

LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
8<sup>TH</sup> ASSEMBLY, 67<sup>TH</sup> SESSION

TABLED DOCUMENT NO. 26-67

TABLED ON Feb.15, 1979

APPENDIX 1

Comments by Northward regarding letters of support contained under Appendix "F" of Adlair application.

1. Letter of William Lyall, M.L.A.

Contrary to the opinions expressed by Mr. Lyall, Northward submits that, in addition to the average 600 hours per annum flown by Northward on charter services at Cambridge Bay, charter services are also provided by Northwest Territorial Airway's DC-3's and DC-6's to the communities east of Cambridge Bay as well as charter services provided by P.W.A. Lockheed Hercules aircraft.

except Pelly Bay  
Northward

(S)  
#

Fred Ross and Associates are now licensed to provide charter services at Bathurst Inlet, 70 miles south of Bay Chimo, and have stated that they intend to serve that community with a small aircraft, which should suit the requirements of the hunters and trappers in that area. Bradley Air Services provide charter services from bases at Hall Beach and Resolute Bay, both located in the Central Arctic.

Don't fly  
own  
trucks

impossible with class  
skidoo, Sleigh → need C.

A.

Northward submits that a casual charterer is seldom required to acquire an aircraft from Yellowknife; the exception being if the aircraft is required for specialized or long term charters such as the fish haul. Northward is not tied down to scheduled service to the extent expressed in Mr. Lyall's letter, and can and does deviate from the schedule, by prior arrangement, to accomodate charter requirements at Cambridge Bay, Gjoa Haven, Spence Bay and Pelly Bay. Both the Beech 99 and the Twin Otter aircraft operated by Northward are available for emergency charter services and have been used quite often for that purpose. As with other northern operators, Northward assigns top priority to emergency services, and re-routes its aircraft accordingly when the need arises. This includes searches for lost or missing persons, of which Mr. Lyall must be aware.

No day  
fly

Emergency  
flights

Northward's aircraft is available with oversize tires for operation on tundra or rough terrain. The use of skis is seldom required; deep, soft snow conditions are unusual in that area for any prolonged periods of time.

Pilots very  
seldom used  
same

The use of floats is limited to any extremely short season - about two months of mid - summer - and the only real requirement for the use of floats is during the char fishing season.

Parry River, Bay Chimo, Baiguast  
Antipast, Parry Bay, Brown Sound

Northward has not had an accident in over ten years of operation, which attests to the skill of its pilots and an excellent maintenance record under harsh Arctic conditions. The only incidents involving damage to Northward aircraft occurred in 1967 - 1968, when two Beech 18 aircraft were involved in landing accidents at Spence Bay, without injury to the occupants. To the best of our knowledge, Mr. Laserich has had his share

30 Mile River  
Wellington Bay  
Fay & Lake  
Ellie River  
Jordan Bay

Hunters + Trappers flying in their supplies  
before winter Fishermen  
service, doctors nurse, RCMP etc  
Fall quarter surveillance, Hunters resupply  
Scapstone, irish base for Skidoo trucks  
Truck base, maintenance, winter - summer

Just recently  
picked up Body of  
11 year child  
Woman dead!  
Hunter searched  
↑  
Fuel catched

- confirmed
- (1) Questor Camp Victoria Told Floats
  - (2) Geophysical Survey  
~~Extended to~~ Survey Bathurst Bay - jims  
Area of Camp Area Tel. water Tule  
Men + 1 Crew changes
  - (3) Govt of Canada Fisheries  
Scientific Test + survey of industry  
Commercial Fishing potential also Tourist  
potential all summer  
Single Trip other Floats required  
also study on Allocation of quota  
done by Fisheries Research Board  
Single other Float

Crews to shuttle from Camp  
to other Fishing  
Areas

Exploration in Bathurst Area

447 not Buffalo

of accidents; a DC-4 at Pelly Bay when he flew the aircraft for the Co-op, and a single Otter owned by him. Mr. Laserich's skills or attributes are not in question, however, The main issue is the harmful effect to Northward and the services it operates that would be caused by the introduction of a new licensee at Cambridge Bay under marginal economic conditions.

2. Letter from Bay Chimo

Northward would like to know whose aircraft Mr. Laserich was flying during his many visits to Bay Chimo.

The engine damage, so - called, involved a situation where the pilot momentarily used more power than the engine manufacturer permits, in order to maneuver the aircraft on the ground. In such cases, the engines must be inspected. The end result of the inspection was that the engines suffered no ill effects. A less honest pilot would not have reported the incident to the Operations Manager. It seems strange to be criticized for observing safety precautions which are designed to protect the public.

3 Engine Changes Bay Chimo

The Northward aircraft undergo rigorous maintenance schedules and the quality of its operations <sup>is</sup> regularly inspected by Transport Canada, who, we assert, have no doubts about the safety and conduct of Northward's operating practices.

check with people in Cambridge Bay

3. Letter - Ekaloktotiak Co-op

Again we question the use of phrases such as "his single Otter and Twin Otter aircraft", "his airplane", "he has always taken us ...". It would appear that Mr. Laserich has been providing commercial services, without the benefit of a Licence. Mr. Laserich was employed as a pilot between 1966 and 1971 by Northward and flew aircraft that were owned, maintained, and operated by Northward.

Buffalo Airways, Skyway normal way of expressing location in North

The "trouble he has always had with the police" can hardly be described as an accolade or a desirable achievement.

out of context!

4. Spence Bay Settlement Council

The Council may be under the impression that Adlair is not required to assess positioning charges to/from Cambridge Bay when requesting a charter.

not needed when A/C already on Govt Charter

5. Paleajook Co-op

In what way has Mr. Laserich been serving the community? Same comments as paragraph 3, above.

not needed when A/C already on Govt Charter

Flying Arctic clear from Peel's Post Party tracking down lost hunters in country

FOR YOUR INFORMATION ONLY  
Schwab Hansen & Langager

AIR TRANSPORT COMMITTEE

CANADIAN TRANSPORT COMMISSION

DOCKET NO. 3965

IN THE MATTER OF an application by Adlair Aviation to operate a Class 2 commercial air service using Group C equipment from a base at Cambridge Bay, Northwest Territories.

