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Notes for an Address

by

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NAV CANADA

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Thank you, Marc.

Good afternoon everyone.

I'd like to welcome all of you – NAV CANADA employees, our bargaining agents, our customers and partners in aviation safety, and, of course, members of the public – thank you for joining us here today.

It's the start of 2018 and like so many people making their New Year's resolutions, this is a time for us all at NAV CANADA to reflect on the flight paths followed in past 12 months, and to take stock of the challenges and successes we encountered along the way.

It is also time to look at the road ahead; to check our map for the milestones on the way to our next destination, and to navigate the route we'll travel to get there.

This is my third AGM as CEO of NAV CANADA, and travelling is very much part of the job.

One thing I know from my travels, is that it is our people who excel at keeping Canada's skies safe, 24/7, 365 days of the year, so that our customers can get safely to their own destinations.

Our people – are the key to the success of this Company.

That's why we chose "We Are NAV CANADA" as the theme of this year's annual report.

The heart of NAV CANADA is each and every one of our 4,800 employees.

It is the flight service specialist providing airport advisory services in Kuujuaq, or weather briefings from Kamloops.

It is the air traffic controller managing oceanic traffic in Gander, or working at our tallest free-standing tower in Calgary.

It is the electronics technologist who maintains our air navigation infrastructure in Resolute Bay, and the engineer in Ottawa who develops innovative air traffic control technology.

It is our financial and safety analysts; our IT security specialists; all of our managers; and so many others who make up a diverse workforce right across this country.

We are all – NAV CANADA.

I had the privilege this year to travel from coast to coast to coast, and meet employees at their own work sites.

When I visited places like Port Hardy, Inuvik, or Gander, I was inspired by what I saw and heard.

Our people are proud to work at a Company that understands and values their contribution. They enjoy working on teams with other highly skilled and dedicated professionals committed to keeping aircraft safe in our skies. And, they are proud members of our communities, who believe in giving back.

In 1996, when the Company was founded, we aligned our priorities to focus on improvements to safety, efficiency and cost effectiveness.

Today, we are working just as hard to continue making improvements in safety and service delivery, guided by a strategic plan that focuses on providing value to all of our stakeholders.

This might seem like a lofty goal, but to the people of NAV CANADA, it is how they do business each and every day.

It's because of their passion for this industry, their innovative spirit, and their willingness to step forward when they are needed, that we can set new standards for achieving excellence.

For example:

Last summer, British Columbia experienced what is now being called the most destructive wildfire season on record.

At our Williams Lake Flight Service Station in July, traffic volumes were nearly five times greater than normal because of the firefighting efforts.

When the 11,000 people of Williams Lake were evacuated, our staff had to leave as well for their own safety.

But, in order to keep air traffic moving, our teams quickly built remote flight service positions in Vancouver to provide services to fire-affected towns during that critical time, with no disruption to service.

Another example occurred last August. A severe thunderstorm in Ottawa flooded one of our facilities, affecting the Aeronautical Fixed Telecommunications Network (AFTN) which handles flight plans, as well as our NOTAM Office. Once again, our employees demonstrated their professionalism and expertise under difficult circumstances.

Onsite employees were evacuated and moved to where our back-up systems were located. Additional staff helped to process flight plans manually, and worked closely with our counterparts in the U.S. and the U.K. to manage traffic flow.

While working to reconnect with neighboring air navigation service providers, our air traffic control surveillance and communications systems remained fully operational, and safety was not compromised.

These instances highlight how our employees come together and step up to ensure the safety of the ANS.

But none of this is possible without making sure our employees have the right tools and resources to do the job, and that we continue to build a value-driven work environment. And that is where we have been focusing our efforts in 2017.

This fall, NAV CANADA launched its first Diversity and Inclusion Strategy. This strategy was developed in consultation with leaders and employees across the organization, so that our decisions and actions reflect the diversity of our workforce.

The aviation industry is always progressing and changing. I believe that an inclusive work environment – where employees of all backgrounds and experiences have the opportunity to share their thoughts and opinions – will help to strengthen and advance NAV CANADA’s business.

At NAV CANADA, one of our goals is to be one of the top employers in Canada.

I am proud to say that NAV CANADA was selected for the second consecutive year as one of Canada’s Top 100 Employers for 2018 – a national competition.

Also, in an independent and anonymous Forbes Magazine survey of employees from across the country, NAV CANADA was ranked the second overall, and first in our industry, in its 2017 list of Canada’s Best Employers.

But while external recognition is important, our first goal is to be regarded as a top employer by our employees.

