

CHC Helicopters Canada Brief

To

The House of Commons

Standing Committee on Foreign Affairs and

International Development (FAAE)

'Canada's Sovereignty in the Arctic'

7 August 2018

Objective

This informational brief is being offered to the Standing Committee on Foreign Affairs and International Development with the key aim of identifying and explaining the role that Alternative Service Delivery (ASD) models of Helicopter Support, could provide in the context of 'Canada's Sovereignty in the Arctic.'

The information presented herein is as an option for consideration by the Committee when assessing strategies for Canada's long term Sovereignty aims in the Arctic.

References

A – The Canadian Encyclopedia – Definition of Sovereignty.

Quadrennial Search & Rescue Review 2013, Ministry of National Defence.

B – Defence Policy Review, Public Consultation Document 2016.

C – Standing Committee on Foreign Affairs and International Development – Evidence Thursday, June 14, 2018.

D – Quadrennial Search & Rescue Review 2013, Ministry of National Defence.

Overview

The Canadian Government has a long and successful record of exercising control of its Sovereign territory, including Canada's Arctic. The variety of terrain, the harsh environment and the associated distance, have provided historical challenges to this task, however the different arms of the Canadian Government have been successful in achieving the desired results.

With changes in the global climate and the geopolitical landscape, Canada is proactively reviewing its ability to continue exercising Sovereignty over its Arctic. It is in this regard, that CHC Helicopters Canada (CHC) believes the commercial helicopter market can provide options for a persistent presence located in our Arctic territories. CHC would welcome the opportunity to expand on this presentation by appearing as a witness before the Committee. Thank you for your consideration of this request.

Reference A

Describes as follows – “In terms of international law, sovereignty denotes the international legal personality of a state. Only states are persons at the level of international law. In this context, the state's sovereignty is expressed in: a) its legal control of territory, territorial waters and the national air space, as well as its legal power to exclude other states from these domains; b) its legal power to represent and vindicate the claims and interests of its citizens with other states; and c) its own representations in international legal arenas such as the United Nations and international diplomatic conferences, and before international tribunals such as the World Court.”

Reference B

Offers a brief understanding of the Canadian Armed Forces (CAF) Arctic capabilities but also describes the “exceptional cost” associated with such Arctic operations. Canada's government must consistently measure cost against outcome and therefore the concept of a multifaceted ASD model as an economical force multiplier, would aid the CAF in meeting its challenges.

Reference D

Provides insight into the critical importance of Search & Rescue (SAR) within Canada, including the recommendation for improvement of coordination, collaboration and interoperability. Although the professionalism and capability of those currently providing coverage is to the highest of standards, there are areas where an ASD model could provide government with sustainable capability to supplement SAR provision and support the recommendations identified in Reference A.

Sovereignty in Canada's Arctic

In order to continue exercising control of Canada's Arctic Sovereignty, the Canadian Government should consider all opportunities to ensure that activity is effective, economical and sustainable. Contemplating such a vast territory, both land and marine, a review of the methods used for supporting the separate functions should be conducted. Commercial helicopter operations based in the Arctic, under direct contract to departments of the Canadian Government would act in the role of Force Multiplier to existing CAF and Canadian Coast Guard (CCG) resources in order to ensure that Force Projection could occur in a more sustainable and determined manner.

Consider for a moment, the result of having only four medium or heavy class all weather helicopters based strategically in our North. Two aircraft based in the Western Arctic and two in the Eastern Arctic would allow for 24/7/365 service better than 95% of the year over much of the territory in question. With aircraft configured and crewed correctly, Canada would significantly extend its Sovereignty horizon in a single sustainable move, without the unnecessary cost, complication and encumbrance of increased CAF or CCG infrastructure.

An efficient commercial base of operations configured for All Weather Search & Rescue (AWSAR) could conduct not only SAR operations but Pollution Patrol, Fisheries Protection, Vessel Identification, RCMP Support, Logistics for on and offshore CAF units, Logistics for CCG vessels, Local community support, Disaster response and more. The benefit of having such flexible support in a small operational model would be critical to Canada's ability to not only maintain, but enhance its Sovereign control of Arctic Territory.

Alternative Service Delivery

Use of Alternative Service Delivery (ASD) for helicopter SAR, HEMS, Law Enforcement and Logistics is a well-established concept, successfully operated in a range of environments including the Arctic Circle, Australian desert and the North Atlantic Ocean. In the last 10 years alone, for example, CHC Group has conducted more than 11,500 SAR missions across the North Atlantic region in a variety of weather and environmental conditions.

Ireland

The Irish Coast Guard SAR helicopter provision has been under an ASD model since 1991, including a technology upgrade to the S-92A in 2013. HEMS, Pollution Control and Logistics form part of this contract as required by the service.

Norway

Norwegian SAR is under military ownership and supplemented in key areas by commercial operations in support of the Oil & Gas sector, including offshore in the Arctic Circle. A delayed delivery of replacement aircraft to the RNoAF created a gap in SAR coverage that CHC Group now provides on behalf of the Norwegian Ministry of Justice.

United Kingdom

SAR helicopter support for UK SAR has historically been a mix of military and Coast Guard services (commercial), before moving to a full commercial provision in 2015. CHC Group has provided significant aspects of the Coast Guard service under the commercial solution.

Australia

The only multi-state SAR provision in Australia has been provided by CHC since 1989, providing SAR coverage for military fast jet operations across 7 bases, and as well as support for local, often remote, communities.

- CHC Group has also provided secondary SAR provision to both the states of New South Wales and Western Australia under State government EMS contracts.
- CHC Group also provides aircraft and complete maintenance support to the Victoria Police Air Wing.