INTERVENTION OF WARDAIR CANADA (1975) LTD.

1. This is the Intervention by Wardair Canada (1975) Ltd. (hereinafter referred to as "Wardair") to the application by Adlair Aviation (hereinafter referred to as "Adlair") to operate a Class 2 commercial air service using Group C aircraft from a base at Cambridge Bay, Northwest Territories.
2. The Intervention of Wardair is filed pursuant to an extension in the time limit for filing an Intervention to August 4th, 1978 as indicated in a telex received by Wardair from the Air Transport Committee and attached hereto for reference.
3. Wardair submits that Adlair has totally failed to substantiate a requirement for the service based on public convenience and necessity. All letters filed as exhibits in support of the application, while extremely supportive in nature in no way prove the economic viability of the proposed service.
4. With regard to present transportation facilities, the North historically has had requirements from time to time for more aircraft than are available in that part of Canada.

However, these periods are very short lived and to grant further licences to handle minor peak periods would not be in the interests of air carriers who have spent many years living with the ups and downs of the economy of the Northwest Territories. Cambridge Bay is at present served on a Class 4 basis by Northward Airlines, utilizing a Twin Otter aircraft and other Twin Otter operators are available when Northward cannot meet minor periods of peak demand in the community.

5. Wardair submits that Cambridge Bay has little or no economic base in that mining exploration has fallen off sharply in the area and oil exploration further North has declined at an alarming rate. It is respectfully submitted that it would not be economically viable to rely on sundry letters of support from Eskimo co-operative associations or fishing and trapping associations as evidence of public convenience and necessity capable of supporting yet another Twin Otter licence.

6. It is respectfully submitted that Twin Otter utilization throughout the Northwest Territories has been declining at an alarming rate over the past three year period and as such the estimated number of revenue block hours to be flown by the Adlair Twin Otter is not totally justified. It is Wardair's experience that since June 1st, 1974, Twin Otter utilization, based on hours per year, has declined 30.7%. The Committee must recognize that the North has an over supply of Twin Otters and equivalent type aircraft operations which were created during the short lived oil exploration boom. It is respectfully submitted that public convenience and necessity does not require the licencing of yet another operator

and said such licencing would be totally detrimental to the operations of the several carriers that have historically served the people of the North.

All of which is respectfully submitted this 1 day of August, 1973.

WARDAIR CANADA (1975) LTD.

*Ian C Wilkie*

Ian C. Wilkie,  
Manager, Legal Services.

•  
WARDAIR EDM

CANTRANCOMHULL

JULY 28/78

ATTN: IAN C WILKIE

RE WARDAIR'S TELEX JULY 27/78 AND APPLICATION PER DOCKET NO.  
3965 STOP THE AIR TRANSPORT COMMITTEE GRANTS WARDAIR CANADA  
(1975) LTD. A FURTHER EXTENSION OF TIME TO AUGUST 4/78 TO FILE  
AN INTERVENTION ON THE APPLICATION BY ADLAIR AVIATION LTD STOP  
NORMAL PERIOD FOR REPLY SHALL APPLY STOP FOR ADLAIR'S INFORMATION  
WARDAIR DID NOT RECEIVE PARTICULARS OF APPLICATION UNTIL  
JULY 27, 1978.

J MCCARTHY FOR SECRETARY AIR TRANSPORT COMMITTEE

•  
WARDAIR EDM

CANTRANCOMHULL



CANADIAN TRANSPORT COMMISSION  
AIR TRANSPORT COMMITTEE  
DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LIMITED FOR  
AUTHORITY TO OPERATE A COMMERCIAL AIR SERVICE.

REPLY TO INTERVENTION BY NORTHWARD AIRLINES LIMITED  
DATED NOVEMBER 14, 1978.

The within reply is made on behalf of Adlair Aviation Limited by  
Schwab, Hansen, Langager & Grape, solicitors for the Applicant.

CANADIAN TRANSPORT COMMISSION  
AIR TRANSPORT COMMITTEE  
DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LTD. FOR AUTHORITY TO OPERATE A COMMERCIAL AIR SERVICE.

APPLICANT'S REPLY TO INTERVENTION OF NORTHWARD AIRLINES LIMITED DATED NOVEMBER 14, 1978

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1. In reply to paragraph 6 of the intervention dated November 14, 1978 filed by Northward Airlines Limited (hereinafter referred to as "Northward"), Adlair Aviation Ltd. (hereinafter referred to as "the Applicant") submits that the various parties and groups supporting the application, as indicated in the original application and the first amendment thereto, are doing so primarily as a result of the reputation, competence and reliability of Mr. Willi Laserich, President and majority shareholder of the Applicant, and because of his concerns for and attention to the interests of the residents of the Central Arctic as evidenced by his many years of service to those people. The Applicant particularly notes that none of the groups and individuals expressing support for the Applicant have confined their support to an application involving a Twin Otter. It is submitted on behalf of the Applicant that these groups and individuals will support the Applicant in its pursuit of a licence regardless of the particular type of aircraft to be utilised, and that if given the opportunity to do so, they would indicate this to the Committee personally at a hearing.

2. In reply to paragraph 8 of the intervention of Northward, the Applicant submits that the requirements of the public which the Applicant proposes to serve, and it is unlikely that these charter requirements are "casual and modest" to the people affected, simply cannot be satisfied by a Group B aircraft because of the fact that a Group B aircraft is not large enough to carry sleighs and ski-doo's which are so essential to the transportation system throughout much of the Central Arctic.

3. In reply to paragraph 4 of the intervention filed by Northward, the Applicant acknowledges that surcharges are not assessable for fuel obtained by the applicant at its proposed licenced base of Cambridge.

Bay) However, the Applicant submits that only a portion of its fuel requirements will be purchased at the licenced base so that the projected estimates for fuel costs, although understated to some extent, have not been understated to as great a degree as alleged by Northward.

The Applicant submits that approximately 60% of its fuel requirements will be for flights to and from points outside of its licenced base at Cambridge Bay and the Applicant submits that surcharges can be levied for fuel purchased at such outlying points which would reduce the net cost to the Applicant to approximately \$1.00 per gallon for both JP-4 and 100/130 Avgas. Furthermore for the remaining flights to and from the licenced base, the Applicant will be only required to purchase fuel at the licenced base for the outgoing portion of such flights and fuel for return flights will be purchased at points other than the licenced base. Again it is submitted that surcharge would be in effect for all fuel purchases other than those made at the licenced base.

