

Soaring to Success

25 YEARS IN THE AIR

By Belinda Bruce

1982

B.C. bush pilots Greg McDougall and Cliff Oakley lease two Beaver aircraft and an old

floating office in the Vancouver Harbour and begin flying charters for the forestry industry. Harbour Air is born.

1984

Harbour Air acquires six single-engine aircraft and the Sea Island floatplane terminal at Vancouver International Airport from AirBC Ltd. Harbour Air now has nine aircraft.

1986

The company charters two turbine Twin Otter aircraft from Kenn Borek Air of Calgary, to expand the charter market and fly to fishing resorts. Over the next few years, the company buys four more aircraft to service this new summer market.

eaplanes have played an important part in British Columbia's history. From carrying the first piece of international mail delivered between Victoria, B.C. and Seattle, Washington in 1919 to flying into remote areas in support of B.C.'s mining, forestry, agricultural and fishing industries, seaplanes have gone where other forms of transport couldn't-their role in helping to build the economy and coastal communities of the province is indisputable.

As a pioneer in seaplane service, Harbour Air Seaplanes has been instrumental in B.C.'s growth by providing the mobility to reach many of those far-flung coastal areas and by offering a safe, affordable and efficient service to commuters and tourists.

How the company became the world's largest all-seaplane airline is a charming tale of innovation, business acumen and commitment to excellence.

Built on Solid Principles

Company president Peter Evans distills Harbour Air's philosophy into one sentence: "We provide quality service at a fair price to meet the needs of the public."

This philosophy, he says, stretches back to the airline's inception.

In 1982, company founders Greg McDougall and Cliff Oakley, both seasoned bush pilots, approached a group of B.C. lumber buyers and brokers with a novel idea.

of Vancouver to the

Gulf Islands and various

Vancouver Island points.

"In those days the forestry industry was a very heavy user of the floatplane industry and there were some accidents at that time," says Evans. "Harbour Air went to them and said that the reason this was happening was because they were always fighting for the lowest price. For that price, the airlines couldn't provide a safe and effective service with great airplanes."

The airline's emphasis on safety and customer service changed the nature of the floatplane business on the Coast.

Harbour Air offered to provide the best possible customer service but at a rate that would ensure safe aircraft. With the go-ahead from those first clients, the company began operations with two leased de Havilland DHC-2 Beavers and an old floating office in Vancouver's harbour.

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"The whole idea of raising the bar has elevated the level of aviation consciousness and safety in our service area," says Evans. "The public experienced our service and demanded it from the other carriers. The others, in turn, have had to raise their rates to provide similar levels of service to Harbour Air."

Gaining Altitude

Harbour Air's growth and development are the result of several key partnerships and the confidence to capitalize on salient opportunities.

Later in 1982, Vancouver Island developer Keith Fraser came onboard as a third partner. Unfortunately, shortly thereafter a personality conflict erupted between Oakley and his two partners, and he was bought out. Around this time, local Vancouver entrepreneur Jim Pattison was also building an airline business. He bought several small seaplane companies operating along the Coast and amalgamated them into AirBC. When AirBC decided to shed its single-engine aircraft division in 1986, Harbour Air leapt at the opportunity, acquiring six aircraft and the Sea Island terminal at Vancouver International Airport in the deal. While Harbour Air was prohibited from flying the lucrative Vancouver-Victoria shuttle, which was one of AirBC's routes, they targeted a niche market: charters to remote B.C. fishing lodges.

"It was an exploding market. The number of fishing resorts grew from thirty to one hundred

from radial to turbine

power.

1990 1992 1993 1989 A banner year when Harbour Air now Harbour Air leases The company buys Harbour Air carries operates 25 aircraft a base in Victoria's Trans-Provincial 17,000 sport fishers to along the West Coast. harbour and introduces Airlines Ltd., which lodges up and down a host of sightseeing operates from Prince the coast. The rest of Rupert. Bases are flights out of B.C.'s its flights carry 36,000 capital. established on the passengers, including Queen Charlotte Islands 8,000 passengers The company converts at Sandspit and Masset, flown on twice-daily its first Otter aircraft with the northern regional headquarters scheduled services out

remaining in Prince

Rupert.





and thirty in a six-year period," says Evans.

Fraser left the company to open a fishing lodge and in 1986 McDougall partnered with Kenn Borek, owner of Calgary-based Kenn Borek Air Ltd. Access to Borek Air's Twin Otter aircraft with their larger seating capacity assisted with Harbour Air's forays into the tourist and fishing lodge markets.

The airline's expansion throughout the 1990s included leasing a base in Victoria's harbour and introducing sightseeing flights out the province's capital in 1992. A year later it purchased Trans-Provincial Airlines Ltd., which operated from Prince Rupert, and established bases on the Queen Charlotte Islands. When its nocompete clause with AirBC expired in 1996, Harbour Air could finally launch daily one-way flights between Vancouver and Victoria. Their scheduled service and sightseeing tours picked up speed while charter services slowed down. In 1998, the company began offering flights between Vancouver and Nanaimo, and set up bases on the Gulf Islands.

Another significant event occurred in the 1990s, which changed the seaplane industry forever. In 1991, Harbour Air reinvented the DHC-3 de Havilland Single Otter. When converting from radial to turbine power, the company also increased the seating capacity and made several other improvements for comfort and safety. Harbour Air's redesign has since been marketed around the world (see Westcoast Story, p. 14).

