

## **Air Canada Discontinues Service on 30 Domestic Regional Routes and Closes Eight Stations in Canada**

*Regional flying rationalized due to COVID-19 and government travel restrictions, part of airline's Cost Reduction Program to reduce cash burn*

MONTREAL, June 30, 2020 /CNW Telbec/ - Air Canada said today that it is indefinitely suspending service on 30 domestic regional routes and closing eight stations at regional airports in Canada.

These structural changes to Air Canada's domestic regional network are being made as a result of continuing weak demand for both business and leisure travel due to COVID-19 and provincial and federal government-imposed travel restrictions and border closures, which are diminishing prospects for a near-to-mid-term recovery.

As the company has previously reported, Air Canada expects the industry's recovery will take a minimum of three years. As a consequence, other changes to its network and schedule, as well as further service suspensions, will be considered over the coming weeks as the airline takes steps to decisively reduce its overall cost structure and cash burn rate.

A full list of route suspensions and station closures is below.

As a result of COVID-19, Air Canada reported a net loss of \$1.05 billion in the first quarter of 2020, including a net cash-burn in March of \$688 million. The carrier has undertaken a range of structural changes including significant cost savings and liquidity measures, of which today's announced service suspensions form part. Other measures include:

- A workforce reduction of approximately 20,000 employees, representing more than 50 per cent of its staff, achieved through layoffs, severances, early retirements and special leaves;
- A company-wide Cost Reduction and Capital Deferral Program, that has to date identified around \$1.1 billion in savings;
- A reduction of its system-wide capacity by approximately 85 per cent in the second quarter compared to last year's second quarter and an expected third quarter capacity reduction of at least 75% from the third quarter of 2019;
- The permanent removal of 79 aircraft from its mainline and Rouge fleets;
- And raising approximately \$5.5 billion in liquidity since March 13, 2020, through a series of debt, aircraft and equity financings.

Further initiatives are being considered.

### **Route Suspensions**

The following routes will be suspended indefinitely as per applicable regulatory notice requirements. Affected customers will be contacted by Air Canada and offered options, including alternative routings where available.

**Maritimes/Newfoundland and Labrador:**

- Deer Lake-Goose Bay;
- Deer Lake-St. John's;
- Fredericton-Halifax;
- Fredericton-Ottawa;
- Moncton-Halifax;
- Saint John-Halifax;
- Charlottetown-Halifax;
- Moncton-Ottawa;
- Gander-Goose Bay;
- Gander-St. John's;
- Bathurst-Montreal;
- Wabush-Goose Bay;
- Wabush-Sept-Iles;
- Goose Bay-St. John's.

**Quebec/Ontario:**

- Baie Comeau-Montreal;
- Baie Comeau-Mont Joli;

- Gaspé-Iles de la Madeleine;
- Gaspé-Quebec City;
- Sept-Iles-Quebec City;
- Val d'Or-Montreal;
- Mont Joli-Montreal;
- Rouyn-Noranda-Val d'Or;
- Kingston-Toronto;
- London-Ottawa;
- North Bay-Toronto
- Windsor-Montreal

**Western Canada:**

- Regina-Winnipeg;
- Regina-Saskatoon;
- Regina-Ottawa;
- Saskatoon-Ottawa.

**Station Closures**

The following are the Regional Airports where Air Canada is closing its stations:

- Bathurst (New Brunswick)
- Wabush (Newfoundland and Labrador)
- Gaspé (Quebec)

- Baie Comeau (Quebec)
- Mont Joli (Quebec)
- Val d'Or (Quebec)
- Kingston (Ontario)
- North Bay (Ontario)

### **About Air Canada**

Air Canada is Canada's largest domestic and international airline. Canada's flag carrier is among the 20 largest airlines in the world and in 2019 served over 51 million customers. Air Canada is a founding member of Star Alliance, the world's most comprehensive air transportation network. Air Canada is the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax, which also named Air Canada the 2019 Best Airline in North America. For more information, please visit: [aircanada.com/media](https://aircanada.com/media), follow @AirCanada on [Twitter](#) and join Air Canada on [Facebook](#).

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