

January to March
2005/06 Q4

MISSION



The Canadian Air Transport Security Authority's mission is to protect the public by securing critical elements of the air transportation system as assigned by the government.

La mission de l'Administration canadienne de la sûreté du transport aérien est de protéger le public en assurant la sûreté des aspects critiques du système de transport aérien tel que désignés par le gouvernement.



CATSA's vision is to be a world leader in air transportation security through commitment to its mission and through operational and corporate excellence.

Quarterly Performance Report

TABLE OF CONTENTS

1. OPERATIONAL PERFORMANCE	3
1.1 Screening hours.....	4
1.2 National cost per passenger at PBS	4
1.3 Number of enplaned passengers.....	5
1.4 Percentage decrease in number of non-threat intercepted items	5
1.5 Intercepted items by type (Q4)	5
1.6 Number of critical security incidents.....	6
1.7 Wait times	6
1.8 Throughput	7
1.9 Customer satisfaction rating 2006	7
1.10 Number of complaints.....	7
1.11 Number of passenger claims	8
2. PARTNERSHIPS	9
2.1 HBS go-live status	10
2.2 HBS System Reliability.....	10
3. FINANCIAL PERFORMANCE	11
3.1 Budget versus actuals.....	12
3.2 Percentage of funding allocated to security activities	12
4. PEOPLE	133
4.1 Turnover rate (screening officers Class 1).....	144
4.2 Screening officers certified	144
4.3 Advanced training taken by screening officers	155

Strategic Priorities

The following tables and charts summarize the performance measures developed to measure CATSA's progress against its strategic objectives. For completeness, the outcome performance measures also appear under the strategic priorities.

1. Operational Performance

Objective	Measure	Target	Q4	YTD
Optimize screening	Screening Hours	N/A	1,787,475	6,909,225
	National Cost Per Passenger at PBS	2 % reduction	4.2% reduction	5.6% reduction
	Percentage decrease in number of non-threat intercepted Items	2 % reduction	33% increase ¹	4% reduction
	Number of critical security incidents	<1000/quarter	522	575 /quarter
	Wait Times	< 8 min, 90%	<8 min, 92%	<8 min, 93%
	Throughput	110 pax/hr	116 pax/hr	121 pax/hr
	Customer Satisfaction Rating	90%	94%	94%
	Number of complaints	1/100,000 pax	1/66,166	1/95,594
	Number of Passenger Claims	1/250,000 pax	1/228,571	1/305,141

Note 1: Q1 to Q4 results indicate the results for the particular quarter. YTD results indicate the results on a cumulative, annualized or average basis for the year.

Note 2: To meet a performance target, the result must be within plus or minus ten percent of the target.

¹: includes lighters which were added in Q2 2005/06.