In summary, the Applicant submits that its fuel requirement for the various aircraft would be as follows:

Aircraft Type	Total Revenue Hours	Revenue Hours for Flights from Cambridge Bay	Revenue Hours for Flights to Cambridge Bay and for Flights neither departing from nor landing in Cambridge Bay
Twin Otter	1000	200	800
Single Otter	800	175	625
Beech 18	250	50	200

4. In reply to paragraph 5 in the intervention filed by Northward, the Applicant submits that the prices of fuel as cited by Northward are the result of recent price increases and were not in effect at the time of the original application when the Applicant's revenue and expense estimates were first prepared. In Northward's letter of intervention dated July 7, 1978, Northward indicated that the prices for JP-4 and 100/130 Avgas were \$1.88 per gallon and \$2.10 per gallon respectively.

In order to present a more reasonable estimate of the Applicant's expenses, although no corresponding changes have been made to the rev-

en forecast, the Applicant has recalculated its estimated fuel costs as indicated below, partly to meet the ATC's position that no fuel surcharge is allowed for fuel purchased at the Applicant's licenced base, and partly to reflect the recent increases in the prices of aviation fuel:

Twin Otter @ 80 gal/hr

Fuel purchased at Cambridge Bay - 200 hours x \$2.13/gal = \$34,080.00

Fuel purchased elsewhere (surcharge  
to apply) - 800 hours x \$1.00/gal = \$64,000.00

TOTAL FUEL COSTS FOR TWIN OTTER \$98,080.00

Single Otter @ 30 gal/hr

Fuel purchased at Cambridge Bay - 175 hours x \$2.35/gal = \$12,337.50

Fuel purchased elsewhere (surcharge  
to apply) - 625 hours x \$1.00/gal = \$18,750.00

TOTAL FUEL COSTS FOR SINGLE OTTER \$31,087.50

Beech 18 @ 35 gal/hr

Fuel purchased at Cambridge Bay - 50 hours x \$2.35/gal = \$ 4,112.50

Fuel purchased elsewhere (surcharge  
to apply) - 200 hours x \$1.00/gal = \$ 7,000.00

TOTAL FUEL COSTS FOR BEECH 18 \$11,112.50

Therefore in the Applicant's amendment dated September 29, 1978 the estimated fuel costs should be \$140,280.00 rather than \$77,250.00 as indicated, resulting in a net operating profit of \$91,520.00 rather than \$154,550.00 as indicated in the amendment of September 29, 1978.

Therefore in the Applicant's amendment dated October 26, 1978 the estimated fuel costs should be \$42,200.00 rather than \$29,250.00 as indicated, resulting in a net operating profit of \$22,600.00 rather than \$35,550.00 as indicated in the amendment of October 26, 1978.

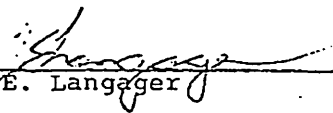
It is therefore submitted by the Applicant that even if the estimated fuel costs are increased by what the Applicant considers to be the reasonable amount of \$63,030.00 and \$12,950.00 for each of the amended set of expenses, the Applicant would still be left with sufficient operating profit to make the operation feasible. Furthermore the Ap-

plant has attempted to place liberal estimates on certain of the estimated operating expenses, in particular maintenance, engine reserves and depreciation and general services and administration and it is hoped that the total expenses will in fact be lower than estimated, and this would cover a portion of the increased fuel estimates.

Dated at the City of Edmonton, in the Province of Alberta this sixth day of December, A.D. 1978.

ADLAIR AVIATION LTD. by its  
Solicitors, Schwab, Hansen,  
Langager & Grape

PER: \_\_\_\_\_

  
L. E. Langager

NOV 27 1978

CANADIAN TRANSPORT COMMISSION

AIR TRANSPORT COMMITTEE

DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LIMITED FOR AUTHORITY  
TO OPERATE A COMMERCIAL AIR SERVICE.

INTERVENTION BY NORTHWARD AIRLINES LIMITED

The within Intervention is made on behalf of Northward Airlines Limited,  
by Charles D. Moir, Vice-President and General Manager.

Take notice that the within named Applicant is required to mail or  
deliver its reply to the within Intervention to the Secretary of the  
Air Transport Committee and a copy thereof to Charles D. Moir,  
Vice-President and General Manager, Northward Airlines Limited, within  
ten (10) days after the service hereof.

Address For Service

Mr. Charles D. Moir  
Vice-President and General Manager  
Northward Airlines Limited  
227, 7 Ste. Anne Street  
St. Albert, AB  
T8N 2X4

CANADIAN TRANSPORT COMMISSION

AIR TRANSPORT COMMITTEE

DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LTD. FOR AUTHORITY TO  
OPERATE A COMMERCIAL AIR SERVICE.

INTERVENTION

OF

NORTHWARD AIRLINES LIMITED

1. Northward Airlines Limited ('Northward') hereby intervenes to oppose the Amendments to the above Application submitted by Adlair Aviation Ltd. ('Adlair').
2. In its first Amendment, dated 29 September 1978, Adlair proposes the addition of a Single Otter aircraft to the fleet proposed in the original Application which consisted of a Twin Otter and a Beech 18.
3. In its second Amendment, dated 26 October 1978, Adlair proposes an "alternative" consisting of the use of a Single Otter and a Beech 18 aircraft only.
4. In each of the amendments Adlair persists in calculating the fuel expenses on the basis of a surcharge, despite the fact that the Committee informed Mr. Langager, the solicitor for Adlair, that such charges are not assessable by a carrier for fuel obtained at its licensed base. See Exhibit A.
5. The present costs of fuel at Cambridge Bay are, as confirmed by the supplier:

100/130 Avgas:       \$2.35/gal (Otter & Beech)  
 JP-4:                \$2.13/gal (Twin Otter)  
 80/87 Avgas:        - not available (Beech)

The estimated costs of fuel shown under Estimated Annual Operating Expenses and Aircraft Operating Expenses by Aircraft Type on the Amendments and the original Application are, therefore, grossly understated. For example, the true costs would be:

Twin Otter @ 80 gal/hr x 1000 hrs x \$2.13 = \$170,400;  
 Single Otter @ 30 gal/hr x 800 hrs x \$2.35 = 56,400;  
 Beech @ 35 gal/hr x 250 hrs x \$2.35 = 20,562.50

In the Amendment dated 29 September the fuel costs are underestimated by \$170,112. In the Amendment dated 26 October the fuel costs are underestimated by \$32,362. In the first instance an operating deficit of over \$24,500 would be incurred. In the second instance the alleged operating profit would be reduced to approximately \$3200.

