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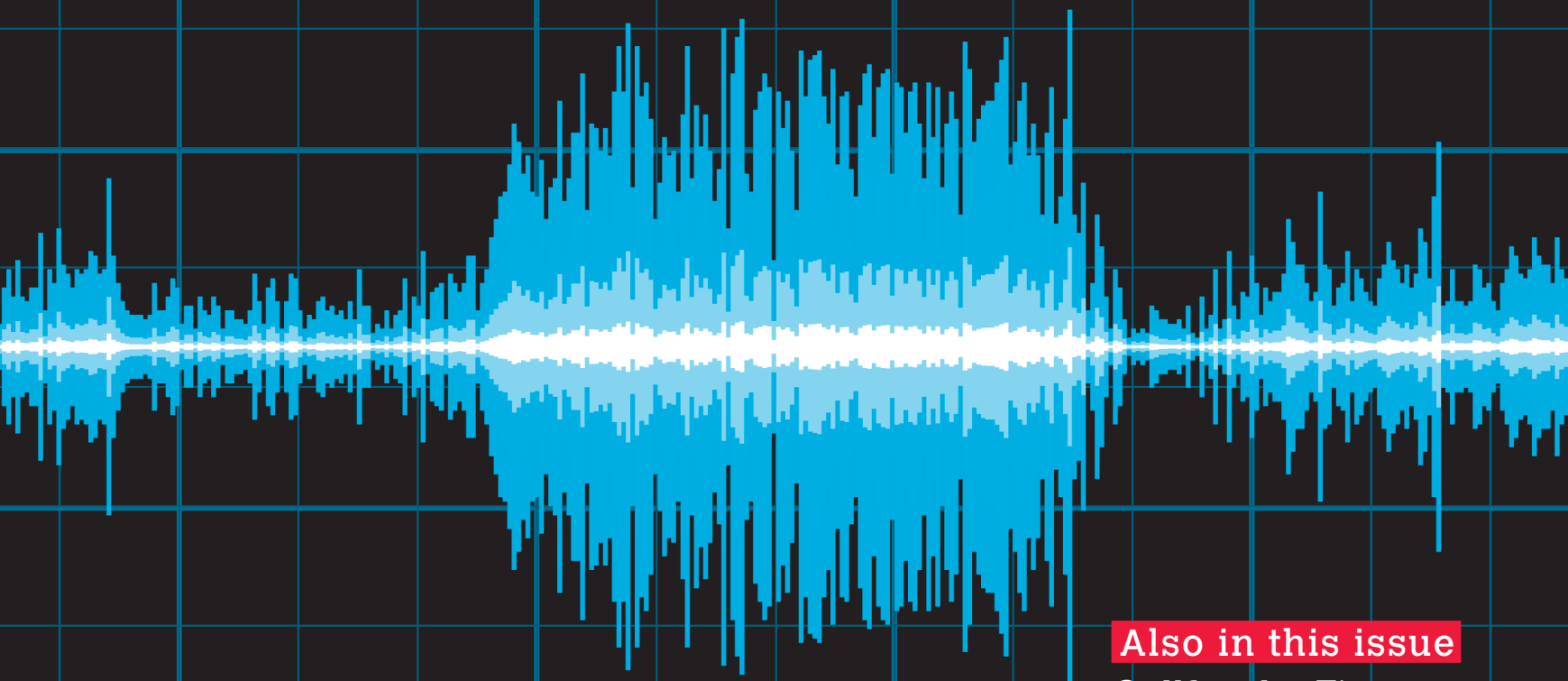
Business Airport

I N T E R N A T I O N A L

July 2014

Sound advice

How are general aviation airports winning the battle against aircraft noise?



Also in this issue

California: Three airports talk noise abatement and how to stay in business

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120 dB

TOO LOUD!

Welcome

I live on the end of a row of adjoined houses, so my neighbors' house is directly attached to mine on one side. They are a lovely family, rarely causing my husband and me any problems. However, after a long working week we relish the prospect of a lie-in at the weekend. The thing is, my neighbors' two small boys have other ideas, often waking at the crack of dawn on a Saturday or Sunday to laugh and play in their bedroom, which adjoins ours. I suppose the sound of happy children playing shouldn't really annoy me, as things could be far worse. The kids could be screaming, our neighbors could throw loud parties every weekend (something I have previously endured) or there could be some other noise pollution, such as aircraft flying overhead at unsociable hours.

This is something many people living under a flight path have to endure – at London Heathrow for example, an average of 1,286 flights took off daily in 2013, no doubt causing a headache for residents below. And with the growth in the business jet fleet over the past 10 years, traffic statistics at some of the busiest general aviation airports are beginning to match their commercial counterparts.

As Saul Wordsworth writes in *Quiet revolution* on page 32, "Despite the noise footprint of the fleet as a whole being far smaller than it was 20 or 30 years ago, residents living under flight paths may encounter a high volume of air traffic

over their homes; this has become the largest source of complaint in recent years."

The aviation industry is looking to counter this rise in noise by introducing new regulations that ban older aircraft (which are generally noisier than their younger siblings) to keep their neighbors happy. The FAA, for example, has banned Stage 2 aircraft weighing over 75,000 lb from flying in the USA and those under this weight face a ban from December 31, 2015 unless they are modified to Stage 3 standards.

Four general aviation airports leading the way in noise abatement are TAG Farnborough in the UK, Van Nuys and Teterboro in the USA and Nice Côte d'Azur in France. Each is pioneering new technologies and rules that aim to provide a peaceful future for operators and nearby residents. However, as Jeff Gilley, director of airports and ground infrastructure at the National Business Aviation Association, explains, "The challenge of reducing noise at general aviation airports is constant; you never get to the end of the task, but must instead continually pursue." There is certainly a lot more to be done to keep the noise down.

So what is the answer to my noise problem? I suppose I could place a ban on my neighbors' children creating any sound before 9:00am on a weekend, but who would be the nuisance neighbor then?

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The Park is being built on 30 acres of land in the northwest corner of Van Nuys Airport



Van Nuys breaks ground on propeller aircraft park



Above: Government and airport officials break ground at Van Nuys' propeller aircraft facility on June 23, 2014

Van Nuys Airport in California, USA, has broken ground on a US\$21m propeller aircraft facility that will include a new general aviation terminal, hangars and office buildings, consolidating piston-driven aircraft and businesses into a full-service aviation community at the airport.

Airport executives, government officials and community leaders attended a groundbreaking event on June 23 to mark the start of construction of The Park, which is situated on a 30-acre former Air National Guard site. Once completed in December 2018, the 350,500ft² facility will include its own terminal, maintenance services, flight

schools, restaurant, self-service fuel station and aircraft wash rack.

"The airport is an important part of the Van Nuys and San Fernando Valley family. By continuing to create middle-class jobs both inside and out of the airport, it remains an important component to our local economic revitalization and is a testament to what we can develop locally," said council member Nury Martinez.

"Van Nuys Airport has a rich history of propeller aircraft," explained Diana Sanchez, public and community relations director at Van Nuys Airport. "In 2006, a land use plan was developed where it was decided that as jets

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Left: **The Park** will cater specifically to propeller aircraft operators

Below: **Phase 1** will include street improvements such as a sidewalk, lights, trees and landscaping

"The Park will enable Van Nuys Airport to maintain a dedicated place for the propeller aircraft community"

Diana Sanchez, public and community relations director, Van Nuys Airport

became more common, we should set aside 30 acres for propeller aircraft."

The Park will be completed in four phases, with the first phase scheduled for completion by March 31, 2015. This will involve the relocation of over 70 existing hangars followed by the construction of two buildings housing 24 new hangars on a 10-acre site. The airport will also complete street improvements along Balboa that will include a sidewalk, streetlights, trees and landscaping.

The final facility will be able to accommodate 270 propeller aircraft and related businesses, with 115 newly constructed hangars ranging from 42 x 35ft to 100 x 160ft. Approximately 50-65 grandfathered owners (anyone who has owned a T-hangar since 2007 and is not a commercial business) will relocate for the final time onto a 30-year locked spot at Van Nuys Airport.

Interest in the facility has been high, according to Sanchez, with 70-75% of space currently reserved. "We have had a lot of interest from businesses located at the Santa Monica Airport and also from current tenants at Van Nuys," she added. "The Park will ensure that there are 30 acres dedicated solely to propeller aircraft and tenants will benefit from the convenience of having everything they need in one location."

A 30,000ft² general aviation hangar will be constructed on the new site with an adjacent hangar measuring 8,500ft². New technology will also be introduced at The Park. "A display board with the N# of each aircraft will be installed, showing the take-off order of the aircraft," explained Eric Steinhauer, one of three owners of The Park. "An integrated key card system will be introduced that will give access to gates, individual hangars, fueling and maybe someday vending machines. The team is open to learning about more concepts from interested parties."

The development of The Park has been awarded to local company Pacific Aviation, from Pacoima. The airport also plans to introduce a variety of businesses into The Park in the future. "The Park will enable Van Nuys Airport to maintain a dedicated place for the propeller aircraft community," said Sanchez, "and we would like to have a nice mix of different aviation businesses in the future, including upholsterers, insurance companies and shop suppliers." [↗](#)

About Van Nuys

Van Nuys is one of the world's busiest general aviation airports and is one of three airports owned by Los Angeles World Airports. In 2013 the airport handled more than 270,000 operations and it contributes approximately US\$1.3bn to the Southern California economy annually. More than 100 businesses are situated on the 730-acre airport, including four FBOs and numerous service companies. The airport supports more than 12,000 jobs.



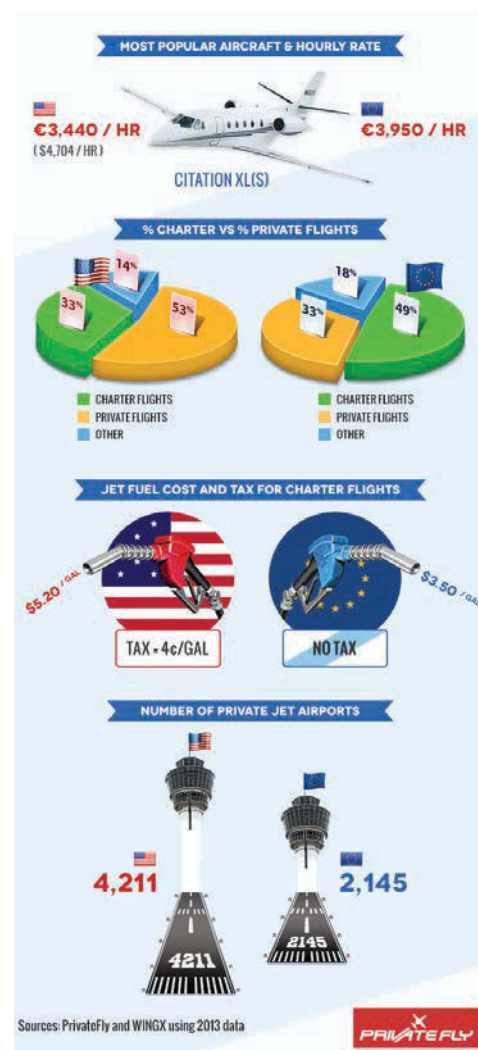
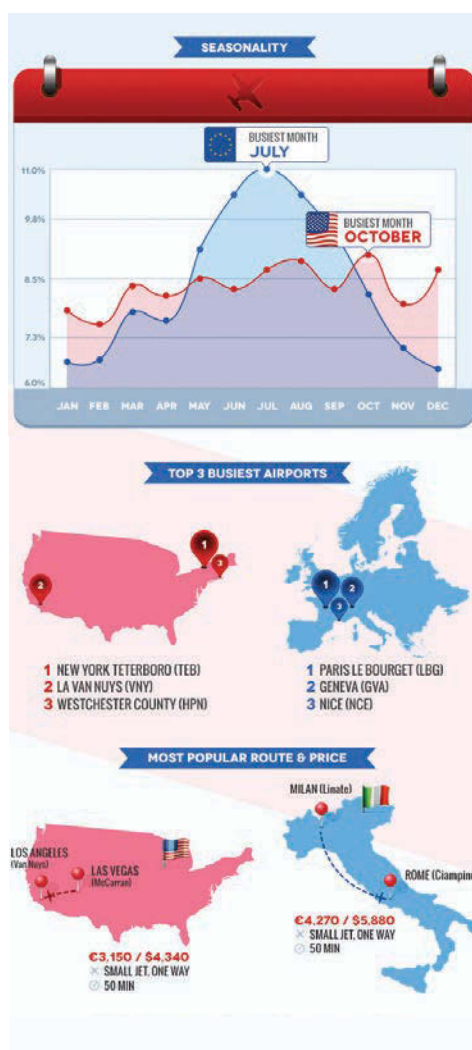
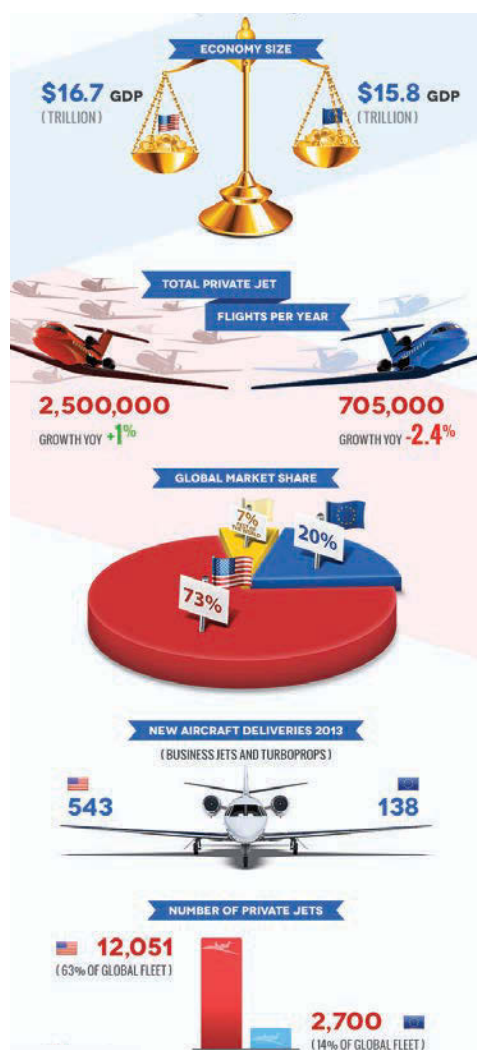


PrivateFly has released a comparison study of two of the biggest heavyweights in business aviation – Europe and the USA, which have a market share of over 90% (see infographic below). The study reveals that, despite having similar sized economies, private jet flight activity in the USA is 3.5 times greater than in Europe.

The regions hold a 77% share of the total global fleet, although in the USA there are 4.5 times more registered private jets than in Europe. This means Europe's fleet conducts 261 flights per aircraft a year, compared with the USA's 207 annual flights per aircraft.

New York Teterboro and Los Angeles airports were the USA's busiest private jet airports, suggesting activity is more widespread coast-to-coast than in the European market, where the busiest airports (Paris Le Bourget, Geneva and Nice Côte d'Azur) are all close together.

The cost of business aviation between the two regions contrasted greatly, with a 50-minute flight in the USA (LA to Las Vegas) costing 25% (US\$680) less than the same length of flight in Europe (Milan to Rome) on a Citation XLS. However, fuel in Europe was cheaper than in the USA – US\$3.50 per gallon versus US\$5.20.





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Jet Aviation opens hangar facility at Seletar Aerospace Park



Jet Aviation Singapore officially opened its new 80,000ft² hangar at Seletar Aerospace Park on May 31, 2014 following a year-long design-build contract project with Aircraft Support Industries (ASI) costing US\$25m.

The project consisted of constructing a 54,000ft² hangar alongside the existing 27,000ft² hangar in order to accommodate large, long-range business jets that are gaining popularity in the region. The facility now permits up to five Gulfstream G650 or five Bombardier Global Express 7000 aircraft, and can also accommodate the Boeing Business Jet and Airbus Corporate Jet.

"The decision for significant expansion in Singapore was made in direct response to clear signs of further growth in the Asian market – we have grown our fleet from three aircraft five years ago to 30 aircraft today. As our key MRO and FBO location in the Asian Pacific region, the facility expansion also served to strengthen

our global MRO network, while demonstrating our commitment to providing our clients the highest quality services, comforts and standards. We wanted to expand our capacity to meet increased customer demand in the region and to accommodate large, long-range business jets, which are the preferred aircraft in the region," explained Gary Dolski, vice president and general manager, Jet Aviation Singapore.

"This investment really underscores our commitment to meeting our customers' requirements in Asia," added Rob Smith, president of Jet Aviation Group. "We look forward to working with our partners for many years to come and to serving our customers from this and the rest of our global network of facilities."

In addition to the new hangar, Jet Aviation's apron now has direct access to the tarmac and has been expanded by 100,000ft². The company has also expanded its staff to meet growing regional demand. Employee headcount

has grown from 59 in 2010 to 123 in 2013 – 73% were local hires – with a further 13 new aviation professionals expected to join the team throughout 2014.

"Almost three-quarters of our employees were hired locally," explained Dolski, "and we have jointly founded a Licensed Aircraft Engineer Training Program with the Air Transport Training College to help develop a competitive pool of local licensed aircraft engineers and professionals for the business aviation network at Seletar Aerospace Park."

Interior shop expansion

In April 2014, Jet Aviation Singapore expanded its Interior Shop at Seletar Aerospace Park, enabling it to provide comprehensive interior refurbishment services to customers.

The 4,500ft² Interior Shop is situated at the company's new hangar facility and will offer interior services capabilities, from minor repairs and touch-ups to full interior aircraft refurbishment. The shop includes state-of-the-art equipment for upholstery, wood and veneer finishing and carpeting, as well as a 650ft² eco-friendly spray painting and buffing shop.

"The new production environment is designed to support the highest quality and service standards for interior aircraft refurbishment," said Gary Dolski, vice president and general manager of Jet Aviation Singapore. "There is growing appreciation of the value of business jets in the Asian economy, and demand for unique interiors continues to increase."



