

2012 NEWSMAKERS

AIN Staff Report

For the second year, AIN's Newsmakers feature is a visual buffet as much as a recap of what made headlines in business aviation in 2012. Announcements of genuinely new aircraft were scarce, but significant derivatives were unveiled and some important programs passed the hurdle of type certification. Some of the year's headlines turned out to be a tad optimistic, as the recession continued to keep some segments of bizav bumping along the bottom. But there were high spots for some bizjet builders as two operators signed record multibillion-dollar orders.

In tune with the times, this Newsmakers "infographic" is posted on ainonline.com, a medium that opens up myriad links to the fuller story as told by AIN at the time the news broke.

Hawker Beechcraft Bankruptcy Process Dominates 2012 Headlines

The year 2012 began as it ended in 2011 for Hawker Beechcraft: in a struggle for survival with little more than the occasional airplane sale as cause for encouragement. Speculation abounded about the future of the venerable Wichita-based OEM, fueled in February when the **board of directors selected Steve Miller to serve as CEO**. Miller, it was noted, is author of the book *The Turnaround Kid: What I Learned Rescuing America's Most Troubled Companies*. By March the company was auctioning off assets, and in April it reported deliveries were down 7.9 percent in 2011.

On May 3 the hammer that industry pundits had predicted would fall hit with a bang as **Hawker Beechcraft filed for Chapter 11 bankruptcy protection** with U.S. Bankruptcy Court in New York.

Since then, hardly a week has passed without some news of Hawker Beechcraft's movement toward emerging

as Beechcraft Corporation, a new company that is "strong, resolute [and] focused" on producing 600 aircraft a year, according to executive v-p Shawn Vick. In the short term, however, the layoffs continued. Since the recession began, the workforce at Hawker has dropped to 6,000 from 12,000.

An agreement reached in late July for the **sale of Hawker Beechcraft to Superior Aviation Beijing** fell through less than three months later, derailed primarily by the challenges of conducting negotiations across cultural and language barriers, as well as government approval requirements, according to Hawker Beechcraft.

At the NBAA Convention in October, Hawker Beechcraft announced that the restructuring includes **shutting down its business jet production line**. It was bad news for owners of the company's business jets, in particular the ill-fated Hawker 4000 super-midsize.

An ad hoc committee moved to block Hawker Beechcraft's efforts to sell 20 used 4000s still on its books at "a substantial discount." Worse than the sale, said committee organizer Adam Katz of charter operator Talon Air, was Hawker Beechcraft's announced intent to **scrap certain warranties and factory-sponsored programs for the 4000s**.

In late November the company revealed a \$44.1 million loss and \$95 million negative cash flow. At almost the same time, it filed financial forecasts with the bankruptcy court, predicting \$1.9 billion in sales for the new Beechcraft Corp in 2013. On January 31, Hawker Beechcraft will seek approval of the court to emerge from bankruptcy, a process it expects to be concluded in mid-February.



The future of Beechcraft is turboprops.

Sukhoi Superjet receives EASA type certificate



Italy Approves Big Tax on Business Aircraft (Later Relaxed)

"Soak the rich, wherever they live" probably seemed like a good idea at the time for the Italian government, which adopted plans to slap a hefty tax (up to \$385,000) on business jets of all nationalities that lingered on the cash-strapped nation's soil for more than 48 consecutive hours. But later in the year, recognizing that this Robin Hood approach might sit well with the masses but would only alienate the world's wealthy, the **government moved the threshold to 45 days** rather than 48 hours, effectively eliminating the levy for aircraft not based in Italy.



Mauricio Botelho resigns as Embraer board chairman

Cirrus restructures debt and moves ahead with jet plans

The 400th Citation Mustang rolls off Cessna's assembly line



New Cessna Citation X (formerly 'Ten') makes first flight



FAA issues emergency AD for Bell LongRangers

Bell and Eurocopter both claim victory in patent lawsuit



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GE Aviation's H80 receives FAA certification



Cessna Citation M2 makes first flight



NATA president Jim Coyne announces he will step down at year-end

Epic Aircraft is acquired by Engineering LLC, a Russian MRO

LightSquared makes last-ditch attempt for 4G broadband system

Gulfstream G280 receives provisional FAA type certification

The 400th Learjet 60 enters service



Embraer delivers 300th Phenom jet



Hawker Beechcraft appoints Steve Miller as CEO

Lenders grant 90-day forbearance agreement to Hawker Beechcraft

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Ontario Parliament opens hearings on Ornge air-ambulance service