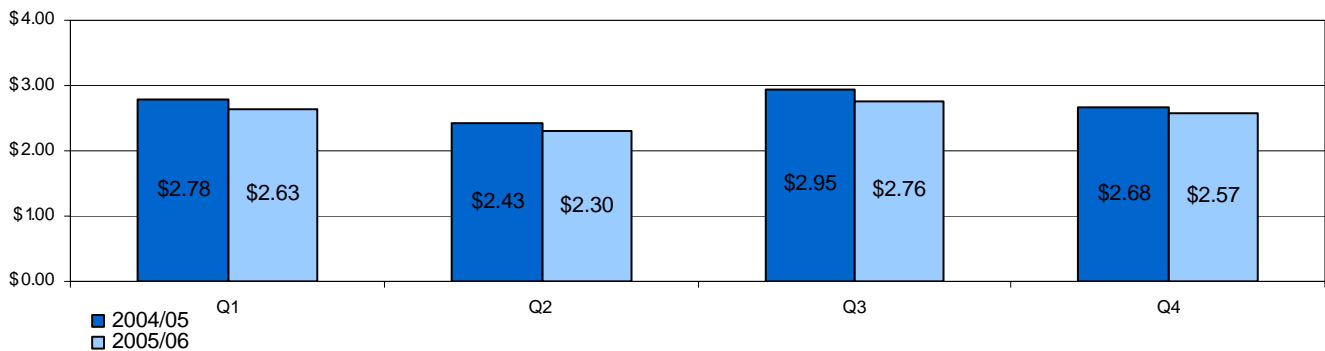
Optimize Screening Resources

Measure	Target	Q4	YTD
1.1 Screening hours	N/A	1,787,475	6,909,225

Total Hours	2004/05 Q4	2005/06 Q1	2005/06 Q2	2005/06 Q3	2005/06 Q4	Q4 Variance 05/06 vs 04/05	YTD
Pre-Board Screening	1,381,164	1,348,232	1,345,206	1,331,783	1,308,937	- 5%	5,334,158
Enhanced Measures	0	0	0	0	0	0%	0
Hold Baggage Screening	194,010	210,931	228,566	268,875	354,916	+ 83%	1,063,288
Non Passenger Screening	99,523	104,939	101,263	89,698	92,741	- 7%	388,371
Training	24,432	29,325	25,117	38,085	30,881	+26%	123,408
Total for all service Types	1,699,127	1,693,427	1,700,152	1,728,441	1,787,475	+5%	6,909,225

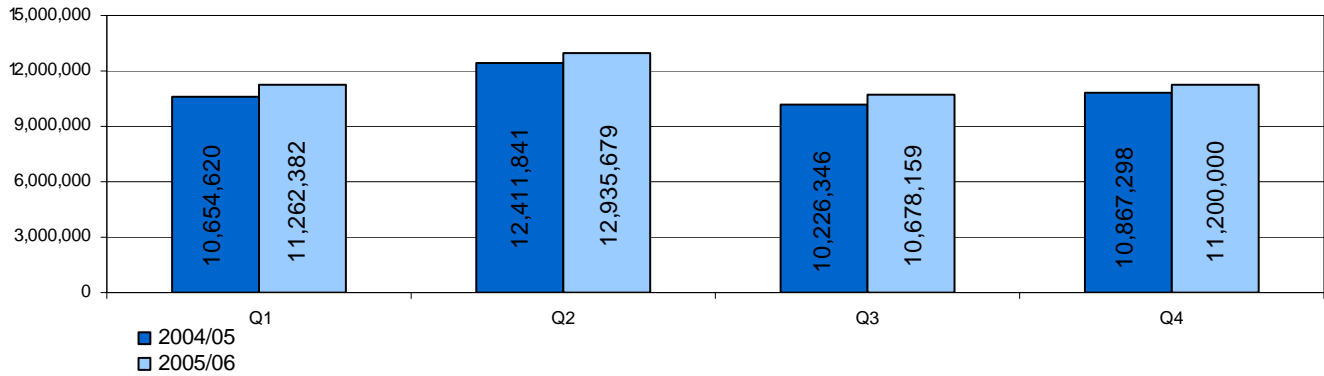
The Pre-Board Screening hours have decreased by 5% which has offset the increase in HBS and training hours resulting from the full deployment of the HBS program. Overall, since 2004/05 Q4 there has been a 5% increase in total hours for all service types.

Measure	Target	Q4	YTD
1.2 National cost per passenger for Pre-board screening	2 % reduction	4.2% reduction	5.6% reduction



The overall cost per passenger at PBS checkpoints continues to decrease as a result of less invoiced screening hours and increased throughput. The National Cost Per Passenger for Pre-board screening results are the accrued amounts of payments to Screening Providers for the fiscal year, as of the last estimate made on April 30th, net of tax recovery divided by the number of enplaned passengers for each quarter. These amounts do not include fixed fees, or any other special payments.

