

Peter Duffey Collective Bargaining Opening Remarks
Dec 11, 2018, Vancouver, BC

Well, here we go again, seems just like yesterday we were concluding in Cornwall. Personally, this is round 7 of bargaining with NAV for me, and it never gets any easier. This stresses me out!

There is a tremendous amount of pressure and responsibility on all the people in this room. The next collective agreement that governs largest bargaining unit in NAV Canada rests in our hands. We have a responsibility to deliver a fair collective agreement that our members will ratify with a high percentage. Anything less will be a failure on our parts and will cause damage to the relationship. A relationship that on a daily basis, sees us able to solve so many issues, together, and in the best interests of both the union and the company and we must strive to protect it.

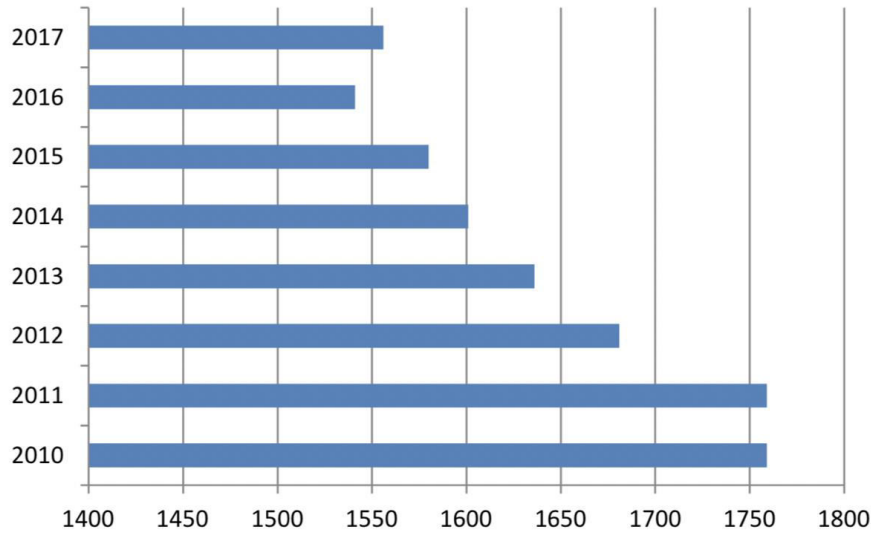
I always like to comment on this. As the President of CATCA, I have the opportunity to travel around the world and attend different forums where ATC in Canada is discussed. I can say without hesitation that NAV Canada is a global leader when it comes to ANSPs, if not the global leader. Our international reputation is astounding, few can match it. I believe CATCA's membership is key to that success.

Both NAV Canada and CATCA recognize the challenges we face with staffing. CATCA used to represent Canada's 2300 something Air Traffic Controllers. Today, we represent Canada's 1950 or so Controllers, and despite NAV Canada's best efforts, staffing levels are still troubling.

I'd like us to look at some numbers if we can because this is our reality.

(Note – Peter then presented and discussed the following slides on staffing and trends over the years)

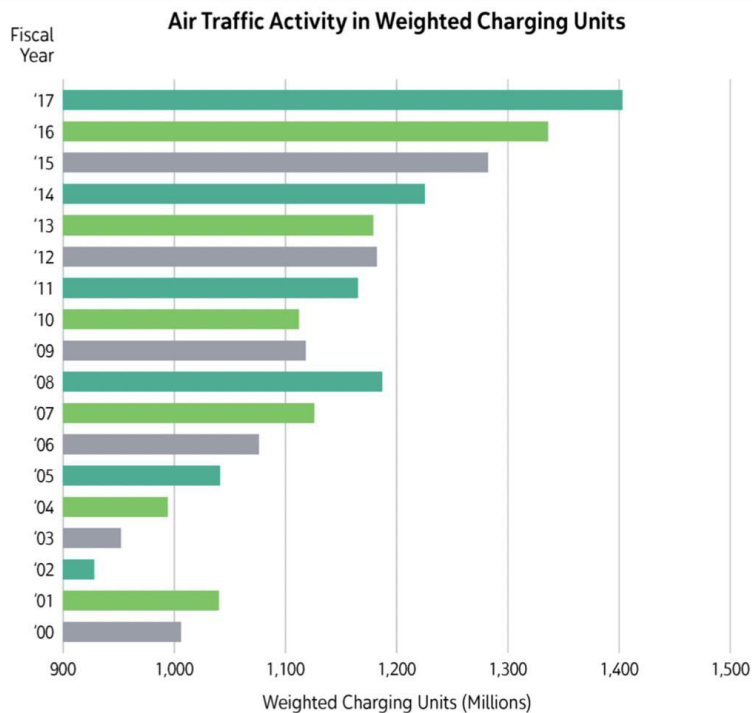
FULLY QUALIFIED ACTIVE CONTROLLERS



YEAR	FULLY QUALIFIED AVAILABLE CONTROLLERS	ANNUAL CHANGE
2010	1759	
2011	1759	0.00%
2012	1681	-4.43%
2013	1636	-2.68%
2014	1601	-2.14%
2015	1580	-1.31%
2016	1541	-2.47%
2017	1556	0.97%
2010 to 2017 total change:		-11.54%

