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2005-11

## Air Transportation Challenges

Ruth, Tom

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Northern Transportation Conference 2005 November 8, 9, 10, 2005; Explorer Hotel Yellowknife, Northwest Territories

<http://hdl.handle.net/1880/44348>

Presentation

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**Presentation in Yellowknife**  
**November 9, 2005**

Northern *Transportation*



## Our Past

- Created as a separate division of Canadian Airlines International in 1989 – maintained three 737 aircraft in fleet
- Network included Northwest Territories, Nunavut, Manitoba
- Purchased by NorTerra in 1998

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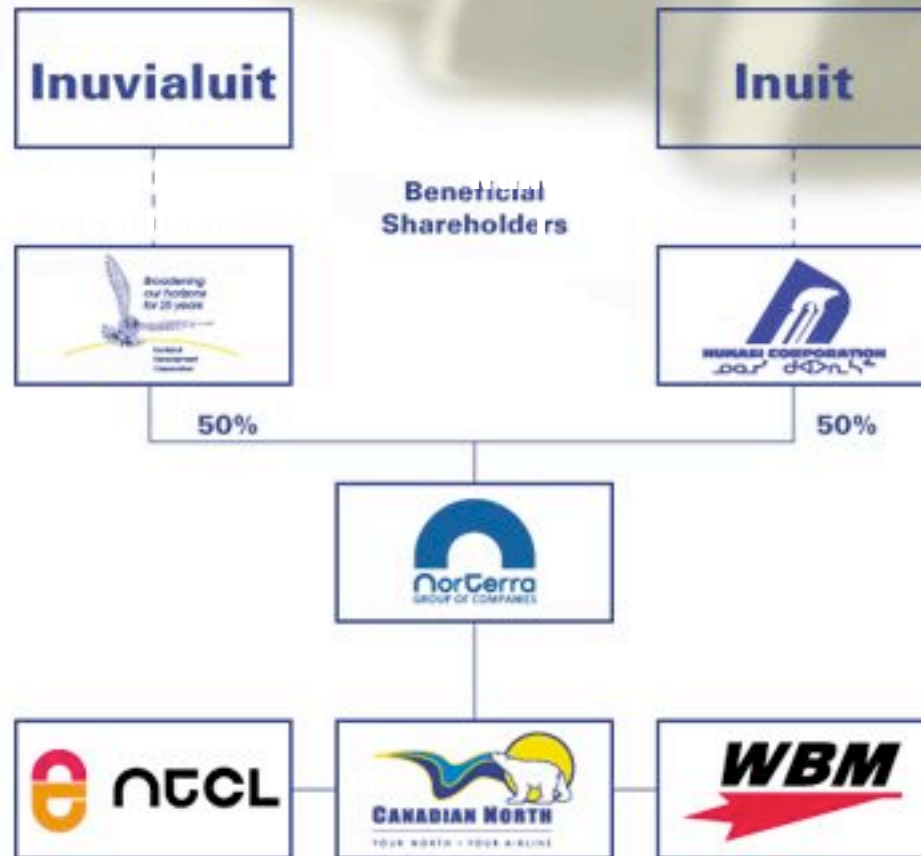
# A part of the north

## Our Present

- Owned by NorTerra Inc, a 100% northern aboriginal holding and management company
- Equal shareholders:
  - Inuvialuit Development Corporation, representing the Inuvialuit of the Western Arctic, and
  - Nunasi Corporation, representing the Inuit of Nunavut
- 30,000 + “owners”
- Proudly Headquartered in Yellowknife

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# A part of the north



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# A part of the north

## Our Present

- Operate three distinct business units
- Generate profitable financial returns to shareholders
- Positioned for Mackenzie Oil & Gas development (\$7B)
- Expanded network, schedule & frequency
- Superb customer service receives national coverage (Macleans, Globe & Mail)
- Major player in northern transportation

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# CANADIAN NORTH

YOUR NORTH • YOUR AIRLINE

## Our Network







## Our Fleet

- Five Boeing 737 Combi aircraft; One Boeing 737 Passenger aircraft; One F28
- Dash 17 engine; Gravel equipped
- Newly approved enhanced GPS system
- Enhanced “real time” aircraft performance tracking
- Interior retrofit completed in 2005

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## Our Customers

- Cargo is an integral component of our business mix
- Charter, Mining, Oil & Gas Industry
  - Operate regular schedule charter service to major mining companies
  - BHP (started in 1998); Diavik (started in 2001)
  - Adhoc charters – leisure, military (Air Cadets, Alert, sporting)
  - Maintain corporate agreements with over 18 oil & gas companies
  - Recently awarded the 3 year CNRL air transportation contract to provide air transportation for the 7500 new Horizon Project workers.

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# Market Leader

- First northern carrier to offer on-line booking capabilities
- Introduced competitive service to Nunavut
- Introduced E-ticketing
- Reduced airfares by an average of 30% across the north in 2002 and introduced innovative pricing structure with four simple fares
- Eliminated air travel restrictions
- Electronic invoicing & internet airwaybill viewing for cargo

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# Economic Impact

- Provide employment for over 400 people; 20% aboriginal workforce
- Significant 3<sup>rd</sup> party ground handling and other service contracts
- Contribute over \$600,000 annually in community support

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# Our Future Strategy

- Recently completed 5 year strategic growth plan
- Enhanced employment opportunities for our 30,000 Inuit and Inuvialuit shareholders in Nunavut and Northwest Territories
- Continue profitable growth in cargo, charter and passenger business
- Continue building infrastructure (more aircraft, facilities, etc.)
- Positioned for oil & gas and mining industry

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# Airlines play a vital role in the North

- Northern airlines link northern communities for the movement of people and products 365 days a year
- Northern Airlines create capacity:
  - Aboriginal jobs
  - Diamond mine employment
  - Tar sands employment
  - Oil and gas exploration jobs
  - Indirect employment opportunities (ie: ground handling, fueling, maintenance, catering, travel agencies)

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# Northern Community Involvement

Northern Airlines are deeply involved in the fabric of the communities that they serve:

- Charity events
- Bursaries
- Sponsorships
- Sporting events
- Community activities

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## **What can communities do to assist northern airlines?**

- Keep supporting airlines that are based in the North

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## **What can industries do to assist northern airlines?**

- Keep supporting airlines that are based in the North

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## **What can Airports do to assist northern airlines?**

- Keep supporting airlines that are based in the North

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## **What can the Government do to assist northern airlines?**

- Keep supporting airlines that are based in the North

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**Questions?**

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**Thank-you !!**

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