Above (L-R): Gary Dolski, VP and GM, Jet Aviation Singapore; Tan Kong Hwee, deputy director, Transport Engineering, Economic Development Board of Singapore; Stefan Benz, VP, Jet Aviation MRO and FBO Operations, EMEA & Asia; Heah Soon Poh, assistant CEO, JTC Corporation; Rob Smith, Jet Aviation president



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Flying with a heart

“Humanitarian air services are a lifeline for millions of vulnerable people worldwide, in locations where quick and safe access is critical to saving lives”

Humanitarian aviation and business aviation: they seem so different and so far apart, yet in essence share so much. Humanitarian aviation is a vital transportation tool to enable others to survive. It is about making sure that assistance gets where it is needed, when it is needed. Business aviation is an invaluable transportation tool in order for business to thrive. It is taking passengers where they want, when they want. One can argue about the definitions, but what is clear is that time is a precious commodity in both spheres. In humanitarian aid, with the clock ticking, it may mean prolonged suffering or even people dying.

The other common denominator is location. Business aviation users want the advantage of avoiding congested airline hubs by flying into smaller 'reliever' airports closer to their final destinations. Humanitarian aviation needs to get as close as possible to its target location, but there the reliever runway may be no more than a paved road, an unpaved path, a dry river bed or a field.

Humanitarian air services are often the only way to get access to remote places and reach people in need. You need an exceptional kind of pilot who can make his own flight plans and get forecasts in areas where weather systems are among the most treacherous in the world. He has to negotiate landing fees and make sure the passengers or supplies are present. He flies into areas where one is not on radio control and no one may know where he is. Being armed is more than just a consideration. There may be unfriendly forces in hostile regions. Unscrupulous bandits and warlords are not averse to holding people to ransom.

Many aid pilots won't spend more than five minutes on the ground. If one has to stay overnight at a remote airstrip, lions or cheetahs may come by. Or elephants – and if they charge, the aircraft is papier maché, and firing a weapon will only annoy them more.

So, now you have learned a bit about a worst-case scenario that may not particularly appeal to

the owners of a private aircraft in terms of making their equipment available. You should feel challenged to ask what business aviation can do. It is a fact that help is needed. The motivation should come from the heart. People have been performing humanitarian missions, recognizing that their privilege in life gives them the distinct opportunity to help others who live in far worse conditions.

The primary objective of humanitarian aid is to save lives, alleviate suffering and maintain human dignity. Humanitarian air services are a lifeline for millions of vulnerable people worldwide, in locations where quick and safe access is critical to saving lives. It doesn't necessarily have to be a response to a major natural or man-made disaster. Empty business aviation flights could be used for humanitarian endeavors by air freighting medicines, time-sensitive and life-saving medical and bio-materials, or to reposition medical staff and humanitarian relief workers to provide emergency assistance.

It can be about simply helping people to improve their chances of getting well by facilitating free flights to a specialized medical facility. Free flights can change lives. The contribution of humanitarian assistance to one individual may not change the world, but it can change the world of one person.

Do not sit idly by when there is an opportunity for business aviation to give back to humanity simply by offering unused capacity for humanitarian causes. Approximately 80% of a humanitarian aid budget goes on logistics. Don't leave logisticians frantically searching to procure an aircraft. Don't even let humanitarian aviation be a last resort. Be inspired and volunteer with a humanitarian heart the provision of aviation resources to help the needy. ✈

Commander Bud Slabbaert is an expert in strategic communications and business aviation development. He is also the initiator and chairman of BA-Meetup



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Business aviation in central and eastern Europe has seen unprecedented growth in recent years, calling for an increase in fixed base operators on the ground. But with building space at a premium, virtual FBOs are providing the perfect solution

Words | **Selwyn Parker**



*Virtual
reality*



Charter operators such as ABS Jets are seeing huge growth in eastern Europe, fueling demand for additional services on the ground

Eastern Europe has become the home of the 'virtual FBO', which provides all the usual services one would expect to receive at an FBO facility with the exception of a dedicated building. In a region of government-owned airports, a new kind of highly flexible, ground-based operator has emerged to provide services for business jets in what is turning into an increasingly fruitful cooperation with local authorities.

The region's specialist in these virtual facilities is Prague-based Euro Jet (see *Pop-up solution*, page 14), which has gone from a mere handful of instant FBOs to a 200-airport network in the space of a decade. An ingenious solution in an overwhelmingly state-dominated aviation sector, Euro Jet taps official resources to meet the needs of a steadily growing fleet of eastern Europe-based business jets as well as operators from outside the region.

The dearth of concrete FBOs doesn't seem to have been much of an obstacle to the growth of private jets. For instance in May, Prague-based

ABS Jets, a charter operator and ground-handler, processed its 10,000th flight – a Citation Mustang owned by Aeropartner – just 10 years after it was established. Overall €1bn (US\$1.3bn) in revenues was generated in 2013 by the industry in central and eastern Europe, according to aviation consultancy Ascend. And the countries that have really taken off are Poland, Russia, Ukraine and the Czech Republic, all of which posted annual double-digit growth between 2008 and 2012. Annual MRO revenues have reached €300m (US\$400m), according to Switzerland-based consultant Aviation Advocacy.

The rise in business traffic across the region is reflected in ABS Jets' own rapid development. Having started in 2004 as a humble charter and maintenance business with two jets and a staff of 20, the group now boasts 12 aircraft and over 200 employees. Its maintenance department is one of the biggest in central and eastern Europe.

Whether provided by Euro Jet or airport authorities, pop-up FBOs clearly do the job. As Air Partner's Simon Wheatley, manager for private jets, says, "We don't have to rely on the major hubs any more. As the quality of facilities and services improves, we can operate more flights than we did in the regional airports."

George Galanopoulos, managing director and founding member of London Executive

Aviation (LEA) and a regular customer of eastern European airports, would agree. "We've seen a big improvement in the past two years. Standards are closer to those in the western world and the equipment has improved."

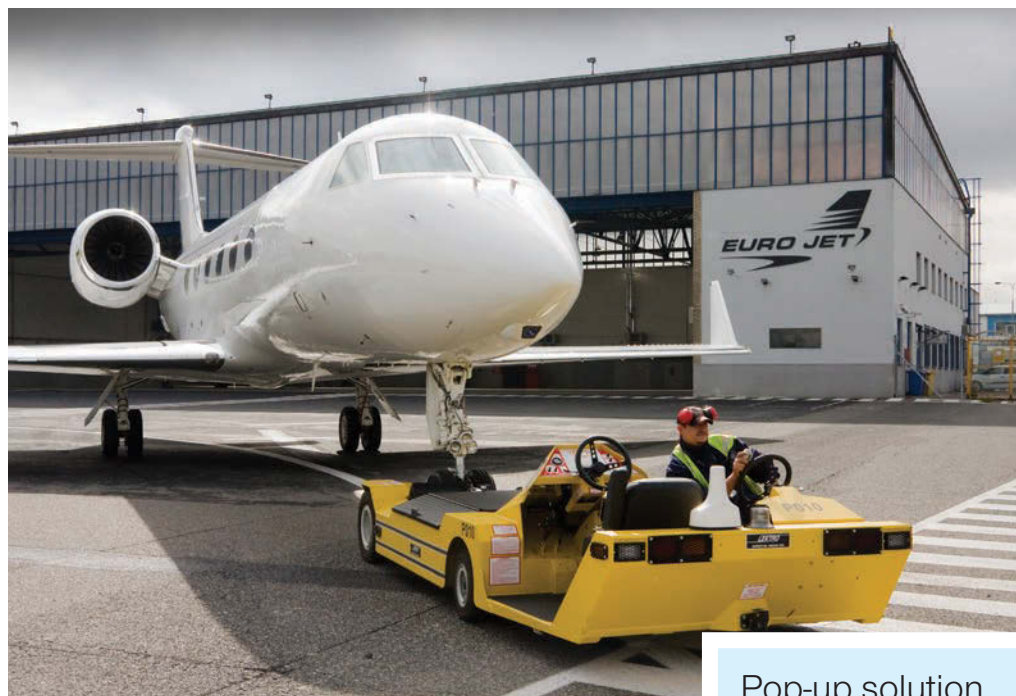
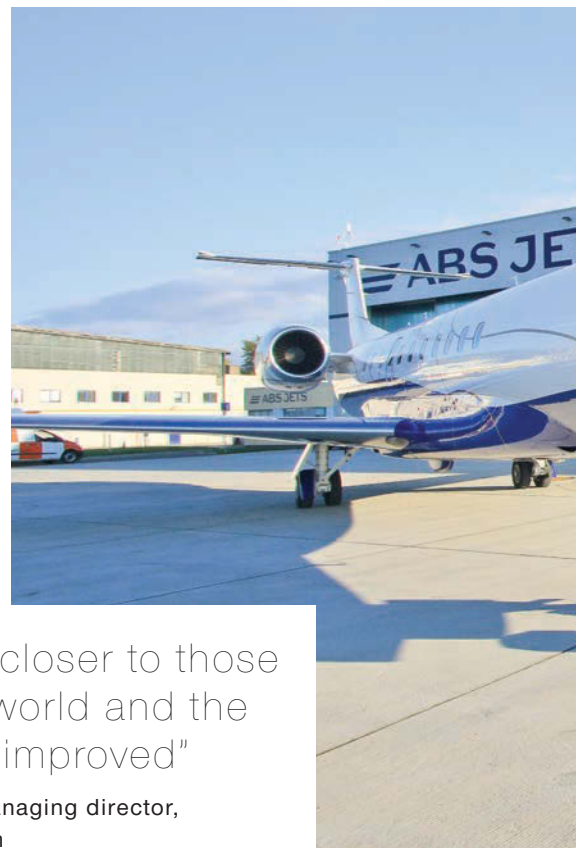
Simultaneously with the general improvement in standards, prices have steadied. Once off the scale as airport authorities jumped on what they thought was a gravy train – "line maintenance was a minefield with horrendous prices", shudders one veteran of the region – the cost of most services, such as de-icing and hangarage, has steadily fallen to a western European level. It's now usual for airports to produce a uniform price list rather than hitting operators with hefty fees for every imaginable service. And sometimes that list is cheaper than in western Europe.

The exception remains Russia, especially in the wake of the Sochi Winter Olympics, which triggered extreme price increases. Russia's



"Standards are closer to those in the western world and the equipment has improved"

George Galanopoulos, managing director, London Executive Aviation



FBOs are permanent structures, often with old Soviet-era facilities, and are generally based on one officially approved concessionaire who is in a monopolistic position. Thus charges can vary wildly. Hangarage for a Challenger at Pulkovo works out at around €1,000 (US\$1,353) for 24 hours, compared with €5,000 (US\$6,765) a month at Helsinki. Charges can also be applied erratically – some airports such as Domodedovo levy a per-passenger rate of €200 (US\$270). And unlike in the USA and some European FBOs, there are no discounts on government-priced gas.

Cutting red tape

Euro Jet has just one bricks-and-mortar facility – in Prague – but the virtual FBOs are able to provide a full range of facilities and services according to requirements. As Gareth Danker, director of global sales and marketing, says, "We can do anything that operators request, from ground services to accommodation and

Above and right: Euro Jet's only bricks-and-mortar facility in Prague features a hangar for light and heavy jets and two VIP lounges for passengers



Pop-up solution

When an aircraft lands at one of Euro Jet's 'virtual' FBOs in eastern Europe, its personnel aim to provide everything the operator and passengers need – with the exception of a dedicated building. Working with the airport's own facilities, Euro Jet arranges all the essential documentation and organizes refueling, hangarage, de-icing and any other requirements. It guides passengers through customs and other border procedures, usually fast-tracking them. It puts them in pre-arranged transport if necessary and sends them to recommended hotels. "There's often a limited choice of hotels, so it's more a question of finding appropriate accommodation," says one source. As Euro Jet explains, the smoothness of the operation depends crucially on its personnel having good working relationships with the state-owned airport authorities who effectively rent out their infrastructure and equipment for the purpose.



Left: **ABS Jets** has two hangars at Prague's Vaclav Havel Airport to meet increasing demand

Securing the necessary permits was a black art that had little to do with reason. "The rules were made up as they went along," adds Wheatley. In the widespread absence of good spoken English, operators were often obliged to hire navigators who could communicate with air traffic controllers in their own language. And even when the aircraft was permitted to land, ground assistance was rarely forthcoming. "In even the few functioning FBOs it was mainly a case of self-handling," recalls Wheatley.

Special treatment

Brussels can take some of the credit for eastern Europe's new-found acceptance of business jets. As one eastern European nation after another opted to join the EU and attract western investment, attitudes changed and it became easier for operators to fly around the region. Under pressure from the European Business Aviation Association, paperwork was harmonized and much red tape eliminated. These days it only takes a few hours to get permissions. "The region is miles ahead of India and China [in paperwork]," vouches LEA's Galanopoulos.

In a startling reversal of Marxist philosophy, corporate passengers now get special treatment – indeed, sometimes better than they would expect in western Europe. "More airports are bending over backwards for corporate traffic," explains Danker. "All our airports are more than accommodating."

Cars can often drive right up to the ramp, a luxury rapidly disappearing from the more congested airports of western Europe. And congestion – or rather lack of – is one of the features of the region's strips, with many of the facilities outside the capital cities counting just half a dozen business jets a day.

The change in attitude is based on the realization that corporate jets disproportionately boost airport revenues. Because there are fewer passengers than on commercial flights, they are simpler and quicker to process. Wealthy individuals spend more money in the towns and cities. And instead of being turned around in an hour or so as most commercial flights do, business jets are often put in hangars, serviced and de-iced at considerable profit to the airport.

Big business at Bratislava

If the traffic justifies it, the authorities – or a small handful of private entrepreneurs – are not averse to building a concrete FBO. Slovakia's MR Stefanik Airport in Bratislava, a direct beneficiary of the steady rise in business jet traffic from the

transport. What really matters to operators, we find, is local knowledge. We believe our partnership with airport management is crucial to the success of the virtual FBO."

Euro Jet is certainly the go-to operator in central Europe. Last year its 200 staff represented some 500 operators, mainly from the UK, the EU and Russia. Permanent English-speaking staff are stationed at central and regional airports if there are daily flights and, if called for, Euro Jet will dispatch people to more remote strips. "We provide services at some airports where there are only one or two flights a year," says Danker.

Everything is coordinated on a 24-hour basis from Euro Jet's headquarters in Prague, where it has two VIP lounges and a hangar with capacity for two heavy jets and several light jets. The company also provides crew lounges with full workstations at five of eastern Europe's most popular destinations for privately owned jets – at Tivat in Montenegro, Zagreb in Croatia, Bucharest and Constanta in Romania and Poprad in Slovakia.

Change of attitude

In a region long dominated by communism, the military ran the skies – and still do in some countries – and until the past few years business jets were considered a subversive expression of decadent, western-style affluence. For years most airport authorities were, if not actually hostile, certainly indifferent to corporate traffic.

All that began to change after the break-up of the Soviet Union and the emergence of super-rich oligarchs who acquired business jets to visit their far-flung eastern European commercial empires. But because all aviation facilities were state-run, there was never any likelihood that privately



owned FBOs would appear en masse as they have in western Europe.

However, as the oligarchs demanded – and won – the right to use airports dedicated to commercial aviation, a pragmatic solution was reached. The general-aviation terminals, including customs, passport control and security, were pressed into service in what has become an increasingly happy marriage between state-run and privately sponsored services.

Mired in red tape as they were, airport authorities had a lot to learn. Customs officers could be uncooperative. Operators routinely had to seek multiple military clearances for flights that clearly posed no security threats. Even at quiet airports, slots could be cancelled if the operator did not take off at exactly the agreed time. "Punctuality was vital," says Air Partner's Wheatley.



"We provide services at some airports where there are only one or two flights a year"

Gareth Danker, director of global sales and marketing, Euro Jet

Right: **A dedicated general aviation terminal was built at MR Stefanik Airport to accommodate the increase in business aviation traffic in Bratislava**



"Because we have our own terminal, we have a good relationship with the airport authorities. We act as an independent facility respecting all EASA and RCAA regulations"

Victor Ivan, managing director, Tiriac Air

automobile and movie industries (the nearby Tatra mountains are a favorite setting for film making), was experiencing so much corporate traffic that the city built a dedicated business terminal to accommodate demand. ABS Jets followed suit in 2011 by opening its own physical FBO at MR Stefanik Airport, which complements the group's headquarters at Prague where, as well as the usual range of on-ground and VIP services, it owns hangar space that can house a B737. "We have expertise from very light jets through to heavy jets," explains Jan Kralik, director of ground operations.

In a direct response to demand, ABS Jets owns two hangars at Prague's Vaclav Havel Airport. Typical of much of the infrastructure in

eastern Europe, its first hangar was a relic of the past – an 80-year-old building acquired from government-owned Czech Airlines in 2006. The addition of a second hangar means ABS Jets can accommodate 747s.

Lone operator

Romania boasts just one privately owned physical FBO. Owned by Tiriac Air, which has a Global 5000, a Gulfstream G200 and two Agusta helicopters, it is based at Otopeni Airport near the business center of Bucharest. As elsewhere in the region, the company works hand in hand with local officials. "Because we have our own terminal, we have a good relationship with the airport authorities. We act as an independent facility respecting all EASA and RCAA regulations," says managing director Victor Ivan.

Ahead of the game, Tiriac Air, a division of giant conglomerate Tiriac Holdings, is licensed to maintain Agusta helicopters. Foreign operators say they usually have to fly qualified engineers into Romania to do the job.

The authorities, it seems, are quite happy to provide preferential treatment for VIPs – Tiriac Air's passengers generally get tarmac transport and are whisked through the airport within five minutes. If required, the aircraft gets a heated hangar, saving in de-icing costs.



Local business

It's not all about foreign traffic, though. Much of the increase in corporate flights stems from internal operators such as the Czech Republic's Aeropartner, in cooperative, mutually beneficial arrangements with relatively recently established ground handlers. Founded in 2001, Aeropartner now has a five-strong fleet – two Citation CJ2s and three Mustangs – and at Prague has moved its entire operating base and facilities to ABS Jets. In a reciprocal arrangement, whenever ABS Jets cannot meet demand it will call on Aeropartner to plug the gap.

"Our cooperation has been mutually beneficial and will be further developed in the future," predicts Aeropartner's CEO, Richard Santus.

And next?

Despite a recent slump in traffic in Poland, Russia and Ukraine (see *Unrest in Ukraine*, below), the industry remains optimistic. Certainly, fractional-ownership specialist NetJets plans to throw some of its biggest and more luxurious jets into eastern Europe. "Customers there want to see large cabins and the latest, brightest and newest aircraft," says sales director Marine Eugene.