Following the death of Kenn Borek in 2001, Greg McDougall became the sole owner of the company. The purchase in 2003 of Cooper Air Inc. and its assets, including its "flightseeing" business, two de Havilland Beaver floatplanes, and Victoria's floating Marine Adventure Centre, solidified Harbour Air's position in the tourism industry.

Since then, the company has seen exponential growth, including a base in Langley, B.C. in 2006 and a new service with one single-engine Otter in Malta in 2007.

1998



The airline's Richmond terminal

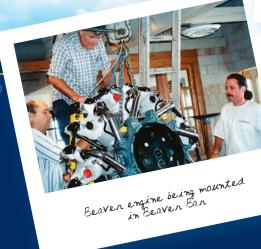
1995

Harbour Air opens The Flying Beaver Bar at its Richmond terminal. The cozy restaurant and pub is a popular hangout for the 4,000 people who work at the Richmond airport's south terminal as well as Richmond residents.

1996

The no-compete clause with AirBC runs out and Harbour Air offers 20 one-way flights a day between Vancouver and Victoria on 18-passenger Twin Otters, for less than its competitors. Scheduled service and sightseeing tours replace charters as the major components of Harbour Air's operations.

Scheduled flights to Vancouver Island increase as Harbour Air adds flights from Nanaimo to Vancouver. The company also sets up bases in Maple Bay, Ganges Harbour, and Bedwell Harbour.



Making It Fly

There is no shortage of good ideas at Harbour Air. With a staff of 250, including a strong marketing division, the airline is always on the cutting edge.

In 1986, for example, Harbour Air conceptualized individual fares for scenic tours.

"All the other airlines including Harbour Air were already operating chartered flights for tours, but not for a per-person price," Evans says. "Now, everybody does it—in helicopters, fixed-wing aircraft, floatplanes, etcetera."

"We're entrepreneurial," he adds. "People ask us about our business plan and they're aghast when we tell them we don't have one. Never did. It's pure instinct."

The relationship between the airline's two main brains, McDougall and Evans, is a

reciprocal one. Evans, who joined the company as chief pilot in 1986, moving into management one year later and the role of President in 2007, admits with a twinkle in his blue eyes, "Greg is the idea guy. I make things work."

High Standards and Giving Back

Professionalism and "doing the right thing" have been company mantras since the early days.

Intent on creating a respected seaplane service, Harbour Air was the first to require company uniforms. Pilots must have solid resumes, too. In addition to a rigorous in-house training program, pilots require a minimum of 1000 hours on seaplane or 1500 hours as pilotin-command of an aircraft.

The airline supports the community in various ways including charitable donations in the form of flight vouchers, partnerships with grassroots organizations such as Hope Air (see AirShare, p. 26) and through its Pink Fridays program. Every Friday customer service agents and dock crew wear pink to signify that \$1 from every Friday flight will be donated to a chosen charity.

In 2007, Harbour Air took environmental responsibility a step further and pledged to become 100 per cent carbon neutral by January 2008 (see Harbour Views, p. 6).

Soft Landing

Harbour Air's Richmond terminal exemplifies the friendly cocktail of 'relaxed' and 'professional' that characterizes the airline. The rustic building along the Fraser River houses the seaplane terminal, company offices and the inviting Flying Beaver Bar and Grill.

Completed in 1995 and named for the aircraft that propelled Harbour Air into prominence, the \$1.5-million Beaver Bar includes a large stone hearth, lobster traps, assorted airplane memorabilia and a complete engine from a de Havilland Beaver mounted on one wall. It's a cozy spot to wait for the next flight, and a popular hangout for airport staff and Richmond residents.

Like all of Harbour Air's terminals, the Richmond base offers complimentary Internet kiosks, newspapers, coffee and pastries, and free shuttle service. Harbour Air consistently receives glowing praise from customers, not only for the 'little extras', but also for the necessity of their service.

"Our regular passengers tell us that we are an essential service, just like a bus," says Evans. "Our growth has been directly in response to demand."

Celebrating 25 Years

With 36 aircraft operating out of eight bases along the B.C. coast and one in Malta, great employee engagement, sights set on new international and domestic markets and continued service improvements, Harbour Air Seaplanes is proof of the old saying that "quality is a journey not a destination". K



YWH staff-Ber Ward, Samantha Birch, Rachel Nelson, Jody Clutterbuck, 1999

> Harbour Air buys Cooper Air Inc., a floatplane charter company, and its "flightseeing" business. The deal includes Cooper's two de Havilland Beaver floatplanes. Harbour Air also buys Victoria's floating Marine Adventure Centre from Richard Cooper and his partners. The waterfront centre now incorporates Harbour Air's offices

> > and dock, the Blackfish Cafe and whale watching, kayaking and harbour tour businesses.

2003

2006

The company opens a new terminal in Langley, B.C. with one Single Otter aircraft and offers up to four flights daily between Langley and Victoria. 2007

The company converts its sixteenth Single Otter.

In July Harbour Air Malta begins operations with one Single Otter, flying scheduled flights and scenic tours between Malta and Gozo.

Harbour Air celebrates 25 years of service.