

WHITE PAPER PRESENTED TO THE

**STANDING SENATE COMMITTEE
ON FOREIGN AFFAIRS AND INTERNATIONAL TRADE**

AT ISSUE

BILL C-30 - An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide certain other measures

Presented by Canada's Helicopter Manufacturer

Bell Helicopter Textron Canada Ltd.

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1. Foreword

Bell Helicopter Textron Canada Ltd. (BHTCL), Canada's helicopter manufacturer, is pleased and grateful for the opportunity to add its voice to the long list of Canadian companies, trade associations, interest groups and ordinary citizens in support of the Comprehensive Economic Trade Agreement (CETA) between Canada and the European Union.

BHTCL also applauds the skilled and sustained efforts deployed by successive Canadian government administrations to further the cause of open, fair and transparent trade between Canada and EU Member States.

As BHTCL eagerly awaits the coming into force of the CETA, it wishes to draw the attention of the Committee, by way of this White Paper, to the critically important issue of access to European public markets for vertical-lift products manufactured in Canada.

2. About Bell Helicopter

Bell Helicopter, a wholly owned subsidiary of Textron Inc., is an industry-leading producer of commercial and military, manned and unmanned vertical-lift aircraft and the pioneer of the revolutionary tiltrotor aircraft. Globally recognized for world-class customer service, innovation and superior quality, Bell's global workforce serves customers flying Bell aircraft in more than 120 countries. Textron Inc. and its subsidiaries, including Textron Systems, TRU Simulation and Training, Textron Aviation, Textron Industrial and Textron Finance, support in excess of 19,000 jobs in Canada with a gross output of 6,8 billion dollars.

3. About Bell Helicopter Textron Canada Ltd. (Mirabel, Québec)

Established in 1986, the Mirabel Facility of Bell Helicopter Textron Canada Ltd. (BHTCL) in Quebec is Bell Helicopter's centre of excellence for civil and commercial aircraft. The Mirabel facility is home to nearly 900 employees. With its 660,000 square feet of hangar, assembly and office space, the facility has produced more than 4,900 commercial variant helicopters. Mirabel has airport operations consisting of 152 acres of land, two runways and a control tower offering complete flight test and delivery capability. In addition, the facility supports customers with products such as airframe design, product development, world-class composites, complete integration, flight testing, certification and product support.

As Canada's helicopter manufacturer, Bell Helicopter supports over 550 companies and close to 9000 high paying aerospace jobs across all regions of Canada. Bell Helicopter exports approximately 98% of all the aircraft manufactured in Mirabel.

4. Bell Helicopter Mission Statement

Changing the way the world flies with safe and superior vertical lift that saves lives, preserves freedom and provides customers exceptional value.

5. Bell Helicopter Commercial Products Manufactured in Canada

As Bell Helicopter's centre of excellence for civil and commercial aircraft, the Mirabel facility manufactures several single and twin engine helicopters models.

Bell 407GXP

The Bell 407GXP integrates reliability, speed, performance and maneuverability with a cabin configurable for an array of missions and payloads. Its Rolls-Royce 250-C47B/8 turbine FADEC engine delivers exceptional hot and high performance with the ability to cruise at 133 kts/246 km/h. Its spacious cabin has five club-passenger seats with an additional passenger seat in the cockpit in single pilot operations. For added passenger comfort, the Bell 407GXP also provides a very quiet and smooth ride in virtually all weather conditions.

Bell 412EP

The Bell 412EP is the daily workhorse that reliably performs in some of the most extreme climates around the world every day. Its cabin provides multi-mission flexibility while its wide opening 7.7 ft. doors easily accommodate forklift loadings into a spacious 220 ft³ /6.2 m³ cabin. The aircraft can be configured in a variety of ways to accommodate up to 14 passengers.

Bell 412EPI

The Bell 412EPI has the impeccable reputation of reliability in some of the most extreme climates. Its versatile cabin accommodates an array of options to suit any specific mission needs. With its Bell BasiX Pro™ Integrated Avionic System, pilots are provided increased situational awareness and safety features. The Bell 412EPI's Pratt & Whitney PT6T-9 Twin Pac® engines deliver enhanced hot-high performance and improved Category A/JAR OPS PC1 performance. Additionally, with the Bell 412EPI the takeoff capability is enhanced with 600+ lbs capability while decreasing the required minimum helipad size to 60 ft. in diameter.

Bell 429

Designed with the future in mind, the Bell 429 meets or exceeds today's airworthiness requirements to enhance occupant safety, with the adaptability to remain at the forefront as mission requirements evolve. Innovation is at the heart of the Bell 429 light twin helicopter. The use of metallic and composite parts in its construction creates the perfect balance between rigidity and flexibility, safety and durability. An advanced avionics and systems monitoring suite ensures outstanding maintainability and aircraft readiness.

Bell 429WLG

The Bell 429WLG adds retractable nose and main landing gear with electrical flight deck actuation and braking capability to the Bell 429WLG's advanced integrated avionics and proven speed range and hover performance.

Bell 505 Jet Ranger X

The Bell 505 Jet Ranger X is Bell Helicopter's new five-seat aircraft designed for safety, efficiency and reliability through the use of advanced avionics technology. It incorporates proven dynamic components, advanced aerodynamic design, a dual channel FADEC Turbomeca Arrius 2R engine and best-in-class value.

