

July 14, 2020

## Workforce Reductions at St. John's International Airport Authority

The spread of COVID-19 has caused an unprecedented and catastrophic impact on the aviation industry. Passenger traffic at the St. John's International Airport has decreased by 95 per cent and is not expected to return to 2019 levels for at least four years. By the end of 2020, overall revenues are projected to decrease by 70 per cent.

The Airport Authority has made the difficult decision to reduce its overall workforce by approximately 15 percent which includes both Management and Unionized positions. Some of these layoffs were effective July 13, while others will require union consultation in the coming weeks and months. All potentially impacted employees have been notified.

When the pandemic was declared in early March, the Airport Authority responded quickly by placing the west phase of the Airport Terminal Building Improvement and Expansion Plan on hold indefinitely, significantly cutting capital programs, reducing operating expenses where possible, limiting overtime, offering early retirement incentives and asking for voluntary leaves of absences.

The Airport Authority has availed of Federal Government programs, including the Canada Emergency Wage Subsidy. While the initiatives are appreciated, they are not enough to overcome the significant drop in revenues.

This pandemic is like no other situation ever faced by the Airport. It has left the Authority with no other choice but to adjust its workforce and continue to provide critical service to the Province. Currently, the Airport Authority is borrowing money to cover operating expenses. This level of continued borrowing is unsustainable. Only 10 per cent of the Authority's operating budget is discretionary. However, the same level of safety and security standards must be maintained regardless of the volume of traffic or revenue.

The Authority acknowledges the contributions of all employees who have helped create and foster the St. John's International Airport Authority as the premier gateway for the Province. This is a difficult time for the impacted employees, their colleagues, and the entire organization. While the Airport Authority still faces significant challenges in the coming months and years, the organization and its Board of Directors remain committed to providing an exceptional airport experience.

*St. John's International Airport Authority is a private, not-for-profit, non-share organization with the mandate to provide the region with a safe, cost-efficient transportation facility that is a catalyst for economic growth. Under the provisions of a long-term Ground Lease with the Federal Government of Canada, the Airport Authority is responsible for the airport's operations on behalf of the community it serves.*

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