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JULY 2016

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Brexit and business aviation

The EU Single Aviation Market is the world's largest and most successful example of regional market integration and liberalisation in air transport. So a look around the departure lounge of the Isle of Man's Ronaldsway airport on the morning of 24 June revealed a host of shocked faces as the result of the UK's referendum on membership of the European Union unfolded. A straw poll of the 150 delegates attending the Isle of Man aviation conference the day before had shown only a small handful supporting Brexit.

Naturally there has been much press speculation in the short time since the vote on the expected impact of this fundamental change in the UK's relationship with Europe. Marc Bailey, CEO of the British Business and General Aviation Association, stated before the result was known: "Undertaking business activities for the general business aviation and GA fraternity in the UK is fully integrated within an international framework and it will continue to be that way, irrespective of any decisions made in the UK."

There will, of course, be no change until the UK government triggers Article 50 of the Lisbon Treaty, at which time the two-year negotiations for exit will start. The shape of the UK aviation sector post-Brexit will be determined by the ability and willingness of the UK government to retain access to the EU aviation market, or to build new relationships with non-EU countries, to protect passengers and businesses alike.

The key areas for negotiation will be the EU Single Aviation Market, along with cabotage restrictions for charter operators flying with the EU, the European Common Aviation Area (ECAA) and aviation agreements agreed between the EU and third countries, such as the EU / US "Open Skies" agreement. Other areas will include the UK's membership of the European Aviation Safety Agency (EASA) and the EU VAT area. In the short term we may see market and currency exchange volatility, creating challenges for the sector.

Isle of Man aviation conference 2016

The sixth annual Isle of Man aviation conference was held in the ballroom of the Villa Marina complex at the heart of the island's capital on 23 June. The programme for this year's event, once more organised by ICM Aviation and supported by the Isle of Man Aircraft Registry (IOMAR), was as varied as ever.

The programme covered updates on IOMAR, discussions of the implications for VAT, direct taxation and finance with regard to corporate aircraft along with wider discussion of the transactional process and perception of the business aviation sector. The conference also covered the challenges of Part NCC, safety oversight and Cape Town. The conference returns again on 22 June 2017.

Falcon 8X receives certification

French manufacturer Dassault's new flagship Falcon 8X looks set to commence customer deliveries later this year following certification from both EASA and the FAA. Approval for the new design from the European regulator was granted on 27 June. Its US counterpart followed just two days later. The larger Falcon 8X with seating capacity for up to 19 passengers is derived from the Falcon 7X and offers an extended fuselage and updated powerplant. The manufacturer offers over 30 cabin configurations and boasts a range of some 11,945km (6,450 nautical miles).

New York to London - sheer Bliss!

Under the marketing tag "Business Class ... Redefined", US-based Bliss Jet is to start regular scheduled transatlantic flights between White Plains, New York, and London Biggin Hill Airport using a Gulfstream GIVSP. The flights will be operated by US carrier Jet Access Aviation and will operate on a limited schedule aimed at the US market. The aircraft will leave White Plains on Sunday evening and return from Biggin Hill on Friday afternoon. One-way seats will be priced at \$11,995 and although the aircraft seats up to 14, the number of seats actually sold will be reduced "to allow for extra passenger comfort." David Rimmer, Bliss Jet's President and CEO, said: "We are offering all the advantages of a private jet experience on optimally-scheduled flights that bypass the inefficiencies of business class travel."

Embraer closes in China

Brazil's Embraer established a Chinese joint venture to assemble and deliver commercial and corporate aircraft in China in 2004. In the intervening years, Harbin Embraer Aircraft Industry (HEAI) has assembled more than 40 twin-jet EMB-145 regional airliners along with five Legacy 650 corporate jets. Aircraft were fully assembled and delivered from HEAI's plant in Harbin from sub-assemblies manufactured in Brazil. The final aircraft to be delivered was handed over in March this year.

RANA SERVICE CENTRE:

Ownership solutions

Leveraging the Sovereign Group's wealth of experience in the provision of corporate services, RANA offers ownership solutions tailored specifically to aviation assets. We can recommend appropriate jurisdictions and corporate structures for asset protection, including tax and succession planning, as well as advising on the requirements and restrictions of particular registries.

The carefully planned use of a company structure – or special purpose vehicle (SPV) – can provide a number of distinct advantages to the owner of private aircraft or other types of aviation asset. Access to corporate limited liability and enhanced levels of confidentiality are the most obvious, but a company structure can also provide significant potential benefits in respect of inheritance tax and succession planning, as well as simplifying any future sale of the asset resulting in savings of time and cost. Sovereign can establish structures in jurisdictions worldwide that are best suited to the owner's place of residence, domicile, an aircraft's registration and intended usage.

