



Kanata, October 7, 2015

Ms. Colleen Stockley
Deputy Minister
Department of Health
Government of Nunavut
P. O. Box 1000, Str. 1000
Iqaluit, NU X0A 0H0

Dear Ms. Stockley:

Thank you for your letter of September 22, 2015 regarding Department of Health concerns about recent schedule changes in Nunavut.

We have carried out a detailed analysis of the performance of the new schedule and passenger loads on all sectors that First Air operates within Nunavut. Initially we looked at our core jet services between Ottawa and Iqaluit. These First Air schedules have not changed. August is our busiest month on the route. Our load factor was 70.36%. Out of a total of 62 planned flights six flights operated completely full. For comparison in August 2014, nine flights operated full.

While the reduction in full flights is good news for medical travel, it is bad economic news for First Air. Carriers such as Air Canada and Westjet operate with load factors over 90% during the August peak months, thus providing healthy returns to the airlines to cover losses during the lean winter months. We need to operate a sustainable business to ensure the provision of essential travel in the north, including medical and basic food stuffs.

In response to flights filling up 7-10 days prior to departure, there were two key reasons why this occurred in August 2015:

1. From July 7 to August 7, 2015, significant runway work was carried out in Iqaluit. This work required the shortening and narrowing of the runway in Iqaluit and the loss of a significant number of the navigational aids. What this meant for First Air was an increase in the number of flight cancellations and/or weather related diversions because the navigational aids were not available.
2. Pangnirtung weather in July/August 2015 prevented up to 40% of flights from operating in a 30 day period, creating a backlog of passengers trying to travel as a result. Medical Travel patients may have gotten caught in this backlog.

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The combination of weather and runway limitations certainly hindered operations at our busiest time of the year, and we recognize the inconveniences that were created for First Air's passengers and cargo customers during this time.

Additionally, August was the first full month of the codeshare and revised schedules. We are delighted that most of our pre-codesharing passenger and cargo predictions proved to be accurate. Our analysis did recognize the need for additional capacity from Iqaluit to Pond Inlet and from Yellowknife to Kugluktuk. An extra service was added to each market in the middle of September to meet this demand.

Attached are tables comparing both August and September 2015 Passenger numbers and capacity compared to the previous year's equivalent month. The table also indicates the number of full flights operated in these months.

First Air continues to review the performance of all routes it operates in Northern Canada on a regular basis. Schedules will be adjusted to meet any new, increased or reduced demand as it occurs, as we recently did on the Pond Inlet and Kugluktuk routes. Managing capacity is something all successful airlines carry out on an ongoing basis, particularly relevant to First Air operating in the extremely thin markets that we serve.

First Air understands its role in your department's health delivery initiatives and is committed to a collaborative approach in addressing your concerns. To this end we look forward to the exchange of information and concerns at the planned meeting between your department officials and First Air this coming Friday.

Yours truly,
FIRST AIR



Brock Friesen
President & CEO

Appendix A - Eastern Arctic Passenger Load Summary August 2015

Flight Load Summary August 2015					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	AVERAGE SEATS/FLT
Arctic Bay - Iqaluit	26	378	76.06%	497	19
Clyde River - Iqaluit	24	283	63.60%	445	19
Iqaluit - Arctic Bay	17	242	78.06%	310	18
Iqaluit - Clyde River	25	333	71.92%	463	19
Iqaluit - Igloolik	15	138	44.23%	312	21
Iqaluit - Pond Inlet	21	242	50.21%	482	23
Iqaluit - Cape Dorset	14	113	45.56%	248	18
Iqaluit - Hall Beach	26	242	47.45%	510	20
Iqaluit - Qikiqtarjuaq	8	69	39.88%	173	22
Iqaluit - Pangnirtung	41	578	72.61%	796	19
Igloolik - Iqaluit	19	155	44.16%	351	18
Pond Inlet - Iqaluit	22	234	46.80%	500	23
Cape Dorset - Iqaluit	14	117	47.18%	248	18
Hall Beach - Iqaluit	11	73	29.44%	248	23
Qikiqtarjuaq - Iqaluit	7	72	46.45%	155	22
Pangnirtung - Iqaluit	42	623	76.54%	814	19
TOTALS	332	3892	59.40%	6552	20

