



UNCLASSIFIED

Canadian Air Transport Security Authority (CATSA)

Summary of the
2020/21 to 2021/22 Corporate Plan
2020/21 to 2021/22 Operating Budget
2020/21 to 2021/22 Capital Budget



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EXECUTIVE SUMMARY

As the federal authority responsible for screening at 89 designated airports across Canada, the Canadian Air Transport Security Authority (CATSA) remains focused on its mandate of civil aviation security screening. This vital responsibility continues to change in both scale and complexity, particularly given the COVID-19 pandemic, which has severely impacted the aviation industry, and thus, CATSA's operations.

Supported by a dedicated team of screening officers engaged through third-party arrangements, prior to COVID-19, CATSA expected to screen 73.2 million passengers in 2020/21 and 76 million passengers in 2021/22. These projections will change substantially as a result of the COVID-19 pandemic, and will be dependent on the evolution of travel restrictions imposed by governments on an international scale. CATSA has experienced a significant drop in passenger volume over the first quarter of 2020/21 as a direct result of the pandemic and associated travel restrictions. The average decline over the first three months of 2020/21 is nearly 96% in comparison to the same period last year. Despite this decrease, CATSA is still required to operate a similar number of checkpoints to serve passengers and non-passengers.

While the air transportation industry continues to exhibit gradual increases in passenger volume, the longevity and severity of the impacts of the pandemic on projected passenger volumes are unknown at this time. CATSA remains focused on ensuring passenger confidence while continuing to deliver civil aviation security screening through a constantly evolving landscape, with new and expanded responsibilities.

This Corporate Plan sets out the mandate, mission, vision, strategic directions and key planned initiatives, reflecting CATSA's commitment to be a recognized global leader in civil aviation security screening, while taking into account the Government of Canada's intention to transfer the organization to a not-for-profit entity. Given the COVID-19 pandemic, this document outlines CATSA's new responsibilities as it relates to temperature screening and biosecurity measures, and highlights how the organization is adapting to a new and constantly evolving operating environment.

CATSA continues to focus on key initiatives and innovations that will support and significantly advance achievement of strategic objectives in four principal areas:

- ***SERVICE EXCELLENCE***
- ***A HEALTHY WORKPLACE***
- ***EFFECTIVE PARTNERSHIPS***
- ***OPERATIONAL SUSTAINABILITY***

Recognizing that security effectiveness, national consistency and the efficient and respectful treatment of air passengers and non-passengers are of paramount importance, CATSA will be emphasizing the following key initiatives over the planning period:

- Supporting the ***recovery of the air transportation industry*** during and after the COVID-19 pandemic, while adapting CATSA's procedures and systems to ensure screening officers can continue to safely screen passengers and non-passengers;
- Introduction of the significant undertaking of ***temperature screening and other biosecurity*** measures to help facilitate safe and healthy air travel;
- Achieving ***wait time service levels*** at or above the current target where, on average, 85% of passengers wait 15 minutes or less to be screened at Class I airports on an annual basis (WTSL of 85/15)¹;
- Deployment of ***CATSA Plus*** to additional checkpoints;
- Expanding the deployment and operation of ***full body scanner (FBS) units*** in the primary screening position at select airports;
- Continuation of the ***Enhanced Non-Passenger Screening Program***;
- Continuation of the 10-year ***Hold Baggage Screening Recapitalization Program***; and
- On-going ***life-cycle management*** of CATSA's capital assets.

¹ This wait time service level is predicated on a "normal" operating environment, in the absence of the COVID-19 pandemic and resulting circumstances. As the air transportation industry recovers from the pandemic, and certain practices are required to facilitate healthy and safe air travel (physical distancing, as an example), there may be challenges in meeting this target. CATSA will need to adjust accordingly, and this target may become fluid as a result.

OVERVIEW

Mandate

CATSA is an agent Crown corporation, funded by parliamentary appropriations. Operating under the direction of an arm's length Board of Directors and led by a Senior Management Committee, it is accountable to Parliament through the Minister of Transport.

Under provisions of the *Canadian Air Transport Security Authority Act* (the *CATSA Act*), and within the framework of the *Aeronautics Act*, CATSA is responsible for providing effective, efficient and consistent screening of persons who access aircraft or restricted airport areas, the property in their possession or control, and the belongings or baggage that they give to an air carrier for transportation at designated airports across the country.

CATSA's *Mandate* is to prevent prohibited items from entering the civil air transportation system through the systematic application of four complementary security services:

- **Pre-Board Screening (PBS):** The screening of all passengers and their carry-on baggage and belongings prior to their entry to the secure area of an air terminal building.
- **Hold Baggage Screening (HBS):** The screening of all passengers' checked ("hold") baggage for prohibited items such as explosives, prior to being loaded onto an aircraft.
- **Non-Passenger Screening (NPS):** The random screening of non-passengers such as flight personnel, ground crew and service providers, and their belongings (including vehicles and their contents) entering restricted areas at the highest-risk airports.
- **Restricted Area Identity Card (RAIC):** The management of the system that uses iris and fingerprint biometric identifiers to allow authorized non-passengers access to the restricted areas of airports. The final authority that determines access to the restricted areas of an airport is the airport authority.

In June 2020, the Government of Canada directed the organization to implement temperature screening as part of a multi-layered approach to protect travellers and non-passengers in the aviation system, and help stem the spread of COVID-19.

CATSA also has an agreement with Transport Canada to conduct screening of cargo at smaller airports where capacity exists. This program was designed to screen limited amounts of cargo during off-peak periods and involves using existing resources, technology and procedures.

In 2018, the *Transportation Modernization Act* introduced authorities allowing CATSA to provide supplemental screening services, so long as the provision of these services remains cost neutral. CATSA may provide services on a cost-recovery basis to both designated and non-designated airports. With the approval of Transport Canada, CATSA has engaged in these types of cost recovery activities since 2014.

As a member of the broader federal government, CATSA is committed to aligning its policies, programs and practices in ways that support the government's overall objectives and priorities. This is undertaken wherever it can be achieved without undermining or compromising CATSA's security mandate.

Mission and Vision

CATSA's *Mission* is to protect the public by securing critical elements of the air transportation system.

CATSA's *Vision* is to be a recognized global leader in aviation security screening, achieved through:

- **Our Service:** We provide the best possible passenger experience and maintain the highest level of security while delivering value to Canadians with an optimal use of our resources.
- **Our People:** We are proactively engaged and committed to lead by example.
- **Our Partnerships:** We work in collaboration with our partners toward common goals and interests.

Key Partners

While CATSA is Canada's designated national civil aviation security screening authority, aviation security is a shared responsibility. CATSA therefore works closely with air carriers, airport authorities, its third-party screening contractors, and local law enforcement agencies. It also collaborates with a number of other federal departments and agencies, most notably Transport Canada—which regulates civil aviation operations and related security requirements—as well as the Canada Border Services Agency, the Royal Canadian Mounted Police, and the Canadian Security Intelligence Service, who are key security partners. In addition, the organization is working closely with Health Canada and the Public Health Agency of Canada to enact new measures to respond to the COVID-19 pandemic.

CATSA also works closely with several international partners, including, but not limited to, the United States (U.S.) Transportation Security Administration (TSA) as well as other foreign airport screening agencies, the International Civil Aviation Organization (ICAO), the European Civil Aviation Conference (ECAC) and the International Air Transport Association (IATA).

Legislative and Regulatory Framework

A number of federal legislative, regulatory and policy frameworks establish the foundation that CATSA uses to develop its standard operating procedures and related training programs to guide screening officers in the performance of their duties. Those directly applicable to CATSA's mandate are the following: *Aeronautics Act*; *CATSA Act*; *Canadian Aviation Security Regulations, 2012*; and the *Screening Security Measures*.

Other legislation and Treasury Board of Canada directives of government-wide application that are applicable to CATSA as a Crown corporation address such issues as financial control and accountability, official languages, conflicts of interest, privacy, access to information, accessibility, employment equity, human rights, employment and labour standards, and multiculturalism (*Appendix H*).

Change in Governance Model

The *Budget Implementation Act 2019* introduced the *Security Screening Services Commercialization Act*, which provides for the potential transfer of CATSA's responsibilities and its assets and liabilities to the new designated screening authority (DSA). Negotiations have not progressed as expected by Transport Canada due to the COVID-19 pandemic. CATSA continues to provide support to Transport Canada relating to the potential transfer, as required.

CATSA's current governance structure and related accountability mechanisms are detailed in *Appendix B*.

CATSA Annual Report

CATSA submitted its 2020 Annual Report to the Minister of Transport on June 29, 2020. This annual report is available on CATSA's website.

OPERATING ENVIRONMENT

Introduction

In an ongoing and consistent effort to plan strategically and adjust operations as necessary to deliver the organization's mandate, CATSA annually analyzes its internal and external policy and operating environments to identify evolving and emerging issues, opportunities and challenges to address as a priority over the planning period. This is particularly challenging, but critical, during and after the COVID-19 pandemic.

Human Resources Management

CATSA's non-unionized workforce for 2020/21 includes 448 full-time equivalent (FTE) personnel:

- **Executive Management**—5 FTEs
- **Headquarters**—290 FTEs
- **Regions**—153 FTEs

The organization's 153 members of regional service delivery teams are deployed at all Class I airports in each of CATSA's four administrative regions, where they are responsible for the overall planning, delivery and oversight² of screening operations.

CATSA's service delivery model for screening services entails the contracted engagement of third-party screening contractors to provide certified and dedicated screening officers to carry out screening at the 89 designated airports across Canada. The screening companies currently engaged in CATSA's administrative regions are as follows: East—*Securitas Transport Aviation Security Limited*; Central—*GardaWorld*; Prairies—*GardaWorld*; and Pacific—*G4S Secure Solutions (Canada) Ltd.*

Global COVID-19 Pandemic

As a result of the COVID-19 pandemic, domestic and international passenger volumes have decreased drastically. Consequently, the civil aviation security screening landscape has changed significantly, and will likely continue to be fluid for some time.

CATSA has had to adjust operations in airports and regional offices across Canada, in the test facility and at headquarters. The entire organization rose to the challenges posed by the

² It is important to note that general oversight capacity in regional offices is limited, particularly as CATSA's mandated responsibilities continue to expand.

pandemic, ensuring the health and safety of CATSA employees, screening officers, passengers and non-passengers, without compromising security effectiveness.

CATSA has worked closely with its third-party screening contractors to maintain the stability of its screening operations while taking into account public health guidelines during the pandemic period, and will continue to do so during the eventual recovery efforts. CATSA and its screening contractors will review this approach on a regular basis, and adjust as required.

In June 2020, the Government of Canada directed CATSA to implement temperature screening as part of a multi-layered approach to protect travellers and non-passengers in the aviation system, and help stem the spread of COVID-19. More specifically, Canadian commercial outbound domestic and international travellers, and non-passengers that access restricted areas at select airports will be screened to help identify potentially ill individuals.

Fundamentally, as we move forward through uncertain times, CATSA will continue to explore the introduction of technological innovations with the objective of enhancing the safety of the travelling public, screening officers, non-passengers and CATSA employees. The organization will continue to adjust, adapt, manage and thrive in the face of anticipated and often fluid changes.

Environmental Scan

In delivering its mandate of civil aviation security screening, CATSA encounters a number of internal and external factors that may impact results. The current environment remains highly fluid, due to the protracted recovery in the domestic and international civil aviation industry. As such, CATSA will continue to monitor the rapidly changing aviation landscape, and adapt its plan to address significant changes and challenges as required.

Summary of Key Strengths, Weaknesses, Opportunities and Challenges	
<p><i>Strengths</i></p> <ul style="list-style-type: none">• Highly qualified and dedicated employees• Organizational and technological adaptability and resiliency• A culture of innovation• A mature organization with proven leadership in security screening	<p><i>Weaknesses</i></p> <ul style="list-style-type: none">• Inability to meet industry wait time service level expectations in a normal operating environment and during industry pandemic recovery• General oversight capacity among regional operations
<p><i>Opportunities</i></p> <ul style="list-style-type: none">• Accelerated adoption of automated and contactless screening measures to encourage and promote passenger and stakeholder confidence	<p><i>Challenges</i></p> <ul style="list-style-type: none">• Potential new governance model and fiscal relationship• Seamless delivery of services, while administering new initiatives to support the industry recovery efforts• International influence over the domestic regulatory environment• Space allotment from airport authorities, the adoption of new technologies and physical distancing may be costly• Protracted recovery of the civil aviation industry as a result of the COVID-19 pandemic• Uncertain and fluid operating environment due to the impacts of the COVID-19 pandemic• Prolonged telework may impact workplace culture and cohesion

Response to External Audits

Two audits have provided a focus for CATSA's efforts in continuous improvement:

- The *Office of the Auditor General (OAG) Special Examination* report (2015/16) concluded that CATSA's systems and practices provide reasonable assurance that assets are safeguarded and controlled, resources are managed economically and efficiently, and operations are carried out effectively. CATSA agreed with each of the OAG's seven recommendations and all recommendations have been addressed.
- Following the *Office of the Commissioner of Official Languages* 2017 audit report on CATSA's provision of bilingual services to the travelling public, CATSA has continued to improve our approach to official languages through proactive steps taken to address the audit findings and through continuation of our existing official language activities. This report can be accessed publicly through the website of the Office of the Commissioner of Official Languages.