EASA single-engine commercial operations move closer

European regulator EASA looks set to give formal approval for commercial operations by single engine turboprops by the end of the year. Currently, charter flights by single engine aircraft in instrument rated conditions (IRC) are not allowed and any easing of the restrictions will inevitably provide a huge boost to manufacturers, operators and smaller airfields around Europe, which will see significant increase in traffic. The EASA Committee voted in favour of EASA Opinion 06/2015, which contains a full regulatory framework for allowing these operations. The change will open up markets for the Pilatus PC-12, TBM 900 and 950, Cessna Grand Caravan, Quest Kodiak and Piper Meridian PA-46-500TP.

New facilities at Biggin Hill

In a major expansion of its FBO facilities, Signature Flight Support (SFS), part of the BBA Aviation Group has reached agreement with London Biggin Hill Airport to significantly expand its operations. SFS has had a presence at the south London airport since 2014 but is now set to move into the FBO terminal vacated by Rizon Jet. The facility which covers some 1,850m² extends over four stories and offers a hangar that can house corporate airliners up to the size of a BBJ737.

In a separate move, Bombardier Business Aircraft are to establish a wholly owned service centre at Biggin Hill, which is scheduled to become fully operational by Q4 this year. The centre will offer 3,065m² of hangar space and will allow for scheduled and unscheduled maintenance and repair of the full range of Bombardier corporate aircraft – Learjets to Globals.

Gainjet launches in Ireland

High profile Greek charter specialist Gainjet Aviation has launched operations from a new base at Shannon Airport, Ireland's third biggest airport after Dublin and Cork, having secured an air operator certificate (AOC) for a new Irish subsidiary, Gainjet Ireland. Initially equipped with a Challenger 604 (registered EI-KMA) Gainjet's intention is to widen the carrier's operations in Europe and take advantage of Shannon's strategic location for transatlantic operations. The company is currently evaluating the optimum base for the aircraft from a number of locations in Western Europe.

Corporate aircraft news

In a major landmark towards certification of the Cirrus SF50 Vision "personal jet", the aircraft's Williams International FJ33-5A engine received FAA-type certificate approval on 6 June. The Duluth, Minnesota-based manufacturer claims to hold orders for over 600 of the new aircraft, which is expected to receive full FAA approval shortly.

Just weeks after it confirmed that it had mated the fuselage to wings of the prototype Cessna Citation Longitude, Textron Aviation announced that the electrical distribution system has now been "powered on" for the first time. This marks a major landmark in the programme and confirms the schedule for the new twinjet's first flight later this year. FAA approval and service entry is due in 2017.

The first Cessna Citation entered service in 1972 and the manufacturer delivered the 7,000th Citation to fractional ownership specialist NetJets on 27 June 2016. The newest example is one of the operator's order for up to 200 of the new Citation Latitude twin. The new aircraft will enter service as part of NetJets' North American fleet next month.

On 17 June, Piper Aircraft announced that the FAA had granted approval for its M600 single-engine turboprop. The manufacturer promotes the M600 as "a powerful business tool". It offers a six-seat cabin, a boost in power over the M500, a newly designed wing and features the Garmin 3000 avionics suite.

Savannah-based Gulfstream Aerospace has confirmed a landmark in its G500 programme as the manufacturer has completed ultimate load testing of the new design. The G500 was unveiled alongside the larger G600 in 2014 and is expected to receive FAA and EASA certification in 2017. The aircraft is set to make its European debut at the Farnborough Air Show in the UK this month.



AIRCRAFT FACT FILE \ \

Airbus ACJ330



CATEGORY

Heavy jet

MANUFACTURER

Airbus, multi-national

ENGINE

2x General Electric CF6-80E1, Pratt & Whitney PW4000 or Rolls-Royce Trent 700 turbofans

LENGTH

58.37 m

WINGSPAN

60.30 m

RANGE

14,800 km

MAX. SPEED

913 kmh

SEATING CAPACITY

25 in VIP config.

NO. OF CREW

2

MAXIMUM TAKE-OFF WEIGHT (MTOW)

242,000 kg

DESCRIPTION

The ACJ330 is the VIP version of the Airbus A330-200 commercial airliner. The aircraft joins a suite of eight other airliners offered by Airbus Corporate Jets, a business unit of Airbus Industrie. Airbus first entered the corporate/VIP market in 1997 and both narrow and widebody airliners have found a ready market with individuals, corporations, charter operators and governments worldwide.

The Airbus A330 – the -300 variant - first flew in November 1992. The shortened -200 offering longer range, on which the ACJ330 is based, flew for the first time in 1998. The twin-jet has proved very popular with airlines around the world and competes in many commercial markets against the Boeing 767, 777 and 787. A "new engine option" – the A330neo, which offers improved powerplant and additional enhancements, is currently under development. Airbus has taken orders for over 650 A330-200 aircraft of which less than 40 are of the ACJ330 version.