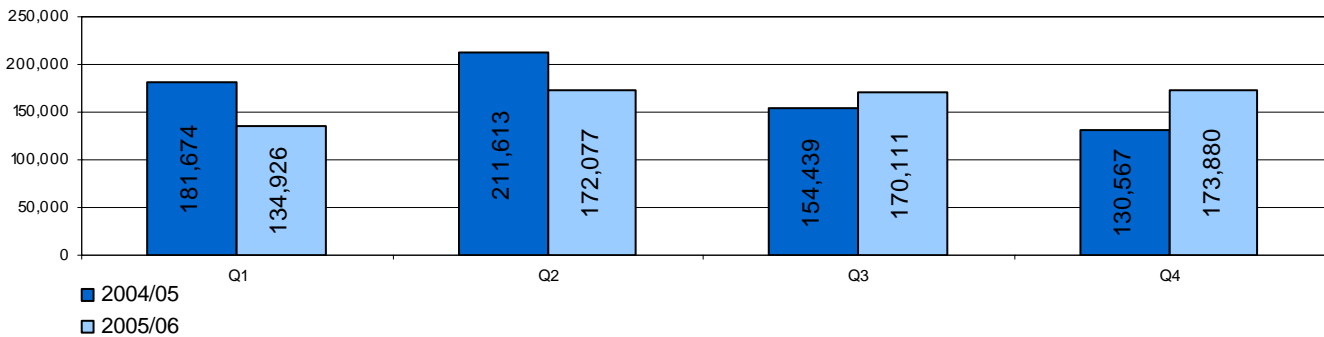
1.3 Number of enplaned passengers



The actual number of enplaned passengers reported by the major Canadian airport authorities for the third quarter of 2005/06 reached 10,678,159, an increase of 4.4% over the number of enplaned passengers reported for the same period last year. The forecast for the number of enplaned passengers in Q4 is estimated at 11,200,000 which is 3.1% higher than the comparable quarter a year ago. The annual growth of enplaned passengers from 2004/05 to 2005/06 was 3.3%.

Measure	Target	Q4	YTD
1.4 Percentage decrease in number of non-threat intercepted items	2 % reduction (05/06 versus 04/05 Q4)	33 % increase (Note)	4 % reduction

Note: includes lighters which were added in Q2 2005/06.

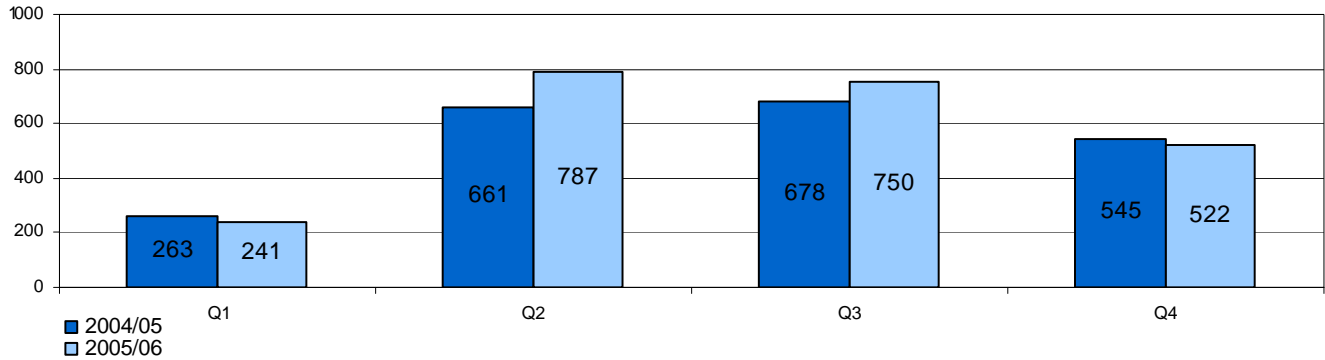


CATSA measures the number of items intercepted by screening officers. Because the list of prohibited items, which is developed by Transport Canada, can change from time to time, the number of intercepted items can also vary. Due to the new requirement for the surrender of lighters (35,795 intercepted), the number of items intercepted increased from 2004/05 Q4. Without the interception of lighters, there would have been a 1% increase in items intercepted versus the 33% increase reported. Seasonal variations in passenger travel will also have an impact on the number of intercepted items.