Alignment with Government of Canada Directions and Priorities

As a member of the federal government, CATSA actively supports the Government of Canada's broader social, economic, environmental and general governance agenda wherever applicable.

The Minister of Transport's letter of October 20, 2017, to the Chair of CATSA's Board of Directors (Appendix A) affirmed the expectation that CATSA will support achievement of the Minister's *Transportation 2030* vision for a "safe, secure, green, innovative and integrated transportation system that supports trade and economic growth, a cleaner environment and the well-being of Canada's middle class."

OBJECTIVES, ACTIVITIES, RISKS, EXPECTED RESULTS AND PERFORMANCE INDICATORS

Core Ongoing Objectives and Activities

During a rapidly changing civil aviation environment, CATSA will continue to deliver screening services at designated airports, in accordance with established standards, through its four core programs: Pre-Board Screening (PBS); Hold Baggage Screening (HBS); Non-Passenger Screening (NPS); and the Restricted Area Identity Card (RAIC) program. These are actively monitored and measured to track achievement of objectives and targets and contribute insights for continuous improvement.

Strategic Objectives, Activities, and Priority Initiatives

CATSA structures its strategic objectives under four broad complementary themes:

- A. SERVICE EXCELLENCE**—focused on security effectiveness, operational efficiency, optimal passenger experience, and sound asset management.
- B. A HEALTHY WORKPLACE**—focused on work–life balance, an inclusive and diverse environment, a culture of recognition, and leadership.
- C. EFFECTIVE PARTNERSHIPS**—focused on industry collaboration and community relations.
- D. OPERATIONAL SUSTAINABILITY**— focused on the provision of aviation security screening services, while supporting the seamless potential transfer of responsibility to the new DSA.

A. SERVICE EXCELLENCE

Service Excellence is the heart of CATSA’s mandate and strategic direction. It embraces the organization’s obligations and commitments for security effectiveness, consistency and operational efficiency, a positive passenger experience, and the responsible acquisition, use and care of screening assets.

Objective 1: Security Effectiveness

The prevention of prohibited items from entering the air transportation system through the systematic application of CATSA's mandated screening services.

Security is CATSA's top priority, and service excellence is achieved through a number of programs, strategies and procedures, including clear, consistent and well-communicated standard operating procedures, comprehensive certification and recertification programs, ongoing performance monitoring, testing and evaluation programs, collaborative work with screening partners to resolve security incidents effectively, and formal reporting and review of operational performance results.

Priority Initiative: CATSA PLUS

CATSA is committed to continue the deployment of the CATSA Plus concept at Class I airports. CATSA Plus lines are now deployed at six airports, comprising fifteen PBS checkpoints, with one additional airport and two more checkpoints planned for 2020/21.

- The CATSA Plus initiative is an opportunity to improve the security effectiveness of the screening process through tangible checkpoint innovations and investments in high-performance screening equipment. CATSA Plus fully embraces SMART security concepts.
- CATSA Plus features a number of innovations to security lines designed to enhance security effectiveness. These innovations include: a bin tracking system with a unique identification tag that facilitates the identification of items requiring a search by screening officers; continuous X-ray belts; remote X-ray image review processes; and motorized bag diverters with split lanes to redirect bags requiring additional screening.
- With the implementation of physical distancing measures as a result of the COVID-19 pandemic, airport space is even further limited. The longer CATSA Plus line permits better physical distancing and a faster passenger processing rate than a standard line, allowing airports to utilize space more efficiently, while contributing to security effectiveness.
- As part of CATSA's life-cycle management of equipment and evolving technologies, the next generation of PBS X-rays will be Computed Tomography. These new X-rays will need to be integrated with CATSA Plus.

The introduction of FBS as the primary passenger screening tool (FBS primary) at select transborder and U.S. pre-clearance checkpoints contributes to CATSA's commitment to strive for increased security effectiveness in its operations. It is also consistent with the goal of continued harmonization with our international counterparts, including the U.S. TSA.

As part of CATSA's total funding envelope for 2020/21, the Government of Canada provided additional resources for the continuation of the FBS primary roll out at additional checkpoints.

Priority Initiative: ENHANCED NON-PASSENGER SCREENING

In July 2013, ICAO promulgated stronger NPS standards requiring that non-passengers (e.g., flight personnel and ground crew) and items they carry be subject to screening and security controls prior to entering restricted areas serving international air operations, and that non-passengers enter the restricted areas at only those access points where screening is normally conducted. The Enhanced NPS initiative was therefore implemented at major designated airports, accounting for over 90% of outbound international flights. Program enhancements at these airports were determined according to airport risk profiles. The significant expansion of CATSA's responsibilities included the introduction of a screening program for vehicles.

CATSA 2020/21 funding enables the organization to continue to support the Enhanced NPS initiative.

ICAO recently adopted a 100% screening standard for non-passenger screening. Transport Canada is currently assessing how this requirement could be implemented in Canada, and the department plans to complete a consultation process with industry representatives at the earliest opportunity, recognizing the impact of the pandemic on such plans.

As with all evolving aspects of civil aviation security, CATSA will continue to work closely with Transport Canada and other security partners to keep abreast of new security threats and any changes to domestic or international standards and recommended practices as it relates to non-passenger screening.

Objective 2: Operational Efficiency

The achievement of optimal screening results, leveraging available personnel, systems, procedures and equipment.

CATSA is dedicated to ensuring optimal results in terms of efficiency without compromising either security screening effectiveness or positive passenger experience. CATSA is constantly exploring and implementing improved ways to plan, invest in and deploy both human resources and equipment and systems.

Notable examples include modifying and adapting procedures and tools during and after the COVID-19 pandemic to ensure the viability of screening operations and biosecurity measures while maintaining security effectiveness and the provision of information to passengers to enhance their awareness of various procedures, and to facilitate their full and efficient compliances with standards and guidelines.

Objective 3: Optimal Passenger Experience

The achievement of high levels of passenger satisfaction with, and confidence in, their interactions with CATSA.

CATSA is committed to maintaining high standards of screening efficiency and consistency, facilitating smooth and orderly passenger flow, and achieving high levels of customer satisfaction with, and confidence in, their interactions with CATSA.

Screening Officer Professionalism

The professionalism of screening officers is a vital factor in ensuring a positive passenger experience. CATSA continues to promote the *Customer Service Commitment to Passengers* framework, targeting both screening officers and passengers and focused on improving the passenger experience.

CATSA expects that screening officers maintain the trust and confidence of the travelling public by providing an excellent level of customer service from the beginning of the screening process to the end, treating all persons with care, courtesy and respect as part of a positive and secure air travel experience. Screening officers are provided with the knowledge and skills needed to perform screening functions with an emphasis on customer focused security.

Strategic innovations in the deployment and use of screening equipment and the management of screening lines are also vital for both security effectiveness and the enhancement of passenger experience. The CATSA Plus initiative is a major element of such innovation.

Priority Initiative: CATSA PLUS

- The CATSA Plus initiative provides a variety of security benefits, as well as an opportunity to improve the passenger experience through tangible checkpoint innovations and investments in high-performance screening equipment.
- These innovations include: parallel divest stations that allow passengers who are familiar with screening procedures to place their items in bins and thereby bypass those needing more time and assistance; motorized bin returns for return of empty bins; and expanded and enhanced repack areas with tables and benches.
- CATSA Plus also promotes less contact between screening officers and passengers through the use of remote screening rooms, additional barriers and increased physical distance between screening officers and passengers.
- Airport authorities continue to request the CATSA Plus concept as an attractive feature for the travelling public as well as to accommodate future passenger volumes with efficient use of available airport space.
- CATSA will continue to assess the deployment of additional CATSA Plus lines and evaluate aspects of the concept that could be deployed during the COVID-19 pandemic, as well as in a post-pandemic air travel environment.

Pandemic Measures

As a result of the COVID-19 pandemic, CATSA has deployed various initiatives to improve the health and safety of passengers and non-passengers subject to security screening at CATSA checkpoints.

The Government of Canada has directed CATSA to carry out temperature screening as part of the government's multi-faceted approach to reducing the spread of COVID-19, providing another level of confidence to healthy travelers.

The organization has also increased the sanitization standards, whereby the checkpoints undergo significant cleaning to ensure surfaces are disinfected regularly to maintain a high level of cleanliness.

CATSA will continue to monitor its response to the COVID-19 pandemic, and adjust practices, procedures and initiatives as necessary to ensure the health and safety of passengers, non-passengers, screening officers and CATSA employees

Objective 4: Sound Asset Management

The timely acquisition, responsible maintenance, and systematic recapitalization of screening equipment and related systems.

CATSA plans for ongoing life-cycle maintenance programs as well as recapitalization initiatives for the replacement of generations of screening equipment as they reach the end of their life and/or as new technological requirements are introduced. CATSA maintains an active system of routine equipment maintenance, for its full inventory of screening and other equipment, in line with operational needs, equipment performance monitoring, and manufacturer's specifications.

Plans for end-of-life-cycle replacement and/or upgrading take into account such key factors as the manufacturer's ability to support the equipment, new regulatory requirements, and major technological advancements. Technological advancements and new technologies, including potential upgrades to existing equipment, are closely monitored to identify opportunities to evaluate new screening equipment that may improve the security effectiveness, screening efficiency and/or passenger experience of the screening process, and to remain aligned with security partners.

Priority Initiative: HOLD BAGGAGE SCREENING RECAPITALIZATION

In Budget 2011, CATSA was allocated capital funding to begin a 10-year HBS life-cycle management program through the deployment of CT X-ray technology while maintaining equivalency with key international partners.

The HBS Recapitalization Program ensures that CATSA migrates from a five-level screening process to a three-level process, while introducing efficiencies and eliminating the need to re-screen checked baggage originating from Canada arriving in the United States, thereby streamlining the process for passengers connecting through a U.S. hub.

The Program encompasses 32 airports and is comprised of 45 projects, of which 35 are now live. Initial deployments focused on Canadian airports with U.S. pre-clearance facilities in order to support the joint Canada–U.S. *Beyond the Border* declaration. CATSA is slated to complete this initiative on budget by 2020/21, however it is important to note that impacts of the COVID-19 pandemic may result in various delays beyond CATSA’s control.

Additionally, CATSA will continue to make enhancements to the RAIC program, including the recapitalization of critical equipment such as the biometric scanners. As part of CATSA’s mandated activities, the RAIC system is an important element of securing the restricted access areas at airports.

B. A HEALTHY WORKPLACE

Successful delivery of CATSA’s mandated services is dependent on cultivating and sustaining an engaged workforce, optimizing CATSA’s ability to recruit and retain talent, and ensuring a healthy, encouraging and productive work environment.

To support the achievement and maintenance of a healthy workplace, CATSA has conducted organization-wide culture surveys that provide valuable insights on the perspectives, needs, and aspirations of CATSA employees with respect to CATSA’s corporate culture and work environment.

In light of CATSA’s potential transfer to the DSA, the organization conducts transition touchpoint surveys to gain invaluable insight and perspective from its workforce. The results of these surveys tell a positive story about an organization that takes pride in its ability to take on challenges and adapt, and an organization ready for change. The feedback from employees has also indicated that many see a positive and dynamic future for the organization once the transfer is completed.

CATSA also utilized a touchpoint survey to reach out to its workforce during the COVID-19 pandemic to gauge each employee's adaptation to their new work reality (whether it be working from home, or working from a regional office in an airport). These surveys provide an opportunity for everyone to share thoughts, concerns and ideas, and the valuable feedback will help shape decisions and activities moving forward.

Objective 1: *Work-Life Balance*

Achievement and maintenance, for managers and staff alike, of a healthy and sustainable balance between their daily workloads and responsibilities, and their personal needs and family commitments.

CATSA's efforts will focus on responsible and sustainable approaches to workload planning and management, and the setting of policies and guidelines to respect the boundaries between professional and personal responsibilities. This is especially important as employees endeavour to balance adjusted operations, new operational responsibilities, as well as adapting to new realities while working from home or from a regional office during and after the COVID-19 pandemic. While passenger volumes at designated airports across Canada have decreased, workloads in other areas have increased substantially. The organization's employees continue to work hard to deliver on the organization's mandate.

In planning and managing major new initiatives, CATSA relies on strategies that maximize flexibility in how new workloads can be handled without undue strains on core personnel; this includes strategic use of fixed-term resources and engagement of professional services where appropriate.

Objective 2: *Inclusive and Diverse Environment*

Achievement of a well-balanced workforce that reflects the diversity of Canada, and fostering of a positive and supportive working environment that respects diverse social and cultural values.

CATSA will continue to focus on: promoting and supporting both official languages in the workplace and at screening lines; implementing human resources practices that support diversity in hiring and advancement; applying *Gender-Based Analysis Plus* to identify and pursue opportunities to make CATSA a more supportive environment for different groups; and supporting workplace measures to understand and embrace diversity. CATSA will also continue to support its internal Diversity and Inclusion Network, a representative working group comprised of CATSA staff from across the organization that explores and promotes positive workplace practices and organizational priorities reflecting the principles of employment equity, diversity and inclusion.

