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PHI reports \$700,000 loss

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PHI lost nearly \$700,000 last year due in part to the pilots strike, which hurt the company's revenues and flight hours, according to recent filings to the Securities and Exchange Commission.

The losses came at a time when the company's operating revenues increased by nearly \$50 million from 2005. It also was the first time the company had posted losses in several years.

According to the filings, operating revenues for 2006 were \$413.1 million compared to \$363.6 million for 2005. Those revenues were generally split between the helicopter transportation company's oil and gas division and its air medical segment.

PHI said the additional revenue increases primarily were due to customer requirements for additional aircraft and contractual rate increases in the oil and gas sector and to the establishment of additional air medical operations in 2005 that were in operation for the entirety of 2006.

The union is using those losses to support its previous claims that the 52-day strike during the fall and winter of 2006 negatively affected the publicly traded company.

"How do you bring in \$49.5 million more and then lose \$667,000?" said Michael Goodwin, international president of the OPEIU, of which PHI's pilots are members.

PHI's chief financial officer did not return calls for comment.

Previously, PHI and its pilots union were embroiled in a more than two-year struggle about a labor contract that expired in 2004. The union went on strike in September and offered an unconditional return to work in November. That request resulted in federal court proceedings that eventually led to an agreement between the union and the company to return pilots to work. Since then, about 90 percent of the pilots have returned to work.

The union has yet to enter into a collective bargaining agreement with the company.

"Going forward," Goodwin said, "we hope that the labor relations between the company and its hardworking helicopter pilots improves from where we are now to the benefit of all parties."
