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## Business aviation keeps shareholders happy!

The use of business aviation is the sign of a well-managed enterprise among America's most highly valued and well-respected companies, according to a report called "Business Aviation and Top Performing Companies, 2017" published by NEXA Advisors. The study examined the financial performance of the S&P 500 between 2012 and 2017, and found that, over that period, S&P 500 companies utilising business aviation to support their missions outperformed those not using business aviation, as demonstrated by a number of key metrics, including drivers of shareholder value. Additional financial drivers positively impacted by using business aviation were: revenue or market share growth, profit growth and asset efficiency. While non-financial indicators positively influenced by using business aviation included customer and employee satisfaction.

## US proposal for aircraft ownership disclosure

A new bill, the Aircraft Ownership Transparency Act (H.R. 3544), has been tabled in the US Congress, which proposes to clearly identify the beneficial owner of any aircraft on the US registry. It follows intense press and US Department of Transport criticism of alleged failures by the Federal Aviation Administration to monitor aircraft and crew registrations.

The Bill, introduced by Congressman Stephen F. Lynch (D-Boston), defines a 'beneficial owner' as a person who, directly or indirectly, exercises control over the aircraft through "ownership interests, voting rights, agreements, or otherwise; or has an interest in or receives substantial economic benefits from the assets of the covered entity". It also seeks to confirm the ownership structure where an aircraft is owned by multiple entities. In the case of registration via a trust (such as the 'non-citizen owner trust' structure where an aircraft is legally registered for a foreign owner), the bill seeks to confirm full 'chain of control' (i.e. owner, trustee and ultimate beneficiary).

## EBAA strengthens its lineup

As we reported in April, well-known industry commentator and journalist Brandon Mitchener replaced Fabio Gamba as CEO of the European Business Aviation Association (EBAA). The EBAA has now further strengthened its top team with the addition of two new senior positions. Robert Baltus, previously Associate Director of NetJets sister company Executive Jet Management (Europe) and latterly Qatar Executive, joins as Chief Operating Officer. Eric Drosin, formerly co-founder and editor of The Prodigal Guide, has joined as Communications Director.

## Russian traffic continues to fall

Since relations between Russia and West soured in 2014, the number of domestic and international business jet flights has fallen by some 12%, while passenger numbers have plunged by 23% overall. These dramatic figures were presented by Alexander Kuleshov, chairman of the Russian United Business Aviation Association (RUBAA), at a Russian Business Aviation Forum held in Moscow last month. The statistics were based on data from the seven Russian cities that account for more than 80% of business traffic. In 2014 there were more than 50,000 flights, but this figure had fallen to 41,415 in 2016. The influence of foreign carriers is also waning, with a fall of some 32% in the first four months of 2017 over the same period in 2014.

### MEBAA Show Morocco

Branding itself as "The destination for business aviation", the second biennial MEBAA Show Morocco was held at Marrakech La Menara Airport from 12-13 September. Hosted by the Middle East & North Africa Business Aviation Association (MEBAA), the change of venue from Casablanca was intended to provide exhibitors and sponsors with greater opportunities and promote the role of Marrakech as the centre for business aviation traffic in Morocco. The event attracted 2,500 visitors and 65 exhibitors, while a healthy static display included a Gulfstream G550 and Bombardier Challenger 650. Business traffic continues to grow across North Africa with 50% of demand focussing on Morocco.

### Luxaviation Helicopters is star struck

Charlotte Pedersen, CEO of Luxembourg-based Luxaviation Helicopters, now describes her company as "the world's largest VIP/VVIP operator" of helicopters following its acquisition of UK charter, training and management operator Starspeed. Based at Fairoaks Airport in Surrey, Starspeed has a total fleet of 23 helicopters under management or available for charter. Luxaviation Helicopters operates a total of 19 rotary craft under management, some of which are also available for charter. It is understood that Starspeed will retain its own identity, personnel and senior management. The acquisition will allow Starspeed clients to access the wider Luxaviation fleet of nearly 250 corporate aircraft.

### RANA SERVICE CENTRE:

Corporate ownership

Leveraging the Sovereign Group's wealth of experience in the provision of corporate services, RANA offers ownership solutions that are tailored specifically to aviation assets. We can recommend appropriate jurisdictions and corporate structures to provide 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 estate planning, as well as simplifying any future sale of the asset, resulting in savings of time and cost. Sovereign will establish structures in jurisdictions worldwide that are best suited to the owner's place of residence or domicile, and the aircraft's registration and intended usage.

## Interior work for the Aerion AS2

Aerion Corporation, the Nevada-based supersonic technology specialist, is currently working with UK-based Design Q to develop the innovative cabin interiors for its AS2 supersonic business jet. Aerion entered into a collaboration with Airbus Group in 2014 to develop the Aerion AS2 Mach 1.5 supersonic jet. Engineering is underway with first flight planned for 2021 and entry into service in 2023.