Objective 3: Culture of Recognition

Establishment of CATSA as a positive, encouraging and enabling institution that facilitates, acknowledges and celebrates individual and collective growth and sense of achievement.

CATSA will focus on policies and practices that encourage and support individual growth and sense of worth as valued employees.

Additionally, CATSA has a Performance Management Program (PMP), which is intended to provide all employees with a positive, rewarding and developmental experience. The process allows employees the opportunity to review their performance with their manager, while determining their path of future career development and their ability to contribute to CATSA's overall success. CATSA completed a review of its PMP in order to make improvements over the planning period, as well as to ensure the program is achieving its intended results.

Objective 4: Transformative Leadership

Demonstration by example and active support of creative approaches to continuous improvement.

CATSA will focus on a range of initiatives to encourage and facilitate proactive leadership and innovation in all aspects of its operations.

CATSA implemented a Leadership Excellence Program. This program supports and prepares managers for future challenges by managing through change and aligning teams for success while promoting innovative ideas by fostering an inclusive and diverse culture. As part of this program, CATSA is developing the Leadership Framework Project to further encourage effective leadership behaviours among management. This is especially crucial as the organization strives to find new ways for managers and leaders to engage and support employees during the pandemic.

Finally, starting with setting the tone from the top, CATSA will be pursuing opportunities to enhance employee communications as channels to articulate and foster the vision and behaviours that will support a transformative culture, particularly through the COVID-19 pandemic.

C. EFFECTIVE PARTNERSHIPS

CATSA operates in a highly integrated environment, which features a diverse array of partners and a broad and complex range of activities:

- *Partners* include other federal, provincial/territorial and local government agencies, airport authorities, air carriers and service providers as well as international partners and counterparts.
- *Activities* include flight scheduling, passenger check-in, passenger and baggage screening, loading of checked baggage, boarding of aircraft, and response to known or perceived screening breaches, as well as adaptation to evolving threat environments, regulatory obligations, and technological innovations.

Recognizing that all must operate seamlessly to ensure optimal security and efficient movement of people and goods, CATSA is committed to continually building and strengthening collaborative relationships with industry partners, stakeholders and the broader community.

Objective 1: Industry Collaboration

Establishment and maintenance of strong and positive working relationships between CATSA, its security partners and other members of the civil aviation industry.

CATSA will continue to improve its communication and coordination with industry partners and stakeholders, focused on positive collaboration and a clear understanding of shared interests and complementary roles, including daily working relationships with individual airport authorities. CATSA will also leverage its relationships with its counterparts and partners in the international community, proactively sharing information and plans for future innovations, and continuing to work closely with ICAO, IATA and ACI.

This cooperation will prove to be vital in the recovery of the civil aviation industry. CATSA is eager to proactively engage and collaborate with stakeholders to explore and implement innovative solutions to ensure the industry once again thrives.

Priority Initiative: COST RECOVERY SCREENING AGREEMENTS

In 2018, the *Transportation Modernization Act* received Royal Assent, resulting in changes to the *CATSA Act* that formalize policy authority for CATSA to implement cost recovery initiatives for enhanced screening requested by any party (e.g., airport authority, air carrier, etc.). This may include screening enhancements at designated airports that strive for expedited passenger screening, as well as for non-designated airports whose authorities wish to improve service to passengers by having CATSA establish screening at their airport facilities on a cost-recovery basis.

Since 2014, CATSA has had supplemental screening agreements to trial cost recovery at PBS with the shared objective of improving passenger wait times. This initiative began on October 5, 2014, and allowed the Greater Toronto Airports Authority (GTAA) to purchase additional screening services in order to increase screening capacity and improve wait time service levels. CATSA received approval from Transport Canada to extend the ongoing agreement with the GTAA until March 31, 2020. As with many initiatives, the COVID-19 pandemic has impacted the extension of this agreement. While it has not been renewed beyond March 31, 2020, there have been discussions between CATSA and the GTAA to renew once the civil aviation industry recovers, and passenger volumes return.

CATSA reached a trial agreement with the Muskoka Airport Authority for the delivery of screening services over a 10-week period beginning in June 2019. The agreement had originally been extended to 2020, however due to COVID-19 travel restrictions and impacted airline operations, the Muskoka Airport Authority have expressed their intent to continue their trial agreement with CATSA in the Summer of 2021.

Some non-designated airports have also initiated discussions with CATSA. As airports demonstrate an interest in pursuing screening enhancements from CATSA on a cost-recovery basis, the organization will, with the support of Transport Canada, continue to engage with interested partners to discuss the options available.

Objective 2: *Community Relations*

Establishment and maintenance of close and favourable relations with key stakeholders in the broader community.

CATSA will focus on enhanced outreach and engagement with key institutions and groups in the broader community with interests in the organization's operations to foster mutual understanding and appreciation of respective needs and priorities. As the civil aviation industry recovers from the impacts of the COVID-19 pandemic, this will be more important than ever in contributing to passenger confidence, among other objectives.

As a priority, CATSA has embarked on a multi-year engagement strategy with Indigenous communities across Canada. This will inform changes to screening procedures for sacred, spiritual and cultural items, and will also result in cultural awareness training for screening officers and CATSA employees. The scope of the project was more limited at the outset, but as it evolved, CATSA saw an opportunity to expand and to do more.

D. OPERATIONAL SUSTAINABILITY

The chronic lack of an adequate, stable and sustainable funding level for CATSA operations has been a priority concern for the organization. This made long-term planning decisions challenging, particularly in light of the rapid growth in air travel until the Spring of 2020 and the growing complexity of security risks and their implications for increasingly sophisticated and effective screening technologies and procedures.

As discussed in previous sections of this Corporate Plan, the Government of Canada introduced legislation to enable the sale of CATSA and its assets and liabilities which will enable the new DSA to set its own fee for the delivery of aviation security screening services.

Objective 1: *Seamless operations during transition*

Maintaining seamless operations amid the potential transfer of mandated responsibilities to the DSA.

As noted above, CATSA has been dependent on annual supplementary funding, which offers no predictability, is unduly onerous and time-consuming to plan and negotiate annually, and typically is confirmed only immediately prior to the start of the fiscal year. This has historically limited CATSA's ability to make strategic adjustments to plans and priorities with suitable timeframes. In particular, it makes it challenging for the organization to reliably plan for and invest in critical new technologies and related screening procedures that keep pace with evolving threats, and new screening standards and best practices.

The Government of Canada has taken steps to address challenges related to the provision of aviation security screening through the *Security Screening Services Commercialization Act*. This includes provisions for the seamless transfer of responsibility, as well as relevant equipment and other assets, from CATSA to the DSA.

While this change of governance may address CATSA's long-term funding issues, it does introduce new challenges. If the current transfer date of April 1, 2021³ is not met, CATSA may need to seek additional funding from the Government of Canada to deliver mandated security screening services in 2021/22.

³ Prior to the COVID-19 pandemic, the Government of Canada's intention was to transfer the civil aviation security screening mandate from CATSA to the DSA in 2020/21.

Corporate Risk Environment

CATSA undertakes an annual review of its risk environment. Distinct from the aviation security threats and risks that are at the heart of the organization's mandate and mission, are institutional and operational risks that may compromise CATSA's ability to execute its mandate effectively and efficiently. These are detailed in CATSA's Enterprise Risk Management Profile (ERM-P), which provides a snapshot of risk scenarios that may impact the organization's ability to achieve its mandated activities, strategic objectives or legislative requirements.

Please reference *Appendix G* for a thorough overview of CATSA's corporate risk environment.

FINANCIAL OVERVIEW

Funding

CATSA is funded by parliamentary appropriations and is accountable to Parliament through the Minister of Transport. Consequently, CATSA delivers its civil aviation security screening mandate in accordance with the resources it is assigned by the Government of Canada.

Since 2015, CATSA's Base funding has been supplemented with consecutive one-year incremental funding in order to maintain its operations. Most recently, CATSA was granted incremental funding of \$309.4⁴ million for 2020/21 to supplement its Base funding of \$562.7 million, for a total budget envelope of \$872.1 million. This funding level was determined prior to the COVID-19 pandemic, which has had a significant impact on the civil aviation industry and CATSA's screening operations. For 2021/22, CATSA's funding level reverts back to its Base funding of \$567.8 million. This funding will serve to cover the costs associated with winding up the organization based on a transfer date of April 1, 2021, as well as to continue to deliver its mandated activities, should the transfer date be postponed. Additional funding will be necessary should CATSA be required to maintain seamless operations for 2021/22.

Financial Plan

CATSA's Financial Plan is presented on a cash basis and aligns with the organization's funding from the Government of Canada. Furthermore, the Plan has been developed based on a transfer date of April 1, 2021.

Key priorities for 2020/21, having a significant financial impact include, but are not limited to the following:

- Deliver CATSA's mandated activities, including the current enhanced NPS program;
- Implement new screening measures and technology as directed by Transport Canada in support of the industry's recovery efforts;
- Expand the FBS primary screening concept at all PBS checkpoints at the Class I airports and two Class II airports;
- Deploy CATSA Plus at select checkpoints; and
- Continue to play a supporting role in the transition.

⁴ The funding of \$309.4 million consists of new funding of \$305.8 million from the fiscal framework, and a re-profile of \$3.6 million from 2019/20.

Key priorities for 2021/22 will consist of carrying out activities necessary to wind up the organization, while ensuring a seamless transition to the DSA. Should the transfer to the DSA be postponed, CATSA would continue to deliver its mandated activities leading up to the transfer.

The table below summarizes the financial results for 2018/19, the financial results and budget for 2019/20, as well as the financial plan for 2020/21 and 2021/22 by program activity.

Financial Plan by Program <i>(in thousands of dollars)</i>	Actual 2018/19	Actual 2019/20	Budget 2019/20	Plan 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24	Plan 2024/25
Operating Expenditures								
PBS	\$ 425,261	\$ 444,307	\$ 442,832	\$ 476,261	\$ 263,386	\$ -	\$ -	\$ -
HBS	112,777	121,748	122,913	122,276	75,798	-	-	-
NPS	134,336	141,232	148,406	151,559	80,003	-	-	-
RAIC	2,033	3,510	2,865	3,049	3,113	-	-	-
Corporate Services	41,458	40,763	46,485	47,278	44,829	-	-	-
Subtotal	\$ 715,865	\$ 751,560	\$ 763,501	\$ 800,423	\$ 467,129	\$ -	\$ -	\$ -
Revenue and Other Income	(12,792)	(8,560)	(11,072)	-	-	-	-	-
Net Operating Expenditures funded by Parliamentary Appropriations	\$ 703,073	\$ 743,000	\$ 752,429	\$ 800,423	\$ 467,129	\$ -	\$ -	\$ -
Capital Expenditures								
PBS	\$ 20,065	\$ 14,022	\$ 19,639	\$ 29,977	\$ 26,239	\$ -	\$ -	\$ -
HBS	84,874	81,457	113,815	73,043	63,587	-	-	-
NPS	188	190	689	530	704	-	-	-
RAIC	2,679	2,460	5,489	2,946	1,705	-	-	-
Corporate Services	3,219	5,844	6,210	6,660	8,465	-	-	-
Subtotal	\$ 111,025	\$ 103,973	\$ 145,842	\$ 113,156	\$ 100,700	\$ -	\$ -	\$ -
Proceeds on disposal and Vendor Credit	(172)	(111)	-	-	-	-	-	-
Net Capital Expenditures funded by Parliamentary Appropriations (Note)	\$ 110,853	\$ 103,862	\$ 145,842	\$ 113,156	\$ 100,700	\$ -	\$ -	\$ -
Total Expenditures funded by Parliamentary Appropriations	\$ 813,926	\$ 846,862	\$ 898,271	\$ 913,579	\$ 567,829	\$ -	\$ -	\$ -

Note : The capital plan for 2020/21 reflects a re-profile of \$41.5 million from 2019/20, pending Treasury Board approval.

The following section provides key highlights of CATSA's Financial Plan.

2020/21

Screening Operations

Screening services to carry out CATSA's mandated PBS, HBS and NPS programs consist mainly of payments to third parties for the delivery of security screening performed by screening officers.

The operating budget for 2020/21 reflects an increase in screening services costs to continue to deliver CATSA's core operations. The increase is partly attributable to inflationary increases in screening contractor billing rates as set forth in CATSA's Airport Screening Services Agreements, with the balance due to additional screening hours to accommodate the passenger growth forecast developed prior to the pandemic.

In the Spring of 2020, the COVID-19 pandemic resulted in steep declines in passenger traffic. Given the impact on screening operations, CATSA entered into short-term arrangements with its third party screening contractors in an effort to protect the screening officer workforce and maintain security effectiveness while containing costs during this period of uncertainty. The impact of these arrangements has not been reflected in the Financial Plan, as the extent and duration of the pandemic are unknown. Notwithstanding the above, funds will be reallocated as required over the course of the year in order to respond to changes in operational requirements as they arise, with any unused funds returned to the Consolidated Revenue Fund.

