

Airborne

The monthly newsletter of RegisterAnAircraft.com – the Aviation Division of The Sovereign Group

FEBRUARY 2015

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Corporate aviation out in force for WEF 2015

Every year the annual meeting of the World Economic Forum (WEF), held in the Swiss resort of Davos-Klosters at the end of January, promises to attract increased numbers of corporate aircraft flying in connection with the event. WEF 2015 was no different. A record number of over 2,500 invitees – chief executive officers, as well as selected politicians, intellectuals, NGOs, religious leaders and the media – came to the four-day invitation-only event and Zurich airport, the closest to Davos, handled almost 1,000 additional aircraft movements via FBOs Jet Aviation and ExecuJet.



WEF 2015 witnessed some notable changes to the operation however. Although the vast bulk of aircraft continued to use Zurich airport, significant numbers took advantage of new customs and immigration facilities elsewhere to by-pass the traditional congestion at Switzerland's largest hub. The nearby military airfield at Dübendorf, previously used just for overflow parking, saw over 20 large cabin point-to-point arrivals and departures. Other regional facilities, including Basle-Mulhouse, Friedrichshafen and Altenrhein also saw operations of corporate and government aircraft in large numbers.

San Marino ratifies Cape Town

The growing San Marino Aircraft Registry (SMAR) passed a significant landmark on 1 January when the tiny Italian enclave's government ratified the Cape Town Convention on International Interests in Mobile Equipment, which provides for a readily accessible online register of rights and prioritisation over aircraft and engines. Known simply as "Cape Town" for short, it is designed to facilitate the financing and acquisition of aviation assets and to provide financial institutions with a single "International Registry" that is supervised by the UN's International Civil Aviation Organisation (ICAO). Cape Town has now been ratified by nearly 50 jurisdictions worldwide. SMAR's president David Colindres said: "This ratification is very important as it gives value added and confidence to banks and leasing companies. The registration of interest in an asset such as an aircraft is considered to be best practice for owners, creditors, debtors, lessors, lessees, agents and others in protecting their financial interest in such an asset."

Bombardier puts Learjet 85 programme on 'pause'

Canadian manufacturer Bombardier confirmed that it was suspending work on its much-delayed Learjet 85 programme. In an announcement widely anticipated by industry observers, the firm cited weak demand for the aircraft, strong competition and a downward revision in its market forecast. It is understood that the suspension of the programme will lead to a reduction of 1,000 workers at its manufacturing facilities in Wichita in Kansas and Queretaro in Mexico. The company, which reports in US dollars, is taking a \$1.4 billion write-down on the project.

The company's president and CEO Pierre Baudoin told analysts: "Right now, we don't see a pickup in a rate we anticipated. So we say it's a good time to take a pause. Let's see how the market behaves and then we can build this great aircraft and take it to market." Bombardier announced last year that it would refocus resources on its nascent CSeries commercial airliner and new versions of the Global Express large cabin corporate jet, for which it sees tremendous market potential.

Although declining to confirm its pre-sales of the Learjet 85 officially, it is understood that the fractional ownership operator Flexjet had placed a firm order for 60 units, with options for a further 65. Overall, the company delivered 204 corporate jets in 2014 – up from 180 in the previous year – although its order book has recently reduced.

RANA SERVICE CENTRE:

Corporate ownership

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, and advise 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 other significant potential benefits in respect of inheritance tax and succession issues, 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 an aircraft's registration and usage.

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North American flight activity best since 2008

Flying is at its highest level since the financial crisis of 2008 according to the TraQPak data published by specialist aviation services company Argus International, which is based upon serial-number specific flight activity in the US and Canada in 2014. Total flight activity rose by 2% over the 2013 figure. Performance was particularly strong in the second half of the year – at 2.4% above that of the previous year. All categories of flying reflected increases with FAA Part 135 (i.e. charter flying) up by some 3.9% over 2013, while fractional and general operators (Part 91) reflected smaller increases. In terms of aircraft category, the largest increase (at 6.2%) was seen by large-cabin jets, together with an encouraging leap of 4% in the light jet sector and 2.5% in the mid-size range.

Luxaviation acquires Masterjet

Luxaviation announced on 12 January that it had acquired Portuguese operator Masterjet. The move, which brings with it the Lisbon and Paris-based company's fleet of eight aircraft (including an ACJ320) and 57 employees, strengthens the Luxembourg operator's position as the largest corporate aviation operator in Europe. Luxaviation now holds AOCs in Luxembourg, the UK, Germany, France, Belgium and Portugal. Its workforce numbers 520 across both Europe and Asia and it has a combined fleet of over 100 corporate aircraft. Luxaviation offers business jet management, aircraft charter and aircraft acquisition and sales.

Corporate Aircraft News

On 29 January Cessna celebrated the roll-out of the first production model Citation Latitude at its Wichita plant in Kansas. The prototype of the new mid-size jet first flew in February 2014 and the development aircraft have been involved in an intensive programme of flight testing in the run up to FAA certification, which is expected in the first half of this year with deliveries due to commence shortly thereafter.

US remanufacturer Nextant Aerospace confirmed that its new G90XT made its maiden flight on 13 January. Based on the Beechcraft King Air C90A, the aircraft features GE H75-100 turboprops along with new Garmin G1000 avionics. The firm estimates that the flight test programme will last approximately six weeks and FAA certification is therefore expected in March or April this year. The Nextant G90XT is the company's second programme and follows the Nextant 400XT, a modified and modernised Beechjet 400A/XP.

Dassault's new flagship Falcon 8X made its much anticipated first flight on 6 February from the manufacturer's base at Bordeaux Mérignac. The aircraft is expected to receive certification by the middle of next year.

Airbus has finally confirmed what the industry has known for a while – that the only order for the VVIP version of its A380 airliner has been cancelled. The aircraft, originally ordered by Saudi prince Alwaleed bin Talal amid much fanfare at the Dubai Airshow in 2007, was never delivered and never outfitted.

The first production example of AgustaWestland's new 10-passenger medium-twin helicopter the AW169 began final assembly in late January. EASA certification and customer delivery is expected by the end of the second quarter of 2015.



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Bombardier Challenger 870



CATEGORY

Large Size Jet

MANUFACTURER

Bombardier, Canada

ENGINE

2x GE CF34-8C5 turbofans

LENGTH

32.51 m

WINGSPAN

23.24 m

RANGE

2,785 km

MAX. SPEED

876 km/h

SEATING CAP.

Up to 66

NO. OF CREW

2

MAXIMUM TAKE-OFF WEIGHT (MTOW)

34,019 kg

DESCRIPTION

The Challenger 870 is a high capacity corporate aircraft derived from the popular CRJ700 regional jet. The design, in its executive role, owes much to the smaller Challenger 850, which was itself based on the CRJ200. The 870 provides much greater interior space and a redesigned wing. It also offers a maximum flight ceiling of 41,000ft along with a speed of mach 0.83. The aircraft is powered by two GE CF34-8C5 turbofans, which provide a considerable increase in power, high altitude performance and better fuel consumption than the CF34-8C1 mounted on the 850. Despite its obvious selling points, the Challenger 870 has enjoyed limited popularity with a very small number in service. The variant was launched in 2005 and marketing has now ceased.