6. With regard to the use of the Twin Beech and Single Otter, Adlair has produced no evidence to show that these aircraft would be acceptable by any of the parties supporting the original application. Northward disposed of all its Single Otters and its Beech aircraft many years ago, because they were uneconomical and generally unacceptable by the public.
7. For all of the above reasons, and also those presented in Northward's 7 July 1978 intervention to the original application, we respectfully recommend that the Application and the Amendments not be approved by the Committee.
8. Finally, Northward offers the opinion that the casual and modest charter requirements of the hunting, trapping, and fishing associations, which Adlair ostensibly wishes to serve, can be best provided with a Group B aircraft. Northward would have no objection to an Application limited to Group B aircraft.



Dated at St. Albert this 14th day of November 1978.

NORTHWARD AIRLINES LIMITED

C.D. Moir  
Vice-President & General Manager

Charles D. Moir of 69 Glenhaven Crescent, St. Albert in the province of Alberta, being duly sworn say that I am Vice-President and General Manager of Northward Airlines Limited, and that every statement contained in the Intervention to Docket No. 3965 is true to the best of my belief and that I have caused to be delivered by post a copy of the Intervention to the Applicant.

*Charles D. Moir*

Charles D. Moir

Subscribed and sworn to before  
me this 24th day of November, 1978

*Kathleen R. Bacon 7/25/81*

Commissioner of Oaths in and  
for the Province of Alberta

Canadian Transport  
Commission

Commission canadienne  
des transports

Ottawa, K1A 0N9

August 25, 1978

File Nos.: 2-A584-1 (AOI) <  
6-N194-2 (ACF) <

Northward Airlines Limited,  
705 - 10240 - 124th Street,  
Edmonton, Alta.  
T5N 3W6

ATTENTION: Mr. G.D. Moir  
Vice-President & General Manager.

Dear Sir:

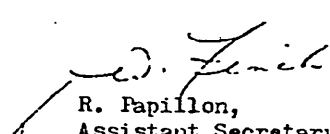
RE: Application by Aldair Aviation Ltd. -  
Docket 3965.

A copy of your letter of August 2, 1978 has been referred to this office by the Committee's Licensing and Inspection Division for our comments with respect to the application of General Order No. 1972-3 Air and charter tariff Rule No. 32(3).

The proper application of General Order No. 1972-3 Air and charter tariff Rule 32(3) is as understood by your Company and expressed in your letter.

A copy of our explanatory letter to Aldair Aviation Ltd. concerning these matters is attached for your information.

Yours truly,

  
R. Papillon,  
Assistant Secretary,  
Air Transport Committee.

Canadian Transport  
Commission

Commission canadienne  
des transports

Ottawa, K1A 0H9

August 25, 1978

File Nos.: 2-A684-1 (AOI)  
6-N184-2 (AOF)

Schwab, Hansen & Langager,  
Barristers, Solicitors, Notaries,  
111 One Thornton Court,  
Edmonton, Alberta  
T5J 2E7

ATTENTION: Mr. L.E. Langager

Dear Sir:

Re: Aldair Aviation Ltd. - Reply to  
Intervention of Northward Airlines  
Limited.

A review of the subject noted reply indicates that there is some misunderstanding by the applicant with respect to the proper application of General Order No. 1972-3 Air and assessment of surcharges for fuel.

Firstly, General Order 1972-3 Air requires that "Every Air Carrier operating a commercial air service shall, unless otherwise authorized in writing by the Air Transport Committee, assess positioning charges in respect of each charter flight that is operated

- (a) from a base from which the carrier is not licensed to operate; and
- (b) with an aircraft of the same group as the group for which a carrier is licensed to operate from that base".

The suggestion in the subject reply that flights may be performed from another carrier's base without assessing positioning charges if that base operator has a comparable aircraft type available for charter and if written consent of that operator is obtained, is therefor incorrect.

In all instances, positioning charges must be assessed for all flights operated from another carrier's base with aircraft of the same group as the carrier at that base is licensed to operate, unless otherwise authorized in writing by the Air Transport Committee.

Secondly, with regard to the assessment of surcharges for fuel, the subject reply indicates that Aldair Aviation Ltd. proposes to levy a surcharge for fuel obtained at the base of operations.

.../2

→ // Although carriers are permitted to assess surcharges for fuel and oil obtained at certain supply points, such charges are not assessable by a carrier for fuel obtained at it's licensed base.

Yours truly,

*R. Papillon*  
R. Papillon,  
Assistant Secretary,  
Air Transport Committee.

WE/LS

# FFMC slashes price, char plant may close

The Cambridge Bay arctic char fishery, which has a virtual monopoly on Canada's production of the choice gourmet fish, will close down this week.

And it's all because the Freshwater Fish Marketing Corporation (FFMC) offered to pay prices far below those the fishermen can economically survive on.

## Low Prices

Reg Merkley, general manager of the Ekaloktotiak Co-op in Cambridge Bay, said the prices offered are 40 cents below those paid by the FFMC over the past two years. FFMC officials haven't yet given a reason for the drop in prices nor have they revealed exactly how much they will be offering fishermen for their catch. Unofficial sources indicate the FFMC will offer between \$1.25 to \$1.35 a pound.

The price offered is far too low for the fishermen to survive on and it will not pay the increasing production costs faced by the Cambridge Bay Co-op.

## Only Solution

The Char fishery had always been a money maker, said Merkley.