1.5 Intercepted items by type (Q4)

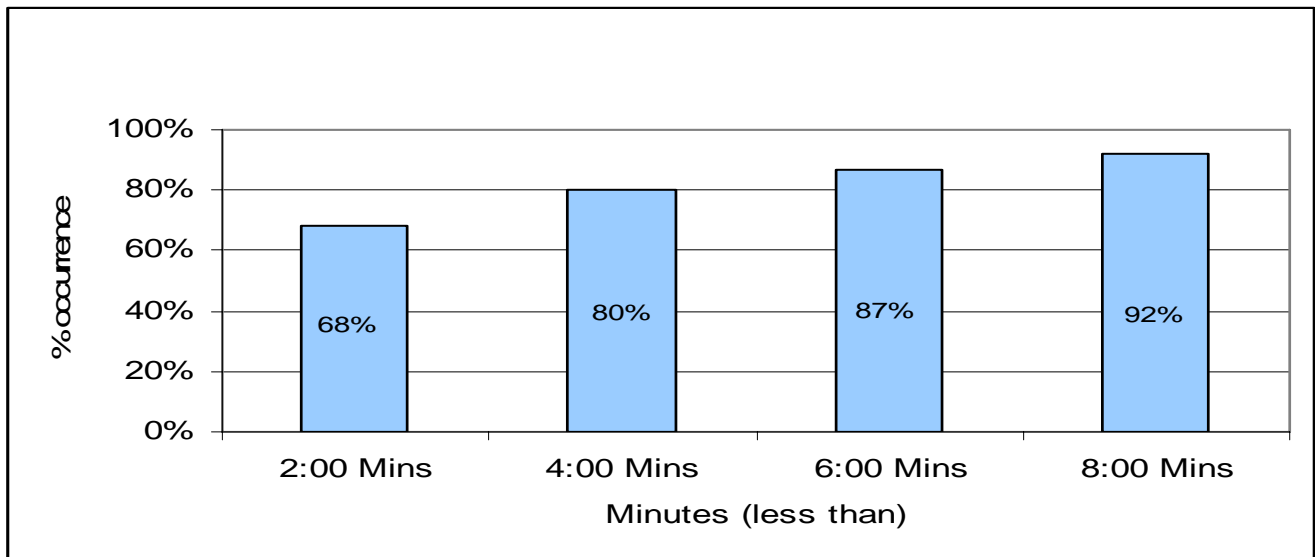
	Knives & Blades (>3")	Knives & Blades (<3")	Sharp Objects	Tools	Clubs, Bats and Bludgeons	Box Cutters	Flammable & Irritants	Dangerous Objects	Firearms	Explos.	Toys and Misc.	Lighters
05/06	19,636	28,207	50,863	9,645	76	2,772	14,387	3,226	141	2,952	5855	35,795
04/05	19,408	24,242	52,052	8,045	432	2,345	16,771	4,071	138	197	320	0

Measure	Target	Q4	YTD
1.6 Number of critical security incidents	<1000/quarter	522	575/quarter



The increase in critical incidents from 2005/06 Q2 onward can be attributed to the use of a more reliable reporting system. A critical incident is defined as any situation with police involvement (e.g. unruly passenger, discovery of prohibited weapon or contraband in checked baggage). A non-critical incident is defined as any situation without police involvement.

Measure	Target	Q4	YTD
1.7 Wait times	< 8 min, 90%	<8 min, 92%	<8min, 93%



The February 2006 study showed that sixty-eight per cent of the time passengers waited less than two minutes. Eighty per cent of the time passengers waited less than four minutes and ninety-two per cent of the time passengers waited less than eight minutes.

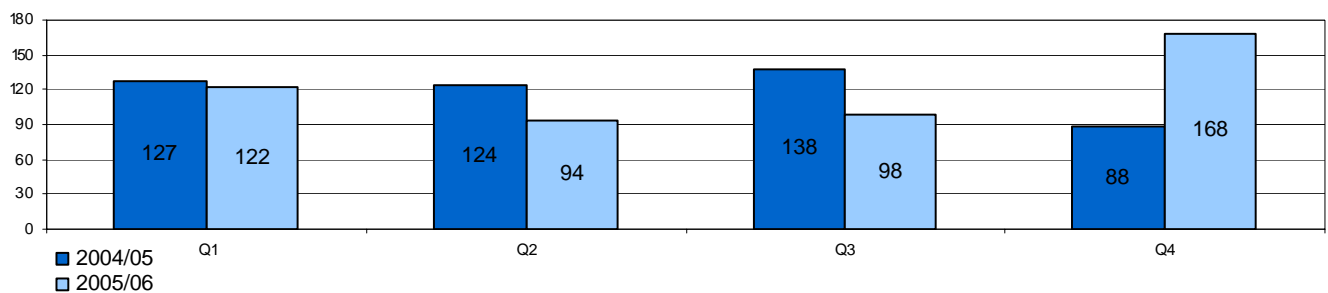
Measure	Target	Q4	Annual average
1.8 Throughput	110 pax/hr	116 pax/hr	121 pax/hr

The February 2006 study showed that the average peak checkpoint throughput per line per hour was 116 passengers per hour in 2006 versus 106 passengers per hour in February 2005. In February 2006, ten checkpoints out of twenty-five checkpoints measured surpassed 120 passengers per line per hour compared to six in August 2005. Most checkpoints recorded average throughput per screening officer in excess of ten passengers per screening officer per half-hour.