Last summer, we took the “pulse” of our employees to measure our progress following the 2016 Engagement Survey. I am happy to say that results were very positive and indicated that 68 per cent of our employees

are engaged, up from 62 per cent in 2016. These are people who NAV CANADA inspires to do more.

The input gathered from these Company-wide surveys is used to direct how we develop a professional, productive and fulfilling work environment.

Each year we stop to recognize the dedication, passion and innovative spirit demonstrated by outstanding NAV CANADA employees.

Last year, I had the privilege of presenting three President's Awards for Outstanding Achievement at our annual Points of Pride Awards Night.

Team awards went to the CHIP Infrastructure team, the Fort McMurray Forest Fire team and to the THRIVE team.

Once again, I would like to congratulate all our National Awards winners for providing service above and beyond, and for showing what team work can achieve.

This spirit of cooperation is imperative to our mission. Last year, we collaborated with our customers and stakeholders on many different programs and projects. One of the most visible to our local communities is airspace changes.

Being a responsible member of the aviation community means understanding how airspace changes impact all our stakeholders.

Our primary responsibility is to ensure aircraft fly safely in our airspace, but we always aim to strike a balance between improving efficiency for airlines and airports, and reducing aircraft emissions, and noise in surrounding communities.

Our people do this by working with airlines and airports, and by engaging with communities through public consultations.

In 2016, we launched an independent review of the Toronto Pearson airspace by the aviation consultancy firm Helios to identify options for reducing aircraft noise in the surrounding community.

The final report was delivered in September 2017. Since then, we have responded to the report recommendations and outlined an implementation

plan and timelines for each of its recommendations. This response can be found on our website.

I would like to thank all the residents and stakeholders who provided input into this process.

An important aspect of providing our customers with the best service possible is ensuring our employees have modern and up-to-date equipment and facilities so they can do their jobs efficiently.

Last year, I announced a \$40-million increase to NAV CANADA's annual average spending for capital expenditures.

Our three-year capital program is now in its second year, with work continuing to expand, refurbish and replace infrastructure.

Last summer, we opened a new air traffic control tower in Kitchener-Waterloo. Its new location, on the expanded runway, improves controller sightlines.

We're also nearing completion of new control towers in Langley and Pitt Meadows, in British Columbia and in Oshawa, Ontario.

We also have projects underway for the expansion and refurbishment of the Toronto Area Control Centre, as well as several other facilities across the country.

And, speaking of modernization, Aireon, our joint venture with Iridium Communications, ENAV, Naviair and the Irish Aviation Authority, had an extremely successful year in 2017.

Last year, there were four successful launches delivering Iridium NEXT satellites into orbit. Each one was carrying ten satellites with its Aireon space-based ADS-B payload. The remaining Iridium NEXT satellites will be deployed in several launches this year, soon making Aireon fully functional.

At NAV CANADA, we are busy making our own preparations for the implementation of Aireon-based services.

Enhancements to our surveillance automation system are nearing completion. This includes fusing Aireon ADS-B aircraft information with other ground-based surveillance sources, and making it available to controllers on our Canadian Automated Air Traffic System (CAATS) displays.

We have been able to make all these additional investments in our facilities, systems, and our people thanks to another year of steady and sustained traffic growth.

The 5.1 per cent increase in traffic over 2016 was largely fueled by the growth in trans-Atlantic air traffic volumes.

This strong performance also allowed the Company to implement base rate reductions and a customer refund, as Marc mentioned earlier.

You can find more details on the service charge reductions, and read our complete Financial Statements in our Annual Report.

Looking ahead in the upcoming year, our employees are focusing on our Company strategic priorities in safety, service, people, finance, reputation, and technology. These priorities are linked to our overarching objectives, and will help us to achieve our goals of improved safety, efficiency and sustainability.

In closing, I would like to thank our Chair, Marc Courtois, and the members of our Board for their valued support and counsel.

My thanks also goes out to our partners, stakeholders and ANSP colleagues for their collaboration, input and support over the past year.

Next, I'd like to express my appreciation to the members of the Executive Management Committee for their ongoing commitment and solid performance.

And, I would like to finish by thanking each and every employee for their dedication to this Company, their hard work, and their commitment to ensuring a safe and efficient air navigation system.

Change never stops in our industry, bringing with it both challenges and opportunities.

Our Company's success and future potential comes from the strength of our employees and from the strong partnership we have forged together with our customers and stakeholders.

I speak from a place of deep appreciation and gratitude when I say it is a privilege to be working alongside all of you, and I look forward to what 2018 has in store for us all and what we can all jointly accomplish.

Thank you