But now the only solution is for the co-op to market their own product without having to sell it to the FFMC. By law the federal corporation has the mandate to buy all fresh fish caught commercially in the N.W.T., Alberta, Saskatchewan, Manitoba, and Northern Ontario. The marketing corporation, in turn, process the fish if necessary and then markets it. Fishermen who try and circumvent the FFMC by selling their product privately can have their fish confiscated by the FFMC.

## Reviewing legalities

Minister responsible for economic development, Peter Ernerk said his department was reviewing the legalities of withdrawing from the marketing corporation. But that review won't be expected for a while. He said he hoped the co-op would continue fishing until a solution is found.

But this may pose problems for the corporation itself. The other provincial participants have talked about withdrawing as well and at a recent FFMC conference Saskatchewan almost withdrew. A precedent set at this point would leave the FFMC without any membership.

## Crown Corporation

The FFMC is a creation of the federal government and as such has become a part of a self serving bureaucracy rather than responding to the needs of the people it's supposed to serve.

The Saskatchewan fisheries have been driven almost to the point of bankruptcy and they tried desperately to get out of their contractual arrangement. The provincial government gave the fishermen co-ops one million dollars to get operating again this year but the FFMC are paying fishermen less money for their catch than last year.

## Fire Managers

The only solution the FFMC sees to their problem is to fire their managers. They do it every two to three years but nothing else changes,' said Merkley.

Most of the members of the FFMC maintain they can get a better price for their fish if they were allowed to market their own product themselves. Just recently the Hay River fishermen were up in arms about the callous attitudes displayed by the crown corporation and had lobbied hard for withdrawing from the organization.

'We've been hitting them with a club so much we're tired of swinging,' said Merkley about trying to get a fair deal from FFMC, but they don't care'

## The Market is There

He said the co-op had been getting inquiries all the time to sell their product straight to the market in

## Decision to leave FFMC left until fall

The territorial administration will wait until next fall before making any decision to withdraw from the Freshwater Fish Marketing Corporation.

Claude Bennet chief of the marketing division in the department of economic development said any moves on the administration's part will wait until three reviews of the FFMC are completed.

Two reviews are of the FFMC itself conducted by corporation members. These are suggested by the members of the April 17 FFMC meeting in Winnipeg. The review of the corporation's marketing procedures will be conducted by a special committee made up of some FFMC Board of Directors. Ground work for this review will be done by outside consultants and the

final report should be completed in July.

The second review will look at the structure and organization of the FFMC and bring forward recommendations for changes. This report is being put together by a federal-provincial committee consisting of two representatives from each jurisdiction.

In addition Minister responsible for Economic Development, Peter Ernerk has asked his department to review NWT's association with the FFMC and whether they should continue or withdraw from the organization. Territorial department officials will locking at the original contractual agreement to see what the legal obligations are if they withdraw.

Jim Gilmore M10T

425-3566

southern Canada and the U.S. and 'That's without the benefit of advertising.' Several times buyers had approached the co-op offering to pay as much as two dollars per pound for the char at Cambridge Bay.

'We've been getting no help from the corporation at all,' said Merkley.

The Cambridge Bay fishery has a virtual monopoly on char production processing about a quarter of a million pounds per year. Pelly Bay, the only other commercial char fishery in the N.W.T. produces only about 14,000 pounds annually

There is another char fishery off the

coast of Labrador but this char, unlike it's pink fleshed High Arctic cousins, has white flesh and is less marketable.

The Ekaloktotiak Co-op did receive a FFMC license to market their catch within the N.W.T. but not outside the territories. The corporation fears that once this happens, this will set a precedent for other members to pull out.

Closure of the Cambridge Bay Char fishery with an annual payroll of \$300,000 would put about 75 people out of work on the boats and in the fish processing plant. The season is already one month old and in spite of bad weather over 10,000 pounds of char have been caught so far. The season extends to mid September and then there is another month of winter

fishing.

### Dree Grants

Merkley said the co-op just recently received a \$52,000 DREE grant to build 20 aluminum boats, buy new fishing gear, and improve their processing plant so they could increase the char production. Now all this would be gone by the board because the prices offered by FFMC would hardly cover rising costs of production. But these increasing production costs are common across Canada.

'We have no recourse now except to shut it down,' said Merkley. Territorial officials will be meeting with the co-op board of directors to determine what to do.

## Only fewer, bigger boats will make it

# Feds regs hook fishermen

The federal government's fisheries and marine service has proposed new regulations for commercial fishing on Great Slave Lake that, it says, are needed if the industry is to survive.

At meetings in Hay River and Yellowknife last week, fisheries officials said the fishery has to be made more productive, and the best way to do that is to have fewer, but larger boats operating on the lake.

### New regulations

The new regulations are centred on a licensing system that would allow the government to control the number of boats on the lake, and make it simpler and cheaper for boat owners to hire large crews.

With Great Slave Lake fishermen getting only 30 cents a pound for whitefish, expenses rising, and consumer resistance to higher fish prices cutting into sales, larger, more efficient boats are the only way to ensure the fishermen will be able to earn a decent living, fisheries economist Dennis Cauvin told the meetings.

Cauvin is proposing that only those who are now operating boats on the lake be licensed. The fee would go up drastically — from the present \$5 a year to \$50 for a boat under 2,000 pounds and \$100 for a vessel heavier than that.

### Renewable licenses

The licenses could be renewed as long as the boat owner wanted to remain in the industry and didn't violate regulations. But they would be

non-transferable. They could not be bought or inherited, but would automatically revert to the government when the boat owner retired and died.

The proposals would mean that the number of boats on the lake will not increase beyond the present 68, ranging in size from small skiffs to large whitefish boats, and will eventually decrease.

Those 68 boats are now taking nearly as many fish out of the lake as fisheries scientists feel they should.

### Encourage investment

With fishermen being encouraged to invest in bigger boats, it will take fewer boats to catch the quota from the lake. The government officials said they want to start controlling the number of licenses now so that the cuts in the fishing fleet can be made "painlessly," mainly by attrition. They simply won't resell licenses that are turned in.

Several fishermen complained that restricting the licenses in that way would make it hard for them to sell their boats when they retire.

'If the license is not transferrable, the boat is just a piece of junk,' Dave Smith complained.