Measure	Target	Q4	YTD
1.9 Customer satisfaction rating 2006	90%	94%	94%

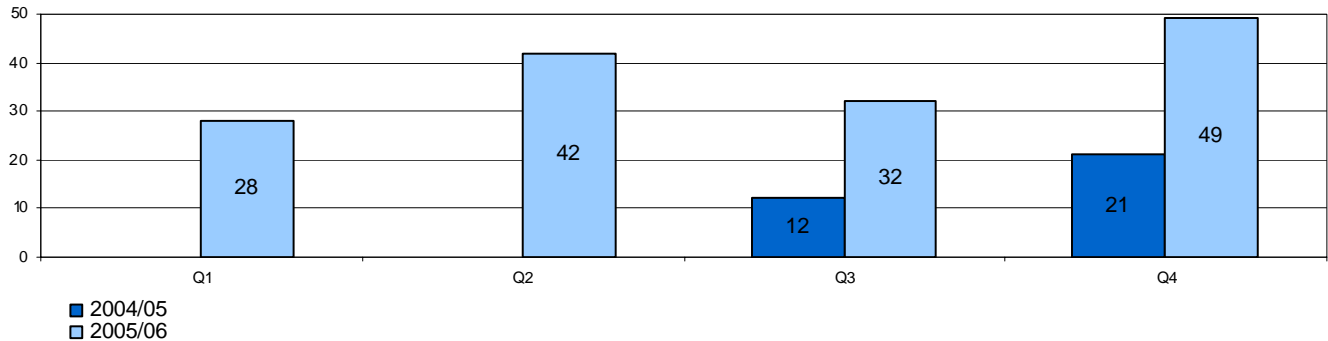
Question	2005	2006
Overall experience with the security screening	94% satisfied	93% satisfied
Being treated fairly by the screening officer	95% satisfied	94% satisfied
Time it took for you to actually be screened through security	91% satisfied	93% satisfied
Level of professionalism of screening officers	91% satisfied	93% satisfied
Level of courtesy and respect with which officers treat you	90% satisfied	92% satisfied
Overall level of confidence in the systems in place to ensure air transportation security	88 % confident	94% confident

Measure	Target	Q4	YTD
1.10 Number of complaints	1/100,000 pax	1/66,166	1/95,594



Complaints related to PBS screening procedures and the conduct of the screening officers accounted for 50% of the complaints. These complaints have been investigated and appropriate follow-up actions have been taken. It appears the number of complaints recorded rises in direct relation to the increase in the travelling public's awareness of CATSA and the improvements made by CATSA to record the complaints accurately. CATSA will do a benchmark study in the area of customer complaints to determine a "best-in-class" target for this performance measure.

Measure	Target	Q4	YTD
1.11 Number of passenger claims	1/250,000 pax	1/228,571	1/305,141



The number of new passenger claims received in Q4 was the highest to date and further demonstrates a marked increase in claims from the same Quarter in Fiscal Year 2004-2005. When a claim is reviewed, CATSA investigates it and the process requires that the claimant submit evidence of costs claimed.

Note: Comparison data for 2004/05 Q1 and Q2 not available due to the collection of it being the responsibility of the screening contractors at that time.

2005/2006	New Claims (#)	Claims Paid (#)	Claims Unpaid*	Claims Ongoing (#)	Amount Claimed** (\$)	Average Claim (\$)	Paid by CATSA*** (\$)	Total Unpaid** (\$)
Q4	49	4	5	40	\$13,996	\$285	\$636	\$2,884
Q3	32	18	12	3	\$13,434	\$407	\$4,723	\$7,911
Q2	42	29	13	0	\$17,302	\$411	\$9,197	\$8,105
Q1	28	13	15	0	\$16,435	\$587	\$8,329	\$8,106
YTD	151	64	45	43	\$61,167	\$402	\$22,885	\$27,006

Notes:

