Notes for an Address
by
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Chairman of the Board

NAV CANADA
Annual General Meeting

Montreal, Quebec
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On behalf of NAV CANADA, welcome to our 2014 Annual Meeting.

It is a pleasure to see so many of you here today, and it is a great pleasure to welcome you to my home town of Montréal.

This city has long been associated with aviation in Canada, from its role as an aviation hub, to its vibrant aerospace sector, to its international reputation as the host city of organizations such as ICAO, and IATA.

This is a special year for our industry worldwide – it is the 100th anniversary of scheduled commercial aviation.

In January 1914, the airline industry was born, ushering in global economic and social change, and making the world more accessible to us all.

As a provider of an essential safety service to the airline industry and to all those who fly, NAV CANADA has an important history and presence, both in Montreal and in the Quebec Flight Information Region.

This country’s first Air Traffic Control Tower was located at Saint-Hubert, which was Canada’s busiest airport in the late 1930s – servicing three airlines.

Today, it is still one of the busiest airports in Quebec, with more than 160,000 aircraft movements annually.

Looking back, we can see that those first controllers at Saint-Hubert showed many of the same qualities we see in NAV CANADA people today - commitment and dedication to their work, with a focus on safety above all.

Over my two years on the Board, and my first as Chairman, I have come to understand the importance of that dedication and focus on safety.

I have also found that the Company’s unique business model and its position at the heart of the dynamic aviation industry present fascinating challenges and opportunities.

The Company’s impressive 17-year track record demonstrates the many business, management and technological challenges its people have met.

These include:

- the early years of restructuring;
- the decade-long modernization of the air navigation system;
- the successful response to a multitude of external shocks since 1996; and
- the response to the most recent global financial crisis, and its impact on air traffic.
Two years on the Board has taught me that this often turbulent environment is the natural home of air navigation service providers, where we need to be prepared for headwinds while keeping our eyes on the skies.

I understand how sound management, long-term vision, and the efforts of everyone at the Company have allowed NAV CANADA people to meet these challenges and prevail.

I applaud the performance of NAV CANADA employees in every site across the country.

Through good times and bad, you continue to meet the Company’s ambitious objectives in safety, service charges, technology, customer value, employee engagement and environmental responsibility.

Two key numbers show us how well you are doing.

First, the rate of IFR-to-IFR losses of separation demonstrates an outstanding safety record.

In December 2013, the five-year moving average was 0.77 per 100,000 aircraft movements.

This shows consistent progress from early last decade, when the average stood at about 1.00 per 100,000 movements.

Here we have a measurable result of the Company’s strong safety culture, with its Safety Management System, or SMS, open dialogue, safety reporting, and collaborative approach.

It is important to note that safety management at NAV CANADA is a process and an attitude built into everyone’s job and every Company activity.

That is why we say the strength of our SMS rests with the people of NAV CANADA, as well as with our external partners, who are key to effective safety communication and collaboration.

The other key number is financial.

The financial results for the fiscal year that ended August 31, 2013, demonstrate the success of the Company’s use of cost control and productivity initiatives to offset air traffic declines.

The result was a positive financial performance in fiscal 2013, despite a decline in air traffic of 0.5 per cent.

When adjusted for rate-setting purposes, the Company finished the year with a positive notional balance of $93 million in its rate-stabilization account, equal to its target balance.

Results like these, year after year, have allowed the Company to avoid any overall rate increases since September 2004.

Customer service charges today are only five per cent higher than they were in 1999.

That’s 29 percentage points less than the compounded inflation rate over that same time.
Turning to the future, I want to convey the Board’s strong support for the direction charted by the Company’s senior management, particularly the investment in Aireon LLC, a joint venture with Iridium Communications.

Aireon’s mandate is to deliver global aircraft surveillance through Automatic Dependent Surveillance-Broadcast receivers on Iridium satellites.

This new capability promises to offer substantial improvements in safety and efficiency, saving fuel and reducing greenhouse gas emissions.

The Board is also solidly behind the Company’s efforts to enhance safety and customer efficiency here at home.

These include the domestic implementation of Controller-Pilot-Data Link Communications, and the recent rollout of Medium Term Conflict Detection.

We also fully support the Company’s efforts to disseminate its industry-leading technology to ANSPs around the world through NAVCANatm.

These products will continue to set the standard for technology development, and for improved customer efficiency, worldwide.

Each year, the Company recognizes the exceptional performance of our people through our awards program - Points of Pride.

Last September was my first opportunity to participate in the program’s National Awards Night, where I presented Chairman’s Awards to 15 winners.

They were Wade Adams, Kim Boulet, Brett Congram, Craig Dunklee, A. James Flynn, Gang Hu, Jonathan Hunt, Brent Lopushinsky, Bob Lyle, Eileen McKeever, Roddy Mick, Blair Miller, Glen Sanford, Jason Shadbolt and Damir Stipanovic.

NAV CANADA people are noted for more than excellence on the job.

This is an organization where giving back is as much a part of the culture as our commitment to safety and service.

And that applies whether it’s the day-to-day volunteer work in communities across the country; the money raised every year for the United Way and other charities, such as Leucan, Movember, and Hope Air; or recent donations to relief efforts close to home like Lac Mégantic, or across the globe in the Philippines.

For those employees who have taken the time to attend this Annual meeting, and to your colleagues across Canada, please accept my sincere appreciation for your efforts to make our communities, and our world, a better place.

In closing, I want to thank my colleagues on the Board of Directors for their contributions to the Company.
NAV CANADA values your advice, counsel and business judgment.

I would also like to express our appreciation to Jean Valiquette, who served as a director until last fall.

This will also be the last annual meeting for Paul Tice. He has served faithfully as a director for six years, including a stint as Chair of the Audit Committee.

Paul, I thank you for your dedication to NAV CANADA and the good advice you have provided.

And, I am pleased to welcome our new members: Ed Barrett, Michael DiLollo, Bonnie DuPont and Fred Peters.

On behalf of the current Board, I extend a warm welcome. We look forward to working with you.

Finally, on behalf of my Board colleagues, I want to thank John Crichton, his management team, and all NAV CANADA staff for their hard work and dedication to the Company, its customers and its stakeholders.

Whatever challenges lie ahead, I know the people of NAV CANADA will meet them with the same assurance, competence and initiative they have shown in the past.

As a Company and a dedicated team, your eyes are firmly on the skies, and on the future.

The global ANS, our customers and the travelling public, will be the better for it.

Thank you.