Last numbers CATCA has from NAV's OASR's – November 2018

1567



Simply put, we handle a far greater number of traffic movements, and we handle it with far less control staff. That is what is referred to as “efficiencies.” When NAV Canada talked to us about gain sharing, your position was that gains should be shared through efficiencies. It is our opinion that those efficiencies have been realized to a point it simply isn’t possible to gain anymore. We are quite simply holding this system together through the efforts of our membership. Consequently, we will again be looking for what will probably be viewed by NAV Canada as higher than normal wage gains, but they are well deserved, they have been earned. I truly hope the days of any efficiencies are behind us. We simply cannot deliver anymore.

In the past year, we have seen remarkable results at Canada’s busiest airport where NAV Canada took a chance on scheduling. I say took a chance, because we know it was a bit of a roll of the dice in a lot of respects and a gamble in some others, to try and reintroduce a 5/4 schedule in units that were critically staffed.

I’d like to talk about Toronto Tower for a moment. In the summer of 2017, Toronto Tower made the news on a few occasions. NAV Canada’s comment to the press when asked why there were significant delays on a few occasions at Pearson was “staffing shortages.” I too spoke to the press on numerous occasions in 2017 clarifying what “staffing shortages” meant to my members.

In the summer of 2018, my phone never rang once. No calls from NAV “we have a problem, can you help,” and no calls from the press. That happened, I believe because of one reason. “Happy controllers move a lot of airplanes.” That is a term I have come to believe with all my being.

Toronto Tower was happy because they had achieved a goal that is paramount to our membership, the return of a 5/4 work schedule. I have to commend Elizabeth, Rudy and Trevor for taking that risk, it paid off, just as we said it would.

That experiment was then duplicated in YYZ ACC and other places. To my knowledge, this was one of our better summers in years, and as we saw, it's not because of an overall increase in staff, and it certainly isn't because of less traffic. Again, "happy controllers move a lot of airplanes."

Despite me talking about happy controllers, CATCA has one of lowest engagement scores in NAV Canada. Despite good wage gains in recent years, our members are still not happy with their employer. We just cannot get our engagement % up to where the other bargaining units are. We sit at 51%. That's problematic because "happy controllers move a lot of airplanes."

So why is that? Well, I believe when we look at the information shown so far, our members are working an excessive amount to keep this system running. They are putting in a lot of hours, and right now, there is no light at the end of the tunnel. Our work-life balance is not balanced, and we are working excessively. It is interesting to me that in places where the 5/4, the 5/5 and other schedules have been introduced, the members seem somewhat happier. Why is that? They aren't working any less. Well, I believe there is now light at the end of the tunnel. If and when NAV Canada truly starts to turn the corner on staffing, there is relief coming, they have those schedules, and they will begin to enjoy the days off associated with them. They have hope.

I ask you to consider that. Consider what we have learned introducing better schedules. Have we seen improved morale and engagement? I believe we have. Have we seen less delays and better customer service? I believe we have. The facts speak for themselves. "Happy controllers move a lot of airplanes."

In this round of negotiations, we will be very focused on improving our work-life balance. We have a number of proposals around that issue.

We have a good collective agreement. It's taken years to get there, but there is still some work to be done. Unfortunately, in this round of collective bargaining, we will have to bring forward issues that truly should be solved locally. As an example, Gander is still scheduling an overtime on a members-first scheduled day of work.

On a member's first day of work, the management there feels it's OK to schedule a midnight overtime shift, send you home for the afternoon, then bring you back that evening for your first regularly scheduled shift of a cycle, an evening shift. I wonder how ICAO's panel on fatigue would view that scheduling practice. I'm pretty sure I know the answer to that question. Surely no one thinks that scheduling practice is a good idea for moral. Remember, "Happy Controllers move a lot of airplanes."

We continue to see excellent profits by NAV Canada due in large part to continued and sustained traffic growth. I chuckle to myself each year when the stats come out. I am repeatedly taken back to a presentation made by the CFO where he said; “this can’t be sustained, there’s a limited number of vacations and business trips people can take.” I remember saying in that presentation that I believe it is going to be sustained for a number of years considering all the sources I have seen. I should have made a bet!