Tiriac Air's Victor Ivan sees no reason to be pessimistic. "Customers' appetite for private air service is growing," he says. Putting numbers on it, Ivan forecasts that traffic will rise by an average of 3-4% for the next few years despite the region's political turmoil. Certainly, his own company justifies these rosy views – Tiriac Air's financial performance for the first quarter was "significantly over budget", he says.

Nevertheless there's still a lot to be done before eastern Europe's FBOs reach western standards. Operators complain that de-icing fluids sometimes don't meet technical standards. The quality of hangars, especially heated ones, is erratic and much airport infrastructure hails from the Soviet Union era. And not all airports put out the welcome mat – indeed some congested commercial facilities regard business jets as a nuisance.

What does the future hold? Most operators expect there to be more bricks-and-mortar FBOs, but they will emerge slowly. And rather than being set up by western-owned chains, they will be established by local entrepreneurs. Until then the virtual FBO will be the norm. <

Unrest in Ukraine

As the smoke settled on Donetsk International Airport, a hub for business jets in Ukraine, after the attack by pro-Russian rebels in mid-May, operators flying into the region were hurriedly dusting off a document known as market standard clause LSW617G, pending a further deterioration in conditions in the country. It is the piece of paper that concerns war risks and most insurers are reviewing the situation in the troubled country on a daily basis. Law firm Kennedys Aviation pointed out in May that

the insurance market has not amended or canceled cover for Ukraine – or Russia, for that matter. But no insurer wants a US\$30m jet to be seized or blown up.

There's also the issue of finance. Under some loan and lease documents, financiers specifically ban flights in countries deemed to be dangerous. If the United Nations, for example, were to formally impose sanctions on Russia, it would have implications for operators that they could not ignore. Brussels has already announced sanctions against

certain individuals and the USA is targeting oligarchs who are sympathetic to president Vladimir Putin.

Until May, corporate jets were still flying into Ukraine, albeit in fewer numbers. The main hubs of Odessa, Donetsk and Kiev were still seeing aircraft. Traffic has slowed, according to Euro Jets, and there's no trouble with overflights, even into Crimea.

However, the attacks on Donetsk International Airport clearly raises fears over other major outlying hubs such as Odessa.

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Help from above



Main image: **UN aircraft on the tarmac at Juba Airport in Juba, the capital of South Sudan**

Business aviation operators have an important role to play in providing humanitarian aid services to those most in need

Words | **Hazel King**

On November 8, 2013, Typhoon Haiyan – the strongest storm ever to make landfall – swept through the central Philippines, leaving over 100 miles of destruction, killing more than 62,000 people and displacing four million people. Those who survived required urgent aid including medical assistance, water purification equipment, food and shelter. However, with so much damage to local infrastructure, getting this aid to those who needed it most was a huge challenge. And that is where business aviation came in. Aircraft charter specialist Air Partner was quick to organize cargo charters to deliver food and shelters into the country.

Within a week of the typhoon hitting the island, Air Partner had organized flights from Europe to Cebu, the Philippines, with 85 tons of ground-handling equipment, as well as four Boeing 777 and two Boeing 747 flights carrying 600 tons of aid, including Land Cruisers, tents, shelter kits and tarpaulins.



Above: **Children line up for food relief in Mindanao, the Philippines**



Left: **Air Partner organized charter flights to transport ground handling equipment in the days following Typhoon Haiyan in the Philippines in 2013**

Below: **Chapman Freeborn works with relief agencies providing aid in South Sudan and the Central African Republic**



"On behalf of DFID we chartered a large number of airplanes to move initially shelter and water, and then food and water purification equipment, into the Philippines"

Richard Smith, product director of freight, Air Partner

"We were heavily involved in the humanitarian response after the Philippines typhoon," explains Richard Smith, product director of freight at Air Partner. "We are the contractor for the UK government's Department for International Development (DFID), which is responsible for responding to humanitarian need, and on behalf of DFID we chartered a large number of airplanes to move initially shelter and water, and then food and water purification equipment, into the Philippines from various locations – the UK and Dubai primarily."

"We also had to move some ground-handling equipment on a large Russian aircraft. The cargo went into Cebu Airport and they had limited cargo handling equipment on the ground, so we moved a special piece of equipment used to offload 747 freighters in by air using an Antonov 124 aircraft, and that helped speed up the rate at which relief could be offloaded and the rate at which aircraft could be turned around. Therefore they were able to move much more material in a short period of time."

In addition to moving cargo in emergencies, charter companies can move medical teams and rescue specialists after an event such as an earthquake. "We can provide passenger aircraft at very short notice and we specialize in finding the correct type of operators and tackling some of the complexities of actually getting aircraft into areas that have been affected by these events, such as security, lack of ground-handling equipment and fueling issues," Smith adds.



Help at hand

MedAire launched its Trip Ready app at EBACE in Geneva, Switzerland, in May 2014.

The MedAire Trip Ready app provides pilots and crew with essential information about their destinations. Organized by ICAO, users can build their own dashboard to see medical and travel risk ratings, local time, current weather and NOTAMs for each destination on their itinerary (above). Information is gathered from security and medical analysts around the world who are assigned to geographic areas to ensure extensive expertise in the political climate, current events, cultures and customs for their regions of responsibility.

All users can access further information on their destinations by ICAO airport code and a feature to add personal notes about their itinerary is included. A weather tab provides information on temperature, visibility, winds, METAR and TAF.

Users with MedAire membership have access to notification of events that may

Ongoing missions

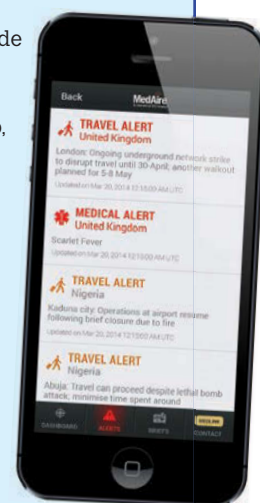
It's not just at times of natural disasters that business aviation plays a role in humanitarian aid. Aircraft charter specialist Chapman Freeborn is heavily involved in providing assistance to South Sudan and the Central African Republic (CAR), where ongoing civil unrest has caused huge loss of life and the displacement of millions of people.

As of February 2014, South Sudan is host to over 230,000 refugees, with more than 209,000 having arrived recently from Sudan. Other African countries that contribute the most refugees to South Sudan are CAR, Ethiopia and the Democratic Republic of the Congo. "The whole population in South Sudan is shifting within the country or overflowing into other countries, and there is a lot of fighting going on, so we are bringing a lot of humanitarian cargo and medical supplies into the country," explains Pierre Van der Stichele, director of business

affect their itinerary or personal well-being, including disease outbreaks, protests and natural disasters. Users are also provided with a synopsis of the occurrence and advice to mitigate the risk.

Enhanced features include the ability to call MedAire's MedLink global response center directly from the app, as well as to find nearby lodging and dining options by distance from your current location.

MedAire members have access to Aviation Travel Security Briefs via Trip Ready; these provide an overview of medical and security considerations in the vicinity of the airport; and may be downloaded and emailed to other crew and passengers.



development cargo at Chapman Freeborn. "It has been non-stop since January and we don't see any indication it will stop any time soon. We have flown about 250 flights since January just to or within South Sudan."

Providing aid into a country in the midst of a humanitarian crisis can be dangerous, so business aviation providers must work with aid agencies and local people on the ground to ensure the airfield they are flying into is secure and safe for operations.

"Often, we land in airfields that don't have a fence, and the UN is trying to create a secure airfield, but you cannot be 100% sure that no one will be on the runway or close to the aircraft when we land," says Van der Stichele. "In Bangui, the capital of CAR, the airport had become a refugee camp, with thousands of people using it as a safe haven. The camp was less than 15m from the runway, so it was very difficult to bring in humanitarian flights in the early stages of the crisis because people were on the runway when we wanted to land. We had to abort the landings several times until the runway was cleared and it was safe to land."

Getting access

As with standard commercial charter flights, aid flights are required to gain the relevant overflight and landing permits for each mission. "For these types of flights, very often you're trying to react at very short notice," Smith explains. "Air Partner has a 24/7 operations department who specialize in gaining these permits and they come into play by making sure the authorities are aware of the nature of the flight and the fact that it is a humanitarian response so that we don't get any delays or issues. It generally takes us just a few hours to get these permits."

"We don't need any special type of permit," Chapman Freeborn's Van der Stichele adds, "but we have the support of the UN to fly into these countries because they have a lot of staff

Heroic effort



The NBAA's Humanitarian Emergency Response Operator (HERO) Database was set up to help people and communities in crisis. It provides a list of business aircraft and people (pilots, cabin crew, etc) that have registered on the database for disaster-response mobilization efforts. In the aftermath of major crises, NBAA sends basic information from the database to major organizations coordinating relief efforts, such as the Red Cross. The relief organizations can then use the information to find out which business aircraft are able to help.

Dan Hubbard, NBAA senior vice president of communications, explains more, "A less formal version of the database was founded in 2005 after Hurricane Katrina hit the USA, but the formal version wasn't established

until 2010 after the Haiti earthquake.

Business aviation providers have the ability to reach a lot of airports and fly in teams of medical specialists for immediate assistance. They are often able to get nearer to the location of the disaster than a car or commercial airline can.

"After Hurricane Katrina, we found that business aviation could reach the smaller airports that were close to the impact zone – areas that were unreachable via the roads because of the flooding and damage," adds Hubbard. "We found the same thing in Haiti, where the major airport, Port-au-Prince, was damaged as a result of the earthquake. Our member companies found they could fly into an airport outside of Port-au-Prince and immediately get the medical teams and supplies in, and get the victims in need of the most urgent care out."

The HERO Database helps bring together the business aviation community in times of need. "Our industry is very diverse and dispersed, so people don't always know where help is needed and those coordinating the relief don't always know where to find resources," says Hubbard. "The HERO database provides a solution to this."



"When you charter an aircraft, it is a non-scheduled flight so you need a permit to land at a certain airport and you need to request a permit for every sovereignty/country you overfly"

Pierre Van der Stichele, director of business development cargo, Chapman Freeborn



Left: **Chapman Freeborn chartered an IL-76 aircraft to transport medical relief to Haiti**

in Sudan, Haiti, Yemen, Syria, etc. When we work with these organizations, they do have ground staff to help us. We do have to take into consideration traffic rights – when you charter an aircraft, it is a non-scheduled flight so you need a permit to land at a certain airport and you need to request a permit for every sovereignty/country you overfly. If you fly from Europe into Sudan, for example, it will probably take three days to get all the permits, but if you have an aircraft within Sudan, you probably need 24 hours. However, if you asked us to fly between the UK and Indonesia, it could take up to seven days depending on what you're carrying. Some countries are more difficult than others."

Staff at these charter brokers do not need any specialist training for these missions, although previous experience in the field always helps, asserts Smith. "There's nothing specific that you can train for, it's just experience in delivering these kinds of services that enables you to react and respond in the best way," he adds.

However, WFP Aviation, which provides a range of air services for third-party organizations

such as NGOs, governments, the UN Department of Field Support and international organizations, as part of the World Food Programme (WFP), does require some formal training for its staff. "We have the United Nations Aviation Standards that follow the industry standards and they have as a base the ICAO standards and recommended practices. All the people we hire must have specific licenses – commercial pilot license, ATPL, ATC, engineer or flight dispatcher – those are the basic licenses we will consider when we hire staff. In addition to that, we are looking at competencies such as working in difficult environments, flexibility, teamwork and being able to respond to stressful situations, so we combine the licenses with the competencies required for these types of jobs," explains Cesar Arroyo, head of aviation safety at WFP.

Money matters

Although charter brokers and operators provide these services as part of a moral duty to help those in need, they must ensure that their costs are met and the emergency missions are financially viable.

Humanitarian flight requests are issued on a tender basis by the relief agencies, with multiple brokers bidding on a certain tender within a specific date and time. Usually the lowest bid will be chosen by the relief agency, but they will also take the size of the broker and their ability to organize services on the ground into consideration. "They need to be sure we are capable of managing such an operation," says Van der Stichele, "because we are not asked to do just one flight; very often we are asked to do batches of 10, 15, 20 or 30 flights, so it is a continuous operation. Once we are on the ground operating relief flights, the word spreads very quickly and all of the relief agencies seem

Right: **The United Nations Humanitarian Air Service provides safe and reliable passenger and cargo air services**

Bottom: **WFP Aviation, as part of the World Food Programme, delivers aid into some of the world's most remote locations**



WFP – Antonio Salort-Pons



"We are looking at competencies such as working in difficult environments, flexibility, teamwork and being able to respond to stressful situations"


Cesar Arroyo, head of aviation safety, WFP

to be working together, so when we fly for one client, we end up flying cargo for another relief agency as well. There is a good relationship between relief agencies, and they share the capacity that is available to them to transport the goods from A to B."

Charter firms can also sell the front leg on their trips to commercial clients in order to provide cost savings to relief agencies. "For example, when we need to position an aircraft in Sudan, we may find a commercial client that

has a load to send to Africa," explains Van der Stichele. "It may not be going exactly to Sudan, but we may bring an aircraft from France to West Africa with a commercial shipment, and that means the relief agency is already saving the cost of bringing the aircraft nearly all the way to the point where it is needed. This is usually how we can issue the lowest bid for relief agencies – by trying to use our strong network of brokers on every continent."

Encouraging other charter brokers to develop these networks would increase the amount of aid sent to those in need, WFP's Arroyo believes: "It is a matter of changing the business model of a company to be able to get into this humanitarian aviation side of the industry by encouraging them to set up bases in remote locations far from their headquarters, and that may be challenging for the investors that have an interest in these companies. We have had successes in that area – we have had Mexican companies that used to be a taxi operator move into our type of humanitarian industry, so opportunities are there, but it is not easy because the areas are difficult and the requirements are high."

With all the challenges and potential dangers that come with supplying humanitarian aid, why do some business aviation providers decide to offer these services? Air Partner's Smith concludes, "I think it is an opportunity to leverage the skills, knowledge and understanding of how to operate these types of services, and bringing those skills to bear when it is a matter of life and death. It is a good opportunity to use the infrastructure, people and knowledge that we have to help a good, humanitarian cause. It is important that we are able to take part and do what we do on a daily basis to help those most in need." 



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Fuel of good ideas

Partnerships between FBOs and fuel providers can lead to increased revenue and more satisfied customers

Words | **Kerry Reals**



Main image:
Shell Aviation
 has one of the
 most extensive
 fueling networks
 in the world with
 more than 800
 locations globally



Fuel margins for FBOs and business aviation airports are being squeezed from all angles as end users become increasingly savvy and the use of contract fuel programs continues to rise. As a result, relationships between FBOs and fuel providers are evolving, with loyalty programs and exclusive refueling partnerships becoming more commonplace as methods of boosting fuel sales and increasing profit margins.

Earlier this year consultancy firm Aviation Business Strategies Group (ABSG) published its annual industry forecast for 2014, in which it predicted that only half the FBO market in the USA would see a relatively small increase in fuel sales volumes. Last year ABSG said that any FBO attaining a 6% increase in fuel sales would be a top performer, but in the end more than 20% of surveyed FBOs ended up reaching or exceeding that goal. This year the stakes are higher with an 8% target, which fewer than 10% of FBOs expect to achieve.

In the light of this prediction, FBOs and business aviation airports – particularly in the USA, where almost every FBO offers complete bundled services for customers who buy fuel – are being advised to consider unbundling in order to generate alternative revenue streams. In a new unbundled US FBO model, fuel would be sold with very little margin added to the net cost, which should include a flowage fee paid to the airport authority. The services offered by the FBO could then be priced individually and charged to the customer if used or requested. These services could be marshaling, meet and greet, aircraft parking and towing, baggage handling, courtesy cars, wi-fi and catering, as well as add-ons such as lavatory cleaning, auxiliary power unit service, hangar fee, general facility service fee and general ramp fee.

John Enticknap, cofounder of consultancy ABSG, is one of those advocating this approach: “US FBOs should start thinking about charging for these services, because margins on fuel are getting smaller and smaller.” He warns FBOs against focusing solely on growing their fuel sales, noting, “You’ve got to grow your entire revenue base. You can’t afford to provide free services. Whether you’re selling fuel at a margin or providing ground handling, you have to generate revenue from everything.”



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"The only way to increase fuel sales is to continue to develop programs and systems that provide value to pilots and operators, in turn providing value to the FBOs..."

Joel Hirst, vice president of sales, Avfuel



Fueling trends

One trend that has been exerting pressure on fuel margins for FBOs is the growth of contract fuel programs, where third-party fuel brokers offer discounts to end users when high volumes are consumed. There are several independent contract fuel providers, including MercFuel and Colt, and most aviation fuel supplier wholesalers such as Avfuel, World Fuel, Epic and Eastern Aviation Fuels also offer contract fuel programs. Generally, a contract fuel program consists of zero-fee credit card processing by the FBO and discount fuel pricing for the corporate aircraft operator. According to ABSG's other co-founder, Ron Jackson, the advantages offered by such programs are "tipped to the end user" and the FBO is "caught with less margin to work with".

However, Avfuel's vice president of sales, Joel Hirst, argues that fuel sales are being hit by the arrival of more fuel-efficient aircraft that do not need to buy fuel at every stop. "The only way to increase fuel sales is to continue to develop programs and systems that provide value to pilots and operators, in turn providing value to the FBOs using these systems," says Hirst.

For the past 5-10 years in the US market, says Enticknap, there have been fewer major oil companies involved in providing aviation fuel to the general aviation marketplace. "This is mostly due to the fact that aviation fuel represents a very small portion of an oil company's revenue compared with the manufacturing and sale of automobile fuel. Therefore, some major oil companies have pulled out of the aviation fuel marketplace. It is not necessarily more expensive to sign directly with an oil company – the oil companies that still offer aviation fuel direct to FBOs usually offer a competitive agreement. For the most part, oil companies are not soliciting new direct FBO agreements – they would rather deal with the wholesalers or distributors, such as Avfuel and World Fuel Services, which in addition to providing the fuel can offer vehicle rental, fuel trucks and a marketing service."

FBOs can receive help with their advertising expenditure from these wholesalers or

Making the switch

The ease with which FBOs and business aviation airports can switch fuel providers depends on where in the world they are based. On the whole, changing fuel suppliers is not overly complicated as long as contracts are honored.