Flight Load Summary August 2014					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	AVERAGE SEATS/FLT
Arctic Bay - Iqaluit	25	340	75.89%	448	18
Clyde River - Iqaluit	27	285	49.48%	576	21
Iqaluit - Arctic Bay	24	305	70.93%	430	18
Iqaluit - Clyde River	29	276	43.19%	639	22
Iqaluit - Igloolik	19	131	28.60%	458	24
Iqaluit - Pond Inlet	5	20	12.12%	165	33
Iqaluit - Cape Dorset	23	240	46.07%	521	23
Iqaluit - Hall Beach	14	129	46.57%	277	20
Iqaluit - Qikiqtarjuaq	4	42	58.33%	72	18
Iqaluit - Pangnirtung	30	327	52.57%	622	21
Igloolik - Iqaluit	17	104	24.13%	431	25
Pond Inlet - Iqaluit	5	28	20.00%	140	28
Cape Dorset - Iqaluit	23	255	48.11%	530	23
Hall Beach - Iqaluit	13	140	60.09%	233	18
Qikiqtarjuaq - Iqaluit	3	30	37.97%	79	26
Pangnirtung - Iqaluit	32	407	61.85%	658	21
TOTALS	293	3059	48.72%	6279	21

Full Flight Summary August 2015					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	
Arctic Bay - Iqaluit	6	108	100.00%	108	
Clyde River - Iqaluit	2	36	100.00%	36	
Iqaluit - Arctic Bay	4	72	100.00%	72	
Iqaluit - Clyde River	4	72	100.00%	72	
Iqaluit - Igloolik	1	18	100.00%	18	
Iqaluit - Pond Inlet	2	36	100.00%	36	
Iqaluit - Hall Beach	4	72	100.00%	72	
Iqaluit - Qikiqtarjuaq	1	18	100.00%	18	
Iqaluit - Pangnirtung	10	180	100.00%	180	
Igloolik - Iqaluit	1	18	100.00%	18	
Pond Inlet - Iqaluit	4	72	100.00%	72	
Cape Dorset - Iqaluit	2	28	100.00%	28	
Hall Beach - Iqaluit	1	18	100.00%	18	
Qikiqtarjuaq - Iqaluit	1	18	100.00%	18	
Pangnirtung - Iqaluit	16	288	100.00%	288	
TOTALS	59	1054	100.00%	1054	

Full Flight Summary August 2014					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	
Arctic Bay - Iqaluit	4	72	100.00%	72	
Clyde River - Iqaluit	4	72	100.00%	72	
Iqaluit - Arctic Bay	4	72	100.00%	72	
Iqaluit - Clyde River	3	54	100.00%	54	
Iqaluit - Igloolik	3	54	100.00%	54	
Iqaluit - Hall Beach	1	18	100.00%	18	
Iqaluit - Pangnirtung	3	54	100.00%	54	
Igloolik - Iqaluit	1	18	100.00%	18	
Cape Dorset - Iqaluit	1	22	100.00%	22	
Hall Beach - Iqaluit	2	36	100.00%	36	
Qikiqtarjuaq - Iqaluit	1	18	100.00%	18	
Pangnirtung - Iqaluit	10	184	100.00%	184	
TOTALS	37	674	100.00%	674	

Note : Passenger numbers reflect TOTAL onboard the aircraft and not just local volumes.