In addition, CATSA has implemented a number of health and safety measures including the development of screening officer guidelines on the use of face coverings and consumables, increased cleaning requirements and procedural changes aimed at reducing contact during the screening process.

More recently, CATSA has been directed by Transport Canada to conduct temperature screening for passengers and non-passengers. The implementation of these new screening measures is being phased in over the summer at select airports across Canada. The costs associated with purchasing the temperature screening equipment and conducting the screening will be funded internally from savings related to reduced passenger volumes and any deferred capital spending.

New/Ongoing Initiatives

To date, the organization has deployed 73 CATSA Plus lines in select Class I airports, with further deployments planned in 2020/21.

As of March 31, 2020, FBS units are the primary screening tool at transborder checkpoints at the four largest Class I airports (Toronto, Vancouver, Montreal and Calgary). These units are used in combination with walk-through metal detectors to ensure a continual flow of passengers through the screening process. The introduction of the FBS primary screening concept has resulted in additional operating costs of \$3.0 million in 2019/20 mainly due to the increased screening coverage required to operate the units in the primary position. These operating costs are budgeted to increase to \$7.7 million in 2020/21 as the program expands to all checkpoints at Class I airports, and the Toronto City Centre and Quebec City airports.

Finally, CATSA will continue to explore the introduction of technological innovations over the course of the fiscal year with the objective of enhancing health and safety, in light of the COVID-19 pandemic. Thermal imaging technology will be rolled out this summer to support the newly introduced temperature screening measures. Innovative checkpoint and bin cleaning solutions are also being considered, as are technologies that would reduce contact points during the screening process.

Capital Life-Cycle Management/New Technology

CATSA's capital life-cycle management program, a significant cost driver to the capital plan, has been developed based on ensuring that its equipment remains compatible with its international partners and employs the best industry practices and standards to deliver a secure experience for air travelers. As part of the ongoing life-cycle management program, CATSA has undertaken a review of the remaining useful life of its equipment and systems currently deployed at the designated airports across Canada. This has also included exploring new technology and trends that can enhance the screening process at the 89 designated airports.

In support of this program, significant capital investments have been earmarked for 2020/21 to complete the upgrade of CATSA's HBS system with CT technology. This initiative was launched in 2011, based on a 10-year deployment schedule for a total project cost of approximately \$600 million, and supported the joint Canada-U.S. *Beyond the Border* declaration. CATSA's capital plan also provides for the replacement of other Explosives Detection System (EDS) and non-EDS equipment and systems as the existing assets reach the end of their useful lives.

Large capital projects, such as the HBS system upgrade, as well as new capital initiatives continue to drive higher maintenance costs as additional equipment and more sophisticated technologies are deployed.

It is important to note that impacts of the COVID-19 pandemic may result in various delays beyond CATSA's control. Consequently, the organization may require a re-profile of funds to account for any unforeseen delays in capital projects.

2021/22

CATSA will be carrying out a number of activities necessary to wind up the organization following the transfer of responsibilities to the DSA. These activities are estimated in the amount of \$4.5 million and include, but are not limited to, the preparation and filing of CATSA's final corporate documents, as well as closing corporate accounts, and the management of records and corporate branded items.

CATSA's Base funding of \$567.8 million will remain in place for 2021/22 to cover the costs for wind-up, as well as for CATSA to maintain current operations, should the transfer be postponed. Any unused funds will be returned to the Consolidated Revenue Fund.

Concurrently, CATSA will collect and remit the proceeds of the sale to the Receiver General for Canada as outlined in the *Security Screening Services Commercialization Act*.

Key Assumptions and Risks

Passenger Growth — the passenger growth projections (provided by SNC Lavalin) have historically been a key assumption used in CATSA's Wait Time Impact Model, a tool developed to determine the number of screening hours required at PBS checkpoints to deliver a desired wait time service level. Growth projections used in the development of the budget were 4.6% for 2020/21. These projections were determined prior to the COVID-19 pandemic.

Billing Rates and Inflation — the rates used in the development of the budget are based on the terms of CATSA's existing contracts, which reflect annual inflationary increases.

Foreign Exchange Rates — in 2016/17, CATSA developed a hedging strategy to reduce its foreign currency exposure. Planned purchases for 2020/21 denominated in U.S. dollars that are not covered by hedging contracts, due to various factors, represent approximately \$11.1 million and have been translated using a USD exchange rate of 1.32. CATSA continues to monitor its future commitments and will enter into new hedging contracts as per its approved hedging strategy.

Re-Profiles — as the organization does not have carry forward authority, capital re-profile requests have become a necessary part of CATSA's annual financial management process. CATSA's budget for 2020/21 reflects the capital re-profile of \$41.5 million from 2019/20, which has been submitted for Treasury Board approval through the Supplementary Estimates process.

Internal transfer — the Financial Plan is based on the assumption that CATSA will receive approval for an internal transfer of \$23.9 million from capital to operating in order to align CATSA's reference levels to its Budget for 2020/21.

APPENDIX A: Ministerial Mandate Letter

Minister of Transport



Ministre des Transports

Ottawa, Canada K1A 0N5

OCT 20 2017

Ms. Marguerite France Anne Marie Nadeau, Q.C.
Chairperson
Board of Directors
Canadian Air Transport Security Authority
99 Bank Street, 13th Floor
Ottawa ON K1P 6B9

Dear Ms. Nadeau:

I am pleased to provide you with a copy of the official documentation of your appointment by the Governor in Council, by P.C. 2017-1140, dated September 13, 2017, as Chairperson of the Canadian Air Transport Security Authority (CATSA) for a term of five (5) years. I would also like to take this opportunity to thank you for agreeing to serve in this capacity, as well as convey my expectations for the corporation and inform you of some recent government decisions on CATSA.

As an agent Crown corporation, CATSA is mandated to protect the public by securing critical elements of the air transportation system as assigned by the Government of Canada. My role as Minister of Transport is to exercise oversight in accordance with the accountability regime set out in the *Financial Administration Act*, Part X. In this context, one of my key responsibilities is to answer for CATSA in Cabinet and in Parliament.

As Chairperson, you are the representative of CATSA to outside parties, as well as the leader and facilitator of the Board of Directors as it carries out its duties. You are also the primary link between the Board and me as the representative of the government. The responsibilities of the Board of Directors include oversight of the business and activities of the corporation. That being said, the Board is expected to ensure that the strategic direction of the corporation is in line with the government's broad policy objectives and priorities; ensure that appropriate risks have been identified and appropriate systems are in place to manage these risks; ensure that the corporation's information systems and management practices meet its needs; and assume accountability for the integrity of the information produced by the corporation.

Canada

The Chief Executive Officer (CEO) is a member of the Board and the key link between it and management of the corporation. The CEO is accountable to the Board for the management and performance of the corporation. Just as I am expected to hold the Board accountable, I expect the Board to hold the CEO accountable. The current CEO has been appointed on an interim basis, pending the completion of a competitive selection process. Among your first duties as Chairperson will be to participate in the selection processes for the appointments of a CEO and directors for CATSA, which are currently underway. I trust that all Board members will provide you with the support needed to ensure the good governance and continued success of this corporation.

As a Crown corporation within the Transport portfolio, CATSA provides specific services on behalf of the Government of Canada with considerable operational autonomy. I would, however, remind you that, being part of the federal public sector, CATSA plays an important public policy role and is subject to obligations that are unique to the public sector.

Since the corporate plan is the centrepiece of the accountability regime in place for Crown corporations, its timely approval is critical for good governance. One of the key success factors to the timely approval of corporate plans is early and meaningful consultations with all relevant officials. This is even more important if there are activities being proposed in the corporate plan that may pose mandate or policy questions. In these instances, you are to seek my views before undertaking any such activities, including planning or consultations. I understand that CATSA's 2017–2018 to 2021–2022 corporate plan has been delayed by circumstances outside of CATSA's control, but the process is well underway for its approval in 2017–2018.

I would also like to take this opportunity to bring to your attention a significant initiative you will be addressing early in your mandate. As you may be aware, in my *Transportation 2030* speech of November 3, 2016, I announced my vision for a “safe, secure, green, innovative and integrated transportation system that supports trade and economic growth, a cleaner environment and the well-being of Canada's middle-class.”

As part of my address, I announced that we will be exploring CATSA's governance in an effort to make it more accountable to a service standard and to make its funding more sustainable. The ultimate objective is to move more people, faster, through airport screening using new technologies and new techniques, while improving the quality of screening services. Transport Canada and Finance Canada officials have jointly led this initiative, in close collaboration with CATSA and other stakeholders, to develop options for improving CATSA's funding situation and governance, for consideration by Cabinet. I am aware of CATSA's funding requirements for 2018–2019, and I am working with my colleagues to ensure continuation of service as we advance our work on funding requirements and governance options.

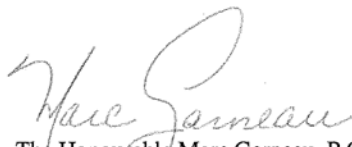
As Chairperson, you will be responsible for ensuring the continuation of CATSA's operations and for providing sage leadership and guidance while a government decision is reached as well as during the transition period that may follow. To assist you in this process, you will be consulted and briefed on developments.

As you may know, the Government of Canada is committed to diversity and inclusion as a tremendous source of strength for our country. I encourage CATSA to continue its best practices in this regard by hiring, when possible, more women and Indigenous peoples, members of visible minorities and persons with disabilities.

Given that I am answerable to Parliament for the overall effectiveness of the corporation, and in the general interests of openness and transparency, please ensure that CATSA continues to give my office and Transport Canada notice of issues that might be of interest to the public so that I am adequately prepared to answer any questions concerning CATSA in Parliament. For any such communication with my office, Mr. Adel Boulazreg will be your contact person and can be reached at 613-991-0700. With respect to other matters, you may wish to contact my Deputy Minister, Mr. Michael Keenan, who is responsible for policy integration within the Transport portfolio, and his senior staff who assist me in matters of policy and governance.

Finally, I would like to again say how pleased I am that you have agreed to serve as Chairperson of CATSA. I would also like to extend my appreciation to the CATSA staff that continue to work closely with my departmental officials on an ongoing basis and, in particular, for their efforts in support of the Government's review of CATSA's funding and governance requirements. I look forward to continuing and building upon this successful working relationship in the future.

Yours sincerely,



The Honourable Marc Garneau, P.C., M.P.
Minister of Transport

Enclosure (1) – P.C. 2017-1140

c.c.: Mr. Michael Saunders
President and CEO
Canadian Air Transport Security Authority

Mr. John Stroud
Vice-President, Corporate Services and Corporate Secretary
Canadian Air Transport Security Authority

Mr. Michael Keenan
Deputy Minister of Transport

APPENDIX B: Corporate Governance Structure

Accountability Relationships

CATSA is an agent Crown corporation with a Board of Directors appointed by the Governor in Council on the recommendation of the Minister of Transport. CATSA reports to Parliament through the Minister of Transport and works with Transport Canada to ensure regulatory compliance.

Board of Directors

CATSA is governed by an 11-member Board of Directors appointed by the Governor in Council. Two of the Directors are nominated by the airline industry and two from the airport industry. All Directors are independent of CATSA management.

Board Committees

The *Audit Committee* assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, risk management, internal controls, internal and external audits and other oversight responsibilities.

The *Governance, Human Resources and Pension Committee* (GHRP) assists the Board in fulfilling its oversight responsibilities with respect to governance issues including areas such as human resources and compensation, management succession plans, policies and processes relating to employee business conduct and ethical behaviour, annual objectives for the President and CEO, management and administration of the employee pension plan(s) and any other matter assigned to it by the Board.

The *Transaction Committee* assists the Board with respect to the proposed sale or disposition of CATSA's assets and liabilities to the DSA as contemplated in the *Security Screening Services Commercialization Act*. This Committee was constituted on September 10, 2019.

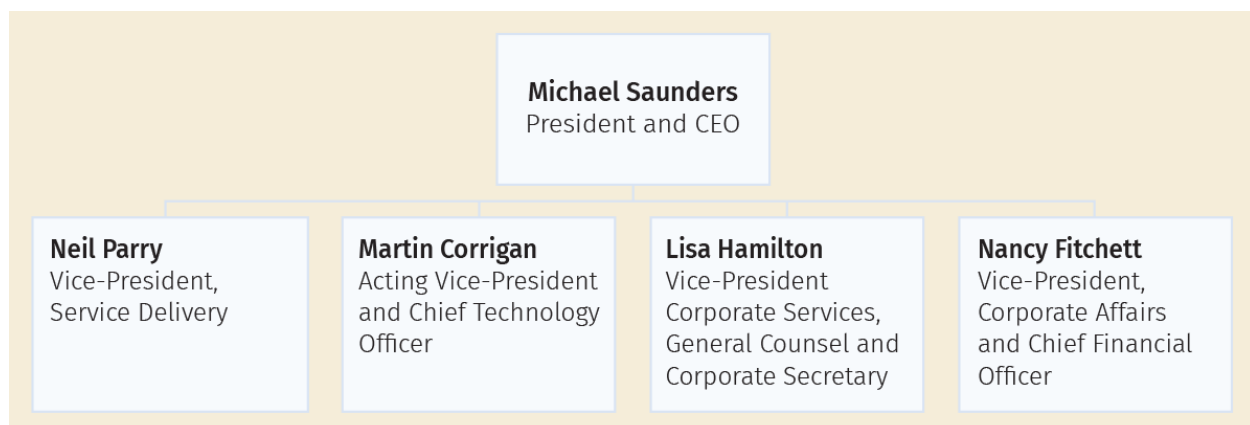
The *Strategy Committee* was dissolved as of December 4, 2019. The Committee assisted the Board in fulfilling its oversight responsibilities for matters relating to or affecting CATSA's strategic direction in accordance with its legislated mandate and provided oversight and advice to Management in the development and implementation of strategic initiatives. The Strategy Committee's responsibilities were assumed by the Board of Directors.