In the USA, 90-95% of FBOs have a fuel-storage facility of their own or lease one from an airport, says John Enticknap, co-founder of consultancy Aviation Business Strategies Group (ABSG).

"Most have a three- to five-year contract and when it ends they can change suppliers," says Enticknap, adding that if they do decide to change, "it's not a big deal and infrastructure is not an issue."

ABSG's other co-founder, Ron Jackson, says that halfway through a contract some FBOs start to think about requesting bids from competing suppliers, which can work in their favor. "There are some advantages to the savvy FBO owner on what they can write into a contract," he says.

Under the European FBO model, where the oil company or airport more commonly owns the infrastructure, changing suppliers becomes more complex, says Enticknap. However, the process is still "fairly straightforward," according to ExecuJet group FBO director Mark Abbott.

"We don't like to change our allegiance overnight – we have to honor agreements, which tend to be annual," says Abbott. But the decision to change, for example, from Shell to BP would result in the former "pretty much taking their fuel truck and BP replacing it with one of theirs".

Ensuring that an adequate supply of fuel is available at all times is also critically important. Giving fuel suppliers as much notice as possible ahead of popular events such as the 2014 FIFA World Cup in Brazil is vital to avoid fuel shortages. "Our planning starts six to eight months before the World Cup, giving fuel suppliers an indication of expected volumes," says Abbott.

"...the oil companies that still offer aviation fuel direct to FBOs usually offer a competitive agreement"

John Enticknap, co-founder, Aviation Business Strategies Group



"The fuel market is quite brutal, with operators worldwide shopping around for the best price"

Mark Abbott, group FBO director,
ExecuJet Aviation Group



Supply and demand

Working with a contract fuel provider can often provide FBOs with more than just the fuel itself. One of the world's largest contract fuel providers is World Fuel Services (WFS) and its Alliance Contract Fuel Card program is available at approximately 3,000 locations around the world. The program offers FBOs and fuel suppliers the flexibility to become one of WFS's direct vendors or to partner through an oil company's buyback program.

The benefits of an FBO using a contract fuel provider, according to Michael Szczechowski, senior vice president of business aviation sales at WFS, include additional marketing and sales support and credit facilitation. "We work hard to market our FBO partners and identify the benefits of utilizing their facility. We also help FBOs analyze and determine the most beneficial pricing model for them, and how to market themselves. And we minimize the credit risk for FBOs by taking on the payment risk they might encounter with customers," he says.

For aircraft operators, the main benefit of using an FBO that offers contract fuel is customer service. "We assist operators to research locations, pricing and what ancillary items are available at various FBOs," says Szczechowski. "We also closely monitor our pricing and constantly analyze how we can save money for our customers, while maximizing benefits for our FBO partners. We want every transaction to be a win-win for all involved."

There are, however, a number of complexities related to contract fuel, says Szczechowski. "One example is the requirement to maintain accurate pricing at thousands of locations globally, with pricing cycles that can change daily, weekly or monthly. Operators should audit their quotes against what is actually invoiced to ensure accuracy. Another example is the need to establish expertise in fuel related taxes on a global basis, including VAT registrations to extend VAT exemption benefits to clients."

distributors, as Enticknap explains, "Many fuel suppliers offer a cooperative advertising program. The amount of money that's available for co-op advertising is put into a fund that is set up by the fuel supplier, who puts money into the fund based on the number of gallons sold. The amount is generally around 0.5 cents per gallon purchased and is matched on a 50/50 basis with the FBO. An FBO using these funds to advertise its facility and services has to meet certain requirements, such as including the fuel brand logo in the advertisements."

ExecuJet group FBO director Mark Abbott describes contract fuel providers as being "very dominant in the business aviation market". ExecuJet "works very closely" with these suppliers because their dominance makes "it difficult to compete with them", says Abbott.

Determining price

Fuel price often determines which contract provider a customer chooses, and therefore which provider an FBO chooses. "The fuel market is quite brutal, with operators worldwide shopping around for the best price," says Abbott.

The Platts Global Jet Index (a premier source of benchmark price assessments for commodity markets) determines jet fuel pricing, but there are regional prices throughout the world, including nine regional prices in the USA and "a whole bunch" in Europe, says ABSG's Enticknap.

A US-based FBO, therefore, establishes the Platts price and then averages out the price changes. "For example, if you look at the Gulf Coast price for Tuesday, the supplier adds 10-20 cents to the top of the Platts price plus transport and tax," explains Enticknap. "When you negotiate a fuel supply contract, what you negotiate is that differential."

Provider to provider, fuel price to an FBO varies by "fractions of a penny", according to Avfuel's director of business development, Europe, Paul Jefferson. "The FBO's base cost



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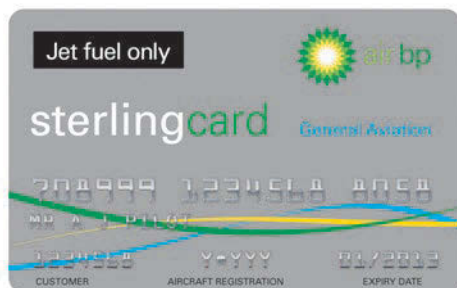
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“The main objective of the loyalty program is to increase loyalty in our customers, and drive business to airports in which we operate and to our FBO partners”

Miguel Moreno, general manager of general aviation at Air BP



Below: **Air BP launched its loyalty card for general and business aviation in the UK in December 2013 at London Biggin Hill**
Bottom: **The AVTRIP card is accepted at over 500 participating FBOs**



will be determined based on the cost of freight from the refinery,” he says. “The FBO decides how much margin to add to the base cost when selling the product to the end user.” This is influenced by several factors, such as the FBO’s rent and local competition.

Abbott believes there is “definitely a place” for contract fuel providers, owing to their prevalence in the market; however, he adds that ExecuJet Aviation “wherever possible encourages the use of direct fuel suppliers”.

To this end, ExecuJet Europe entered into an exclusive refueling partnership with Shell Aviation at Zurich International Airport earlier this year. Under the agreement, Shell runs the day-to-day fuel operations at the ExecuJet FBO.

Agreements with Shell Aviation are also in place at ExecuJet’s Berlin Schönefeld FBO, as well as at its facilities in Cape Town and Linseria in South Africa. Refueling pacts vary “from airport to airport and from FBO to FBO”, says Abbott, but “where we can consolidate, we do, in line with our centralized procurement strategy”.

Such agreements do not rule out the use of contract fuel providers, as Abbott explains, “In Cape Town our contract is with Shell but we will accept Avfuel or World Fuel cards. When FBOs are reluctant to grant credit, contract fuelers are not so averse to taking credit.”

Encouraging loyalty

Loyalty and incentive programs for fuel purchases are also proving popular in the market, and Abbott says that ExecuJet is “looking at unrolling a loyalty program” of its own.

This avenue was also entered by Air BP in October 2013, when it unveiled its first loyalty product for the general aviation market. The Sterling Reward Prepaid Visa Card, launched in

conjunction with Citibank Worldwide, enables cardholders to earn cashback on fuel purchases.

It was launched at London Biggin Hill Airport in the UK in December 2013 and is being gradually rolled out worldwide to the majority of global Air BP locations. Miguel Moreno, general manager of general aviation at Air BP, says the new loyalty card is “very simple” to understand because money is put back direct onto the card, rather than using a points system.

“For every gallon a customer uplifts, they get cash in the card from 1 cent to 10 cents per gallon, depending on the airport,” says Moreno. The airport and BP agree the incentive to be given to the operators, based on a number of factors, such as special events in the region or the airport, promotional campaigns around holiday season, sports events or social events.

“The main objective of the loyalty card program is to increase loyalty in our customers, and drive business to airports in which we operate and to our FBO partners,” adds Moreno. “This cashback is an incentive to use our locations and for aircraft operators get an extra discount in their prices in the locations in which our Sterling card is accepted.”

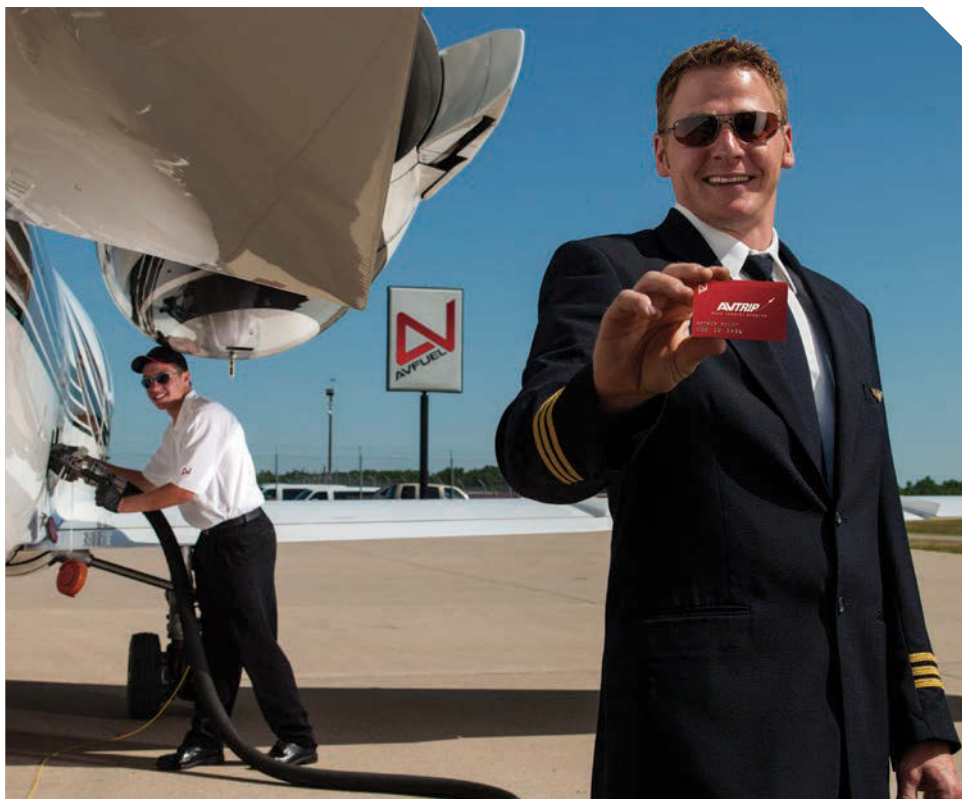
Avfuel is unconcerned about other fuel providers beginning to offer loyalty programs, with the company’s contract fuel sales manager, Jonathan Boyle, saying: “Other suppliers have started introducing loyalty programs or cards, but AVTRIP [Avfuel’s own loyalty program, which awards points for the purchase of fuel at Avfuel Network FBOs and trip-planning services arranged through Avplan Trip Support] remains a preferred program for customers due to its ease of use and cash rewards.”

In addition to its new loyalty program, Air BP has been strengthening its relationship with Gama Aviation at Sharjah International Airport in the United Arab Emirates, a collaboration that both sides boast has doubled general aviation fuel sales at the FBO.

Under the partnership, Air BP supports fueling of Gama’s 90-strong executive aircraft fleet and provides fuel for Gama’s FBO customer base. The fuel supplier has also been running global communication campaigns, stressing the time savings offered at Sharjah, which Moreno describes as a “critical” point. “One of our offers is to reduce the time customers need to be landed, so we put in place the right resources to make sure that time on the ground is minimized. Gama, together with BP, is offering a high-class service by putting skills together to deliver an excellent customer experience. We communicate this service in collaboration with Gama to all our global customer base,” explains Moreno.

Air BP announced a similar exclusive partnership with Cannes Mandelieu Airport in April, when it became the French facility’s sole fuel provider. Cannes Mandelieu cited support with global marketing activities as one of the reasons for its decision to enter the pact.

Fuel provision is an integral part of an FBO’s service offering, and getting the price and provision right will increase revenue and customer satisfaction. <



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Business Airport
INTERNATIONAL

How can general aviation airports reduce aircraft noise and keep their neighbors happy? *Business Airport International* looks at four that are leading the way in creating a quieter airport environment

Words | **Saul Wordsworth**





Quiet revolution

“The challenge of reducing noise at general aviation airports is constant; you never get to the end of the task, but must instead continually pursue,” says Jeff Gilley, director of airports and ground infrastructure, National Business Aviation Association (NBAA).

Although the majority of the business jet fleet has become quieter over the past decade, the size of the fleet has grown exponentially. This has led to some of the busier general aviation airports having traffic volumes similar to their major commercial counterparts. And despite the noise footprint of the fleet as a whole being far smaller than it was 20 or 30 years ago, residents living under flight paths may encounter a high volume of air traffic over their homes; this has become the largest source of complaint in recent years.

“One challenge is flight crew awareness,” says Gabriel Andino, noise abatement and environmental compliance manager at Teterboro Airport (TEB) in New Jersey, USA. “General aviation airports are used by various entities. We have thousands of individual operators use the airport on an annual basis, so it can be difficult to ensure that all airport users understand what particular areas are noise sensitive and what the airport’s procedures are for noise reduction.”

Another challenge lies in the business aviation fleet. Although in the USA the FAA banned Stage 2 jets – part of the ICAO (International Civil Aviation Organization) Noise Standards regulations – back in 2000, an exception was made for aircraft under 75,000 lb. This includes a number of business jets currently in use in the USA and beyond, including the Gulfstream II/III and the Learjet 25. While there are relatively few Stage 2 business jets still flying, they do carry a far larger noise footprint than the more modern jets, so their operations are of great annoyance to airport neighbors. Fortunately, the FAA has issued a deadline of December 31, 2015, for these aircraft, at which point they would need to be modified to Stage 3 standard (with ‘hushkits’) or be banned.

Business aviation is also more of a 24/7 operation than that of commercial airlines as flights may be scheduled very late at night to



Above: **Noise at TAG Farnborough Airport is monitored using two fixed Noise Monitoring Terminals (NMTs), which are located underneath the flight path at each end of the runway**

meet the schedule demands of passengers. Obviously late-night flights can be the most disruptive to airport neighbors, so minimizing the impact of these operations is a priority.

GPS and fines

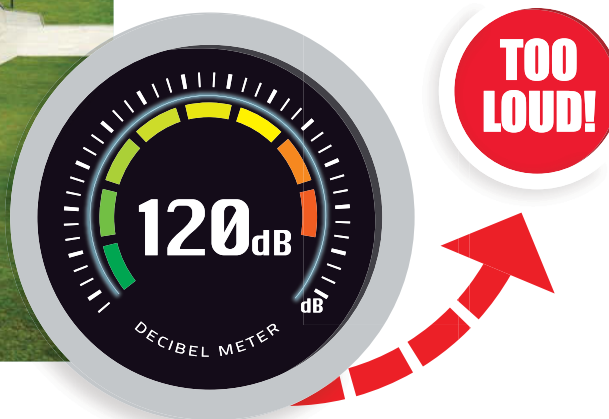
“One of the benefits of the FAA’s new GPS-based navigation technology program, part of the NextGen program, is that it can be used to develop departure and arrival paths over land use areas that are more compatible with aircraft noise,” says Andino. “The cost of installing this technology at airports is absorbed in large part by the FAA, although the cost of equipping aircraft with the proper avionics falls on the owner/operator. NextGen is set to redesign the congested airspace above major airports by transforming the USA’s air traffic control system from a ground-based solution to a satellite-based system.”

With regard to fines for excess noise, it may affect an operator’s flight-planning decisions about using a particular airport. However, some aircraft operators may consider them an added cost of doing business if the airport in question is more suitable to their needs than an alternative airport that is less noise sensitive. Noise reduction technologies have been adopted by a number of aircraft owners, although this can be at a significant cost. With the impending ban on all Stage 2 jets, some owners have added silencing kits to their aircraft, while others have





Left: Van Nuys utilizes a state-of-the-art noise monitoring system and provides the community with tools to track flights and communicate with the airport about noise concerns



opted not to because the modification cost is about the same, or more, than the value of the aircraft itself. These aircraft owners have either replaced the Stage 2 jet with a more modern aircraft – or they plan to do so at some point between now and the end of next year.

General aviation airports are also making preparations for the ban, with four in particular already making good headway in the bid to tackle the issue of noise.

California scheming

“Most of our noise abatement (NA) procedures are derived from voluntary programs,” says Len Krugler, noise officer at Van Nuys Airport (VNY) in Los Angeles. “VNY’s Quiet Jet Departure Program lessens noise in the local community by having pilots agree to use predetermined, recommended take-off procedures to reduce jet departure noise. VNY has a No Early Turn Program that requests pilots of jet aircraft to fly straight out for 2.2 miles DME (distance measuring equipment) prior to making turns so as not to fly over residential areas until a reasonable altitude is achieved. There are other techniques that pilots employ through testing their particular aircraft. VNY staff encourage pilots that fly similar aircraft to use those techniques with the caveat that safety comes first. Microphones near the end of the runway measure departure sound levels, and noise management staff monitor this data on a

“Right now, if you are over 80dB at take-off as measured by the FAA, you are not allowed here”

Len Krugler, noise officer,
Van Nuys Airport



daily basis. Aircraft owners and operators are then notified in writing when they exceed criterion noise levels. There are no fines associated with the voluntary noise abatement programs.”

VNY has a state-of-the-art Airport Noise and Operations Management System (ANOMS) and records departure/take-off noise levels at one monitor located in the Sepulveda flood basin (south of VNY), just before jet aircraft initiate their turns, to implement the Quiet Jet Departure Program. The ANOMS system is manufactured by Brüel & Kjær (B&K).

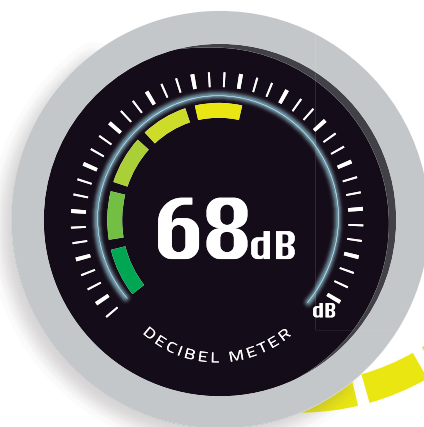
“Based on FAA rulings, we have certain take-off decibel ratings,” says Krugler. “Right now, if you are over 80dB at take-off as measured by the FAA, you are not allowed here. What we are trying to do is phase out all the older Stage 2 aircraft and some Stage 3 aircraft as they don’t comply with our noise regulations. From January 1, 2016, no aircraft may arrive or depart the airport whose AC36-3 take-off noise level equals or exceeds 77dB, although there will be exceptions. Currently 99% of aircraft are compliant, while the remaining 1% think they are above everyone and can operate with impunity – but they can’t. We will prosecute that 1%.”