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APR

Diamond's DA-52 diesel twin makes first flight

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American Airlines furloughs 50 pilots

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Bombardier opens new office in China

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BBJ confirms Max platform for BBJ1, BBJ2 and BBJ3

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SEC Form reveals Hawker Beechcraft's \$632.8 million loss for 2011

Tornadoes Wreak Havoc at Wichita Planemakers

While the tornadoes that churned through Wichita on April 14 caused no fatalities, they did leave a trail of destruction at the facilities of several OEMs operating there. Spirit AeroSystems and Boeing Wichita bore the brunt, with each manufacturer suffering damage to several buildings, along with an accompanying loss of electrical power, forcing both to close as the damage was assessed. In the following days, crews worked around the clock to effect repairs, allowing manufacturers to resume production in approximately a week. As a major Boeing subcontractor, Spirit builds virtually the entire fuselage for the 737 at its Wichita plant, as well as significant components for the 787 Dreamliner. Hawker Beechcraft saw damage to the roof of Plant IV, responsible for final assembly of its business jets and turboprops, but the company reported no interruption to its production schedule.

Bell Helicopter Launches 525 Relentless

At HAI's Heli-Expo in Dallas, Bell riveted showgoers' attention when it unveiled the 525 Relentless super-medium twin, the largest civil helicopter in the company's history. The 18,000-pound-plus rotorcraft, aimed directly at the lucrative oil-and-gas worker transport market, will have a range of more than 400 nm, a speed of approximately 150 knots and an operational ceiling of 20,000 feet. Bell said it had been working on the design sporadically for the last decade. The helicopter will be powered by a pair of 1,800-shp GE CT7-2F1 turboshafts driving an all-composite five-blade main rotor. The cockpit will feature a Garmin G5000H avionics suite. The Relentless is slated to enter service in 2015.



MARIANO FOCAS/SALES

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Cirrus Aircraft secures funding to complete the Vision SF50 jet



Eurocopter unveils EC130T2

MAR

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With NASA's help, Aerion takes another step toward SSBJ

Sierra Nevada sues to reinstate \$355 million LAS contract

Embraer's Melbourne facility receives Phenom 100 production certificate

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APR

Hawker Beechcraft announces layoff of approximately 350 employees

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Embraer inks aircraft financing MOU with China agency

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MAY

Eclipse Aerospace receives production OK from FAA for the Eclipse 550



Eclipse interior

Hawker Beechcraft gets OK to continue operating during reorganization

Superjet SSJ100 Crashes in Indonesia

A demonstration flight of a Sukhoi Superjet SSJ100 ended in disaster on May 9 when the regional jet crashed into a cliff face near Indonesia's Mount Salak, some 60 miles south of Jakarta, killing all 45 people on board. The airplane had departed Jakarta's Halim Perdana Kusuma Airport at 2 p.m. local time. Some 20 minutes into the planned 50-minute flight, the crew asked ATC for permission to descend to 6,000 feet from 10,000 feet. Soon afterward controllers lost radio contact. The aircraft's arrival in Indonesia marked the fourth stop in a six-country Asian demonstration tour. A crewmember and passenger list released by Sukhoi included SSJ100 chief pilot Alexander Yablontsev and copilot Alexander Kocketkov, along with several airline executives, manufacturer representatives and reporters. Some two months after the crash, during July's Farnborough International Airshow, the president of Sukhoi parent company United Aircraft, Mikhail Pogosyan, proclaimed that investigators had found no mechanical defects with the airplane. In late November, Indonesia's civil aviation authority certified the SSJ100, ahead of a still-pending final report.

GippsAero GA10 turboprop single makes first flight



Hawker Beechcraft files for Chapter 11 bankruptcy protection

Upgraded Hawker 400XPR makes first flight



AgustaWestland AW169 makes first flight

Cessna Launches Citation Longitude

Cessna's launch of the Citation Longitude at the EBACE show in Geneva was anticipated, given that the company had launched the Latitude six months earlier. The surprise was that the \$25.9 million (2012) Longitude will be powered by the 11,000-pound thrust Snecma Silvercrest, the first application for that engine and a big win for Snecma. The Model 800 Longitude is a stretched version of the Latitude, with the same fuselage cross section but nine feet longer. The new jet will be Cessna's largest, offering 4,000-nm range at Mach 0.82 and room for eight passengers, a full-fuel payload of 1,950 pounds and an mtow of 55,000 pounds. High-speed cruise is Mach 0.84 and maximum Mach operating number is 0.86. Cabin altitude at 45,000 feet is 6,000 feet. First flight is planned for 2016, followed by entry into service in 2017.