As of May 1, 2020, CATSA's Board of Directors included:

Current	Appointment Date	Mandate Expiry Date	Board Committee Membership
Marguerite Nadeau, Chairperson	2017/09/13	2022/09/13	<i>Ex officio</i> member of all Board committees
Jean-Philippe Brunet	2018/02/21	2022/02/21	GHRP Committee Transaction Committee
Melissa Coulson	Original: 2014/01/30 Reappointment: 2018/02/21	2020/02/21	GHRP Committee Audit Committee Transaction Committee
Sharon Duggan	2018/02/21	2022/02/21	GHRP Committee Audit Committee Transaction Committee
Patricia Kennedy	Original: 2015/03/26 Reappointment: 2018/06/25	2021/06/24	Audit Committee GHRP Committee
Gilles Lalonde	2018/02/21	2022/02/21	Audit Committee
Taleeb Noormohamed	2018/02/21	2022/02/21	GHRP Committee Audit Committee Transaction Committee
William Restall	Original: 2014/09/29 Reappointment: 2018/06/14	2021/06/14	GHRP Committee
Allan Rowe	Original: 2012/05/03 Reappointment: 2018/03/13	2021/03/12	Audit Committee
Diane Trenn	2018/06/14	2021/06/14	Audit Committee
Penny Westman	2019/03/22	2023/03/22	GHRP Committee Transaction Committee

CATSA's Senior Management Team

CATSA is led by the President and CEO, Michael Saunders, on an interim basis until April 3, 2021, or until a permanent appointment is made by the Government of Canada. Michael Saunders is supported by a senior management team, as shown below:



APPENDIX C: Planned Results

Expected Results and Performance Indicators

CATSA has one Core Responsibility to deliver effective, efficient and consistent security screening for civil aviation that is in the interest of the travelling public at designated airports, by way of PBS, HBS, NPS, and the RAIC program.

CATSA uses a number of key indicators to set operational performance targets and to monitor, assess and report on progress and achievements in areas of critical importance to the fulfillment of its mandate and mission, the support of government objectives and priorities, and the maintenance of favourable relations with the travelling public and civil aviation partners.

Set out over the following pages are CATSA's key measured targets and objectives, and the criteria and indicators used to measure progress in their achievement, as it relates to maintaining seamless operations through the period of transition to the new DSA. It is important to note that these expected results and performance indicators were largely developed prior to the 2020/21 planning year and have been slightly adapted to account for the pandemic.

ACTIVITIES	INDICATORS	TARGETS	DATA
A. SERVICE EXCELLENCE			
OBJECTIVE 1: Security Effectiveness The prevention of prohibited items and non-permitted items from entering the air transportation system			
Pre-Board Screening (PBS) Hold Baggage Screening (HBS) Non-Passenger Screening (NPS)	Aggregate Security Effectiveness scores; calculated by combining performance results from the following sources: <ul style="list-style-type: none"> • PBS and NPS testing performance • HBS testing performance • Breach score • PBS and NPS Threat Image Projection System performance • HBS Threat Image Projection System performance 	Cannot be reflected in a public document due to security classification	Screening officer performance results
OBJECTIVE 2: Operational Efficiency The achievement of optimal screening efficiency with available personnel, systems and equipment			
Screening	Optimal passenger throughput—top 10% of passengers screened per screening line at Class I airports over 15-minute increments Screening contractor payments per passenger screened	Measured improvement over time (inflation adjusted when analyzed)	Quarterly reporting of BPSS passenger throughput results and calculation of screening contractor payments per passenger screened
OBJECTIVE 3: Optimal Passenger Experience The achievement of high levels of passenger satisfaction with, and confidence in, their interactions with CATSA			
Passenger Screening Experience and Professional Treatment	Wait Time Service Level Passenger satisfaction with: <ul style="list-style-type: none"> • Screening Officer conduct • Consistency of screening procedures • Speed of screening 	WTSL: 85/15 Satisfaction: 85%	Monitoring of passenger wait times, averaged on an annual basis Passenger intercept surveys at Class I airports Monitoring of complaints to CATSA per 50,000 passengers

ACTIVITIES	INDICATORS	TARGETS	DATA
OBJECTIVE 4: Sound Asset Management The timely acquisition, responsible maintenance, and systematic recapitalization of screening equipment and related systems			
Screening Equipment Availability and Performance	Availability of all major screening technology platforms at Class I airports Verification of screening equipment detection performance	Availability of PBS and HBS equipment Performance detection	The overall availability of all major screening technology platforms for screening operations: Total Required Screening Time minus Unscheduled Outages as % of Total Required Screening Time The % of compliance of verification detection on all major screening technology platforms
Screening Equipment Re-capitalization	Screening equipment upgrades and replacement plans <ul style="list-style-type: none"> • HBS Recapitalization • CATSA Plus • Explosive Trace Detection • RAIC Recapitalization 	On time and on budget	Monitoring of equipment replacement plans and progress
B. A HEALTHY WORKPLACE			
OBJECTIVE 1: Work–Life Balance Achievement and maintenance, for managers and staff alike, of a healthy and sustainable balance between their daily workloads and responsibilities and their personal needs and family commitments			
Workload Planning	Flexibility to accommodate new initiatives with minimal adverse impact on employee workloads and pressures	Stable or year over year improvement in the employee satisfaction index Annual attrition rate: 8.0% Absenteeism: 3 days per quarter per employee	Employee surveys conducted every three years, supplemented by periodic pulse check surveys in 2019/20 and 2020/21 Reporting on attrition and absenteeism (e.g. Corporate Performance Measurement Dashboard)
Workplace Policies	Flexibility to accommodate employee preferences and demands (telework, use of sick days and flexibility in core hours)		Employee workplace support agreements in place


ACTIVITIES	INDICATORS	TARGETS	DATA
Workplace Policies	Support to employees whether working from home or at a CATSA workplace during and after the COVID-19 pandemic		Delivery of Return to Workplace Plan Strategies Implemented to support employees working from home
OBJECTIVE 2: Inclusive and Diverse Environment Achievement of a well-balanced workforce that reflects the diversity of Canada, and fostering of a positive and supportive working environment that respects diverse social and cultural values			
Recruitment and Advancement	Workforce demographics Outreach recruitment Retention of diverse employees Internal movement and promotions Progress against our Employment Equity Plan	Diverse workforce Annual internal movement and promotions rate: 9.2% Turnover rate by designated groups Short and long-term employment equity goals	Workforce demographics Employment Equity Plan Multiculturalism Report Official Languages Report Employee surveys conducted every three years
Workplace Support	Workplace accommodations procedures Diversity and Inclusion Network initiatives Complaints regarding violations of the Respectful Workplace Policy and Procedure Annual employee statement of compliance with the Code of Ethics Mental health support to employees, particularly as it relates to changes resulting from the COVID-19 pandemic	Active use of workplace support measures Employee satisfaction	Employee surveys <i>Public Servants Disclosure Protection Act</i> reporting Internal reporting mechanisms Support and resources provided to promote mental health
OBJECTIVE 3: Culture of Recognition Establishment of CATSA as a positive, encouraging and enabling institution that facilitates, acknowledges and celebrates individual and collective growth and sense of achievement			
Training, Development and Advancement	Continuous development of management and employee skills and experience Encouragement and openness to employee innovation and initiative	Employee satisfaction Professional development and designations budget: 1.5% of operating budget Annual internal movement and promotions rate: 9.2%	Employee surveys Budget for professional development and designations

ACTIVITIES	INDICATORS	TARGETS	DATA
OBJECTIVE 4: Transformative Leadership			
Demonstration by example and active support of creative approaches to continuous improvement			
Setting the Tone from the Top	Adoption of innovative, inclusive and competitive workplace practices Enhancement of existing vehicles to promote innovation (CATSA Leaders Forum, employee retreat and employee communication)	Employee feedback on leadership Completed enhancements aimed at fostering vision and behaviours that support a transformative culture	Employee surveys Feedback from the Board
Organizational Support of Front-line Management	Implementation of Leadership Excellence Program	Employee feedback on leadership	Employee surveys Mandatory participation in the MDP (% of completion) Performance reviews (e.g., people leadership competencies)
C. EFFECTIVE PARTNERSHIPS			
OBJECTIVE 1: Industry Collaboration			
Establishment and maintenance of strong and positive working relationships between CATSA, its security partners and other members of the civil aviation industry			
Liaison, Outreach and Joint Initiatives	Well-established formal and informal processes for dialogue and collaboration with industry Responsiveness to industry requests, including for screening enhancement on a cost-recovery basis	Close, respectful and productive relations Timely and meaningful response to industry requests	Industry consultations and feedback Negotiated agreements for cost-recovery screening enhancements where applicable
OBJECTIVE 2: Community Relations			
Establishment and maintenance of close and favourable relations with key stakeholders in the broader community			
Information, Outreach, Collaboration and Cooperation	Well-established formal and informal processes for communication and feedback with community stakeholders and the travelling public	Close, respectful and productive relations Timely and meaningful response to public and community requests and complaints	Stakeholder consultations and communications Public and passenger enquiries, suggestions and complaints

ACTIVITIES	INDICATORS	TARGETS	DATA
D. OPERATIONAL SUSTAINABILITY			
OBJECTIVE 1: Seamless Operations During Transition Potentially transferring to a not-for-profit DSA while maintaining seamless operations.			
Seamless Operations	Smooth operations for passengers and CATSA staff CATSA actively engaged in supporting the Government of Canada throughout the transfer	Continuous delivery of security screening operations, as well as corporate support functions at headquarters	Monitoring of transition plans Various performance data regularly reviewed and reported by CATSA
Industry Pandemic Recovery	Implemented temperature screening of travellers and non-travellers Executed various biosecurity measures at checkpoints Adhered to post-pandemic health and safety regulations and requirements at checkpoints	Delivery of temperature screening at checkpoints Work with the Government of Canada to implement biosecurity measures Stringent post-pandemic health and safety measures incorporated into operations	Monitoring operations with new measures in place
Secure Adequate Wind Up Resources	Adequate funding CATSA actively engaged in advocating for appropriate funding from the Government of Canada for wind up activities	Funding for CATSA to carry out wind-up activities	Funding from the Government of Canada Successful completion of wind-up activities

President and Chief Executive Officer Commitment

As President and Chief Executive Officer of the Canadian Air Transport Security Authority, I am accountable to the Board of Directors for the implementation of the objectives and initiatives described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.



Michael Saunders
President and Chief Executive Officer
Canadian Air Transport Security Authority

October 23, 2020

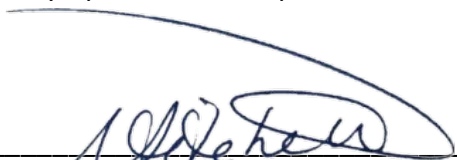
Date

APPENDIX D: Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of the Canadian Air Transport Security Authority (CATSA), accountable to the Board of Directors of CATSA through the Chief Executive Officer, I have reviewed the 2020/21 – 2021/22 Corporate Plan and budgets, and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered.
4. Funding is sufficient to address the financial requirements for the expected duration of the Corporate Plan, with the following observation: the Corporate Plan has been developed based on a targeted transfer date of April 1, 2021 to the designated screening authority. In the event that the transfer date is postponed, CATSA's Base funding for 2021/22 will cover the costs to continue to deliver its mandated activities for a portion of the fiscal year only.
5. The Corporate Plan and budgets are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan).
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operations of CATSA.

In my opinion, the Corporate Plan and budgets are sufficient to support decision-making.



Nancy Fitchett, CPA, CA
Vice-President, Corporate Affairs and Chief Financial Officer
Canadian Air Transport Security Authority

October 23, 2020

Date

APPENDIX E: Financial Statements and Budgets

Financial Statement Highlights

CATSA's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the Accounting Standards Board of Canada (AcSB).

New Accounting Standards

Effective April 1, 2019, CATSA adopted IFRS 16 *Leases*. This standard specifies how to recognize, measure, present and disclose leases. It provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value.

Disposals

CATSA manages its assets, including asset disposal, as part of a life-cycle management regime or as part of new technology requirements. The disposal of assets is governed by corporate policy and procedures that ensure compliance with applicable legislation and regulations concerning the disposal of Crown assets. In the notes to the financial statements, CATSA discloses contingent liabilities associated with the removal of Explosives Detection System (EDS) equipment from airports across Canada, some of which contains hazardous materials, as well as the restoration of facilities contractually required under lease agreements.