According to Krugler, a lot of operators with Gulfstream IIIs have hushkits that are certified by the FAA. However, VNY will continue to record take-off noise levels and notify the operator if the target is exceeded.

New York rules

In the late 1980s, TEB, with input from members of the surrounding community, established noise limits. Maximum noise limits for departures are 95dB, with the exception of Runway 24, which is designated as noise sensitive due to the proximity of residential areas on the departure end. Runway 24 has a limit of 80dB during night-time hours (10:00pm-7:00am) and 90dB during the rest of the day. The limits are only on departures since these operations tend to produce higher noise levels. The noise limits are mandatory and repeat violators may be banned from operating at the airport. The voluntary program involves requesting airport users not to operate non-essential late-night flights (between 11:00pm and 6:00am) or operate Stage 2 jets at the airport at any time. Logically, the latter request will become mandatory once the FAA Stage II is in force.

“We use a number of different outreach methods to increase pilot awareness,” says TEB’s Andino. “New aircraft and operators at TEB are met by airport operations staff and briefed on the airport’s noise abatement policy. During the briefing, the flight crew is provided with a copy of our flight crew handbook that contains all pertinent information regarding noise policies and procedures. This content is also made available at all FBOs, the Port Authority website, the FAA’s Airport/Facility Directory, and



PASS!

Right: **Nice Côte d'Azur's pop-up power units reduce aircraft noise by 90%**



online services such as Whispertrack. We also have a presence at industry events to interact directly with airport users and provide them with information regarding our noise program."

At TEB – and in common with most other general aviation airports – noise abatement costs fall to the aircraft operator, particularly when it is done at source (the aircraft). Only a few airports in the USA issue fines related to noise and/or late-night flying. All aircraft modification costs are covered by the aircraft owner/operator. Costs for physical noise mitigation measures on the ground, such as ground run-up enclosures or blast deflectors, are typically borne by the airport, often using government funding for capital improvement projects.

Meanwhile in southern England

Since January 2013, aircraft that do not meet the ICAO Chapter 4 standard have been banned from TAG Farnborough Airport in the UK. This noise standard is the ICAO's toughest classification for jets and the airport is one of the first in Europe to introduce this measure.

"Through Farnborough's Consultative Committee, the current procedures were developed following 18 months of flight trials, as well as continued engagement with local residents and local authority representatives," says Miles Thomas, environment manager, TAG Farnborough Airport (FAB). "To monitor adherence to published procedures, FAB employs a state-of-the-art noise- and track-monitoring system, which enables each aircraft movement to be audited, with all identified infringements being taken up directly with the responsible operator. We operate a zero-tolerance initiative and operators found to repeat offend are subjected to restrictions in airport access."

The airport is cooperating closely with operators to ensure that they are quickly informed of noise-related issues concerning their aircraft. This assists with implementing operational solutions within short timescales and reducing the risk of continued impact. It is also undertaking an Airspace Change Proposal (ACP), a formal UK Civil Aviation Authority process, in order to introduce a new airspace design in the vicinity of the airport. The purpose of the ACP is to create a new operating environment with elements of controlled airspace that will offer all users consistency of operation.

Nice and quiet

Installed in May 2014, the purpose of Nice Côte d'Azur's new ground service equipment is to provide electrical energy and air-conditioning on jets before they leave their park stands. Thanks to the new system, pilots don't need APU, GPU, CPU or other noisy systems during flight preparation. As a result, noise is considerably reduced.

"All equipment was installed by Graniou," says Camille Totier, a software engineer with Aeroports de la Côte d'Azur. "The ground power units are 28V and 400Hz, and are provided by Axa Power. Guinault-Lebrun provided the air-conditioning units. They are implemented next to the aircraft stand at a position where aircraft/object separation distance is respected. Connection systems are located on the ground in ports with pop-out opening systems. A rotating flap and an elevating system bring the aircraft connector above ground to the user's level. Once connected, the ports can be closed to avoid unnecessary hurdles around the aircraft. The electrical ports are provided by Cavotech, while the PCA ports are provided by TDA Lefebure."



"We operate a zero-tolerance initiative and operators found to repeat offend are subjected to restrictions in airport access"


Miles Thomas, environment manager, TAG Farnborough Airport



Location, location

Meanwhile, at Nice Côte d'Azur (NCE) in France, the geographical location of the airport is the main impetus behind its noise reduction plans. "We are an airport with the sea on one side, beaches on two, and the city on one," says Michel Tohane-Nunez, director of business aviation at NCE. "We have to be very respectful of our neighbors. For years, we tried to reduce noise by discouraging some operators from flying here and creating noise charges. For me, that was not a good solution to make business."

With the general aviation parking stands located next to streets and buildings, the decision was taken to remove the noise itself. Five years ago, auxiliary power units (APUs) were put in place as a means of concentrating all noise in certain positions – but the noise remained. In May 2014, NCE installed six electrical power units across the general aviation area (see *Nice and quiet*, top left). Unlike the previous APUs, these electrical versions enable aircraft to use power from the airport rather than the engine, right down to the air-conditioning.

"The calculation by our engineers is that we have reduced noise by 90%," says Tohane-Nunez. "I believe we are the first to do this in Europe – possibly even the world." 

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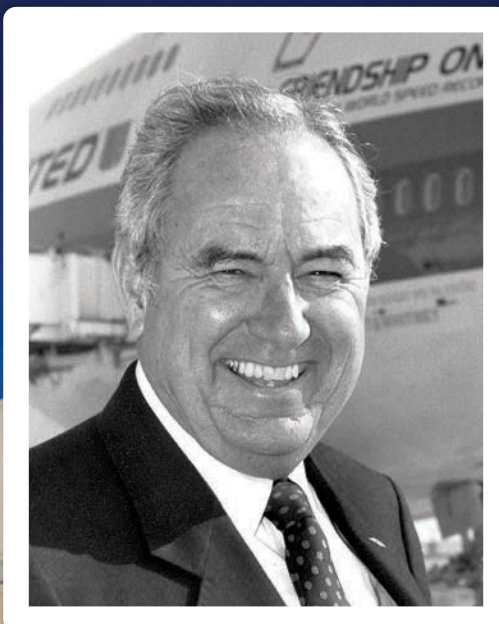
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Record breaker



Clay Lacy Aviation recently welcomed the all-new Gulfstream G650 to its diverse global charter fleet of 50 business jets, pictured here with the Learjet 24 in the background



CLAY LACY JETS

With a career spanning over 60 years and 29 world speed records under his belt, Clay Lacy is one of the world's most experienced aviation entrepreneurs. *Business Airport International* spoke with the veteran about his illustrious career and what the future holds

Words | Hazel King



Being born in Wichita, Kansas – often described as the ‘air capital of the world’ – may have had something to do with Clay Lacy’s success in the aviation industry. In 1937, at the age of five, his mother took him to the local airfield to watch the airplanes take off and land. “After my first airplane ride when I was seven, I decided I wanted to be in aviation,” Lacy explains. “I started flying when I was 12, and have been lucky enough to experience many types of aviation, from general and corporate aviation to working at United Airlines, conducting test flights, producing air-to-air photography and cinematography, as well as air racing.”

Lacy has more than six decades of experience in the field and began teaching others to fly at just 16. “I had a great time as a flight instructor; at that age everything comes easy. It helped me to build up a lot of flying time, although it didn’t help my grades at school because I was thinking more about flying than about my school work.”

By the time he was 19, he had built up more than 1,500 flight hours and in January 1952, he joined United Airlines as a co-pilot on the



Above left: **Lacy, a new Air Force lieutenant, dresses in full flight gear prior to a sortie in 1955**



Above right: **Lacy smiles in the cockpit of his signature purple P-51 race airplane circa 1968**

“Being a flight instructor helped me to build up a lot of flying time, although it didn’t help with my grades at school as I was thinking more about flying than about my school work”

Douglas DC-3 aircraft. He remained with the company for 41 years, during which time he also joined the Air National Guard, flying the F-86 Sabre jet and becoming the officer in charge of instrument training.

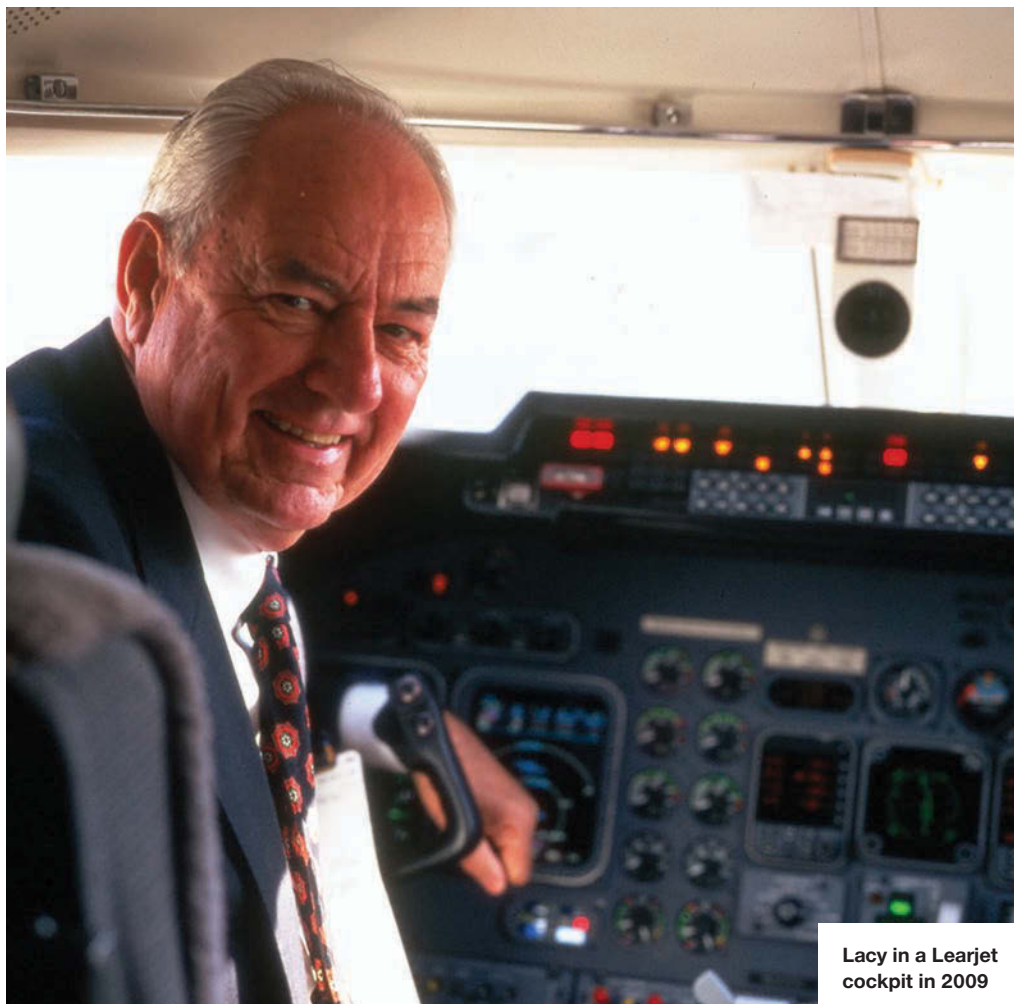
But it was in 1955, when he met Allen Paulson, owner of the California Airmotive Corporation, that Lacy became involved in corporate aviation. “I started working with Allen and we got into selling airplanes such as Martin 404s to corporate companies.”

In the late 1950s, Lacy also became close friends with William (Bill) Lear, creator of the Learjet, helping him secure US\$40,000 worth of deposits to take back to Switzerland where the aircraft were manufactured. “Two years later Bill called me and asked me to come to Wichita and see what he was doing, so I went back and it was a really interesting program,” Lacy explains. “Bill had planned to have factory direct sales but he was running out of money, so he thought that if he set up a distributor program and had five distributors, with each one ordering five aircraft for US\$50,000 a piece deposit, he could get US\$1.25m to help him.

“Allen became one of those distributors and I managed Learjet sales for his company in the 11 western states in the USA in 1964. I was the first person to bring a Learjet into Van Nuys Airport that October. It was a very exciting time for me – I was taking many Hollywood stars for a ride in the Learjet and even sold one to Frank Sinatra.”

Movie work

The Learjet wasn’t Lacy’s only link to Hollywood – in the 1970s he began working as an air-to-air photographer and cinematographer, producing scenes for legendary films including *Top Gun*, *Flight of the Intruder* and *The Great Santini*. Using revolutionary Astrovision-equipped aircraft, Lacy has filmed more than 2,800 projects for the military, general aviation, airlines, television and feature films worldwide, and has been recognized by both the Screen Actors Guild and the Directors Guild of America for his achievements and contributions to aerial cinematography. “I have shot almost every airline in the world and have traveled extensively – I went to Europe to shoot airlines, flew to the Philippines for a movie and traveled to Japan to shoot an advert.”



Lacy in a Learjet cockpit in 2009

Top tips for FBOs

- Provide a quick service – usually people on a jet are just landing for fuel, so they want to refuel and take off again as quickly as possible
- Ensure customer service is faultless – courteous employees are key to a successful business and happy customers
- Offer ramp access – there must be adequate space to park and easy access for passengers and crew

Founded in 1968, Clay Lacy Aviation is distinguished as one of the most experienced operators of private jets in the world, as demonstrated by this bird's-eye view of the ramp at its headquarters in Los Angeles

Charter business

In 1968, Lacy decided to set up his own charter business – the first in western USA. “That same year, Bill had sold the Learjet factory to the Gates Rubber Company so we lost the distributorship. I loved the little airplane and wanted to stay involved with it so I leased one and started my own charter company. After a year I bought my first Learjet, and by 1972 I had three of them and was doing quite well in the charter business,” explains Lacy.

Following continued success, Lacy built his own FBO, Clay Lacy Aviation, at Van Nuys Airport in 1981, and has since grown the business to offer aircraft management, maintenance, avionics, interior completions, sales and acquisition services. “At that time, Van Nuys didn’t have anyone providing services to corporate aviation, and I felt that it needed it. We fly more than any other company at Van Nuys and we manage more than 60 airplanes, chartering about 45 – most of these are other people’s airplanes, we only own about five,” he says.

Lacy believes the biggest challenge in providing charter services is making sure you always have business. “I was lucky in that, as I had been Learjet’s sales manager, I had had many people in California on a Learjet demonstration flight. They came to use us for charter services, so in the very first month we were in the black. We



Above (L-R): **Lacy, actor Danny Kaye and inventor Bill Lear pose next to the Lear 23 called UNICEF One in 1965, prior to making a flight for charity**

Right: **Lacy inspects the Astrovision camera system in 1975**



flew 50 hours in the first month on one airplane. So we’ve always had a pretty good business. The challenge is to make sure you provide the best service you can give – the aviation, FBO and charter business is all about service, so you try to be better than your competition.”

Speed records

In addition to becoming the first charter company in western USA, Lacy has also achieved a number of speed records over the course of his career. Between 1964 and 1972, he flew his P-51 Mustang in every unlimited class air race in the USA, and in 1970 became the national air race champion. The following year he placed first in a race from Milwaukee to St Louis and in the St



Above: Neil Armstrong with Lacy

Louis Fighter Pilot Air Tournament, and he also won first place in The Great Race from London, UK, to Victoria, British Columbia, flying a Learjet. But perhaps his most notable achievement is setting the around-the-world speed record in 1988. "That is one of my career highlights. We had Neil Armstrong on board as a guest of honor, and we raised US\$530,000, which we gave to a children's charity. I still look back on that journey as one of the really fun trips – we flew it in 36 hours and 54 minutes going eastbound, so we went through three nights, three days, two sunsets and three sunrises."

Lacy was also one of the first aircraft owners to equip his Gulfstream jets with Blended Winglet technology, and in June 1995, he and Joe Clark, founder of Aviation Partners Inc, set world speed records in a Gulfstream IISP featuring this technology during a flight from Los Angeles to Paris. The flight culminated with the jet being displayed at the Paris Air Show. On the way home they also established a world speed record from Moscow to Los Angeles.

Promoting the industry

With such a long history in the corporate aviation industry, Lacy is keen to promote the importance of business jets to the wider economy. "Some people think that those who use corporate jets are very wealthy and only fly to exotic locations for vacation, but that isn't true. Most of the flights on corporate jets are business trips where a lot of people are going to benefit both directly and indirectly. Thousands of people are employed in the corporate jet industry. Money is not being wasted; it is being spent to provide jobs. Corporate aviation generates over US\$19bn a year for the US economy, and Van Nuys Airport alone employs 12,000 people – the airport is the biggest single producer of jobs in the San Fernando Valley. Right now, if you eliminated all corporate jets, business in the region would probably reduce by half. All big companies need corporate airplanes to stay competitive."

Bright future

At the age of 81, Lacy is far from ready to retire from aviation. "I'm still flying and doing most of the things I have always done. The next thing for me is to continue helping the company president Brian Kirkdoffer keep Clay Lacy Aviation going



Picking a favorite

With more than 50,000 flight hours under his belt, Clay Lacy has flown more than 300 aircraft types. But what is his favorite aircraft to fly? "It depends on what kind of job you're trying to do – if you're just going with a couple of people and it's within its range, I think the Learjet is the greatest little airplane going – it is reliable and fast and provides good transportation. On the airline, I loved the 727 and I really loved the 747. I like almost all airplanes, and I've seldom flown an airplane I didn't love."

Above: In 1988, a smiling Lacy prepares for take-off on a record-setting flight in a United Airlines Boeing 747SP called Friendship One

"The challenge is to make sure you provide the best service you can – the aviation, FBO and charter business is all about service, so you try to be better than your competition"

strong and to encourage young people into the industry. I've got several scholarships to help the younger generation get into aviation and learn to fly. In June 2014, I gave two airplanes away to a maintenance school in Van Nuys – a GIIISP and a Learjet – so that they would have modern airplanes to work on. I want to do what I can to help get young people involved in aviation.