Other Jurisdictions

Additionally, CHC Group has supported the offshore Oil and Gas community with SAR, Medevac and Logistics solutions in support of remote operations for many years. Many of these operations have involved setting up services in challenging regions such as the Falkland Islands, Norway, Australia, Tanzania, Kazakhstan and Uruguay.

Advantages of Alternative Service Provision

In each case, the supplementing of government service provision with an ASD model is driven by a need to either update technology, bridge a specific gap in coverage, or to mitigate CAPEX and OPEX challenges by harnessing the flexibility and innovation of the commercial sector.

Commercial provision is usually provided through a turnkey arrangement, controlled by local government and 'badged' under the relevant agency in a transparent and auditable manner whilst maintaining the ethos and core identity of the contracting agency. This has allowed for seamless integration, which is unchanged at the point of delivery.

With the benefit of 30 years' experience of operating ASD models for both federal and regional governments, CHC has identified the following advantages:

- Ability to leverage advances in capability and field new and efficient technology in a timely manner. An example of such a scenario is:
 - UK SAR military provision utilised 45 aging aircraft operating from 12 bases. Under the ASD model, there is both an increase in availability and capability delivered by 22 aircraft, operating from 10 bases.

- With a core focus on helicopter operations, commercial providers can apply lessons learned in their current operations to increase operational efficiency, including:
 - A long-term relationship with a training partner. In CHC's case, a global partnership with Canada's CAE is in place, which provides an efficient and sustainable pipeline of suitably trained and experienced personnel.
 - Agile supply chain management and a dynamic global distribution network. This ensures resilience in spare part availability with the key aim of supporting exceptional levels of service availability approaching 100%.
 - Well-established and robust relationships with helicopter OEMS. These relationships result in strong buying parity as well as streamlined procurement/acquisition cycles of 'Commercially off the Shelf' (COTS) aircraft and components to maximise cost benefits and reduce lead times.
- Flexibility to field a modern and highly capable service, with high availability, without a large CAPEX burden or front-loaded project cost.
- All the component elements of the ASD are designed to provide a high quality all-weather service at exceptional levels of availability; typically against a contracted 24/7/365 availability rate of 98%.

Commercial Structure

CHC Group's experience of successfully delivering Alternative Service Delivery models has identified the importance of clearly defining the parameters and requirements. CHC Group has a clear mission statement in this regard:

'To provide serviceable airborne systems with trained crews at the required readiness.'

Reference A highlights the clear need for coordination, collaboration and interoperability, which aligns with CHC's experience of providing global government support over the past 30 years, and is the cornerstone of our ASD model.

- All of our operations fall under the ultimate control of both national and regional Rescue Coordination Centres (RCC's), enabling coordination at all levels.
- As SAR providers, our crews and support personnel exercise, train and collaborate with all stakeholder agencies on a daily basis. Examples include the RNLI, Police and Ground SAR teams in UK, Ireland, Norway and Australia.
- CHC's SAR operating procedures are in accordance with the principles outlined in the IAMSAR¹ doctrine to ensure interoperability and seamless integration with existing government provision.

¹ The International Aeronautical & Maritime Search & Rescue (IAMSAR) manual is a 3 volume publication issued by the International Maritime organisation to assist nations in meeting both their own SAR requirements and complying with ICAO/IMO international conventions on Safety of Life at Sea (SOLAS).

Regardless of the primary role of such flexible assets and therefore the primary contracting authority, intergovernmental Memorandums of Understanding (MoU) would formalize a single dispatching authority (i.e. RCAF or CCG) that would approve any assigned missions on behalf of the overall Government to confirm no conflict in dispatching. Such clear coordination would be essential in providing Government with the most effective operational result.

Total and complete transparency is essential to any successful relationship between a government agency and commercial provider. In order to provide contract managers and stakeholders with full and unrestricted visibility of performance, we have adopted and implemented innovative analytics software that allow performance against objective KPIs to be accessed at any time by government stakeholders or contract management departments.

Conclusions

Alternative Service Delivery models offer governments the flexibility to fill capability gaps on a short or long-term basis, without the need for large CAPEX spends or lengthy procurement cycles.

As a core focus for commercial helicopter operators, many of the 'pinch-points' and implementation risks are well-known and well-mitigated through processes which have been forged through experience and constantly refreshed to keep pace with industry trends.

Canada's need for support in its Control of Arctic Sovereignty will continue to evolve with increasing activity in the North Atlantic and far North. The Canadian Military and Coast Guard are highly regarded across the world, and are rightly a source of pride for all of Canada. An ASD offers the ability to supplement existing capability, under their control and ownership, with economics and efficiency of delivery as a key benefit.

CHC is available as required, and once again would welcome the opportunity to expand on this presentation by appearing as a witness before the Committee in discussing Canada's Sovereignty in the Arctic.

Background

Born in Canada in 1947, the CHC Group and affiliated companies have participated in numerous offshore projects in locations throughout Canada, including first-hand knowledge of the unique operational requirements of the Western Canada and East Coast environments. With 15 years of SAR experience, including 24/7 and all weather operations, CHC Helicopters Canada Inc. is excited and confident in its future within the region.

CHC Helicopters Canada Inc. maintains a strong working relationship with the CHC Group, a global leading group that provides considerable technical expertise and depth of experience in the helicopter support and service market. Having spent 70 years establishing its services, the CHC Group is one of the largest offshore oil and gas helicopter services provider in the world today leading the industry in safe and efficient operations. Part of the CHC Group's success is rooted in its strong geographic presence and expertise worldwide, solidifying its rank as the world's safest, most experienced and most geographically diverse helicopter operator.