Pending the results of negotiations between the new DSA and the Government of Canada, proceeds from disposal in 2020/21 and 2021/22 have not been projected in CATSA's *pro forma* financial statements and budgets. Disposals, and any proceeds from disposals, will be accounted for in accordance with IFRS.

Financial Statements

Note: Financial information and balances as at March 31, 2021 and March 31, 2022, respectively, have been prepared on the basis of a targeted transfer date of April 1, 2021, to the DSA. In addition, financial information and balances have been presented in accordance with historical periods and do not reflect the accounting and/or presentation changes that may be required as a result of the sale of CATSA's assets to the DSA. Lastly, CATSA's 2020/21 budget, as depicted in the financial tables, was determined prior to the COVID-19 pandemic.

Statement of Financial Position

Statement of Financial Position	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
ASSETS							
Current assets							
Cash	\$ 4,007	\$ 18,492	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Trade and other receivables	145,490	142,313	156,940	-	-	-	-
Inventories	15,305	16,025	15,477	-	-	-	-
Prepays	3,253	4,496	3,030	-	-	-	-
Derivative financial assets	495	926	-	-	-	-	-
	\$ 168,550	\$ 182,252	\$ 185,447	\$ -	\$ -	\$ -	\$ -
Non-current assets							
Property and equipment and intangible assets							
EDS	\$ 449,193	\$ 475,398	\$ 504,489	\$ -	\$ -	\$ -	\$ -
Non-EDS	22,046	24,827	30,823	-	-	-	-
	\$ 471,239	\$ 500,225	\$ 535,312	\$ -	\$ -	\$ -	\$ -
Right-of-use assets	\$ -	\$ 22,211	\$ 19,172	\$ -	\$ -	\$ -	\$ -
Employee benefits asset	5,728	1,482	1,475	-	-	-	-
Derivative financial assets	42	-	-	-	-	-	-
	\$ 645,559	\$ 706,170	\$ 741,406	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	\$ 129,719	\$ 140,718	\$ 163,129	\$ -	\$ -	\$ -	\$ -
Holdbacks	12,433	16,367	4,410	-	-	-	-
Lease liabilities	-	3,548	3,545	-	-	-	-
Deferred government funding related to operating expenses	18,558	19,420	18,507	-	-	-	-
	\$ 160,710	\$ 180,053	\$ 189,591	\$ -	\$ -	\$ -	\$ -
Non-current liabilities							
Holdbacks	\$ 7,767	\$ 5,410	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred lease incentives	482	-	-	-	-	-	-
Lease liabilities	-	19,379	16,470	-	-	-	-
Deferred government funding related to capital expenditures	469,732	498,794	534,088	-	-	-	-
Employee benefits liability	30,507	26,436	29,252	-	-	-	-
	\$ 508,488	\$ 550,019	\$ 579,810	\$ -	\$ -	\$ -	\$ -
Equity							
Accumulated deficit	\$ (23,639)	\$ (23,902)	\$ (27,995)	\$ -	\$ -	\$ -	\$ -
	\$ 645,559	\$ 706,170	\$ 741,406	\$ -	\$ -	\$ -	\$ -

Statement of Comprehensive Income (Loss) and Equity

Statement of Comprehensive Income (Loss) and Equity	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Expenses							
Pre-Board Screening	\$ 443,997	\$ 463,057	\$ 492,537	\$ -	\$ -	\$ -	\$ -
Hold Baggage Screening	158,729	171,796	178,458	-	-	-	-
Non-Passenger Screening	137,634	144,859	154,271	-	-	-	-
Restricted Area Identity Card Program	3,045	3,238	3,566	-	-	-	-
Corporate services	46,061	47,846	53,105	4,502	-	-	-
Total expenses	\$ 789,466	\$ 830,796	\$ 881,937	\$ 4,502	\$ -	\$ -	\$ -
Other expenses (income)							
Loss on disposal of property and equipment	\$ 611	\$ 1,405	\$ -	\$ -	\$ -	\$ -	\$ -
Write-off of property and equipment and intangible assets	528	795	-	-	-	-	-
Finance costs	4	531	435	-	-	-	-
Foreign exchange gain	(620)	(89)	(7)	-	-	-	-
Net (gain) loss on fair value of derivative financial instruments	(153)	(389)	926	-	-	-	-
Impairment of property and equipment	-	597	-	-	-	-	-
Total other expenses (income)	\$ 370	\$ 2,850	\$ 1,354	\$ -	\$ -	\$ -	\$ -
Revenue							
Supplemental screening services	\$ 11,726	\$ 7,415	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	988	1,306	-	-	-	-	-
Total revenue	\$ 12,714	\$ 8,721	\$ -	\$ -	\$ -	\$ -	\$ -
Financial performance before government funding	\$ 777,122	\$ 824,925	\$ 883,291	\$ 4,502	\$ -	\$ -	\$ -
Government funding							
Parliamentary appropriations for operating expenses	\$ 704,049	\$ 742,138	\$ 801,336	\$ 4,502	\$ -	\$ -	\$ -
Amortization of deferred government funding related to capital expenditures	65,147	70,864	73,788	-	-	-	-
Parliamentary appropriations for lease payments	-	3,936	4,074	-	-	-	-
Total government funding	\$ 769,196	\$ 816,938	\$ 879,198	\$ 4,502	\$ -	\$ -	\$ -
Financial performance	\$ (7,926)	\$ (7,987)	\$ (4,093)	\$ -	\$ -	\$ -	\$ -
Other comprehensive income							
Item that will not be reclassified to financial performance							
Remeasurement of defined benefit plans	\$ 6,760	\$ 7,724	\$ -	\$ -	\$ -	\$ -	\$ -
Total comprehensive income (loss)	\$ (1,166)	\$ (263)	\$ (4,093)	\$ -	\$ -	\$ -	\$ -
Equity							
Accumulated deficit, beginning of year	\$ (22,473)	\$ (23,639)	\$ (23,902)	\$ -	\$ -	\$ -	\$ -
Total comprehensive income (loss)	(1,166)	(263)	(4,093)	-	-	-	-
Accumulated deficit, end of year	\$ (23,639)	\$ (23,902)	\$ (27,995)	\$ -	\$ -	\$ -	\$ -

Statement of Cash Flows

Statement of Cash Flows	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cash flows provided by (used in)							
Operating activities							
Financial performance	\$ (7,926)	\$ (7,987)	\$ (4,093)	\$ -	\$ -	\$ -	\$ -
Items not involving cash							
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets	64,151	71,861	77,778	-	-	-	-
Increase in net employee benefits liability	8,167	7,899	2,823	-	-	-	-
Write-off of property and equipment and intangible assets	528	795	-	-	-	-	-
Loss on disposal of property and equipment	611	1,405	-	-	-	-	-
Other non-cash transactions	18	62	(7)	-	-	-	-
Impairment of property and equipment	-	597	-	-	-	-	-
Amortization of deferred government funding related to capital expenditures	(65,147)	(70,864)	(73,788)	-	-	-	-
Change in fair value of financial instruments at fair value through profit and loss	(153)	(389)	926	-	-	-	-
Deferred lease incentives recognized in financial performance	(101)	-	-	-	-	-	-
Net change in non-cash working capital balances	30,570	(23,341)	(8,492)	-	-	-	-
	\$ 30,718	\$ (19,962)	\$ (4,853)	\$ -	\$ -	\$ -	\$ -
Investing activities							
Parliamentary appropriations received for capital funding	\$ 87,292	\$ 137,479	\$ 109,092	\$ -	\$ -	\$ -	\$ -
Purchase of property and equipment and intangible assets:							
EDS	(116,091)	(91,280)	(98,046)	-	-	-	-
Non-EDS	(7,872)	(8,309)	(11,046)	-	-	-	-
Proceeds on disposal of property and equipment	31	1	-	-	-	-	-
	\$ (36,640)	\$ 37,891	\$ -	\$ -	\$ -	\$ -	\$ -
Financing activities							
Lease principal payments	\$ -	\$ (3,444)	\$ (3,639)	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ (3,444)	\$ (3,639)	\$ -	\$ -	\$ -	\$ -
(Decrease) increase in cash	\$ (5,922)	\$ 14,485	\$ (8,492)	\$ -	\$ -	\$ -	\$ -
Cash, beginning of year	\$ 9,929	\$ 4,007	\$ 18,492	\$ -	\$ -	\$ -	\$ -
Cash, end of year	\$ 4,007	\$ 18,492	\$ 10,000	\$ -	\$ -	\$ -	\$ -

Reconciliation of Financial Performance (IFRS) to Operating Appropriations Used

Reconciliation of Financial Performance to Operating Appropriations Used	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Financial performance before government funding	\$ 777,122	\$ 824,925	\$ 883,291	\$ 4,502	\$ -	\$ -	\$ -
Non-cash expenses							
Depreciation and amortization	(64,151)	(71,861)	(77,778)	-	-	-	-
Employee benefits expense	(8,167)	(7,899)	(2,823)	-	-	-	-
Loss on disposal of property and equipment	(611)	(1,405)	-	-	-	-	-
Write-off of property and equipment and intangible assets	(528)	(795)	-	-	-	-	-
Spare parts expense funded from capital	(18)	(55)	-	-	-	-	-
Change in fair value of derivative financial instruments at fair value through profit and loss	153	389	(926)	-	-	-	-
Non-cash gain (loss) on foreign exchange recognized in financial performance	148	(72)	7	-	-	-	-
Deferred lease incentives recognized in financial performance	101	-	-	-	-	-	-
Impairment of property and equipment	-	(597)	-	-	-	-	-
Non-cash finance costs related to leases	-	(492)	(435)	-	-	-	-
Parliamentary appropriations for operating expenses	\$ 704,049	\$ 742,138	\$ 801,336	\$ 4,502	\$ -	\$ -	\$ -
Other items affecting funding							
Net change in prepaids and inventories	\$ (976)	\$ 862	\$ (913)	\$ -	\$ -	\$ -	\$ -
Total operating appropriations used	\$ 703,073	\$ 743,000	\$ 800,423	\$ 4,502	\$ -	\$ -	\$ -

Operating and Capital Plans

Note: The Operating and Capital Budgets have been prepared on the basis of this being CATSA's final Corporate Plan before transferring its responsibilities to the DSA. Accordingly, the Budgets for 2021/22 reflect CATSA's Base funding to cover the costs for wind-up, as well as for CATSA to maintain current operations, should the transfer be postponed.

Operating

Operating Plan by Major Expenditure Category	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2019/20	2020/21 ¹	2021/22 ²	2022/23 ³	2023/24 ⁴	2024/25 ⁵
OPERATING EXPENDITURES								
Screening Services and Other Related Costs								
Payments to Screening Contractors	\$ 585,667	\$ 616,280	\$ 623,328	\$ 654,736	\$ 324,261	\$ -	\$ -	\$ -
Uniforms and Other Screening-Related Costs	4,971	6,340	6,947	7,108	4,393	-	-	-
Trace and Consumables	3,026	3,563	2,866	3,235	3,433	-	-	-
Total Screening Services and Other Related Costs	\$ 593,664	\$ 626,183	\$ 633,141	\$ 665,079	\$ 332,087	\$ -	\$ -	\$ -
Equipment Operating and Maintenance								
Equipment Maintenance and Spare Parts	\$ 39,379	\$ 41,344	\$ 38,958	\$ 41,548	\$ 42,379	\$ -	\$ -	\$ -
Training and Certification	1,567	1,846	2,513	1,407	1,435	-	-	-
RAIC Cards	431	1,881	1,000	1,021	1,041	-	-	-
Total Equipment Operating and Maintenance	\$ 41,377	\$ 45,071	\$ 42,471	\$ 43,976	\$ 44,855	\$ -	\$ -	\$ -
Program Support and Corporate Services								
Employee Costs	\$ 54,876	\$ 57,994	\$ 60,435	\$ 63,214	\$ 65,091	\$ -	\$ -	\$ -
Office and Computer Expenses	7,778	8,596	7,273	7,040	7,181	-	-	-
Professional Services	4,283	4,841	10,440	9,440	6,059	-	-	-
Rent and Facilities	6,261	2,840	3,197	3,198	3,262	-	-	-
Travel and Other Business-Related Costs	2,088	2,302	2,318	2,566	2,566	-	-	-
Network and Telephony	3,320	2,269	2,250	2,263	2,308	-	-	-
Communications and Public Awareness	1,203	928	1,101	1,100	1,122	-	-	-
Insurance and Other Administrative Costs	1,015	536	875	2,547	2,598	-	-	-
Total Program Support and Corporate Services	\$ 80,824	\$ 80,306	\$ 87,889	\$ 91,368	\$ 90,187	\$ -	\$ -	\$ -
SUBTOTAL	\$ 715,865	\$ 751,560	\$ 763,501	\$ 800,423	\$ 467,129	\$ -	\$ -	\$ -
Revenue and Other Income								
Supplemental Screening Services	\$ (11,726)	\$ (7,415)	\$ (11,072)	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Loss / (Gain)	(72)	132	-	-	-	-	-	-
Other Income	(994)	(1,277)	-	-	-	-	-	-
Total Revenue and Other Income	\$ (12,792)	\$ (8,560)	\$ (11,072)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 703,073	\$ 743,000	\$ 752,429	\$ 800,423	\$ 467,129	\$ -	\$ -	\$ -

2019/20 Financial Results

Net operating expenditures totalled \$743.0 million, or \$9.4 million lower than the Corporate Plan budget of \$752.4 million. The major factors contributing to the variance are as follows:

- Lower Program Support and Corporate Services costs, due to lower spending for professional services mainly resulting from deferred transition-related activities (given a postponed transfer date) and employee cost savings, resulting from lower than anticipated staffed positions. The underspending is partially offset by the purchase of additional hardware and software to support CATSA's IT network infrastructure and systems; and

- Lower Screening Services and Other Related Costs, due to reduced screening requirements to support the NPS program and lower screening contractor performance pay; partially offset by the delivery of additional screening hours at PBS checkpoints. In addition, CATSA delivered fewer supplemental screening hours due to lower service requirements from the GTAA, although these savings were offset by lower revenue generated from these services.
- The underspending above was partially offset by higher Equipment Operating and Maintenance costs, mainly due to delays in the replacement of legacy HBS equipment and increased spare part requirements.