IATA is forecasting global growth of passenger traffic of approximately 3.8% through 2036 to about 7.8 billion passengers. That’s almost double 4 billion passengers that flew globally in 2017. Although the largest traffic growth is forecast in Asia, the North American Region is on IATA’s list as one of the top 5 fast-growing regions for the next 20 years. The North American region will grow by 2.3% annually and in 2036 will carry a total of 1.2 billion passengers, an additional 452 million passengers per year.

(Note – Peter then presented and discussed the following slides on traffic forecast for coming years).

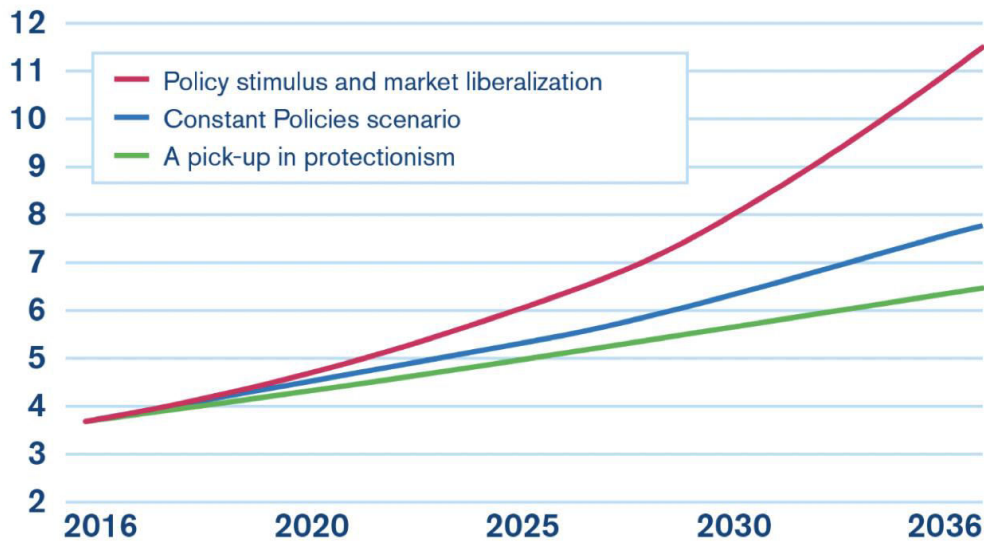


2036 Forecast Reveals Air Passengers Will Nearly Double to 7.8 Billion

Geneva - The International Air Transport Association (IATA) expects 7.8 billion passengers to travel in 2036, a near doubling of the 4 billion air travelers expected to fly this year. The prediction is based on a 3.6% average Compound Annual Growth Rate (CAGR) noted in the release of the latest update to the association’s [20-Year Air Passenger Forecast](#).

“All indicators lead to growing demand for global connectivity. The world needs to prepare for a doubling of passengers in the next 20 years. It’s fantastic news for innovation and prosperity, which is driven by air links. It is also a huge challenge for governments and industry to ensure we can successfully meet this essential demand,” said Alexandre de Juniac, IATA’s Director General and CEO.

Global Passengers (billion, segment basis)



- The North American region will grow by 2.3% annually and in 2036 will carry a total of 1.2 billion passengers, an additional 452 million passengers per year.
- IATA (International Air Transport Association) represents some 275 airlines comprising 83% of global air traffic.





ICAO

Summary of Passenger Traffic Forecasts by Route Group

Region / Region-pair	10 Year (2012-2022)	20 Year (2012-2032)	30 Year (2012-2042)
North America Domestic	3.3%	3.0%	2.9%
North America - North Asia	2.8%	2.6%	2.5%
North America - Pacific South East Asia	4.4%	4.3%	4.1%
North America - South America	3.8%	3.7%	3.5%



Although this all talks about passenger growth, all those passengers are going to need seats on airplanes. We have already seen a trend towards smaller more fuel-efficient aircraft. The B747 is pretty much gone. The A380 has fallen out of favour, and the A350 and B787 have become the aircraft of choice. Both have less capacity than the B747, the A380 or even the B777. Traffic is simply going to continue to increase, and consequently, so will revenues. Add to that a new revenue stream from Aireon's satellite technology and the future couldn't be brighter for NAV Canada.

We have to be ready. We have to maintain our position as the world's most respect ANS. We have to position ourselves to handle the traffic increases that are coming. "Happy controllers move a lot of airplanes." This collective agreement will set the atmosphere that will position us all to succeed or fail. The stakes are high, and I come back to my opening remark, this stresses me out. There is a tremendous amount of pressure and responsibility on all the people in this room. Let us rise to the occasion, and let's do it on a timely basis. We have set an aggressive bargaining schedule, the most aggressive I have ever seen. We have the time to meet our April 1 deadline, and I owe it to my members, your employees to deliver a collective agreement on time.

I look forward to the road ahead, and I thank you for your consideration of our opening remarks.