"Aviation is a great field to be in and I think that most people in aviation are happy and like their work better than those in most professions. What's the best advice I can give people wanting to get into the industry? If you're passionate about it, and you really love it, you'll find a way to get into it and work at it. There are many facets of corporate aviation – mechanical, pilots, manufacturing – so no matter what you want to get into, it's up to you to find a way and work hard to get where you want to be." ✈





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There has never been more choice in offshore registries for privately owned aircraft, but why do many owners choose to register theirs outside of their own countries?

Words | **Selwyn Parker**

Playing away





Illustration: Lisa Lloyd

**The Cayman Islands
is a popular location
for the registration
of Chinese aircraft**

If there were any question mark over the offshore registration of privately owned jet aircraft because of the global crackdown on tax evasion, it has been removed. Long-established offshore registries show no sign of losing aircraft – in fact quite the reverse. And they are fighting off competition from newer ones.

The latest region to discover the virtues of offshore registries is Asia. A new wave of wealthy Asians are signing up to jurisdictions where they not only gain all kinds of tax benefits, but can also enjoy their assets in anonymity. Over the past 12 months, one location in particular, the Cayman Islands, has seen an explosion of interest from China, for instance.

In May, the Cayman Islands registry passed the 200 mark and is heading steadily toward 300. As lawyer Richard May of Cayman Islands-based Maples and Calder, which is busy advising prospective entrants, told *Business Airport International*, “The register continues to grow in a controlled and selective manner, in particular in the private jet space.”

Other tax-efficient registries are trying to grab a slice of this lucrative action. Aruba, San Marino, the Isle of Man, Malta, Bermuda and Guernsey, among others – all are working to accommodate owners and operators. Never have owners had a broader choice.

“San Marino and Guernsey are jurisdictions that an owner may now want to consider,” suggests aviation law expert Jim Cooling, of Kansas City-based Cooling & Herbers.

Neutrality counts

But why, in the first place, register such a valuable asset as a jet aircraft offshore rather than at home? First, the attraction of an outside registry has nothing to do, as many think, with the avoidance of safety or other stringent international regulations. As impartial observers point out, it's in the interests of these overseas territories to maintain ICAO standards as a minimum and, preferably, to surpass them.

The chief reason is that these aircraft are, by definition, cross-border assets – country-hopping transport for individuals with international commitments. And this presents important, but complex, issues of finance, among others. Most of the aircraft found on offshore registries were acquired against leases or other forms of finance provided by institutions based in a different country from the owner. (Owners will routinely find the most suitable arrangements outside their country of domicile.)

So naturally, uppermost in the concerns of the financier is what's known as securitization – an



“Owners of multinational companies want to maintain a low profile in certain regions – they prefer a Cayman Islands or other offshore registry, rather than a US registry”

Jim Cooling, aviation law expert, Cooling & Herbers



Latest registration

Envious of the success of registers that started up earlier, a number of rivals have recently jumped on the bandwagon and all of them claim their own virtues. Take, for example, Guernsey, which registered its first Airbus in May on what it calls the 2-Reg. As Russell Clark of Guernsey-based law firm Carey Olsen points out, the Channel Island has a long history of skills in the fiduciary and financing sectors, both of which are important in the complex arts of registering privately owned aircraft.

“The 2-Reg was established [in December 2013] to allow aircraft assets

Cost-conscious

You may think that owners of US\$10m to US\$30m aircraft would not be concerned about relatively trivial annual costs. But the self-made wealthy got there by watching their pennies and the scale of fees and charges applied by different registries are important factors. Accommodatingly, Bermuda's Department of Civil Aviation applies just one fee instead of the usual several for the award of the certificate of airworthiness. Based on the weight of the aircraft, the certificate for a Gulfstream IV costs around US\$10,130,

while in the Cayman Islands it is around 20% more. One of the cheapest jurisdictions, the Bahamas charges just US\$100 to register the aircraft and US\$2,250 for the certificate of airworthiness. Both are renewed annually at the same cost. For registering a mortgage, the Cayman Islands starts from about US\$1,500 for a mortgage value of less than US\$5m, and rises to US\$6,000 for a mortgage of US\$20m or more. Generally, but not always, higher up-front fees are compensated by lower annual ones.

Right: **There are more than 200 aircraft on the Cayman Islands registry**



eye-wateringly complex arrangement that can be simply summarized. That is, the institution wants to be sure it gets its money back if the lessee or borrower runs into trouble. Thus the lender will usually insist the aircraft is registered in a jurisdiction where the asset can be recovered if the conditions of the deal are breached in some way. A neutral jurisdiction like the British Virgin Islands fits the bill perfectly.

Safeguard your assets

But offshore registries suit the owner too. If a financial disaster hits the business, the owner may want to segregate commercial from recreational assets in a way that keeps the aircraft out of the hands of administrators – and a foreign registry may achieve that. The Cayman Islands, for example, offers a financial and legal structure known as a 'special purpose vehicle' that can, among other advantages, create a kind of firewall between the aircraft and other assets that may be at risk. If the worst comes to the worst, the owner should be able to retain his or her aircraft.

Another compelling reason for registering an aircraft elsewhere is the identifying letters that must be painted on its side. For a variety of reasons such as terrorist threats, risk of sabotage and other mishaps, owners often prefer to disguise their origin. As Cooling explains, "An 'N' registration for the United States is not always welcome around the world. We have represented owners of multinational companies who want to maintain a low profile in certain regions," he adds. "They prefer a Cayman Islands or other offshore registry, rather than a US registry."

In fact, a Cayman Islands nameplate, as it were, has a considerable following. "An attraction is the neutral, low-profile VP-C registration mark," reinforces Matthew Stocker of Conyers Dill & Pearman in Bermuda, an offshore law firm.

to be registered in Guernsey in a commercially sensible way and to allow aircraft owners to benefit from Guernsey's strength and stability as an international financial center," he explains. In practice, this can mean that an owner may choose to include his aircraft under a complex but cost-effective and tax-efficient umbrella that is already set up in the jurisdiction.

And like other registries, Guernsey goes the extra mile to attract aircraft. For instance, it doesn't require 2-Reg aircraft to be based on the island – or indeed even go there. The legal and beneficial owners only have to satisfy all the requirements as outlined in

the register. And, possibly a unique selling proposition that will work to Guernsey's advantage over the years, aircraft below the maximum take-off weight of 5,700kg – an international benchmark – can be signed up, which opens 2-Reg up to a far wider range of jets.

As Guernsey Finance's chief executive Fiona Le Poidevin explains, "This means more types of aircraft can be registered here than on other offshore registries, including the M-Reg [Isle of Man]." Additionally, owners can choose their preferred maintenance program, whether FAA, EASA or some other standard. As a bonus, the registry offers 24/7 support.



Philip Pain

Even better, some registries such as Bermuda allow the name of the beneficial – or ultimate – owner to remain anonymous.

Logical reasons

To summarize, there may be a dozen perfectly logical explanations why owners prefer their pride and joy to be listed in a foreign location. Sometimes it's just for reasons of simplicity. Cooling, for example, has facilitated individuals who bought a non-US registered aircraft, but simply can't be bothered with the time and expense with meeting another set of requirements. "They do not want to go through the hassle of a type certification inspection in the USA in order to be able to place the airplane on the US registry," he says.

Confidence in a jurisdiction's legal system is paramount. It's a plus for the Cayman Islands, Bermuda, the Isle of Man and others that they operate under similar laws to those of the UK. Recognition of the Cape Town Convention may also be a persuasive factor: "In the Cayman Islands, the Convention is recognized in domestic legislation," adds Stocker. Experts in Malta also make much of its ratification of the Convention, pointing out that it can lead to lower borrowing costs, as well as easier repossession, if the worst comes to the worst and the lessee defaults.

And sometimes the issue is purely technical. If an aircraft's avionics haven't yet been certified by the FAA, it won't meet US standards and owners will put the aircraft offshore.



"You have to be available for the client to ensure issues are dealt with efficiently and expeditiously. The Isle of Man registry appreciates and supports this"

Stephen Dougherty, senior associate, Dougherty Quinn



Left: **The Isle of Man is attractive to aircraft owners owing to its good legal system and credit rating**

Tax breaks are obviously persuasive, but not necessarily the deciding factor. Technical standards are an important consideration. For instance, the Cayman Islands makes much of the fact that the Civil Aviation Authority has won top ratings from the UK and USA for maintenance "to the highest standards".

A jurisdiction's credit rating is also vital because it implies financial stability and reasonable interest rates. The Isle of Man, for instance, has a rating of AA+.

But tax is clearly a big issue and owners should be sure to get a specialist to design the most effective structure. "Every prospective owner of a business jet should get a good aviation tax lawyer if they haven't got one already," says one US source. "Always a fraught and complex issue, taxation of top-quality, privately owned aircraft has become even more so lately because of public resentment over 'tax breaks' to wealthy citizens."

But there are also tensions in Europe. Most Italian owners fled to other registries 18 months ago when a new government threatened hefty imposts on domestically registered, privately owned jets, as well as, to rub salt into the wound, on foreign-registered aircraft spending more than 48 consecutive hours on Italian soil. For some reason, helicopters would pay double.

Quick feet

The authorities at San Marino, an enclave in Italy with just 4,200 residents, have probably set the record for speed off the mark. Once the airworthiness inspection is done and all the documentation correctly filed, they can approve an aircraft within one or two business days.

They're also hungry for business. Recently, two multilingual airworthiness inspectors were based in London and Moscow to complement the two already in action in Zurich and Hong Kong. Other on-the-spot appointments will follow, San Marino promises.

But these days, all the registries are quick on their feet. "The nature of the industry means that to complete matters you cannot merely work 9 to 5, Monday to Friday," explains Stephen Dougherty, senior associate at Isle of Man-based law firm Dougherty Quinn. "You have to be available for the client to ensure issues are dealt with efficiently and expeditiously. The Isle of Man registry appreciates and supports this."

Nothing if not helpful, the Isle of Man accepts aircraft, crew licenses, maintenance programs and operators that have already complied with "reputable international standards" – instead of requiring a whole new set of paperwork. Also, it boasts an entire industry that cut its teeth on ownership structures for superyachts. Today's high-net-worth individuals often bundle the two together – superyachts and super aircraft. ☞



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High commercial land values and anti-noise groups have threatened to close three of California's main business aviation airports, but they're not going down without a fight. *Business Airport International* investigates

Words | **Mark Huber**



William Sport



Southern California has always been known for its environmental politics. It enacted emission controls on automobiles long before the federal government took action, and was at the forefront of refuse recycling. It was also one of the first regions in the USA to deal with noise pollution.

As the population of the region exploded after World War II, suburbia enveloped what once had been several rural airports in the region and residents nearby became more vocal about aircraft noise complaints. This trend is not unique to Southern California, but because of the large concentration of business aircraft based there – around 960 – it has a disproportionate impact.

If it were an independent country, California would have the 10th largest economy in the world; the state has a population of 37.2 million. However, because of its topography – mountains, oceans and desert – and chronic water management issues, California's population tends to be densely clustered, particularly in urban areas. There is no better illustration than the Los Angeles basin, which is home to 18.3 million people, nearly half the state's total population.

No fewer than eight larger airports serve the immediate Los Angeles area in Southern California; five of them – Los Angeles International, Burbank, Long Beach, Ontario and Orange County – all have regularly scheduled major airline service. Taken in total, the airspace above the Los Angeles basin is among the world's busiest: 22 tower-controlled airports and 10 types of special use airspace. On any given day, more than 12,000 flights originate, cross or terminate in Los Angeles airspace, approximately 16% of which are private aviation flights. And not everyone who lives there is thrilled about it.

Supported by local politicians, some anti-noise groups have gone as far as to agitate for airport curfews and no-fly zones. In the wake of the terrorist attacks of September 11, 2001, the Disneyland theme park in Anaheim successfully persuaded the FAA to establish a not-so temporary flight restriction (TFR) in its airspace. Currently, a variety of community groups are pressuring the federal government to establish mandatory routes for helicopters in the Los Angeles basin that airspace experts claim are neither safe nor workable. Meanwhile, the three primary business airports serving Los Angeles that do not have major airline service – Van Nuys, Santa Monica Municipal and Hawthorne Municipal – soldier on, fending off environmental and land valuation attacks of varying intensities.

Images from top: **Santa Monica Municipal Airport, Hawthorne Municipal Airport and Van Nuys Airport**

Van Nuys Airport

Operating hours: 6:00am-10:45pm

FBOs: Basenet/IFI, Castle & Cooke Aviation, Clay Lacy Aviation and Signature Flight Support

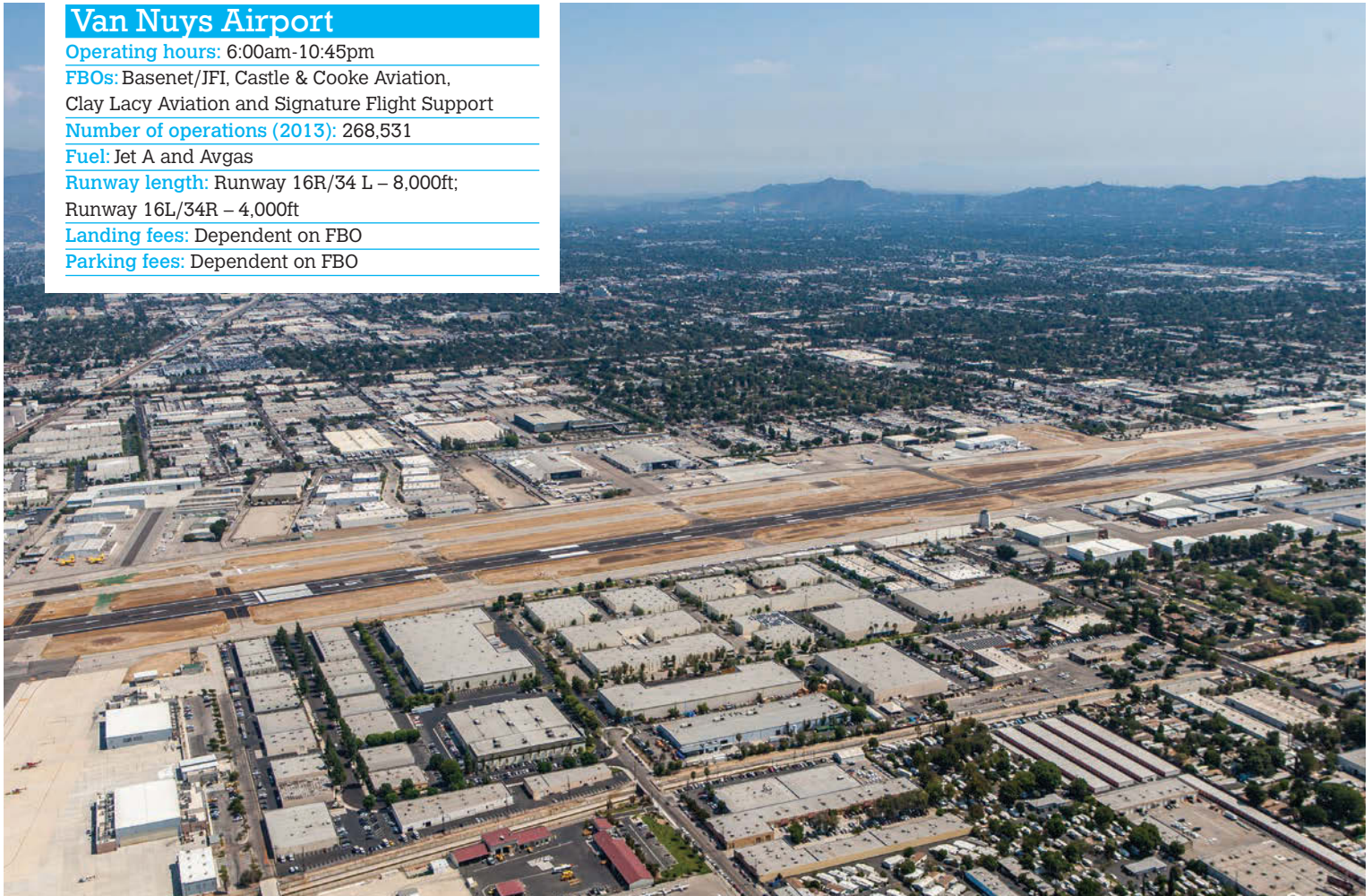
Number of operations (2013): 268,531

Fuel: Jet A and Avgas

Runway length: Runway 16R/34 L – 8,000ft;
Runway 16L/34R – 4,000ft

Landing fees: Dependent on FBO

Parking fees: Dependent on FBO



Main contender

Van Nuys, located in the San Fernando Valley north of Los Angeles, handles the lion's share of business aviation traffic in the region. With an average of 270,000 operations annually, and more than 600 based aircraft, including 178 private jets and 57 helicopters, this is the nation's busiest non-airline civilian airport. By way of comparison, Los Angeles International has 600,000 aircraft operations per year. However, both the number of based aircraft and total operations has declined substantially at Van Nuys over the past two decades. In 1998, for example, the airport tallied 551,784 total aircraft operations.

The sheer mass of the Van Nuys airport – 730 acres and 100 aircraft-related businesses on the field, including four FBOs generating an estimated US\$1.4bn in economic activity and 8,700 jobs – keeps the place politically

“Since the Quiet Departure Program was initiated in 1994, it has certainly contributed to the reduction in noise at VNY”

Kathryn Pantoja, LAWA Environmental and Land Use Planning Division

well-insulated for the most part. Today, the area around the airport is thoroughly urbanized; a far cry from the bean fields that were adjacent when eccentric US billionaire Howard Hughes was filming his aviation biopic *Hell's Angels* there in the late 1920s.

Although an ingrained and large part of the area's economy, Van Nuys fielded 18,300 aircraft noise complaints last year. During the 1980s, the State of California actually threatened to close it down unless noise levels were reduced. Today, Van Nuys engages in a three-pronged strategy of mandatory noise restrictions and noise curfews on aircraft under ICAO's noise certification standards Stage 2 and Stage 3, voluntary compliance, and community outreach in managing complaints from its neighbors. “We try to make sure we are the best stewards possible, especially with the local pilots, the air traffic

control tower staff and the community,” says airport manager Jess Romo. “We're the airport that everyone likes to pick on for noise. We've had issues that have sort of come and gone.”