Screening costs to support the NPS program were lower than projected mainly due to delays in the completion of the construction of permanent vehicle facilities, as well as efficiencies gained in scheduling screening officers at NPS checkpoints. This enabled CATSA to reallocate funds to the purchase of additional screening hours to manage increased operational requirements at PBS checkpoints at certain airports and to deliver a WTSL of 94/15 in 2019/20.

CATSA has submitted a request to re-profile \$4.15 million from 2019/20 to 2020/21 due to deferred operating spending resulting from the postponed transfer date to the DSA and from delays associated with the COVID-19 pandemic. These funds are not reflected in the operating budget for 2020/21.

2020/21 Financial Plan Highlights

Screening Services and Other Related Costs increase in 2020/21 from 2019/20 levels to reflect screening contractor billing rate increases and additional screening hours budgeted to support passenger growth and changes in operational requirements at certain airports, projections developed prior to the COVID-19 pandemic. The increase in screening hours is also driven by additional screening coverage required to support the expansion of the FBS primary screening concept at all PBS checkpoints at the Class I airports and two Class II airports. Given the impacts of COVID-19, anticipated savings resulting from reduced passenger volumes will be allocated to temperature screening, with the balance of available funds redirected to support other COVID-related requirements, such as cleaning services, personal protective equipment (PPE) and other consumables, and other biosecurity initiatives.

Equipment Operating and Maintenance costs decrease in 2020/21 compared to the prior year. The decrease is attributable to the purchase of additional RAIC Cards inventory in 2019/20, and lower training requirements for CATSA's maintenance service provider to support EDS deployments this fiscal year.

Program Support and Corporate Services costs increase in 2020/21. The increase is mainly driven by higher Employee Costs, reflecting lower projected vacancy levels and a statutory pension plan solvency deficit payment of \$3.2M for CATSA's Registered Pension Plan, which is based on actuarial estimates developed in July of 2019. CATSA's indeterminate workforce

consists of 448 approved FTE positions in 2020/21, consistent with the prior year. The increase is also driven by the purchase of war risk insurance coverage of \$1.5 million USD in 2020/21, in the absence of the Government of Canada's indemnity effective April 1, 2020, and higher professional services, mainly to support transition efforts. These increases are partially offset by lower planned spending for Office and Computer expenses as additional investments were made to CATSA's IT network infrastructure and systems in 2019/20.

Capital

Capital Plan by Major Initiative	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2018/19	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CAPITAL EXPENDITURES								
Explosives Detection Systems (EDS)								
PBS								
Capital Life-cycle Management	\$ 737	\$ 2,339	\$ 2,173	\$ 3,778	\$ 14,560	\$ -	\$ -	\$ -
New Technology / Deployments	17,600	8,044	12,742	20,496	6,969	-	-	-
Other PBS	37	49	859	860	125	-	-	-
Total PBS	\$ 18,374	\$ 10,432	\$ 15,774	\$ 25,134	\$ 21,654	\$ -	\$ -	\$ -
HBS								
Capital Life-cycle Management	\$ 80,925	\$ 80,098	\$ 107,052	\$ 65,730	\$ 56,100	\$ -	\$ -	\$ -
New Technology / Deployments	48	145	1,245	1,150	1,150	-	-	-
Other HBS	3,827	1,051	5,418	5,971	6,143	-	-	-
Total HBS	\$ 84,800	\$ 81,294	\$ 113,715	\$ 72,851	\$ 63,393	\$ -	\$ -	\$ -
NPS								
Capital Life-cycle Management	\$ (21)	\$ 1	\$ 61	\$ 61	\$ 601	\$ -	\$ -	\$ -
New Technology / Deployments	-	-	-	-	-	-	-	-
Total NPS	\$ (21)	\$ 1	\$ 61	\$ 61	\$ 601	\$ -	\$ -	\$ -
Total EDS	\$ 103,153	\$ 91,727	\$ 129,550	\$ 98,046	\$ 85,648	\$ -	\$ -	\$ -
Non-EDS								
PBS	\$ 1,691	\$ 3,590	\$ 3,865	\$ 4,843	\$ 4,585	\$ -	\$ -	\$ -
HBS	74	163	100	192	194	-	-	-
NPS	209	189	628	469	103	-	-	-
RAIC	2,679	2,460	5,489	2,946	1,705	-	-	-
Corporate Services	3,219	5,844	6,210	6,660	8,465	-	-	-
Total Non-EDS	\$ 7,872	\$ 12,246	\$ 16,292	\$ 15,110	\$ 15,052	\$ -	\$ -	\$ -
Total Capital Expenditures	\$ 111,025	\$ 103,973	\$ 145,842	\$ 113,156	\$ 100,700	\$ -	\$ -	\$ -
Proceeds on disposal and vendor credit	(172)	(111)	-	-	-	-	-	-
TOTAL	\$ 110,853	\$ 103,862	\$ 145,842	\$ 113,156	\$ 100,700	\$ -	\$ -	\$ -

2019/20 Financial Results

Capital expenditures totalled \$103.9 million, or \$41.9 million lower than the Corporate Plan budget of \$145.8 million. The major projects contributing to the variance are as follows:

- HBS integration projects (\$24.2 million), mainly due to delays in integration work resulting from revised airport project plans and the impact of the COVID-19 pandemic.
- Other EDS and non-EDS projects (\$17.7 million), mainly due to delays in various projects, including \$3.3 million for CATSA Plus lines to align with revised airport schedules, \$2.9 million associated with pre-clearance operations at two Class II airports due to delays by the respective airport authorities in finalizing their negotiations with U.S. Border Control, and \$2.1M for the RAIC enrolment system upgrade.

Based on the above spending delays, CATSA is seeking Treasury Board approval for the capital re-profile of \$41.5 million to 2020/21. These funds have been reflected in the capital budget for 2020/21.

2020/21 Financial Plan Highlights

The life-cycle management of CATSA's EDS equipment and systems is a key corporate priority and represents a significant portion of the capital spending in 2020/21. More specifically, the conversion of CATSA's legacy HBS systems continues to be the focal point of the life-cycle management program, with deployments scheduled at several of CATSA's busiest airports and remaining Class II airports in 2020/21. The life-cycle management plan also includes the replacement of CATSA's existing Explosives Trace Detection systems as units reach the end of their useful lives.

Furthermore, CATSA remains committed to the deployment of the CATSA Plus screening concept, with additional lines planned to be deployed at Canada's largest airports in 2020/21.

Finally, CATSA's capital plan provides for the upgrade of several of CATSA's non-Explosives Detection Systems, including the RAIC enrolment system and the continued life-cycle management of CCTV cameras. In addition, CATSA will continue its extensive work on the relocation of its data centre in response to the impending closure of Shared Services Canada's Macdonald Cartier Data Centre (MCDCC) facility scheduled in March 2022. The capital plan also includes annual lease payments as right-of-use assets relating to the adoption of IFRS 16 *Leases*.

As delays are anticipated in certain HBS Integration projects and other capital deployments due to the COVID-19 pandemic, CATSA will work with airport authorities in an effort to accommodate revised project plans. As a result, CATSA may require a re-profile of funds to account for delays in capital projects. In addition, anticipated savings resulting from reduced capital requirements due to the impacts of the pandemic will be redirected to support new COVID-related measures such as temperature screening and other biosecurity initiatives.

APPENDIX F: Borrowing Plan

Approval for Upcoming Leases

CATSA seeks the Minister of Finance's approval to enter into an amendment for the Headquarters Office Space lease, for a maximum amount of \$10.9 million to extend the term of the lease.

APPENDIX G: Risks and Risk Responses

Overview

As a key member of the Canadian civil aviation security system, CATSA is exposed to a variety of risks that may impact the organization's ability to achieve its mandate, strategic objectives or legislative requirements. The organization manages these risks through an Enterprise Risk Management Profile, closely monitored by senior management and the Board of Directors.

Specific responses to aviation security threats and risks are mandated by Transport Canada and implemented by CATSA. In addition to intelligence-related threat information overseen by Transport Canada, CATSA conducts various risks assessments pertaining to its corporate strategies and operations.

Mandated Services Risk

Detection capability and maintaining care and control of screening checkpoints

Aviation security is CATSA's top priority. Screening equipment is approved and detection standards are set by Transport Canada. While CATSA endeavours to meet these standards, there is a risk that CATSA may not have the technology, the threat and risk information, processes or human factor capability to detect all high risk threat items, which may result in substantial consequences to the civil aviation system.

To address this risk, CATSA continually works to review, test and improve the effectiveness of its operational processes and procedures, and maintains a capital program to support the replacement and upgrading of screening equipment.

Capacity Risk

CATSA staff capacity

CATSA's streamlined corporate structure has made the organization leaner, however, the organization may face challenges in effectively managing increasing workloads. There is a risk that CATSA's current staff capacity, in particular areas, may be inadequate to sustain current workloads and to support a healthy work environment.

To address this risk, the organization has implemented various human resources initiatives such as devoting more resources to talent acquisition and developing a simplified fixed-term resource request process. The organization will continue to monitor the impacts to staff capacity due to any additional operational requirements as a result of the organization's response to the COVID-19 pandemic.

Service Delivery through Third-Party Risk

Legal or Illegal Labour Disruptions

CATSA outsources its services to screening contractors, who rely on a unionized screening officer workforce to perform screening operations. Given the nature of this service delivery model, CATSA has no direct role in labour relations and relies upon its screening contractors to establish collective bargaining agreements and manage labour relations with their unions.

Due to the screening contractors' management of labour relations or labour market conditions, there is a risk that CATSA may have limited influence to prevent a legal or illegal labour disruption event from occurring or have limited ability to maintain service levels during a legal or illegal labour disruption event.

To address this risk, CATSA continually monitors labour issues between screening contractors and the unions representing screening officers and keeps Transport Canada apprised of developments.

In the event of a legal or illegal labour disruption, CATSA has prepared labour contingency plans with operational, legal and communications components. At the present time, new collective agreements are in place for all Class I and the majority of Class II airports.

Service delivery model – dependence on outsourced screening services, equipment maintenance services, or major suppliers

CATSA is fully dependent on screening contractors for delivering critical and mandated screening services, and is primarily dependent on outsourced maintenance service providers for the maintenance of screening equipment, and on major suppliers. There is a risk that CATSA's dependence on outsourced screening services, equipment maintenance services or major suppliers may result in negative service delivery impacts.

To address this risk, CATSA continually monitors screening contractor performance and has developed a screening contractor relationship management framework, which promotes a systematic and collaborative relationship between CATSA and the screening contractors. As well, alternate maintenance arrangements have been put in place to ensure continuity of screening equipment maintenance services. Finally, CATSA continues to monitor and address impacts to its supply chain as a result of external forces, including the COVID-19 pandemic.

Stakeholder Relations

There is a risk that CATSA may encounter events that the organization is not able to effectively manage, which may cause damage to its reputation with its stakeholders, resulting in loss of public trust in CATSA or confidence in air transportation security.

To address this risk, CATSA continues to improve the passenger experience promoting a customer service-oriented culture. CATSA regularly liaises with industry stakeholders and has implemented a variety of communication strategies such as conducting passenger intercept surveys and the expanded use of social media to engage its multiple stakeholder groups.

Human Resources Risk

Employee recruitment and retention

Due to labour market conditions for talent or due to CATSA's overall corporate Human Resources strategies, there is a risk that CATSA may experience challenges in recruiting and/or retaining key and/or specialised talent resulting in a potential loss of corporate memory and/or a decrease in overall corporate performance

To address this risk, the organization has implemented a number of initiatives to ensure competitive total compensation packages and has expanded its recruitment strategies to include specialized advertising for unique or key talent. Additionally, the organization is focusing on initiatives to retain talent including its talent management and management development programs.

