

# ***PRESERVING A VITAL LIFELINE***

***Canadian North request for Government of  
Canada assistance as an essential air  
service provider***



**BRIEFING NOTE | JUNE 1, 2020**

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Chair, Standing Committee on Indigenous and Northern Affairs  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6 Canada  
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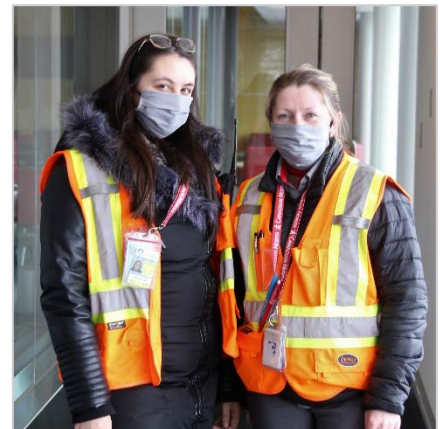
#### **Canadian North is a vital lifeline for Canada's Northern communities**

Canadian North is 100% Inuit-owned by Makivik Corporation and the Inuvialuit Development Corporation. Our team of over 1,500 highly experienced, dedicated and caring aviation professionals provides essential passenger and cargo services to 26 remote communities within Nunavut, Nunavik and the Northwest Territories, from our southern gateways of Ottawa, Montreal and Edmonton.

**As shown in our scheduled network map (appended to this document), Canadian North serves an incredibly small and widely dispersed customer-base, which represents less than 1% of Canada's population, distributed across almost 40% of Canada's landmass.**

The flights Canadian North operates, which enable the movement of people, food, medicine and other important goods as well as access to crucial medical care and government services, are a vital lifeline for the vulnerable populations we serve. Almost all of the communities within our network have no road or rail access, so the residents are completely dependent on air service for all aspects of their lives. **This is an incredibly challenging operating environment that Canadian North is uniquely equipped to serve.**

Canadian North is an important employer within the North, with one-third of our employees living and working 'North of 60' and 193 Inuit beneficiaries contributing to all areas of our organization, including as board members and within senior leadership roles.



## Canadian North's proactive response to the COVID-19 crisis

**As an essential service provider, Canadian North understands that our actions touch many lives so the safety and well-being of our customers, communities and employees guides us in every decision we make.**

In response to the onset of the current COVID-19 crisis, Canadian North quickly mobilized a task force with representation from all areas of our operations to ensure that we are prepared to implement all necessary precautions to safeguard the populations we serve and have the structure in place to address any challenges that arise.

**As a result of our efforts, we have been able to maintain uninterrupted safe and stable operations and are continuing to do everything we can to proactively respond to this crisis while ensuring our team members have the resources necessary to care for our customers.**

We are also taking all steps necessary to ensure sustainable operations, so that we can withstand this crisis and continue to provide essential services to everyone who is depending on us. This has meant taking difficult actions such as reducing our schedule and capacity by over 50% and implementing temporary and permanent layoffs to reduce our workforce.

While we are unable to further reduce our operational footprint due to the vastness and complexity of the area we serve, we are doing everything we can to minimize our costs during this difficult period.



**You can see our team working together to deliver essential services to our customers and communities in the face of these significant challenges at [www.canadiannorth.com/day-in-the-life](http://www.canadiannorth.com/day-in-the-life)**



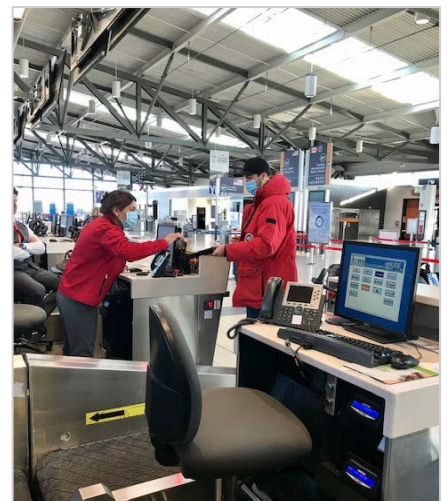
#CNstrong  
A DAY IN OUR LIVES A CANADIAN NORTH STORY



## Our urgent needs

While Canadian North is fully supportive of the travel restrictions that have been implemented for Nunavut, Nunavik and the Northwest Territories, these restrictions and the sudden and severe collapse of worldwide air travel demand have left us with a crippling revenue shortfall. Given the vast geography we cover and the small population we serve, our ability to reduce overhead and infrastructure to offset the revenue decline is not possible without serious consequences to the Northern communities we serve. It is unknown when recovery will happen and what it will look like.

- The current short-term assistance provided to northern airlines is only applicable to our operations from April to June, 2020. **The impacts of the COVID-19 crisis will last much longer, so we require a long-term financial aid program for the duration of the crisis targeted specifically to Canadian North and other northern airlines that provide essential services to the remote, isolated communities of Northern Canada.** The availability of this funding will ensure we can continue to serve as a vital lifeline for northerners throughout this crisis and beyond.
- The unprecedented challenges we are now facing were completely unforeseen at the time the terms and conditions for the merger between First Air and Canadian North were agreed upon. They are serving to handcuff us at a time when we need flexibility to meet our current challenges. **We therefore need the Undertakings applicable to passenger pricing, schedule frequency, cargo pricing and movement (including the two Undertakings currently suspended) to be suspended for a period of at least one year.** This will enable us to flexibly respond to the ever-changing market conditions we face while continuing to meet the essential needs of the communities we serve.





## The stakes

Safe and reliable air service is critically important to the health and well-being of all Northerners. Canadian North's Inuit ownership does not have the means to subsidize the delivery of essential passenger and cargo services to the vast network we serve, which encompasses almost 40% of Canada's landmass. **We believe that Canadian North's contraction or demise would imperil the safety and well-being of the people and communities we serve across Inuit Nunangat, so we urgently need the Government of Canada to provide the assistance and flexibility necessary for us to sustain safe and stable operations for everyone who depends on us.**

## We are ready to further discuss our needs with you

For additional information, please contact:

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## Appendix

Map of Canadian North's scheduled passenger and cargo network



- Routes operated by Canadian North
- Canadian North / Calm Air codeshare routes
- Canadian North / Air North codeshare routes