Design Q is a specialist in automotive and aviation design, and won acclaim in 2014 for a full scale Global 7000 mock-up created for Bombardier. "The opportunity to participate in the design of a supersonic business jet thrills our whole organisation," said CEO of Design Q Howard Guy. "We are brimming with ideas for making the AS2 cabin the most exciting and desirable interior environment in business aviation."

Design Q has built a full-scale engineering mock-up of the AS2 interior at its studio in Redditch, England, which Aerion is using to assess possible configurations for cockpit and cabin. "The mock-up provides an experience that is not possible looking at a 3D model on a computer," said Aerion CEO Doug Nichols. "Stepping inside was instant confirmation that we would be able to offer the customer not only an incredibly fast airplane, but the ultimate passenger experience."

## Associated Air Center to close

Dallas-based Associated Air Center (AAC), specialist in Boeing BBJ and Airbus ACJ service and completions, has confirmed that it will close its business at the end of this year. The company, originally founded in 1948 as Associate Radio, is owned by StandardAero, which confirmed the closure citing insufficient current and future orders. It is expected that AAC's 170 staff will be redeployed within StandardAero. AAC's profitability has suffered because of competition in the niche large cabin completion business along with a downturn in orders for VVIP airliners.

## SETOPs 2017

The second edition of the Single-Engine Turboprop Operators Conference (SETOPs 2017) was held in London on 29 September at the Royal Aeronautical Society in London. The event focused on the new EASA regulation, brought in on 1 March, which provides for the conduct of commercial air transport operations with single-engined turbine aeroplanes in IMC or at night (CAT SET-IMC) in Europe. The event brought together a host of operators, manufacturers and airports from across the continent, and examined the impact of these changes, particularly in relation to sector stimulation and new business models from operators such as Surf Air and Wheels Up.

## Corporate aircraft news

As part of the ongoing pre-certification programme for the flagship Global 7000, Bombardier confirmed that the fourth aircraft made its first flight on 28 September from its plant at Toronto Downsview. Flight Test Vehicle 4 (FTV4) will be used primarily to test the new cabin and is the first aircraft to receive a full interior and paint scheme. FTV4 will be joined in this role by the final test aircraft (FTV5). The flight test aircraft have accrued over well over 50 hours since FTV1 took to the skies for the first time on 4 November 2016. The Global 7000 is expected to receive certification during the second half of next year.

In the five years since the Gulfstream G650 received its type certificate from the US Federal Aviation Administration (FAA) on 7 September 2012, the US manufacturer has delivered more than 250 examples to customers worldwide. An extended range version called the G650ER also received FAA approval in October 2014.

Remanufacture specialist Nextant Aerospace's latest project, the Challenger 604XT, made its first flight with the new Rockwell Collins Pro Line Fusion cockpit in mid-September in advance of its display at the NBAA this month. It is understood that the company will also announce further details of the project at the show.

On 27 September, Brazilian manufacturer Embraer Executive Jets delivered the first Legacy 500 that had been assembled at its plant in Melbourne, Florida. The company now uses the US facility to assemble all Phenom 100 and 300 models, along with some Legacy 450 and 500 units.



## AIRCRAFT FACT FILE \ \

### Aerion AS2



Photo - www.designq.co.uk

#### CATEGORY

Supersonic business jet

#### MANUFACTURER

Aerion Corporation, USA

#### ENGINE

3 x GE Aviation turbofans

#### LENGTH

51.80 m

#### WINGSPAN

18.60 m

#### RANGE

8,797 km at Mach 1.4

#### MAX. SPEED

1,838 kmh (Mach 1.5)

#### SEATING CAPACITY

9

#### NO. OF CREW

3

#### MAXIMUM TAKE-OFF WEIGHT (MTOW)

54,884 kg

#### DESCRIPTION

Aiming to "create a faster future" the AS2 was developed from the concept for the original Aerion SBJ (supersonic business jet) and was unveiled at EBACE 2014 in Geneva. The design is based around an innovative wing design which features laminar flow technology. This wing is designed to reduce drag, significantly reduce fuel consumption and therefore increase range.

The manufacturer announced earlier this year that it had selected GE Aviation to provide the powerplant. This choice follows on from the landmark agreement Aerion reached with Airbus Group in 2014 covering technological co-operation during the design stage. Tangible results of this agreement has seen Airbus assisting in the design of the fuel system, landing-gear, the fly-by-wire flight-control system, and the wing and fuselage.

At this stage, first flight of a prototype is slated for 2018/9 with service entry by 2023. The company holds a firm order for 20 aircraft from US fractional specialist FlexJet.