Information Technology (IT) Risk

Cyber Attacks on IT Infrastructure

Government departments, agencies and Crown corporations are constantly exposed to a variety of cyber threats to their IT infrastructure. Due to the evolving nature of the cyber threat environment, there is a risk that cyber threats and/or attacks may negatively impact CATSA's IT infrastructure and/or compromise organizationally sensitive or secret information resulting in a loss of public confidence and potential damage to CATSA's reputation.

To address this risk, CATSA continues to work with professional services to enhance cyber security controls, to undergo internal audits of evolving risks, and to expand and modernize a variety of devices, systems, processes and procedures to safeguard the organization's IT infrastructure.

Other Risks

Seamless Transfer of Responsibility to the designated screening authority (DSA) and Wind Up of CATSA

The timing of the potential transfer to the DSA is subject to negotiations, in which CATSA is playing a supporting role. In light of some inherent uncertainty around the specific timing of this transfer, there are risks that could create challenges for CATSA, such as those around planned budgets and activities. CATSA is addressing these risks by continuing to proactively plan, assess and advise Transport Canada on the various business impacts related to the potential transfer.

APPENDIX H: Compliance with Legislative and Policy Requirements

Legislative and Regulatory Frameworks

A number of federal legislative, regulatory and policy frameworks establish the foundation that CATSA uses to develop its Standard Operating Procedures (SOPs) and related training programs to guide screening officers in the performance of their duties. Other legislation and Treasury Board of Canada directives of government-wide application address such issues as financial accountability, official languages, impact assessments, privacy, access to information, and multiculturalism.

The main legislative and regulatory frameworks are set out below:

Legislative and regulatory instruments directly applicable to CATSA's mandate

- *Aeronautics Act*
- *Canadian Air Transport Security Authority Act*
- *Security Screening Services Commercialization Act*
- *Canadian Aviation Security Regulations, 2012*
- *Screening Security Measures*

Other Instruments of Government-wide application relevant to CATSA

- *Financial Administration Act (FAA), Part X*
- *Crown Corporation General Regulations, 1995*
- *Crown Corporation Corporate Plan, Budget and Summaries Regulations*
- *Canada Transportation Act*
- *Accessible Transportation for Persons with Disabilities Regulations*
- *Transportation Information Regulations*
- *Official Languages Act and Official Languages (Communications with and Services to the Public) Regulations*
- *Access to Information Act*
- *Privacy Act*
- *Canadian Human Rights Act*
- *Accessible Canada Act*
- *Canada Labour Code*
- *Canada Occupational Health and Safety Regulations*
- *Employment Equity Act and Regulations*
- *Canadian Multiculturalism Act*
- *Public Servants Disclosure Protection Act*
- *Conflict of Interest Act*
- *Treasury Board of Canada Directives*

Financial Administration Act Directives

While CATSA continually remains in conformity with obligations and guidance under the *Financial Administration Act*, occasionally special Directives are issued, commanding focused attention from CATSA, as with the cases below.

Public Sector Pension Reform

In June 2019, CATSA was issued a directive (Order in Council P.C. 2019-783) pursuant to Section 89 of the FAA, which outlines certain principles with regards to CATSA's pension plans and replaces Order in Council P.C. 2014-1382 of December 2014. As at March 31, 2020, CATSA is compliant with the directive.

Travel and Hospitality

As part of CATSA's commitment to open and accountable governance, CATSA confirms that its Travel, Hospitality, Conferences and Event Expenditures Policy is in compliance with directive PC 2015-1114, pursuant to section 89 of the FAA, which requires CATSA's policies, guidelines and practices to be aligned with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations. This policy is available on CATSA's website.

CATSA reports travel and hospitality expenses through proactive disclosure. This disclosure is aligned with the Treasury Board standards for expenditures that are currently in effect.

Official Languages Act

Under Part IV of the *Official Languages Act*, CATSA is required to provide screening services to the travelling public in both official languages at airports with one million or more passengers, and at airports where there is a significant demand for services in the minority language.

In an effort towards continuous improvement, CATSA surveys passengers across the country on a quarterly basis to verify if they were served in their preferred language. Survey results, along with compliance measurement reports and complaints, are analyzed and used to improve front-line performance.

CATSA remains committed to promoting a bilingual work environment. CATSA continues to remind its employees nation-wide that promoting an inclusive, bilingual culture in the workplace is a team effort.

Access to Information Act and Privacy Act

CATSA strives to incorporate the legislative obligations under the *Privacy Act* and the 10 principles of the Canadian Standards Association Model Code into every program and activity that it develops.

CATSA is subject to the *Access to Information Act* and the *Privacy Act* and strives to meet both the spirit and the legal requirements of these two Acts.

Between April 1, 2019 and March 31, 2020, ATIP-related training was delivered to 53 participants, (24 received privacy training, one received ATIP training and 28 employees at headquarters and in the regions received orientation training on both ATIP and privacy).

Ad hoc training on a variety of subjects was also provided as needed to individuals throughout the organization.

Protection of Federal Assets

As with all federal departments and agencies, CATSA is committed to ensuring the responsible acquisition, maintenance and ultimate replacement of its valuable screening equipment and related technologies and systems. CATSA's life-cycle management plans ensure that a comprehensive approach is taken to the proper protection of federal assets, to ensure optimal value for money for the duration of the planned economic life of the equipment.

APPENDIX I: Government of Canada Priorities and Directions

CATSA is committed to complying with and actively supporting relevant broader objectives, priorities, values and principles of the Government of Canada.

Following are key initiatives that will be actively pursued and supported throughout the planning period and, in most cases, on an ongoing basis.

Keeping Canadians Safe and Healthy

Consistent with the Government of Canada's commitment to keeping Canadians safe and healthy, CATSA protects the travelling Canadian public by securing critical elements of the civil air transportation system, as assigned by the government. CATSA takes its mandate very seriously, continuously striving to provide leadership in security screening while adapting to the evolving security environment.

In addition to making continuous improvements in the effectiveness, efficiency and consistency of security screening at designated airports on an ongoing basis, CATSA contributes to the sharing of best practices and technologies for security screening with international partners and counterparts. The organization, in collaboration with Transport Canada, also contributes to the periodic updating and strengthening of the aviation security Standards and Recommended Practices developed and promulgated by ICAO, the UN body responsible for global civil aviation.

As a result of the COVID-19 pandemic, CATSA is prepared to implement new procedures to protect the health of Canadians, including but not limited to potential additional screening measures and enhanced checkpoint cleaning protocols.

Transportation 2030: A Strategic Plan for the Future of Canada's Transportation System

Transportation 2030 is the Government of Canada's vision and longer-term plan to build a national transportation system that supports "economic growth, job creation and Canada's middle class". This strategic plan sets out five broad goals/themes, three of which have significant implications for CATSA and its role in safe and efficient air passenger travel:

- 1) *The Passenger*—providing greater choice, better service, lower costs and enhance rights;
- 2) *Safer Transportation*—harmonizing global standards, consulting with industry, and contributing to enhanced safety and security; and
- 3) *Green and Innovative Transportation*—embracing new technologies, supporting innovation, and focusing on trade corridors and shared ways of moving goods and people.

Openness, Effectiveness and Transparency in Government

The Government of Canada is committed to “set a higher bar for openness and transparency,” with the goal of “shining more light on government to ensure it remains focused on the people it serves.” Emphasizing the importance of the government making its information “open by default,” the government has directed and encouraged all federal departments and agencies to adopt practices of openness and transparency. This begins, but does not end, with faithful and timely compliance with obligations under the *Access to Information Act* and the *Privacy Act*, and related *Treasury Board of Canada* directives.

CATSA proactively maintains a comprehensive public information and awareness program, including the sharing of wait times, quarterly surveys of travellers, publication of information and active consultation with stakeholders, among other initiatives.

Diversity, Inclusion and Employment Equity

CATSA is deeply committed to supporting the Government of Canada’s objectives to build a workforce that reflects the diversity of Canada’s population. To that end, CATSA’s *Employment Equity Plan 2018–2021: Securing a Culture of Inclusion* sets out CATSA’s employment equity numerical goals, commitments and performance measurements. The *Employment Equity Plan* emphasizes increasing internal representation of designated population groups, and of all genders, through hiring, talent and career development, and promotion. These efforts, complemented by CATSA’s *Code of Ethics, Conduct and Conflict of Interest*, are designed to foster and reinforce a safe, respectful and welcoming work environment for all.

CATSA’s commitments to diversity, inclusion, and employment equity are also supported by the adoption of workplace policies and practices that ensure employees from diverse backgrounds have access to reasonable accommodation of their diverse values and traditions.

Progress towards meeting diversity and employment equity goals is actively measured, monitored and evaluated. CATSA produces and submits an annual report on its fulfillment of the *Employment Equity Act* and the *Canadian Multiculturalism Act*. An internal CATSA Diversity and Inclusion Network has been created to guide CATSA in the identification and elimination of barriers to equal employment and to continue to foster an inclusive and diverse culture.

Gender-Based Analysis Plus

A Gender-Based Analysis Plus assessment was completed to examine any differential impacts on men and women, as well as any potential opportunities to advance gender-based objectives in both the air traveller base, CATSA workforce and screening officers who are employed by CATSA’s screening contractors. The results are as follows:

The security screening procedures followed by CATSA have been designed to treat men and women travellers equally. At the same time, however, CATSA is sensitive to the different impacts that screening procedures can have on men, women and the transgender community, and it takes steps to ensure all travellers feel respected and safe throughout the screening process. This includes ensuring same-sex physical searches and providing accommodation when requested.

As reported in CATSA's 2018 Employment Equity report, women represented 44% of CATSA's indeterminate workforce, down from 44.3% in 2017. They represented 62.5% of all newly hired indeterminate employees. While women are still underrepresented in the CATSA workforce, continuous recruitment and retention efforts had a significant effect to close the overall gap.

CATSA screening contractors continue to maintain virtual gender parity in its workforce, with 51% of screening officers across Canada being female. As service levels evolve, CATSA will continue to work with its screening contractors to maintain equal opportunity and to build a diverse screening workforce that reflects the communities it serves.

Indigenous Relations

CATSA embarked on a multi-year engagement with Indigenous Elders to learn more about how aviation security screening can affect sacred and spiritual items. This engagement will ultimately inform changes to CATSA's screening procedures for sacred items generally, and include training on Indigenous history for screening officers, supervisors and CATSA personnel. The focus of this procedural review and training is to enhance the service offered to Indigenous travellers and to build a broader understanding and appreciation of diverse Indigenous backgrounds, experiences, cultural values and traditions among the screening workforce.

Sustainable Development and Green Government

As with all federal departments and agencies, CATSA's policies, programs and projects are subject to the provisions of the *Environmental Assessment Act*, now being replaced by the *Impact Assessment Act*. While recent mandatory scans of CATSA projects have concluded that there are no appreciable environmental impacts that warrant in-depth environmental assessments, CATSA will continue to scan future initiatives to determine if they have anticipated impacts that require further assessment and mitigation. Beyond that, as a responsible agency of the Crown, CATSA maintains high standards for its own sustainable practices, including such measures as: safe and responsible disposal of equipment at the end of its economic life; minimization of paper generation through heavy reliance on electronic data systems; and continual innovation to support safe and efficient personal and business travel and the recreation and tourism sectors of the economy.

Supporting the Government of Canada's Pandemic Response

As a part of the Government of Canada's response to the global COVID-19 pandemic, CATSA has deployed various initiatives to improve the health and safety of passengers and non-passengers subject to security screening at CATSA checkpoints. These initiatives are detailed throughout this document. CATSA will continue to monitor its response to the COVID-19 pandemic, and adjust practices, procedures and initiatives as necessary to ensure the health and safety of passengers, non-passengers and screening officers while carrying out the organization's civil aviation security screening mandate.

GLOSSARY OF ACRONYMS AND TERMS

ACI	Airports Council International
Airport Authority	An operator of an airport listed in the <i>Airport Transfer (Miscellaneous Matters) Act</i>
BPSS	Boarding Pass Security System—a stand-alone technology that scans boarding passes to validate the information embedded in the bar code
CCTV	Closed-circuit television
Class I Airports	Refers to the airports listed under Schedule 1 of the Canadian Aviation Security Regulation, 2012. These airports have an annual passenger traffic in excess of 1 million people or have a high threat/risk potential.
Class II Airports	Airports listed under Schedule 2 of the Canadian Aviation Security Regulation, 2012. These airports have one or more of the following characteristics: annual passenger traffic in excess of 200,000 people; a medium threat/risk potential; is the primary airport of provincial/territorial capital; or is a transit stop for international flights bound for Class I or II airports.
Class III Airports	Airports listed under Schedule 3 of the Canadian Aviation Security Regulation, 2012 (CASR). These airports have scheduled commercial operations, but with a lower traffic volume and lower level of risk than the other classes of airports.
DSA	Designated screening authority comprised of representatives from the civil aviation industry including airlines and airports.
ECAC	European Civil Aviation Conference
EDS	Explosives Detection System
FBS	Full Body Scanner
FTE	Full time equivalent
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
TIPS	Threat Image Projection System
WTSL	Wait Time Service Level
WTSL of 85/15	A Wait Time Service Level target where, on average, 85% of all passengers wait 15 minutes or less to be screened at all Class I airports on an annual basis.