Appendix A - Eastern Arctic Passenger Load Summary September 2015

Flight Load Summary September 2015					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	AVERAGE SEATS/FLT
Arctic Bay - Iqaluit	27	350	66.29%	528	20
Clyde River - Iqaluit	32	337	44.69%	754	24
Iqaluit - Arctic Bay	28	294	53.85%	546	20
Iqaluit - Clyde River	34	303	35.31%	858	25
Iqaluit - Igloolik	19	129	30.42%	424	22
Iqaluit - Pond Inlet	22	196	32.94%	595	27
Iqaluit - Cape Dorset	15	103	39.31%	262	17
Iqaluit - Hall Beach	13	37	8.55%	433	33
Iqaluit - Qikiqtarjuaq	6	54	43.20%	125	21
Iqaluit - Pangnirtung	47	508	50.95%	997	21
Igloolik - Iqaluit	15	131	44.26%	296	20
Pond Inlet - Iqaluit	22	207	37.77%	548	25
Cape Dorset - Iqaluit	14	119	48.77%	244	17
Hall Beach - Iqaluit	15	111	24.56%	452	30
Qikiqtarjuaq - Iqaluit	10	96	43.24%	222	22
Pangnirtung - Iqaluit	44	502	53.23%	943	21
TOTALS	363	3477	42.26%	8227	23

Flight Load Summary September 2014					
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS	AVERAGE SEATS/FLT
Arctic Bay - Iqaluit	24	337	73.74%	457	19
Clyde River - Iqaluit	29	308	47.60%	647	22
Iqaluit - Arctic Bay	21	281	74.34%	378	18
Iqaluit - Clyde River	30	252	37.89%	665	22
Iqaluit - Igloolik	17	132	40.87%	323	19
Iqaluit - Pond Inlet	4	12	12.37%	97	24
Iqaluit - Cape Dorset	23	258	48.31%	534	23
Iqaluit - Hall Beach	15	146	53.68%	272	18
Iqaluit - Qikiqtarjuaq	3	32	59.26%	54	18
Iqaluit - Pangnirtung	31	312	57.67%	541	17
Igloolik - Iqaluit	17	154	47.38%	325	19
Pond Inlet - Iqaluit	5	20	17.39%	115	23
Cape Dorset - Iqaluit	23	251	46.65%	538	23
Hall Beach - Iqaluit	13	165	70.51%	234	18
Qikiqtarjuaq - Iqaluit	2	19	52.78%	36	18
Pangnirtung - Iqaluit	33	360	59.02%	610	18
TOTALS	290	3039	52.16%	5826	20

Full Flight Summary September 2015				
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS
Arctic Bay - Iqaluit	4	64	100.00%	64
Clyde River - Iqaluit	5	90	100.00%	90
Iqaluit - Arctic Bay	5	82	100.00%	82
Iqaluit - Clyde River	3	54	100.00%	54
Iqaluit - Igloolik	1	18	100.00%	18
Iqaluit - Pond Inlet	1	18	100.00%	18
Iqaluit - Pangnirtung	5	82	100.00%	82
Pond Inlet - Iqaluit	5	90	100.00%	90
Hall Beach - Iqaluit	2	28	100.00%	28
Qikiqtarjuaq - Iqaluit	3	54	100.00%	54
Pangnirtung - Iqaluit	10	164	100.00%	164
TOTALS	44	744	100.00%	744

Full Flight Summary September 2014				
CITYPAIR	TOTAL SECTORS	TOTAL PAX LOAD	AVERAGE L.F %	OFFERED PAX SEATS
Arctic Bay - Iqaluit	5	90	100.00%	90
Clyde River - Iqaluit	4	72	100.00%	72
Iqaluit - Arctic Bay	2	36	100.00%	36
Iqaluit - Clyde River	2	36	100.00%	36
Iqaluit - Igloolik	2	36	100.00%	36
Iqaluit - Cape Dorset	1	22	100.00%	22
Iqaluit - Hall Beach	2	36	100.00%	36
Iqaluit - Pangnirtung	1	18	100.00%	18
Igloolik - Iqaluit	2	36	100.00%	36
Cape Dorset - Iqaluit	1	22	100.00%	22
Pangnirtung - Iqaluit	3	54	100.00%	54
TOTALS	25	458	100.00%	458

Note : Passenger numbers reflect TOTAL onboard the aircraft and not just local volumes.