Cauvin replied that transferable licenses lead to unjustified windfall profits. And, he said, the person who pays a very price for a license can't make a decent return for himself while he's paying it off.

Under the present system everyone involved in commercial fishing has to buy a \$5 license. Every crew member needs one, and that can get expensive when there's a high turnover.

The new regulations would make it easier on the boat owners. They would have to buy a license for their vessel. But with that, they'd be given the right to issue permits, costing nothing, to their crew members. Obviously, the new system would work to the advantage of owners whose boats require large crews, and be a disadvantage to those with small boats.

### Keep in the same

That's the deliberate policy. "If you raise the ante you're only going to keep the more serious people in the game," Cauvin said. "We're right up against the production potential of the resource so it's essential to control entry to the fishery. If we permit new entries, too many fishermen will be chasing too few fish."

The new regulations will probably go into effect next summer. The fisheries and marine service is now waiting for reaction from Snowdrift and Delah to their proposals.

To help with the conversion to larger boats, Cauvin also told the meetings that FFMS will pay up to 35 percent of the cost of building new vessels.

The FFMS wants local fishermen to get involved in the Advisory Committee set up two years ago to help manage the Great Slave Lake fishery. District manager Hugh Trudeau urged the reluctant NWT Fishermen's Federation in Hay River to select new representatives for the committee and participate on it, and, in Yellowknife, he offered to change the committee's structure so it could include representatives from Snowdrift and Delah.

Handwritten notes and numbers: CAM, 72, 2065, 2023, 2561, 292, 2022, 2023, 2561, 292, 2022, 2023.

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Pfarmigan, DC3 Charles Perry Zola  
Buffalo

CANADIAN TRANSPORT COMMISSION

AIR TRANSPORT COMMITTEE

DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LIMITED FOR AUTHORITY  
TO OPERATE A COMMERCIAL AIR SERVICE.

INTERVENTION BY NORTHWARD AIRLINES LIMITED

The within Intervention is made on behalf of Northward Airlines Limited,  
by Charles D. Moir, Vice-President and General Manager.

Take notice that the within named Applicant is required to mail or  
deliver its reply to the within Intervention to the Secretary of the  
Air Transport Committee and a copy thereof to Charles D. Moir,  
Vice-President and General Manager, Northward Airlines Limited, within  
ten (10) days after the service hereof.

Address For Service

Mr. Charles D. Moir  
Vice-President and General Manager  
Northward Airlines Limited  
226, 7 Ste. Anne Street  
St. Albert, AB  
T8N 2X4

Accident on K Page



Charles D. Moir of 69 Glenhaven Crescent, St. Albert in the province of Alberta, being duly sworn say that I am Vice-President and General Manager of Northward Airlines Limited, and that every statement contained in the Intervention to Docket No. 3965 is true to the best of my belief, and that I have caused to be delivered by post copies of the Intervention to the Applicant.

Charles D. Moir  
Charles D. Moir

Subscribed and sworn to before  
me this 7th day of July, 1978

Hutton R. Bacon

Commissioner of Oaths in and  
for the Province of Alberta

EXC 7/24/78

CANADIAN TRANSPORT COMMISSION

AIR TRANSPORT COMMITTEE

DOCKET NO. 3965

IN THE MATTER OF AN APPLICATION BY ADLAIR AVIATION LTD. FOR AUTHORITY TO  
OPERATE A COMMERCIAL AIR SERVICE.

INTERVENTION

OF

NORTHWARD AIRLINES LIMITED

1. Northward Airlines Limited ('Northward') hereby intervenes to oppose  
the above Application by Adlair Aviation Ltd. ('Adlair').

2. Evidence of Requirement for Service

(1) Northward submits that its charter service at Cambridge Bay is  
able to adequately service the normal charter needs and require-  
ments at that base, and that Adlair has produced no evidence to  
the contrary except with respect to the special requirements of  
the fishing and hunting operations at Cambridge Bay and Spence Bay.

*Charter flights 12 Monthly*

The letters of support, which will be dealt with in Appendix 1 of  
this Intervention, do not represent, as stated by Adlair, interest-  
ed groups "throughout" (i.e., in every part of) the central Arctic.  
Three of the letters originate from Spence Bay, located 288 miles  
east of Cambridge Bay; one letter originates from Bay Chimo, 115  
miles south of Cambridge Bay; and four from Cambridge Bay.

Mach Arctic is the company which Adlair proposes to employ for  
ground handling; and its particular interest in the Application  
should not be confused with charter transportation requirements.

120.0  
90

CB to

It should be noted that none of the letters of support offer estimates regarding the number of charter hours that their requirements might entail. The Applicant has not, we submit, produced any specific evidence of a requirement for an additional charter service at Cambridge Bay.

*done it since 1974 March*

3. Present Transportation Facilities

*Polar Bear survey*

- (1) The Applicant inaccurately describes the transportation facilities available to and at Cambridge Bay.

Class 2 and 3 services to/from Cambridge Bay are provided by Pacific Western Airlines, Northwest Territorial Airways, and Northward Airlines Limited. Services to/from Cambridge Bay are provided bi-weekly by each of these carriers from, inter-alia, Yellowknife. Fred Ross and Associates Ltd. are licensed to conduct a Class 4A service at Bathurst Inlet, close to Bay Chimo.

Copies of Northward's service patterns for the Spring and Summer of 1978 are attached hereto, as Appendix 2. It can be noted that the Northward Twin Otter, on the Spring schedule was available for charter on four full days of each week, and, as well, on the other three days of the week either before or after the Class 3 flights. At the present time, the aircraft is available for charter two full days of each week and also before and after the Class 3 flights on the other days. The

*... and Saturday  
or Midweek's Sunday*

The bulk of the day-to-day charter requirements at Cambridge Bay originates from offices of the Territorial Government or Federal Government. The absence of the Northward aircraft at Cambridge Bay when employed on the Class 3 service may, at times, be deemed inconvenient, but the service cannot be construed as being inadequate, nor has Northward received any

\* complaints from its principal users. The fact that the aircraft has averaged close to 600 hours per year over the past five years on charter service is clear evidence of availability and use.