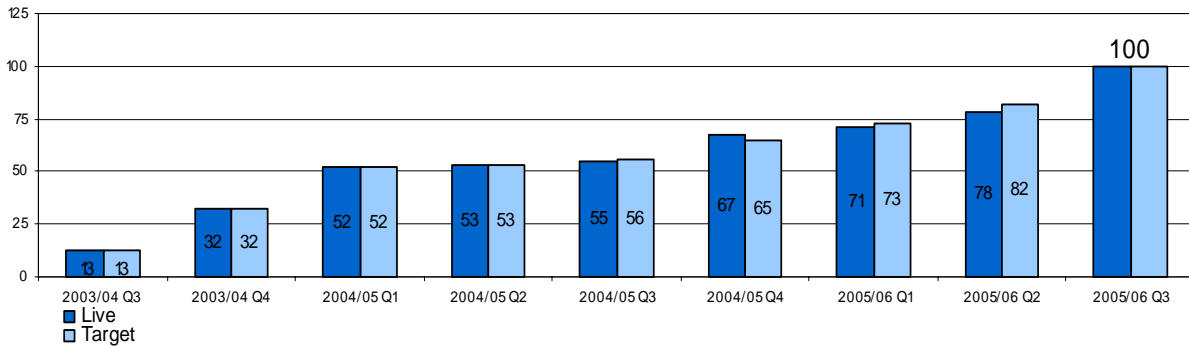
- * "Unpaid" includes claims denied, or closed due to expiry of time limits, or lack of response from claimant.
- ** Amount Claimed and Total Unpaid information calculated using available claimed amounts, not where amount was "To Be Determined".
- *** In Q3, there was one claim paid by a Screening Contractor, which appears in the unpaid figures.

2. Partnerships

Objective	Measure	Target	Q4	YTD
Partner with industry in program development and delivery	HBS Go-Live Status	100%	N/A	100%
Implement SeMS and quality management principles	Equipment Reliability	99%	99%	99%
	Number of incident mgt exercises achieved as per performance standards (Class 1)	8/year	8	32

Partner with Industry in Program Development and Delivery

Measure	Target	Q4	YTD
2.1 HBS go-live status	100%	N/A	100%



On January 1, 2006 CATSA has met its requirement to provide 100% Hold-Baggage Screening at the designated airports. Thunder Bay, Hamilton, Terrace and Rouyn-Noranda have required interim 100% screening process due to late design approvals for these airports. These airports will have their final design installations completed in the first 6 months of 2006. CATSA is presently working with the airports to ensure smooth operation of the HBS systems. The reimbursement of HBS costs will continue over the next three months as airports finalize their submissions.

Quality Management Principles

Measure	Target	Q4	YTD
2.2 Equipment Reliability	99	99%	99%

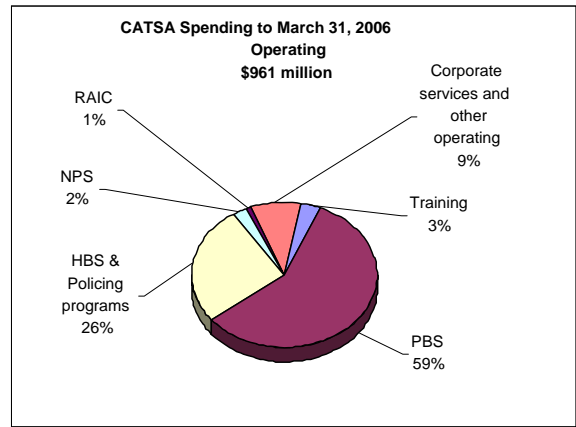
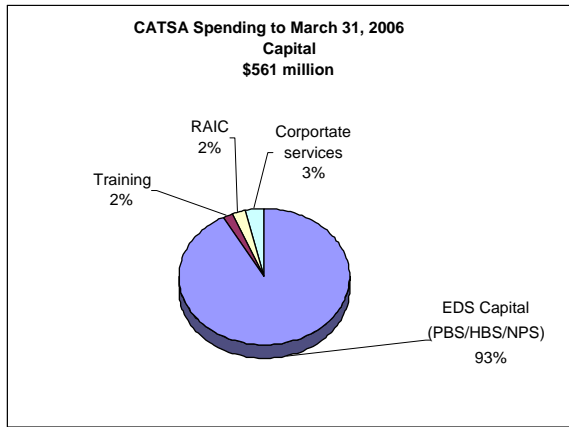
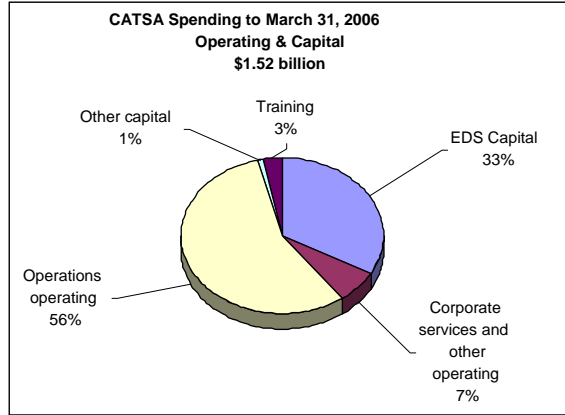
Quarter	System Outages	Contingency Activation	Flight Delays
2005/06 Q3	35	8	0
2005/06 Q4	322	172	6