Van Nuys maintains several noise abatement routes and, through a variety of initiatives, has been declared a ‘zero impact’ noise area by the State of California. Those initiatives have been extensive. They included an investment of US\$12m by the Los Angeles World Airports (LAWA) Revenue Funds to soundproof homes in problem noise areas and enrolling jet operators in the airport's Fly Friendly/Quiet Departure Program, where pilots fly aircraft using noise abatement techniques as outlined in manufacturers' operating manuals or the NBAA Noise Abatement Program. In June 2014, 25 general aviation companies received Fly Friendly Awards for achieving outstanding compliance with the Quiet Departure Program in 2013 – this means they carried out at least 60 southbound jet departures during the calendar year; did not violate any of the noise ordinances at the airport; and achieved 99% or greater compliance with the voluntary No Early Turn and Fly Friendly/Quiet Departure Programs.

“Since the Quiet Departure Program was initiated in 1994, it has certainly contributed to the reduction in noise at VNY and helped the airport achieve a zero noise impact area. Voluntary compliance with this program has gone from 89% compliance in 1998, to 99% compliance in 2013 for all jet departures to the south,”

comments Kathryn Pantoja, environmental affairs officer, LAWA Environmental and Land Use Planning Division.

Other initiatives at Van Nuys include prohibiting older and noisier aircraft from taking up new domicile at the airport, noise curfews and agreeing to ban all Stage 2 aircraft by 2016. Airport management also extensively investigates all noise complaints; allows them to be filed on a 24-hour noise hotline or over the internet; and follows up with errant, identifiable aircraft operators for corrective action. The airport does continuous citizen outreach and “investigates every single [noise] complaint that comes in”, Romo explains.

The combined cocktail of mandatory and voluntary measures, and vigorous community relations, saved Van Nuys from possible closure and has enabled the airport to flourish. But the recipe does not work everywhere in the region, especially where real estate values are high and developers are hungry.

No to development

Hawthorne Municipal Airport (KHHR) lies just to the west of LAX. Open as a municipal airport since 1942, it was once the home of Northrop Aviation, builder of legendary fighter jets

including the F-5. Today, KHHR’s nearly 5,000ft runway is an important part of the reliever airport network serving the Los Angeles basin, with more than 80,000 annual aircraft operations, including executive and charter. KHHR is also located on 80 acres of prime land adjacent to the Century freeway, and over the last 20 years developers have made several runs at converting it to a school, shopping mall, sports stadium complex and office/hotel development. The latest of these came in 2008, when, swayed by arguments from local airport activists, voters rejected redevelopment plans.

Pat Carey, who served for eight years on the Hawthorne planning commission and operates several aviation businesses based at KHHR, explains how the strategy to have these plans rejected worked. Carey and other airport defenders formed the Hawthorne Airport Community Association, debated developers on television, and went door-to-door talking to individual voters in advance of the referendum, explaining to them that closing KHHR would actually increase airplane noise.

“If Hawthorne Airport goes away, the airspace goes to LAX”, was our argument,” Carey explains. “If the airspace goes to LAX they will use it, and the Hawthorne community will not have little

airplanes flying overhead; it will have noisier airliners flying overhead.”

A secondary argument was that developing Hawthorne would worsen congestion on area roads. Airport advocates noted what happened when the old Hughes Aircraft runway in nearby Culver City was closed: in its wake arose the massive Playa Vista development that generates more than 44,000 new daily automobile trips.

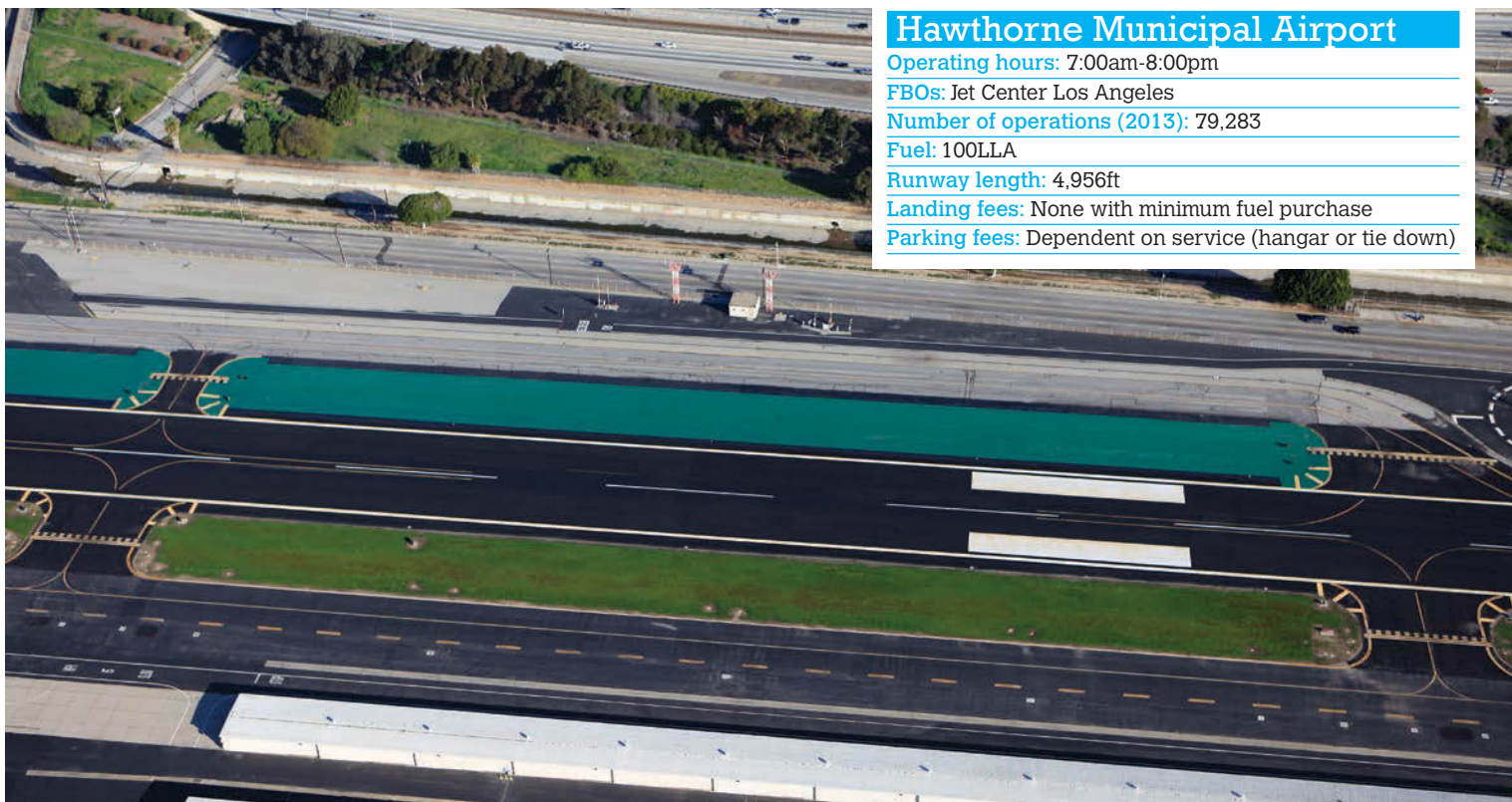
Voters believed the arguments and, in a surprise result, they rejected the developer-backed referendum, with 71% voting to keep Hawthorne Airport operational. Since then, “Things are looking up for Hawthorne,” Carey says. Traffic is up more than 50%, with aircraft operations increasing from 51,480 in 2009 to 79,283 in 2013.

However, airport tenants do not take their political victory for granted and have instituted a stringent but voluntary noise abatement program, which includes all take-offs being made from the end of the runway, using the best rate-of-climb performance when departing either runway, reducing climb power as soon as safely possible, and prohibiting formation take-offs and landings. The tenants remain poised to take their arguments directly to the voters again if needed.

Highly valued

At Santa Monica Municipal Airport (KSMO), both the politics and the stakes are different.

KSMO is the 38th busiest general aviation airport in the USA, with over 95,000 operations in 2013 and 269 based aircraft. Because of its proximity to the Hollywood and Beverly Hills areas, coupled with South California’s horrendous highway and street traffic, the airport remains a popular destination for turbine-powered traffic carrying the well-heeled as well as a segment of the piston class. Last year, the



Hawthorne Municipal Airport

Operating hours: 7:00am-8:00pm

FBOs: Jet Center Los Angeles

Number of operations (2013): 79,283

Fuel: 100LLA

Runway length: 4,956ft

Landing fees: None with minimum fuel purchase

Parking fees: Dependent on service (hangar or tie down)

Santa Monica Municipal Airport

Operating hours: 7:00am-11:00pm Monday to Friday;

8:00am-11:00pm weekends

FBOs: Atlantic Aviation and American Flyers

Number of operations (2013): 95,607

Fuel: 100LL and Jet A

Runway length: 4,987ft

Landing fees: US\$5.48 per thousand pounds of certified maximum gross landing weight

Parking fees: US\$15.30 per night (single space)



US\$2.2bn raw land value, according to local real-estate consultants. Santa Monica's property tax is currently assessed at a rate of 1.113924% per US\$1,000 of valuation. Using this formula, the maximum potential annual tax windfall from redeveloping the airport is US\$66.835m per year. Even if only a portion of the property were redeveloped and assessed below market value, it would be an enormous financial bonanza for a city. Applying that formula to the entire airport site could generate as much as 9.75 million square feet of new construction with a current average value of US\$741 per square foot (residential) and nearly US\$1,000 per square foot (commercial), an aggregate value of US\$6.4bn to more than US\$9bn. "A handful of opponents, and those who would benefit from closure, are driving the issue," comments Bill Dunn, vice president of the Aircraft Owners and Pilots Association. "Development is out of control in Santa Monica."

There have been reports that the Santa Monica City Council was planning to impose a 'starvation strategy' on the airport, which would call for initially shrinking the 5,000ft-long runway to 3,000ft – making it useless to most business aircraft – banning fuel sales, zoning most aviation-related businesses off the field or not renewing their leases.

However, according to Stelios Makrides, Santa Monica Airport manager, the City Council has not instituted a starvation strategy nor has it made any decisions regarding the future of the airport, but rather directed staff to look at the feasibility of several concepts prior to making any decisions. At a City Council meeting held on March 25, 2014, the council directed staff to look into repaying grant funds to terminate the contested grant obligations; complete contingency planning for the airport's future, including work on a conceptual plan of the airport land that is based on low-intensity use and recognizes that the Quit Claimed Parcel (a deed of conveyance that is used to transfer property or an interest in that property to someone else) will be under City control in 2015; develop leasing guidelines sensitive to the environment and to remediation needs; evaluate lease renewals and options against the guidelines; and evaluate options regarding fuel sales at the airport.

"The above recommendations also show that the City Council understands that it will take time until a decision could be made on the future of Santa Monica Airport and has approved lease renewals, after the leasing guidelines are approved by the council, for a term of three years with one-year options to ensure that the Airport Fund remains self-sufficient and independent of General Fund subsidies. Employees are planning to report back to the council prior to the end of 2014 with their findings to the council's recommendations," explains Makrides.

In its 2013 report, the FAA stated that "the most satisfactory and widely accepted noise abatement measures are those that have been collectively discussed by engaged stakeholders and the FAA at the local level and are supported by local consensus". In Southern California, that's easier said than done. ☹

"...the City Council understands that it will take time until a decision could be made on the future of Santa Monica Airport"

**Stelios Makrides, manager,
Santa Monica Airport**



William Short

council doubled landing fees from US\$2.07 to US\$5.48 per thousand pounds of maximum gross landing weight, chasing away 29% of piston aircraft traffic and all but killing flight training. Despite this, there were 5,634 itinerant operations at KSMO in April 2014 compared with 5,459 in the previous year; a dozen aviation-related businesses employ 1,500 and generate US\$300m of annual economic benefit.

Local anti-airport sentiment can be traced back to 1959, when the city council forfeited billions of dollars in economic development when it blocked Douglas Aircraft's request to lengthen the 5,000ft runway so it could build jets on the airport. Douglas moved those lucrative operations south to Long Beach and abandoned its Santa Monica plant altogether in 1975. That was the same year the city temporarily banned jets at the airport – a move later deemed illegal and reversed by federal officials in 1977. KSMO's raw land value could be worth as much as US\$2.2bn to developers. In the face of heavy local political pressure to close it down, airport advocates have used federal laws to keep the airport open; airports that take federal money for maintenance and improvements must agree to keep them open for 20 years after receiving the funds

without discrimination. That could mean that Santa Monica would need to remain open until at least 2023 because it has been awarded Federal Airport Improvement Program (AIP) grants, which are used for planning and development projects.

According to an FAA report concerning Los Angeles airspace, conducted in 2013, "Airport proprietors who have accepted federal funds are bound by the terms of their grant assurances", which require them to "make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport".

There is also a question of a 1948 document called the *Instrument of Transfer*. During World War II, the federal government seized the airport from the city of Santa Monica to accommodate military aircraft. When the war ended, the federal government relinquished its leasehold and executed the *Instrument of Transfer* to allow the city to resume operations on the provision that the airport be kept open "in perpetuity".

Building a mixed-use residential and commercial development on the 227-acre Santa Monica airport site could easily triple that

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Main image: **Akureyri in northern Iceland is the country's second largest urban area**

Below: **Military traffic has increased at Southair's FBO in Keflavik**



 Southair Iceland was established in 1972 at Keflavik Airport. It began operating out of a little wooden hut, affectionately known as 'the house on the Prairie' close to Building 787 and Hangar 831, but has since grown into a much bigger organization with full-service FBO facilities at Keflavik and Akureyri airports.

New location

Southair Iceland opened its newest FBO location in January 2014 in Akureyri, a beautiful town on the northern coast of Iceland. The Arctic Circle runs through Grímsey, an island belonging to Akureyri that is accessible by boat or by small airplane from the mainland. Visitors to the island receive a certificate to show that they have stepped over the Arctic Circle.

Akureyri is the second largest town in Iceland. It is a very important trading post for the country and has a reputation for culture and education. The surroundings of this town

are very picturesque, with a long fiord and high mountains. As a very popular tourist destination, Akureyri is close to some of the most beautiful places to visit in Iceland, such as Lake Myvatn and Dettifoss waterfall. Visitors can go river rafting, hiking, fishing, whale watching and horse riding. They can fly in and enjoy some history and culture, safe in the knowledge that the experienced staff at Southair Iceland, the only FBO at Akureyri International Airport, will take good care of their aircraft.

Unique experience

A game of midnight golf may seem an unlikely prospect to many enthusiasts and few golfers have experienced this delight. But now there is a novel opportunity to participate in an event that features around-the-clock golf in mid-summer, at high latitudes. The Arctic Open Golf Championship, hosted by the Akureyri Golf Club, is an international event that attracts golfers

Vital statistics

Location: Keflavik and Akureyri, Iceland

Operating hours: Keflavik – 24 hours;

Akureyri – 7:00am-11:00pm

Number of runways: Keflavik – four;

Akureyri – one

Fuel: AVGAS 100LL, JP-A1, JP-8



Above, right & below:
With around 18,000 residents, Akureyri is a picturesque town with its location by a scenic fiord, eclectic building styles and streets winding through gorges

from all four corners of the globe. The event is a 36-hole tournament, played under the Stableford points system, over two nights. The tournament is open to professional and amateur golfers alike. Southair has received an increasing number of inquiries over the years and is trusted by many competitors to take care of their aircraft while they play at this unique golf event.

In winter, Akureyri looks pristine, with a carpet of powder snow covering the landscape. It takes only about 10 minutes to get to the ski lifts in Mt Hlíðarfjall, one of the biggest and best ski resorts in the country, which is an advantage tourists appreciate as much as locals do. On clear winter days after darkness falls, the Northern Lights often come out, dancing across the sky in striking green, purple and even red, a major attraction among visitors to the north of Iceland.

Future plans

Southair Iceland is investing in new equipment for its Akureyri facility, and its meet-and-greet



service at Keflavik's main terminal is expanding rapidly. Previously, this service was offered to just one company at a time, but this has now been expanded to three.

In addition, a check-in system is being installed in Keflavik's Leif Erikson Terminal that will be operational from late June and will enable Southair to provide ground handling for bigger aircraft. The company will then be able to take care of all ground handling for charter flights and scheduled airlines as well. The check-in system will also be used in the Akureyri FBO.

General aviation traffic at Keflavik International has increased steadily every month, with the number of bigger aircraft and military aircraft increasing hugely. Reasons for this are the competitive price of A1 fuel, as well as Southair Iceland's professional staff. In response to this increase in traffic, the company is looking to expand its facility at Keflavik Airport.

In the aviation business, it is vital to serve customers in the most professional manner. Southair's staff are trained to treat customers as guests and make them feel at home when they are at the company's facilities. Staff aim to meet every customer's wishes and do whatever possible to meet all their expectations. Southair Iceland believes that this good and personal service will secure its future.

The aviation industry is constantly changing and service providers must change with it. Southair Iceland will adjust to the needs of its customers in order to meet their current and future expectations. ✈

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The City of Sugar Land has invested over US\$70m in improvements to make the airport a leading business aviation airport serving the needs of general aviation

Vital statistics

Location: Houston, Texas

Operating hours: 5:00am-11:00pm

Runway length: 8,000ft

Fuel: Shell 100LL and Jet A1

Aircraft movements: More than 7,500 total take-offs and landings a month



Southern comfort

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The FBO was branded in 2008. The name GlobalSelect was chosen to provide a name for the superior service experienced by customers at the FBO and to signify that the FBO welcomes regional as well as international business. Sugar Land Regional Airport serves as a reliever airport to Bush Intercontinental and Houston Hobby airports, boasts a state-of-the-art air traffic control tower, and has an on-site US Customs officer who can provide clearance for travelers arriving from any corner of the globe. The Shell-branded fuel available at GlobalSelect includes 100LL and Jet-A; discount pricing is available for customers based on volume purchased.

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service and maintain its reputation as a top-ranked FBO in industry surveys. The company offers a concierge styled front desk that will reserve hotels and rental cars, book catering and organize fuel orders to assist in making your experience as smooth as possible. Additionally, the line service at GlobalSelect collectively has over 180 years of experience in aviation. Line service personnel are able to handle specialized requests such as quick turns and are able to get passengers from the aircraft to their vehicles in a matter of minutes.