*good for us*

*very recent*  
 Two qualified Twin Otter captains and a First Officer are based at Cambridge Bay to ensure that the aircraft can be manned at all hours of the day and night. Northward submits that the allegation contained in the Adlair application, to the effect that Northward is unable to satisfy the demand for charter service, is unfounded and unsupported by facts.

The Committee is aware that Northward, in an Application which was approved by the Committee under Docket No. 3184, proposed a style of service which would provide Class 3 flights from Yellowknife to serve the points, inter-alia, Coppermine, Cambridge Bay, Gjoa Haven, Spence Bay and Pelly Bay, using an aircraft based at Yellowknife; thus freeing the Cambridge Bay-based Twin Otter for exclusive use at that base as a charter vehicle. As evidence of this intention, Northward utilized its Beech 99 aircraft based at Yellowknife to serve the communities east of Cambridge Bay, as shown on the service pattern dated March 15 which was implemented shortly after the acquisition of the Beech aircraft. We have been informed by the Government of the Northwest Territories that it is its policy to actively support the construction of airstrips that will accommodate larger or faster aircraft, such as the Fairchild F-27 or Beech 99. As the airstrips are progressively improved during the next two years, the requirement to use a Twin Otter aircraft on the Class 3 service will diminish to the point where the aircraft would be used only for casual support on the schedule; and will be used virtually in the exclusive role of a charter aircraft. Northward contends that the creation of a new charter licensee at Cambridge Bay will produce the same situation faced by carriers at other northern bases, such as Yellowknife, Inuvik, or Norman Wells; where there is simply not enough charter work to support the number of presently-licensed charter carriers competing for the same work with the same types of aircraft.

*Northward 1st Steel Feb 1988  
 not improved*

4. Estimate of Traffic or Use of Service

- (1) Northward questions the entire text and probity of the statements and claims set forth in this section of Adlair's application.

The estimate of charter revenue block hours to be produced at Cambridge Bay is said to be based, in part, on the information contained in Appendix F. It is, we submit, completely beyond reason that an aircraft leasing company would attempt to claim the hours flown by the licensed carriers who leased and operated the aircraft as an achievement of the leasing firm. Mr. Laserich states, as the president of Adlair:

"that we have flown the following hours".

Is Mr. Laserich suggesting that Adlair or Altair or Laserich actually operated the aircraft that he had leased to Northward, Buffalo Airways, or other carriers? If, as Mr. Laserich states:

"these hours resulted from the leasing and sub-leasing of aircraft";

how, we wish to know, can they be claimed as a record of Adlair's past performance or an indication of future performance.

- (2) Mr. Laserich states that Adlair will

"operate a Twin Otter only and will utilize between 950 to 1100 hours".

Is the Beech 18 a figment of the imagination, or merely included in the Application to meet the Committee's financial guidelines? ✓

- (3) Again in subparagraph (d), the author of the Application states that:

"the firms and groups mentioned in (c) have in the past used Willi Laserich's services...."

What commercial aviation services, we wish to know, has Mr. Laserich or his company provided in the role of aircraft lessor? The author continues:

"provided under lease to Buffalo Airways and Northward".

Northward leased a Twin Otter from Adlair from June 1975 until the end of May 1978. The aircraft was based at Yellowknife, was used predominantly on Northward's Class 3 service between Yellowknife, Coppermine, and Holman, and was flown exclusively by Northward's pilots on either Class 3 or Class 4 services. Northward has no knowledge of the leasing arrangements presently in place between Adlair and Buffalo Airways; but if Mr. Laserich is not actually piloting the aircraft his company leases to Buffalo, the credit for performance must go solely to Buffalo Airways. If Mr. Laserich is acting as pilot of the aircraft his firm is leasing to Buffalo, we would speculate that this could constitute a contravention of the Air Carrier Regulations under Section 11(a)(ii).

*Decision L  
Hill no  
P9.9*

(4) To the best of Northward's knowledge, the only business at Cambridge Bay that has been required in recent years to charter an aircraft from Yellowknife has been the Ekaloctotiak Co-op. during the char fishing season. Northward provided this service at Cambridge Bay during the period 1968 - 1972, approximately, using Single Otter and Twin Otter aircraft; but decided not to participate in the program after 1972 due to the high risks involved in operating, maneuvering and docking at the pick-up points which were devoid, at that time, of basic facilities for seaplane operation. Since that time the service has been provided by Gateway Aviation, the Co-op's own small aircraft, or Buffalo Airways.

*1974 us ..*

The future of the commercial fishing industry at Cambridge Bay appears, unfortunately, to be clouded by the pricing policies of the Freshwater Fish Marketing Corporation (see Appendix 3), and to the best of Northward's knowledge, the fish plant has

been closed.

Northward has never objected to the operation of other carriers' aircraft at Cambridge Bay, in support of the fish haul, or other long-term specialized charters, even when the formalities of General Order 1972-3 Air have not been adhered to. Northward, in fact, was instrumental in arranging the availability of a Gateway Single-Otter and providing ground support for its operation at Cambridge Bay.

It should be noted that the initial and final positioning charges between Yellowknife and Cambridge Bay can usually be defrayed by utilization of the aircraft by the Co-op on the positioning legs to transport its own goods or personnel. The actual cost of positioning to the Co-op would thus represent only a very small portion of the total charter charges. The foregoing text assumes that the Co-op may eventually find a way to continue its commercial fishing activities and that there will be, in fact, a requirement to charter aircraft for that purpose; all of which is in doubt at the present time.

- (5) Under sub-paragraph 6(e) of Section 6 of the Application, Adlair asserts that the proposed service will complement the Northward service and that there will be no diversion of traffic from the services performed by Northward. Northward submits that it is inconceivable that Adlair will generate 1400 hours of new charter business per annum, in addition to the 600 charter hours per annum already produced by Northward; and that the number of hours estimated, or part thereof, could only be attained by a major diversion from the Northward services. Contrary to the knowledgeable assertion by Adlair that the charter revenues of Northward at Cambridge Bay make up "only a small portion" of Northward's overall service at that base, these charter revenues,

*very good for us*

in fact, account for close to 25% of the total revenues at that base.