FINAL FLIGHTS
Avionics pioneer Edward King


JUN



Kenn Ricci

Directional Aviation buys Sentient Jet, Everest Fuel



Gulfstream G650 and G280 make European debut

Bombardier Unveils Learjet 70 and 75

Bombardier introduced new jets at the EBACE show in Geneva, the Learjet 70 and 75, which replace the 40XR and 45XR. Both the 70 and 75 are on track for entry into service early this year. The major changes on the two new jets are more powerful Honeywell TFE731-40BR engines, a new canted winglet design and a completely new flight deck, branded as Bombardier Vision and based on Garmin's G5000 avionics suite, which features synthetic vision and dual touchscreen controllers. The Learjet 70 (\$11.1 million) seats six passengers, while the 75 (\$13.5 million) seats eight. Both also feature a new cabin management system using Ethernet technology by Lufthansa Technik with pop-up monitors at each seat, iPad control and LED lighting. Thanks to the new engines and winglets, the Learjet 70 and 75 will offer up to a 9-percent improvement in field performance and a 4-percent improvement in fuel efficiency.



Learjet 75

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JUN

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Embraer solidifies plan to build Legacy jets in China



Legacy 650

VisionAire Vantage resurrected

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Brazil seizes nine business jets over alleged tax evasion

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Hawker Beechcraft announces loss of \$90 million in May

Eurocopter clears Bond Offshore in EC225 ditching

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JUL

Pilot's Bill of Rights Flies through Senate

For pilots, PBR no longer conjures visions of a tall cool one. The **Pilot's Bill of Rights (PBR)** was the brainchild of Sen. Jim Inhofe (D-Okla.) after the 10,000-hour general aviation pilot ran afoul of the long arm of FAA enforcers. Signed into law last summer, the **PBR requires NTSB review of FAA enforcement actions** to conform, to the extent practicable, with the Federal Rules of Evidence and Federal Rules of Civil Procedure. Inhofe, who was nicked for landing on a closed runway, said his bill remedies many of the most serious deficiencies in the relationship between GA and the FAA, and ensures that pilots are, like everyone else, treated in a fair and equitable manner by the justice system. The law requires that in an FAA enforcement action, the FAA must grant the pilot all relevant evidence 30 days before a decision to proceed.

Hawker Beechcraft files revised restructuring plan



Mick Maurer takes over as Sikorsky Aircraft president from Jeffrey Pino

Superior Aviation agrees to acquire Hawker Beechcraft for \$1.79B

200th Falcon 7X rolls off production line



Socata announces it will not build the Grob SPn jet



Cessna unveils Caravan EX and turbo diesel-powered 182 at Oshkosh



Pilot's Bill of Rights gains Congressional approval

Dassault begins cutting metal for its Falcon super-midsize business jet

London copes with Olympics rush, but traffic less than expected

Bombardier announces temporary halt to Learjet 60 production

Embraer cuts first metal for Legacy 450



Bell XworX test helicopter crashes in Texas

Air France 447 Report Released

According to France's BEA, the accident sequence began with "Temporary inconsistency between the measured airspeeds, likely following the obstruction of the pitot probes by ice crystals that led in particular to autopilot disconnection and a reconfiguration to alternate law," and "inappropriate control inputs that destabilized the flight path." Before the accident sequence of events began 2 hr 10 min 05 sec into the flight, the captain had left the cockpit, leaving two copilots at the controls. After the ice crystals obstructed the pitot probes, "The airplane's flight path was not controlled by the two copilots," the BEA noted. "They were rejoined [90 seconds] later by the captain, while the airplane was in a stall situation that lasted until the impact with the [Atlantic Ocean] at 2 hr 14 min 28 sec." The BEA's conclusion on the cause: "The crew's failure to diagnose the stall situation and, consequently, the lack of any actions that would have made recovery possible."



Rolls-Royce unveils Trent 1000 Ten for Boeing 787

Continues on page 26

Comair To Cease Operations

Delta Air Lines subsidiary Comair flew its last passenger on September 29, marking the end of a 35-year run as one of the most recognizable names in the U.S. regional airline business. Saddled with an aging fleet and the costs associated with employing a relatively experienced roster of crewmembers, the **company saw its fortunes sag** with those of the industry in general, as high fuel prices render 50-seat jets unprofitable while major airlines gravitate to the cheapest feed capacity available.

