



**HELICOPTER ASSOCIATION OF CANADA
Fall 2020 AGM
PRESIDENT’S REPORT**

Ladies & Gentlemen:

It has been my honour to serve as HAC’s President & CEO for 12 years now, and to say that this has been a challenging year for the Canadian commercial helicopter industry – would be a gross understatement. It has been the worst year in the history of Canadian commercial aviation.

Since mid-March, at a time when the commercial helicopter community was ready to launch for the Spring-Summer 2020 season, we were grounded. All but essential services came to a grinding halt. Spring training; recurrent training, PPCs, written exams; ground schools; flight training; flight testing, and all travel – stopped. Virtually everything stopped. Many contracts and charter operations – all but essential services – were either postponed, or cancelled altogether.

Coupled with the real risk of contracting COVID-19 while traveling, there was uncertainty from the public about the real risk of transmission. Since then we have seen a gradual return to business, but coupled with a very slow fire season – and the potential for ongoing trans-border and international travel restrictions, we may also see a diminished Heli-ski season, too. It has become evident to HAC, that a significant number of operators – in the face of these limitations have either laid-up their aircraft and closed their doors – or worse – have gone out of business altogether.

To their credit, Transport Canada stepped up - and through a series of exemptions - helped the industry prepare for a return to operations through extensions and work-arounds for a broad spectrum of training and testing operations that would have otherwise been cancelled altogether and would have significantly delayed our return to operations. The summer 2020 operations were been dismal at-best. For most operators it has meant massive lay-offs at all levels of the company and where they are even eligible, applications for CEWS and CERB benefits. One of HAC’s challenges is to see that discussions that are taking place with the major scheduled carriers are expanded to include representation from the commercial helicopter community – who in some ways, are more vulnerable than the major carriers to the devastating effects of the pandemic.

Regulatory

You would think that in a pandemic - where the crippling economic effects of the pandemic are felt most - that regulatory issues with significant economic impact on carriers would be postponed, at least until pandemic is behind us and the fragile recovery process for our industry had started. The one-two punch of a pandemic, and new costly regulations will put more than one operator on-the-ropes. Unfortunately, there are a number of regulatory processes still moving forward, including most notably, the new Fatigue Management Regulations. The December 2020 in-force date for the new Airline Regulations has remained unchanged in spite of the industry's circumstances. I believe that this is the height of insensitivity on the part of the Minister. The in-force date of the new rules for the helicopter industry will be two years later, but still loom-large with disastrous potential. Some members of the airline community are just coming alive to the cost and interpretation issues associated with the new rules. Also percolating through the regulatory process are new TDG regulations, a requirement for Lightweight Flight Data Recorders (LFDRs) and new Approach Ban Regulations for IFR helicopter operations.

HAC's Financial Health

"As the industry goes - so goes its industry Association". You will hear from HAC's Treasurer that 2019-2020 – owing primarily to cost cutting that occurred last year – was a good year with a reasonable \$84K surplus. The real consequences to your Association will be evident *this* Fiscal Year beginning on September 1 2020. We have a Contingency Business plan, and Reserve funds set aside for events like the pandemic – however they are not bottomless. We are budgeting for a significant deficit this year owing reduced Operator/Associate/Corporate Sponsor renewals, and we rely on a face-to-face convention to generate roughly half of our operating revenue each year. Our virtual event occurring now, will generate very little net revenue for HAC this Fiscal Year. We know that our members are incredibly loyal, but they are struggling for *their* survival, too. Naturally the recovery for the industry will take at least a few years, and to make matters worse, we are facing a small but very significant potential that there will be penalty fees if we cancel our 2021 face-to-face YVR event in the face of debilitating restrictions that could be placed on a largely successful face-to-face convention model.

In closing, I wanted to take a moment to thank our Operators, Associates, and our Corporate and Convention Sponsors for their steadfast support over the years, as your Board and I struggle to evolved HAC's Business model to accommodate a post COVID-19 recovery.