -50%; this has impacted Air Canada's profitability, but is no different than any other market that sustains more than one airline.