- (6) The Applicant should be required to illustrate the derivation of the estimated charter hours, since none of the letters of support provide this information, and since it is a requirement under Section 6(6)(b),(c) and (e) of the Guide for the preparation and filing of applications, issued by the Air Transport Committee, to provide this type of information.
- (7) Northward submits that the hunting and fishing requirements at Cambridge Bay and Spence Bay cannot possibly produce, or even approximate, the estimated 1450 hrs/annum stated by Adlair.

*12500  
6881  
5619*

5. Operating Property and Equipment

(1) The Twin Otter does not have a cargo capacity of 5600 lb. From this weight one must subtract the weight of the flight crew, emergency equipment, the fuel required from point of origin to destination, plus reserves, and the extra weight of floats and/or skis if installed.

*Thank you*

*Profit Maker  
submitted*

(2) With regard to the Beech 18 (Twin Beech), Northward submits that this type of aircraft is neither reliable, nor readily adaptable for far-northern flying. Most, if not all, of the Beech 18's operated in northern Canada have been removed from service by the commercial carriers who operated this type. The aircraft is still used in southern Canada, but usually in support of summer fishing camp operations. If Adlair proposes to utilize the Beech 18 on floats or skis, the weight of these items must be subtracted from the 1800 lb figure shown for 'cargo capacity', as well as the weight of the pilot and emergency equipment. If Adlair intends to base the aircraft at Cambridge Bay only during the brief summer period, this information should be contained in the Application. Northward submits that the payload/range

*Change to  
Single Otter*



characteristics of this type of aircraft is uneconomical, and its use on floats or skis further diminishes its payload/range effectiveness.

(3) Re 'Operational Facilities'; subparagraph (6).

It is noted that Adlair does not expect any outlay of funds for capital expenditures to provide facilities for the maintenance and operation of the two proposed aircraft at either the airport or the site of float operation. Northward submits that this is neither a credible nor a reasonable expectation. It must be assumed that Adlair has not discussed current criteria with Transport Canada relevant to the establishment of a base or the facilities required for issuance of an Operating Certificate.

House okay  
Float dock okay  
Tank okay  
250. p h.c.t.s  
Top

Miscellaneous

6. Tolls to be Charged

It is noted that the proposed tolls are considerably less than those filed by Northward or other Twin Otter northern-based operators such as Bradley Air Services or Kenn Borek Air Ltd. Contrary to the statements contained in the Adlair application, it is quite obvious that Adlair does, in fact, intend to compete for business presently handled by Northward. ?

275 p h.c.

7. From our experience in the cost of operating in the Cambridge Bay area, we estimate that Adlair has understated its total operating expenses by at least \$140,000. The principal factor is the cost of fuel at Cambridge Bay which is \$1.88 per gallon for JP4 used in the Twin Otter and \$2.10 per gallon for aviation gas used in the Beech 18. Based on the utilization and fuel consumption projected by Adlair, total fuel costs should be \$183,475 rather than \$58,000. Engine overhauls for the Twin Otter are now close to \$40,000 per engine; based on a 4,000 hour TBO the provision for two engines at 1,000 hour per annum should be \$20,000 not

Switch  
Northward  
use Diesel  
even in CB

27,500 - 300  
37,500 - 200

not \$15,000. Similarly, at current costs, over half of the maintenance projected for the Beech is absorbed in engines alone. Payroll costs obviously include only one pilot and one engineer on a full time basis; this makes no provision for the cost of living at Cambridge Bay, vacations, illness, relief crews or their transportation to and from Cambridge Bay. In general, the maintenance costs are unreasonably low considering recent cost increases in parts and outside services, the necessity to either ferry aircraft to the south for repairs or to import expert personnel to handle specialized problems.

8. Northward submits that any diversion of revenues from its operation at Cambridge Bay would have a severely adverse impact on the viability of its services, and that this would not be in the public interest.

The study recently conducted by Transport Canada - Arctic concerning these services at Cambridge Bay, and which is available to the Committee, substantiates Northward's remarks in this regard.

9. For all of the reasons stated heretofore, Northward recommends that the Adlair application be denied in its entirety.

Dated at St. Albert this 7th day of July, A.D. 1978

Thank  
you

NORTHWARD AIRLINES LIMITED

C.D. Moir  
Vice-President and General Manager

NORTHWARD AIRLINES LIMITED  
 YELLOWKNIFE - COPPERMINE - CAMBRIDGE BAY - HOLMAN ISLAND - GJOA HAVEN -  
 SPENCE BAY - PELLY BAY SERVICE

59	55	53	51	57	71	FLIGHT NUMBER	72	72(a)	58	52	54	56	60
T/O	T/O	T/O	T/O	T/O	B99	EQUIPMENT	B99	B99	T/O	T/O	T/O	T/O	T/O
Thur	Thur	Wed	Tue	1st & 3rd Mon	Mon & Fri	FREQUENCY	Mon	Fri	1st & 3rd Mon	Tue	Wed	Thur	Thur
									ea. month				
						0800 LV Yellowknife AR	2155	2105					
						↓ 0940 AR Coppermine LV	↑ 2015	↑					
						1000 LV Coppermine AR	2000	↑					
						↓ 1120 AR Cambridge Bay LV	1840	1840					
1500	1000	1000	1000	1100		1205 LV Cambridge Bay AR	1810	1810	1840	1440	1445	1320	1920
↓	↓	↓	↓	↓		↓ 1315 AR Gjoa Haven LV	↑ 1700	↑ 1700	↑	↑	↑	↑	↑
1700	1130		1130			1335 LV Gjoa Haven AR	1645	1645	1840	1440	1315	1150	
			1145			↓ 1405 AR Spence Bay LV	↑ 1615	↑ 1615	↑	↑	↑		
		1200	1220			1425 LV Spence Bay AR	1600	1600	1240	1240	1255		
						↓ 1505 AR Pelly Bay LV	↑ 1520	↑ 1520			1220		
						1320 AR Holman Island LV			1620				

EFFECTIVE: MARCH 15, 1978

SUBJECT TO CHANGE OR CANCELLATION WITHOUT NOTICE

BAGGAGE ALLOWANCE - 44 lbs.  
 CHECK-IN: 30 MINUTES PRIOR DEPARTURE

*Holman Every time the lands  
 H.O. side classes possible*

