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Vista Global set up to consolidate the bizav market

Having launched Vista Global in the Dubai International Financial Centre as an “investor vehicle” that will “spearhead the consolidation of the fragmented and expanding business aviation market”, VistaJet founder and chairman Thomas Flohr announced on 20 September that it was acquiring US-based charter firm XOJet for an undisclosed amount.

Alongside the Malta-based VistaJet charter operation, Vista Global has launched two new subsidiaries – Vista Lease, a business aircraft leasing and financing company, and TechX, an aviation technology firm offering end-to-end solutions for both customers and operators. The move was backed by Rhône Group, a longstanding supporter of Flohr’s businesses, which injected an additional \$200 million to strengthen Vista Global’s balance sheet.

XOJet is the third-largest air charter operator in the US by flying hours, with just over 40 Bombardier Challenger 300s and Cessna Citation Xs. To comply with US ownership rules XOJet will be managed as a joint venture and will retain its identity. The intention is to expand XOJet to become a global air charter operator as Vista Global’s value proposition aimed at customers flying less than 50 hours a year. VistaJet will continue to be aimed at the premium charter customer who flies 50 to 600 hours per year, offering both guaranteed availability and younger super-midsize and large-cabin jets.

NBAA welcomes FAA reauthorisation

The US Congress has finally approved legislation to ‘reauthorise’ funding for the Federal Aviation Administration (FAA) for the next five years after protracted negotiations and extensions. The legislation contains significant regulatory changes from FAA oversight of operators to airport investment and rules governing unmanned aircraft systems (drones). After a high profile lobbying campaign by many industry groups, including the National Business Aviation Association (NBAA), the legislation does not include controversial proposals to privatise the US air traffic control system. Welcoming the legislation, NBAA President and CEO Ed Bolen said in a statement: “It is imperative that the agency be allowed to focus on modernisation of our national airspace system without distractions.”

EBAA slates EASA over revised Basic Regulation

The revised European Aviation Safety Agency (EASA) Basic Regulation, which sets out the common rules for civil aviation in the EU, came into force on 11 September after a protracted four-year negotiation between member states and the European Parliament. However, the amended rules have been slated by the European Business Aviation Association (EBAA) for their failure to recognise different operational models within business and private aviation.

One of EBAA’s main concerns relates to the definition of Commercial Air Transport – “an aircraft operation to transport, passengers, cargo, or mail for remuneration or other value consideration”. EBAA said the wording was “minimalistic” and did nothing to explicitly identify the nature of non-commercial operations. EBAA has long campaigned against ‘grey charters’ and noted in a statement: “This is an area which requires dedicated attention to enable private and corporate operators to operate under rules specifically aimed at them, as opposed to flying under Commercial Air Transport Rules.”

Qatar gifts 747-8BBJ to Turkey

Earlier this year it was reported, with lurid headlines and lustrous interior photo spreads, that the world’s largest corporate jet – a Boeing 747-8BBJ owned by the Qatari government – had been put up for sale. Registered in Bermuda as VQ-BSK, the aircraft had spent much of its time based in Bournemouth, UK, where it had been delivered for cabin outfitting in 2012. It was handed over after completion in 2015, and by March this year, had accrued just 436 hours (200 cycles). It has now emerged that the Qatari government has gifted the aircraft to Turkey, where it will serve as head-of-state transport for President Recep Tayyip Erdoğan. It is believed that the gift is in recognition of Turkey’s practical support for Qatar during its ongoing dispute with Saudi Arabia and the UAE. The aircraft, now registered as TC-TRK, has arrived in Turkey and bears the distinctive red and white livery of the Turkish government.

European pilot shortage

Europe is facing a serious shortage of aircrew, which is impacting the corporate aviation sector. London-based aircraft broker Colibri Aircraft has reported it is now experiencing pilot shortages in 70% of the deals it handles, up from just 20% in 2013. The firm believes this problem will get worse as airlines are retiring current pilots and recruiting from the private jet sector, while the growing markets in Asia, the Middle East and elsewhere are attracting more European pilots.

AVIATION SERVICES HUB:

Aviation finance

Despite weak economic growth and uncertainty over Brexit, the new and used corporate aircraft market continues to function and buyers continue to seek finance for these transactions, with growing demand in some sectors, business models and geographical areas. RANA has built up relationships with a number of banks, finance houses, leasing companies and groups of individual investors that have demonstrated an appetite for investment in the corporate aviation sector.

Lenders will of course look at a number of different factors and each has its own criteria for acceptance, in addition to loan-to-value ratios and the length of term of any potential deal. These criteria may include: the maximum age of the aircraft; whether it is new or pre-owned; the book value of the aircraft; the jurisdiction of the aircraft’s registration; or the type and nationality of the client. Any such financing is of course viewed on a strictly case-by-case basis with tailored terms and conditions.