6. Problem definition - Helicopter procurement in the EU

EU Member States have a longstanding practice of awarding contracts for the supply of helicopters for public and parapublic use to national EU helicopter suppliers without any form of competition. This remains true in France, Spain, Italy, Ireland, Germany and England. The governments of helicopter manufacturing countries have all been involved in European Commission cases concerning non-competitive and non-compliant procurement practices related to the procurement of non-defence civilian helicopters for public use.

Not surprisingly, for decades, Bell Helicopter has not sold a single aircraft in those countries in the public and parapublic sectors. The governments of France, Spain, Italy, Ireland, Germany and England buy their own. Period.

Those EU Member States extensively overuse national defence and security exemptions available in Article 296 of the Treaty, EU Directives and WTO Government Procurement Agreement (GPA) in order to avoid competitive purchases of civil/parapublic helicopters through open public tendering. Extensive use of such exemptions has made it possible for EU Member States to perpetuate practices that result and often aim at discriminating against non-EU economic operators such as Bell Helicopter Textron Canada Ltd.

The impenetrability of public and parapublic markets in key EU countries - and the lost sales opportunities - further hinder the expansion of Bell Helicopter in Europe in commercial and private market segments. With fewer aircraft to customize, maintain, service and repair, Bell Helicopter faces additional challenges of attaining cost efficiencies from setting up and sustaining customer service centres and facilities for their private and commercial clients.

In spite of these adverse effects, Bell Helicopter has nonetheless successfully competed in EU countries that have no helicopter manufacturing capabilities. This is a testimony not only to the quality and reliability of Bell products but also to the outstanding customer support it provides. Bell Helicopter has been recognized for 22 consecutive years by industry observers as #1 in customer support.

Bell Helicopter public/para-public sales in non-helicopter manufacturing EU countries

Government department/Agency	Manufacturer/Aircraft Model	Purchase Year
Sweden (National Police)	Bell 429	2014 (7 aircraft)
Turkey* (National Police and National Forestry)	Bell 429	2012 (21 aircraft)
Czech Rep. (National Police)	Bell 412 EPI	2015
Slovakia (National Police)	Bell 429	2014 (2 aircraft)
* Aspiring EU country		

7. Helicopter Procurement in Canada / Public Markets

This decades-long systemic avoidance by important EU member states to fair and open access to their public markets with Canadian-made aircraft has been systematic and unjustifiable. Moreover, this situation is in sharp contrast with acquisition practices that have prevailed for years in Canada at all government levels.

Indeed, European helicopter suppliers have enjoyed open, transparent, competitive and non-discriminatory access to Canadian government procurement markets of civilian non-defence security helicopters at federal and provincial levels, such as for various provincial and federal police and coast guard. Based on the principle of reciprocity and national treatment, helicopter manufacturing countries in the EU should provide the same open and transparent market access to Canadian economic operators and their products in the helicopter industry to the EU public procurement market for civil/parapublic non-military security helicopters as the Europeans have enjoyed in Canada.

A few examples of European-manufactured helicopters sold to Canadian municipal, provincial and federal government Departments and Agencies in recent years:

Government department/Agency	Manufacturer/Aircraft Model	Purchase Year
City of Edmonton	Eurocopter (Airbus) 120B	2001
City of Edmonton	Eurocopter (Airbus) 120B	2009
City of Calgary	Eurocopter (Airbus) 120B	2007
City of Calgary	Eurocopter (Airbus) 120B	2006
City of Winnipeg	Eurocopter (Airbus) 120B	2010
York Regional Police	Eurocopter (Airbus) 120B	2003
Ontario Ministry of Community Safety and Correctional Services	Eurocopter (Airbus) 135P2+	2011 (2 aircraft)
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2004
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2008
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2009
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2010 (3 aircraft)
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2014
Royal Canadian Mounted Police	Eurocopter (Airbus) 120B	2005

Government department/Agency	Manufacturer/Aircraft Model	Purchase Year
Royal Canadian Mounted Police	Eurocopter (Airbus) 120B	2008
Ontario Department of Natural Resources	Eurocopter (Airbus) 130B4	2004
Nova Scotia Department of Natural Resources	Airbus EC 145	Yet to be registered 2017 sale
ORNGE (Ontario EMS)	AW 139 (Agusta)	9 aircraft in recent years
Source: Canadian Civil Aircraft Register (Transport Canada)		

8. Bell Helicopter requests

As Bell Helicopter Textron Canada Ltd. enthusiastically looks forward to the coming into force of the Comprehensive Economic Trade Agreement between Canada and the EU, it vigorously encourages the Standing Senate Committee on Foreign Affairs and International Trade as well as all other Canadian Parliamentarians and Canadian government trade officials to:

- i. Actively defend Canadian manufacturing and Canadian jobs by raising the issue of civil non-defence helicopter acquisition programs, those from public markets in particular, with their counterparts in the EU Parliament and in EU Member States;
- ii. To specifically raise the issue of public market access for Canadian-manufactured vertical-lift products to EU Parliamentarians as well as those from individual countries throughout the implementation process;
- iii. As EU Member States have repeatedly demonstrated that they cannot be relied upon to self-comply with EU procurement directives, as witnessed by EU Commission cases involving France, Italy, Spain, Germany, Britain and Ireland for the non-compliant procurement of civilian/parapublic helicopters, we urge Canadian officials to help prevent, control and monitor EU Member State's abuse and overuse of national defence and security exemptions that result in avoidance of open and transparent tendering of civilian non-defence helicopter contracts to the detriment of Canadian manufacturing and Canadian aerospace jobs.