



**AIR CANADA**



**AIR CANADA MAINTENANCE**  
***THE VENDOR PERSPECTIVE***

BY: GILLES NERON

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A STAR ALLIANCE MEMBER  
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## AIR CANADA TODAY

- Air Canada is Canada's largest domestic and international airline serving more than 190 destinations on five continents. Canada's flag carrier is among the 20 largest airlines in the world and in 2013 served more than 38 million customers.
- Air Canada's fleet consists of 204 aircraft, with a further 158 aircraft in the Air Canada Express fleet
- Air Canada provides scheduled passenger service directly to 60 Canadian cities, 49 destinations in the United States and 73 cities in Europe, the Middle East, Asia, Australia, the Caribbean, Mexico and South America.
- Today, we have 28,000+ employees around the world and we fly to 60 Canadian destinations, 52 in the U.S. and 60 cities internationally, comprising more than 1,500 non-stop flights per day serving 1,316 airports.
- Our direct contribution to the national economy exceeds \$13 billion
- Air Canada is the only international network carrier in North America to receive a Four-Star ranking by Skytrax and named as ~~Best~~ Best Airline in North America in 2014 for the fifth consecutive year

# FLEET

	ACTUAL	PLANNED	
	2015	2016	2017
<b>MAINLINE WIDEBODY</b>			
Boeing 787	12	21	30
Boeing 777	23	25	25
Boeing 767-300ER	17	15	10
Airbus A330-300	8	8	8
<b>MAINLINE NARROWBODY</b>			
Boeing 737 MAX-8			2
Airbus A319, A320, A321	74	75	75
Embraer 190	37	25	25
<b>TOTAL MAINLINE</b>	<b>171</b>	<b>169</b>	<b>175</b>
Boeing 767-300ER	15	19	25
Airbus A319, A321	24	25	25
<b>TOTAL AIR CANADA ROUGE</b>	<b>39</b>	<b>44</b>	<b>50</b>
<b>TOTAL WIDEBODY AIRCRAFT</b>	<b>75</b>	<b>88</b>	<b>98</b>
<b>TOTAL NARROWBODY AIRCRAFT</b>	<b>135</b>	<b>125</b>	<b>127</b>
<b>TOTAL MAINLINE AND AIRCANADA ROUGE</b>	<b>210</b>	<b>213</b>	<b>225</b>



## AIR CANADA'S CHANGING MAINTENANCE LANDSCAPE

- In the last few years, we began exploring new vendors for components and engines maintenance related to our newest fleets (787, 777 and ERJ 175 & 190)
- Our vendor management obligations and requirements are set to become much more complex and varied, leading us to an internal operational review to ensure we're able to be successful in this new paradigm
- It is incredibly important that we identify suppliers who can serve as true partners in helping Air Canada's transition to this new environment



## **AIR CANADA'S FUTURE EXPECTATIONS**

AIR CANADA'S UPCOMING MAINTENANCE MAKEOVER HAS SEVERAL KEY ATTRIBUTES

### **1. Optimize our inventory positions and reduce spares purchase and overall inventory ownership**

### **2. Lock in smooth and predictable maintenance costs**

- Where possible, look to longer-term flight-hour deals that minimize T&M costs
- Focus on achieving Service Level Performance Guarantees to reduce exposure to spot market pricing and other mitigation options (loans, borrows, etc.)
- Focus on relatively few suppliers to as to control our internal vendor management costs

### **3. Infuse risk mitigation into our contracts and behaviors**

- Secure contracts that allow risk sharing by AC and Suppliers
- Require full AOG support and services
- Optimize stocking and sparing requirements with Suppliers
- Have Suppliers build to CMM (currently disjointed mod status/configuration)
- Full reliability support and focus, with clear obligations on Suppliers and Air Canada

### **4. Leverage prevailing market dynamics**

- Keep the market competitive between OEM and MRO



- Secure low escalation capped against CPI/materials

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**THANK YOU FOR YOUR ATTENTION  
AND INTEREST!**