The number of HBS system outages totalled three hundred and twenty-two, of which one hundred and seventy-two required contingency activation. The increase in system outages resulted primarily from the larger number of HBS Go-Live projects completed during this timeframe. In the event of contingency activation, the checked bags are re-routed automatically to the backup system for screening. Six flight delays occurred as a result of contingency activation. The average equipment availability, defined as the percentage of time the equipment was in-service from January to March was over 99 percent in total.

3. Financial Performance

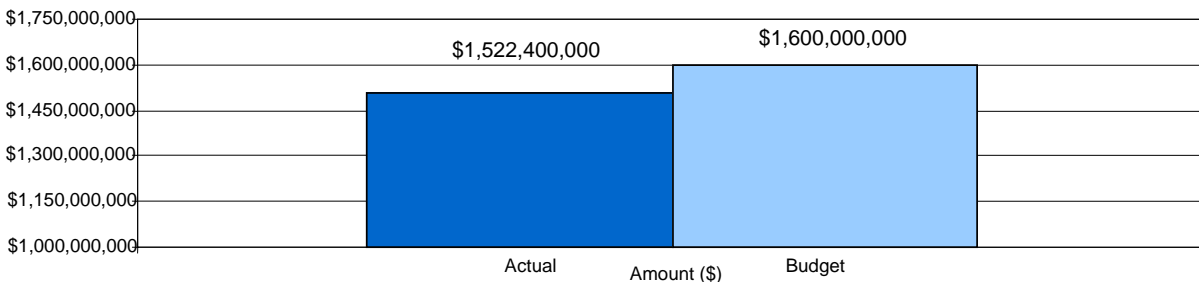
Objective	Measure	Target	Q4	YTD
Manage economically and efficiently public funds for maximum security impact	Budget versus actuals	100%	95.5%	95.5%
	Percentage of funding allocated to security activities	90%	92%	92%

Secure Sustainable and Flexible Funding



Manage Economically and Efficiently Public Funds for Maximum Security Impact

Measure	Target	Q4	YTD
3.1 Budget versus actuals	100%	95.5%	95.5%



Measure	Target	Q4	YTD
3.2 Percentage of funding allocated to security activities	90%	92%	92%

4. People

Objective	Measure	Target	Q4	YTD
Attract, select and retain highly competent, security-cleared personnel	Turnover Rate (Screening Officers Class 1)	10% annualized	16.4% (Note)	12.2%
	Screening Officers Certified	Meet demand	Met	Met
	Advanced Training Taken by Screening Officers	Meet demand	Met	Met
Encourage ethical, performance-based entrepreneurial behaviour	Number of innovative and productivity improvement programs implemented at CATSA	1 per year	1	4
Promote and leverage cross-functional knowledge	Percentage of employees on professional development assignments and/or career development moves	2 %	2.1%	2.1%

