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Notes for an Address

by

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Chair of the Board

NAV CANADA

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Good afternoon.

Welcome everyone, to our Annual General Meeting, and our report on Company highlights for 2018.

To all of our guests, customers, employees and all other stakeholders in attendance – thank you for joining us here today.

I'd like to begin by extending my best wishes to you, at the start of this New Year.

With each passing year as Chair – this is year six for me – I become more and more impressed by the achievements and remarkable record of NAV CANADA and its dedicated employees.

Their unswerving focus on safety, service and efficiency continues to elevate the Company's reputation globally, as does their commitment to innovation.

In fact, the underlying theme of this year's Annual Report is one of innovating for tomorrow.

This is so appropriate because innovation has its roots in the very origin of this Company.

When major stakeholders in Canada's air navigation system decided they needed a better way of doing things, our not-for-profit corporation was created.

This model – a global first – has served us well and has been recognized around the world for its trailblazing approach to operating an air navigation system.

This creation of a new way of managing the country's civil airspace has allowed us through the years to respond to global headwinds. We have been able to anticipate and address the needs of our stakeholders; facilitating constant innovation.

And, while this structure has provided the opportunity for innovation, it has also provided a strong foundation for maintaining an exceptional safety record through the hard work and professionalism of each NAV CANADA employee.

Safety has always been our primary goal.

It is fundamental to everything we do and our safety record continues to be among the best in the world.

In fiscal 2018, we sustained our record of continuous safety improvement as measured by a key safety benchmark – the rate of IFR-to-IFR losses of separation per 100,000 aircraft movements.

As of August 31, our five-year moving average was 0.67 losses of separation per 100,000 movements – making this our safest year yet – and ranking us in the top decile of major air navigation service providers for safety.

As air traffic volumes continued to grow, we not only kept pace with service demands, we reduced customer service charges as well.

We announced an average 0.4 per cent reduction in charges in August – the third rate decrease in as many years.

This continues the one-year, temporary rate reduction implemented on September 1st, 2017.

The good news is that – on average – our customers will pay the same rates in fiscal 2019, as they did in fiscal 2018. In fact, we haven't had an overall rate increase since 2004.

We also continue to invest in our people, technology and infrastructure, increasing capital expenditures to almost \$185 million in fiscal 2018 – year two of a three-year program.

The bulk of this spending is directed towards operational system upgrades, advanced air traffic management technology, facility refurbishment and replacement, and new business systems that facilitate the work of employees.

We are also modernizing our communications, navigation and surveillance infrastructure related to the operational deployment of space-based, automatic dependent surveillance-broadcast or ADS-B technology.

Aireon, our joint venture, with Iridium Communications, ENAV, the Irish Aviation Authority, Navair and our newest partner NATS is definitely the lead story in our technology highlights.

Aireon is poised to provide 100 per cent global surveillance coverage of ADS-B equipped aircraft in real time with the upcoming launch of the final Aireon payload.

Space-based ADS-B, on Iridium NEXT satellites, delivering real-time aircraft position updates will revolutionize global air traffic surveillance and deliver significant safety, efficiency and environmental benefits.

We are delighted that our controllers in Edmonton and Gander will be among the first in the world to use this advanced technology, initially in domestic airspace over Edmonton and Gander flight information regions, and then in joint operational trials over the North Atlantic with NATS in the U.K.

We are respected for excellence in service, and great service begins with understanding customers' needs.

That is why we are so pleased with the inroads that NAV CANADA has made in stakeholder relations – a Company priority.

We are well aware of the value of sharing information and advice, having benefitted greatly from the support provided by the NAV CANADA Advisory Committee over the years.

Today, NAV CANADA is reaching out to more customers, industry partners and communities to find out how we can better work together on common issues including:

- safety
- increasing capacity
- the industry's environmental impact; and
- managing aviation noise

We are also expanding our outreach program to include more operators, major airports and national aviation associations and we look forward to what we will learn.

Once again, I was pleased to participate in NAV CANADA's national awards ceremony last fall.

I presented Chairman's Awards for Employee Excellence to 32 deserving employees for their achievements in support of our air navigation service, the environment and the communities in which we live and work.

I congratulate all our winners for their extraordinary achievements, their innovative spirit, and for being an inspiration to us all.

I'd like to also extend my thanks to the entire NAV CANADA employee team for the contributions they make each and every day that helps to transform our air navigation system, and ready it for the future.

To close, I would like to thank my colleagues on the Board of Directors for your oversight and valued counsel.

Your work reaffirms the value of the Company's governance structure in ensuring a solid foundation for the future.

And I would like to welcome David Weger, who joined the Board in January of last year and was elected by the Canadian Business Aviation Association.

Our Board would like to congratulate Neil Wilson, the management team and all NAV CANADA employees for another successful year.

You are an inspiration for all that you have achieved this past year and all that you will achieve going forward.

We believe that the best is yet to come!

Thank you!

Merci!