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Aircraft hangars at Ostafyevo are controlled by video surveillance to ensure high levels of security



Vital statistics

Location: Moscow, Russia

Operating hours: 24 hours

Runway length: 8,202ft

Aircraft restrictions: Up to Boeing 737

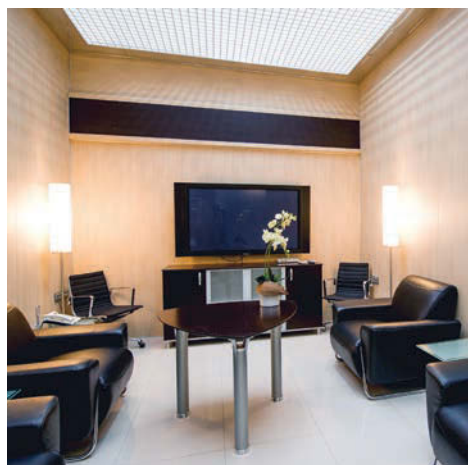
Below: **The maintenance center at Ostafyevo offers a quick and flexible service**

Bottom: **A helicopter taxi service is available**



Flexible friend

First-time and regular visitors to Moscow can rely on the expertise and experience of staff at Ostafyevo International Business Airport



A crew lounge at Ostafyevo Business Airport

Moscow's skies are overcrowded and so are some of its well-known airports, which can cause problems for business aviation customers wishing to fly into the Russian capital. However, there is a solution according to Aviapartner and that is Ostafyevo International Business Airport, the only business aviation airport in the country.

The airport opened in 2000 when there were barely any business aviation companies in Moscow. Since then Ostafyevo has been developed by Aviapartner into the ideal business aviation airport and has received great feedback from both its clients and staff.

Ostafyevo is just six miles from Moscow and is open 24 hours a day. With its high-class service, luxurious lounges and conference rooms, the airport has been designed to make users feel calm and relaxed before and after their flights.

Ostafyevo Airport offers a flexible slot policy, making the planning of a trip as easy as possible. The airport serves only private flights, an additional safety guarantee, and is ideal for domestic and international flights.

Owners of business jets looking for a parking place in Moscow should look no further than Ostafyevo. It has a huge apron and hangar complex perfect for a wide variety of aircraft. The

airport also includes a maintenance center that follows all ICAO and IATA standards.

Aviapartner is the only handling company working at the airport. Experienced employees work directly with clients to ensure the facility offers competitive pricing and is well known in the Russian business aviation market.

Aviapartner can organize all client requests before and during a flight, including ground handling and fueling, catering, crew and passenger transfers, crew hotel accommodation, Russian and CIS landing permissions and other services. The company also offers private charter flights from Ostafyevo.

Ostafyevo Airport and Aviapartner aim to meet all their clients' needs and can even organize a helicopter taxi service to ensure clients are never late for a business meeting. They also provide secure parking for private vehicles.

Moscow is a fascinating city and Aviapartner believes that visitors should start their journey with the perfect partner at Ostafyevo Airport. ✈

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Complete package


EuroAirport Basel is located in the border triangle between Switzerland, Germany and France, and is very popular with business travelers. The team at Air Service Basel, based at EuroAirport, is a leader in the handling of corporate jets and private aircraft.

Air Service Basel cares about its customers, offering a quick, flexible and discreet service. "Our motto is 'large enough to handle, but small enough to care'," says CEO Claudio Lasagni. The company focuses on a complete set of services, from the handling of aircraft and their maintenance to hangar parking.

The company also provides consultations on purchasing new models as well as long-term parking. And should unscheduled repairs be required, they are equally prompt and quickly

accomplished by the Air Service Basel team or together with its partners. "Customers and their needs have priority, 24 hours a day," says Lasagni.

Air Service Basel is a medium-size company, so it can respond quickly to the requests of its customers. The company also provides high-quality amenities, including secured hangars equipped with private office space, an exclusive lobby and ample private parking.

Complete handling services are available in-house, from aircraft servicing and customs formalities to the newly established on-site fueling. Absolute discretion is always guaranteed. "Our service is very personal," says Lasagni. "We never treat our customers as if they are on an assembly line. We serve everyone totally individually and each of our clients is personally known." 



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Extended hours


Following a long approval process, Dortmund Airport now has new flight operating hours.

With a catchment area of over 20 million (one of the largest in Europe), a modern infrastructure, short distances for passengers and airlines and unique value for money, Dortmund Airport is an important location for the aviation sector. Over

the past couple of years it has become the fourth largest airport in North Rhine-Westphalia as well as continually increasing the number of flights it offers. The extended operating hours enable all those involved to further exploit this fantastic potential.

Scheduled landings are now possible until 11:00pm and scheduled take-offs until 10:30pm. In exceptional cases, delayed landings can take place until 11:30pm and delayed take-offs until 11:00pm. Airlines are now able to deploy their aircraft at Dortmund for up to 1.5 hours longer daily. Furthermore, the extension to operating hours helps secure jobs at the airport and will further improve operating results.

With the approval, the operating permit has also changed, placing an obligation on the airport to be ready for operations within the new operating hours. The extended operating hours will be effected by making staffing adjustments.

The approval represents the conclusion of a protracted and extensive process of cooperation and decision making, from which travelers, staff and airlines can only benefit. 



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Management services

Regional & City Airports Management (RCAM) is a market-leading aviation services company owned by the Rigby Group that manages, operates and develops local airports. The company excels at managing and operating airports efficiently and safely and in delivering improved performance to customers and stakeholders.


RCAM's management teams are focused on small to medium-sized regional and city airports where it can best deliver its unique value propositions. The company currently provides services to Exeter International, Blackpool International, City of Derry and Coventry airports and Cardiff Heliport in the UK.

RCAM provides an extensive range of airport management services and is able to lead and deliver all aspects of airport operational functions.

A team of experienced aviation leaders manages the RCAM businesses and excels at managing the self-performance of key airport activities. RCAM believes that small to medium-sized airports are best able to maximize efficiency through self-performance and the company enables this through multi-tasking, improved staff and stakeholder engagement, and simplifying but improving management processes.

RCAM also provides a range of advisory and consultancy services, discreet from its management services. In doing so, RCAM leverages its practical knowledge and implementation experience to set itself apart from the competition.

The Rigby Group is the parent company of a portfolio of privately owned and highly successful businesses operating across Europe, the Middle East and North Africa. The Group comprises operating businesses in five key divisions – technology, aviation, property, hotels and investments.

Sir Peter Rigby comments, "The Rigby Group has invested in RCAM as we believe regional airports have a major role to play in the future of the British aerospace sector. There is definite potential for growth in terms of both freight and passenger capacity." 



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On the ground

IGS is the leading provider of ground services at Keflavik International Airport. The company is composed of four units – aircraft handling, in-flight catering, cargo warehouse and restaurant service. IGS provides the best possible service at Keflavik using all the necessary infrastructure, equipment, facilities and decades of experience.

IGS has been providing services for all civilian aircraft and even some of the military at Keflavik since 1964. IGS was made an independent company on January 1, 2001. Until then it was a part of Icelandair, as part of which it can trace its roots back to 1937.

IGS has been ISO-9001 certified since 2008, and works hard at providing consistent services in all handling aspects. The company is aiming for ISO-14001 certification for environmental management systems before the end of 2014. IGS uses FBO One to keep track of all handling requests, and for bigger companies it has Altéa Ground Handler for passenger and load control.

IGS FBO guarantees short turnaround times. With over 35 years of experience servicing countless private aircraft, the company is ready to meet any requirements quickly and reliably.

IGS offers three service packages for VIP and private aircraft: quick turnaround – basic fuel stop; overnight stop – fuel stop plus hotel arrangement, transportation, etc; and luxury stop – hotel arrangements, limousine, visit to the Blue Lagoon, Reykjavik VIP tour, etc.

IGS offers all other general ground handling services including flight plan filing, weather briefing, VIP and crew lounge, liaison with customs, immigration and security, liaison with fuel suppliers, transportation, and escort of crew and passengers.

The company can also plan for other services on request, such as hotel arrangements, transportation, catering requirements, hangar

space, cargo handling and warehouse service, and arrangement of trips to the Blue Lagoon.

Keflavik Airport is only 30 miles from the center of Reykjavik and was built in 1950 as a NATO-base. The airport features long runways in very good condition that are always kept as clear and dry as possible, and it is open 24 hours. Keflavik is a gateway to Europe due to Iceland being part of the Schengen treaty between all countries in Western Europe except the UK, Ireland and Switzerland. ✈

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Regional and City Airports Management is a market leading company, operating four first class Executive Jet Centres.

Coventry

The Coventry Airport Jet Centre is the newest dedicated Corporate Aviation Facility in the Group. The fully functional FBO provides an excellent set of lounges designed to give passengers maximum comfort, and to provide crews with state of the art briefing and planning facilities and waiting and rest areas which include showers.



Exeter

Regional and City Airports Management's Jet Centre in Exeter is an extremely successful operation that capitalises on the regional demographic and high propensity of business travel to the region. Exeter Corporate Aviation has developed from a small operation in 2007 to a more extensive facility with dedicated full time staff and a significant market reach. In 2012 Exeter handled 140 jets flying to worldwide destinations – with over 1500 passengers from outside of the UK.



City of Derry

City of Derry Airport's Jet Centre was set up towards the end of 2012 in readiness for the 2013 City of Culture title. Significant investment has been made to develop this corporate aviation facility with a new fully operational FBO, crew and passenger lounges and new Critical Part apron. High quality hangarage has recently been completely re-clad to provide a high standard of parking for corporate and general aviation use.



Blackpool

The Executive Jet Centre at Blackpool primarily looks after aircraft that require full security. The Airport has excellent security procedures in place to allow chartered aircraft, over 10T to use the Airports facilities; a new lounge has been developed in 2013 for passengers and crew. Due to the Airports fast track processes, corporate customers can now choose to arrive by car, clear security and board their aircraft without delay.



Swedish delight

Family owned and operated, MTS Aviation is one of three authorized FBO/handling companies at Malmö Airport in Sweden specializing in private/business aviation. The company's policy is to give its customers individual care to the highest quality and safety standards. Malmö Airport is close to the center of Copenhagen, making it one of the best and cheapest alternative airports in the country for the past three years, something that is realized and appreciated by many of MTS Aviation's regular clients. The 'familiar' touch of its handling makes customers feel that they have been welcomed home again.

The decision to start MTS Aviation at Malmö Airport was easy owing to the location. Since 2000, there has been a combined bridge and tunnel connection between Sweden and Denmark, giving a very short traveling distance by car (approximately 28 miles). Clients visit Malmö Airport from all over the world for a quick fuel stop or to avoid the expensive costs and slot times at Copenhagen Airport. ✈

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For more information, please contact our Group Corporate Aviation Manager:
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Exeter | Devon | EX5 2BD | 01392 354 939
chris.beer@exeter-airport.co.uk

www.rcam.aero

The registration game



What are the benefits of registering your aircraft 'offshore' and what challenges can the operator face?

In recent years, there has been a rise in the number of 'offshore' aircraft registries, providing aircraft owners with a wide choice of places to register their assets. Owners may choose to register their aircraft away from their home state for a number of reasons – financial, security or technical. Popular registries include the Cayman Islands, Malta, San Marino and the Isle of Man.

Aruba is a particularly attractive location for owners wishing to minimize their tax payments. As Selwyn Parker writes in *Playing away* on page 44, for nearly 20 years Aruba has been making life easy for aircraft owners. The country has a favorable tax system for the

registration of aircraft, with no tax on income, sales, profit, capital gains or lease or mortgage payments.

Offshore registries can also be used to protect valuable assets in case of financial problems, either for companies leasing aircraft or for private owners who wish to keep their jets separate from corporate assets. And having a registration outside of your home jurisdiction can also be good for security purposes – for instance some countries dislike the 'N' registration given to US aircraft. But how easy is it to register your aircraft outside of your home state and are there any additional benefits? *Business Airport International* took to LinkedIn to find out. [↗](#)

Your views



Stanley Bugeja, managing director, DC Aviation (Malta), commented, "The

Republic of Malta is a full member state of the European Union and a member of the Eurozone. Therefore it is anything but an offshore jurisdiction. So what are the advantages of Malta? Malta is a full signatory of the Cape Town Convention, affording a safe environment to owners, operators, lessors and financial institutions. It is a low tax EU jurisdiction with an efficient Civil Aviation Directorate and is business aviation friendly."



Zafar Jami, chief engineer, AHS Air International, posted,

"Insofar as problems are concerned, you can land in serious trouble if you have taken the decision without fully understanding the rules, regulations and actual procedures being followed by the regulating agency, tax, customs

and immigration authorities, airport security, etc. During this interim period, the time for approval could well extend beyond a month. I have seen aircraft not being able to operate for want of completion of one formality or another."



Stephen Hyde,

independent aviation consultant, wrote, "I don't think that tax is

the main reason for registering your aircraft outside of your home state – it is a factor, but I think tax is more affected by where the company that owns the aircraft is based, than where the airplane is registered. It might be the main reason for registering your private aircraft outside your home state – but when it comes to commercial aircraft, other things come into the equation. Sometimes aircraft are registered in countries outside the home state of the operator to 'protect the asset' – if the operator's country has a judicial system that is considered difficult, they might ask that the airplane be registered in a country where the legal

system is more friendly. One of the problems is that some countries do not like it when their operators use aircraft not registered in that country – some, I believe, have limitations on the length of time you can do this. Another would be crew qualifications – if the airplane is registered in Ireland, for example, then the crew needs EASA licenses or their own license validated by the Irish Aviation Authority. There can be a myriad of potential problems – but it seems it is worth it for some."



Bruce Fullerton, sales director, SkyJet Aviation Services, wrote, "We

operate six business jets in Nigeria for charter and we keep our aircraft registered outside of Nigeria – we are currently using the San Marino Registry. The main purpose for us is for resale value. A business jet's resale value depreciates if it is on a sub-Saharan African registry. Prospective buyers are reluctant to consider an aircraft from sub-Saharan Africa. Operating there is fine – it is just the registration stigma that is a

concern. The second reason for us is insurance. It is slightly less expensive if the aircraft is registered outside of sub-Saharan Africa. Our third reason is respect. When we land in Europe with a sub-Saharan registered aircraft, the flight and the crew are not treated as well as they are when they are flying an Isle of Man, Cayman or San Marino registered aircraft."

Your comments

What do you think? What are the merits of these 'offshore' registers? Have you encountered problems by not being registered in your home state? We'd love to hear your thoughts on this or any other topic affecting the business aviation industry, so visit www.linkedin.com and search *Business Airport International* to join in with the debate.

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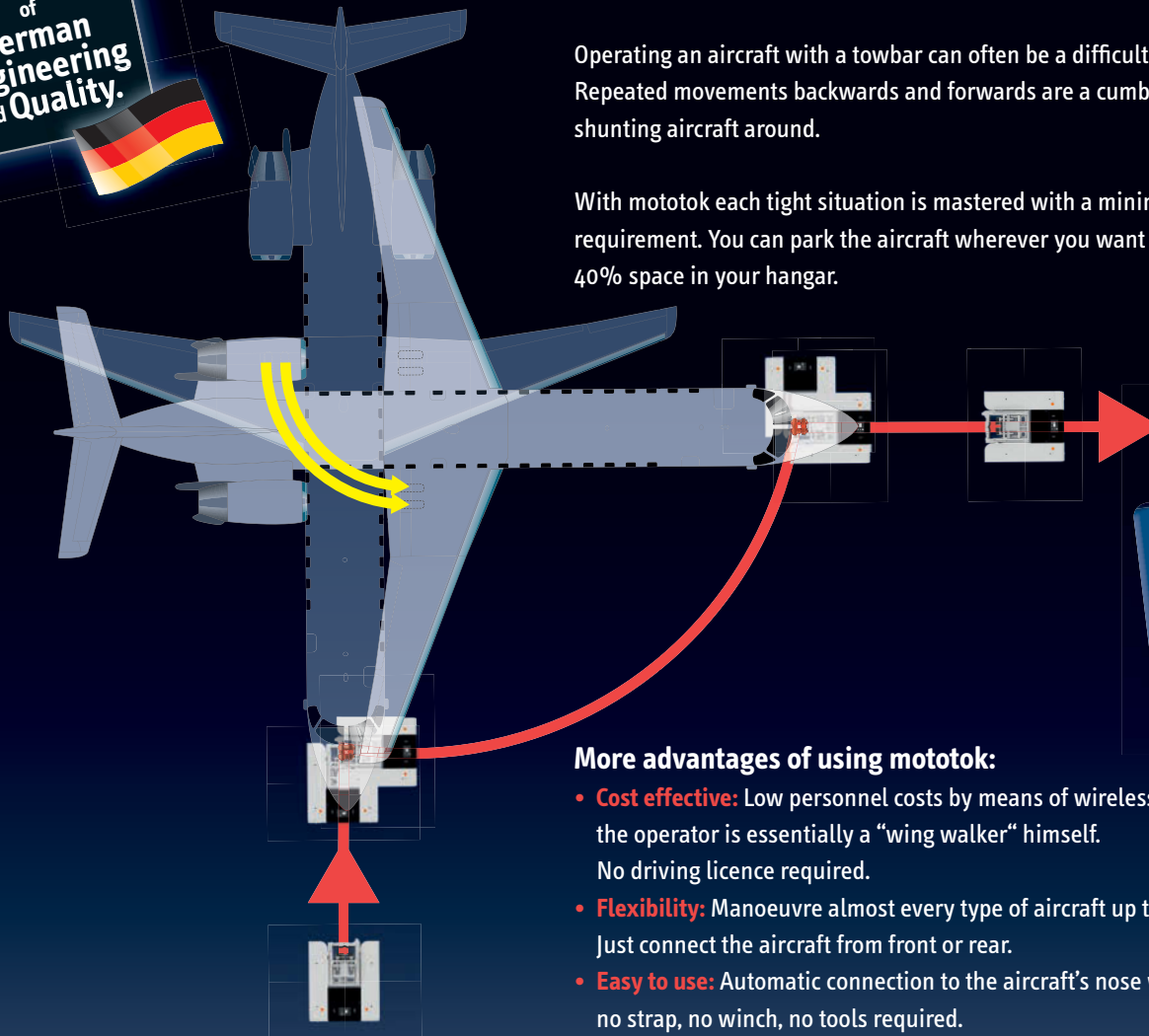
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