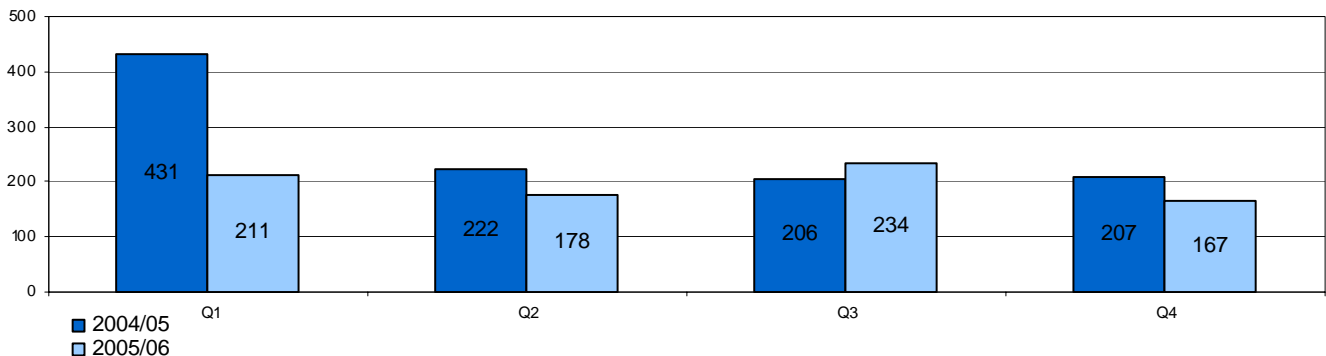
The following charts summarize the results for the operational measurements that appeared in previous quarterly reports. In future reports, additional charts will be added for the new measures.

Attract, Select and Retain Highly Competent, Security-cleared Personnel

Measure	Target	Q4	YTD
4.1 Turnover rate (screening officers Class 1)	10% annualized	16.4%	12.2%

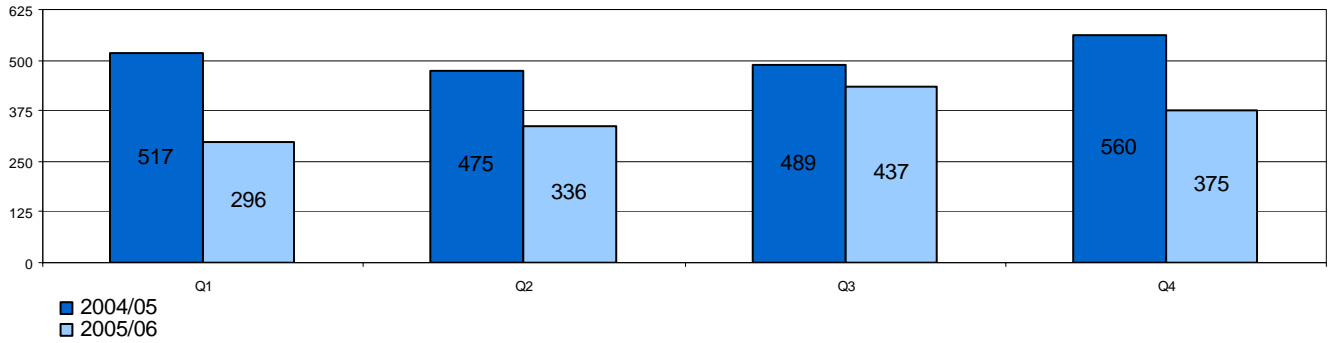
The turnover rates are calculated by dividing the number of screening officers (SO) and point leaders (PL) who resigned or were terminated by the number of SOs and PLs at the start of each quarter. The calculation does not include the number of people on leave or the number of people hired during the quarter. On an annualized basis, the attrition rate at Class 1 airports stands at 12.2 % per year.

Measure	Target	Q4	YTD
4.2 New screening officers certified	Meet demand	167	790



The number of screening officers trained and certified kept up with requirements to replace those officers which left the ranks in the previous quarter. The number of new officers trained and certified has begun to decrease due to the completion of the HBS deployment program. A performance target for this measure will be established when turnover across the country stabilizes.

Measure	Target	Q4	YTD
4.3 Advanced training taken by screening officers	Meet demand	375	1 444



Fully certified Level 3 officers attended CTX, Non-Passenger Screening (NPS), EDX training, NPS and Point Leader courses as required, (i.e. the same officer may have taken one or more of these courses). As the implementation of the HBS program has now concluded the number of fully trained officers cross-trained on HBS equipment usage has begun to decrease. A performance target for this measure will be established when turnover across the country stabilizes.