US DOT clarifies charter broker status

The US Department of Transport (DOT) gave advance notice of new rules regulating charter brokers in 2007. It has finally published the rulings, which will come into effect on 14 February next year. The headline rule introduces a new category of 'indirect air carrier' under Part 295 and is designed to clear up potential confusion over the status of charter brokers. While not establishing a registry of brokers (as some had wished), the new rules aim to provide clarity to consumers with regard to the status of the operator providing the charter service. These new regulations echo efforts from regulators around the world to address the issue of so-called 'grey charters'.

Gulfstream acquires Nordam nacelle programme

Following a protracted contract dispute with Pratt & Whitney Canada regarding the PW800 nacelle system used in Gulfstream G500 and G600 aircraft, Tulsa-based component manufacturer Nordam suspended production and filed for Chapter 11 bankruptcy protection. However Nordam filed an agreement in a Delaware bankruptcy court in September that allowed Gulfstream to restart the manufacturing programme and provided for the eventual transfer of the programme's assets to the Savannah-based business-jet manufacturer. A US bankruptcy judge approved the transfer on 26 September allowing Gulfstream to complete the acquisition. The timing for Gulfstream is critical as it begins delivery of the G500 and completes testing of the G600 in advance of certification by year-end.

Russian traffic increasing but challenges remain

The Russian Business Aviation Association (RUBAA) Exposition opened on 12 September at Moscow's Vnukovo Airport Business Aviation Centre. Previously known as JetExpo, the new event is on a smaller scale, with some 60 exhibitors and 20 aircraft on static display. This reflects the contraction in the sector since 2013 as a result of the political challenges and sanctions over the Ukraine crisis and the deterioration of relations and trade between Russia and the West.

On the eve of the show, RUBAA released data for 2017 showing that business aviation traffic had increased by 2.5% YOY, along with a 3.3% growth in passengers. The report is based on data from the country's seven major cities that account for some 80% of business aviation traffic. It is expected that traffic for 2018 will have been boosted by the FIFA World Cup held in July. Overall traffic however has fallen 17% since 2013.

Corporate aircraft news

Canadian manufacturer Bombardier announced on 28 September that its new flagship Global 7500 had received type certification from its home regulator, Transport Canada. The approval was granted during a ceremony at the company's Global Completion Centre in Montreal. Approvals from the FAA and EASA will follow shortly. The model was announced (as the Global 7000) in October 2010. The Global 7500 offers a range of 14,260km and competes directly with the Gulfstream G650ER. The Global 8000, with a range of 14,631km is also on track to enter service next year.

After securing FAA type certification on 20 July, Gulfstream Aerospace delivered the first example of its new G500 to an undisclosed American customer at its manufacturing plant in Savannah, Georgia on 27 September.

Gulfstream's G650 underwent steep-approach trials at London City (LCY/EGLC) on 18 September. One of the company's test aircraft (N650GX, c/n 6001) carried out a number of take-offs and landings to assess the aircraft's performance on the Dockland airport's short runway and steep 5.5-degree approach. The rival Bombardier Global 6000 is currently the largest corporate jet to regularly operate from the airport.

Textron Aviation confirmed in a media statement that it remains "still very much committed" to the Cessna Citation Hemisphere large cabin twin. In April, the firm announced that it was suspending the project over delays with the Safran Silvercrest powerplant. In mid-September, Textron's CEO visited Safran to get an update on progress with the Silvercrest.



AIRCRAFT FACT FILE \ \

British Aerospace Jetstream J31



CATEGORY

Turboprop

MANUFACTURER

British Aerospace, UK

ENGINE

2 x Garrett TPE331-10UG turboprop

LENGTH

14.37 m

WINGSPAN

15.85 m

RANGE

1,260 km

MAX. SPEED

488 kmh

SEATING CAPACITY

19 in airline service

NO. OF CREW

2

MAXIMUM TAKE-OFF WEIGHT (MTOW)

6,950 kg

DESCRIPTION

The Jetstream J31 enjoyed considerable success as a regional airliner but has also found homes with VIP operators in both public and private sectors. The J31 was a development of the Handley Page (later Scottish Aviation) Jetstream that first flew in August 1967. The now nationalised British Aerospace saw potential in the design and the resultant J31 first flew on 24 March 1980, entering service in 1982. In 1988, a re-engined Jetstream Super 31 (or Jetstream 32) made its first flight. This version also offered a higher MTOW and improved performance. A total of 386 Jetstream J31/J32 had been delivered when production ceased in 1993.

Following the discontinuation of production, retired commercial aircraft have found a substantial re-sale market with a programme promoted by British Aerospace Asset Management (BBAM). BBAM have been offering examples of the Jetstream J32EP (Enhanced Performance) offering improved payload range and hot and high performance.