The resulting "race to the bottom" that fellow regional Pinnacle Airlines described in an SEC filing has forced that Memphis-based carrier to join American Eagle in declaring Chapter 11 bankruptcy on April 1. In a letter to all employees, Pinnacle CEO John Spanjers cited "significant cost and pilot seniority advantages" enjoyed by other Delta Connection carriers as the main reason the Memphis-based regional couldn't compete effectively for more of Delta's business.

On September 5 Pinnacle's Colgan Air turboprop division conducted its last revenue flight, adding another name to the list of defunct regional airlines.

GE Aviation launches H75 and H85 turboprops

IRS Issues Final Rule Disallowing Deductions for Non-business Aircraft Use

As part of an ongoing campaign to extract more tax money from business aircraft owners and users, the U.S. government attempted to force NetJets to pay federal excise taxes (FET) on fees paid by shareowners for NetJets to manage and maintain their aircraft, comprising \$643 million in taxes and penalties. **NetJets sued**, accusing the IRS of improperly attempting to collect the \$643 million; the **government counter-sued**, and that case was in private mediation as this issue went to press. However, last year's FAA reauthorization funding bill provided relief, requiring fractional operators to pay an extra 14.1 cents per gallon surtax on top of existing general aviation fuel taxes. These operations don't pay FET because the bill specifically identifies fractional flights as non-commercial. That doesn't apply to management companies, which are still battling an **IRS memo** that tries to apply the FET to management fees. Meanwhile, on July 31 the **IRS issued a final rule** disallowing tax deductions for "entertainment" (non-business) use of business aircraft. The rules apply whether the company owns, leases or charters the aircraft.

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AUG

15-17

LABACE draws nearly 17,000 attendees to São Paulo gathering

Cessna announces range increase for the Citation Latitude

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FINAL FLIGHTS
Edward Sowa, a founder and general manager of SimuFlite Dallas

FINAL FLIGHTS



Neil Armstrong, the first man to walk on the moon

First human to set foot on the moon (on July 20, 1969) and promoter of business aviation, Neil Armstrong died at the age of 82. Armstrong was an accomplished pilot for two decades before he commanded Apollo 11. He flew nearly 80 combat missions in Korea for the U.S. Navy in Grumman Panthers. He test flew the F-100 Super Sabre; Bell X-1B and X-5; Rogallo wings that led to the sport of hang gliding; NASA's X-15, which he took to Mach 5.74 (just shy of 4,000 mph) and 207,500 feet; and he commanded Gemini 8, in which he was the first person to dock two spacecraft while in orbit.

SEP

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Gulfstream G280 obtains full FAA and Israeli type certification

Tom Hendricks begins term as president and CEO at NATA



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Kurt Edwards named director general at the IBAC



OCT

Piper delivers 500th Meridian turboprop single



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Owner of Congo-seized GV awarded \$32.4 million in damages

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Bombardier ponders smaller Learjet 85 derivative

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The Carlyle Group To Acquire Landmark Aviation

The Carlyle Group re-acquired Landmark Aviation from owners Houston-based Platform Partners and Chicago-based GTCR Golden Rauner for a reported \$625 million. The private equity firm had previously owned the chain formerly known as Garrett/Piedmont-Hawthorne/Associated, which it rebranded as Landmark before selling it to Dubai Aerospace Enterprise in 2007. One of the industry's largest FBO chains with 51 locations in the U.S., Canada and France, Landmark also operates an extensive network of MRO facilities and an aircraft charter/management fleet.

American Eagle pilots approve contract



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Wichita Learjet workers go on strike

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The NTSB releases the final report on the April 2011 crash of the G650 flight-test aircraft

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NetJets Europe announces plan to reduce pilot staff by one-third

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Sikorsky S-76D gets FAA certification after many delays



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Superior Aviation/Hawker Beechcraft deal falls through

Kestrel secures \$30 million federal tax credit

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Gulfstream G650 Receives Full FAA Type Certification

Within a span of just three days, Gulfstream Aerospace won certifications for both its super-midsize Gulfstream G280 and high-speed, ultra-long-range G650. The G280 crossed the certification finish line first on September 4, obtaining full FAA and Israeli approvals. It previously received provisional type certification from Israel's CAAI on Dec. 29, 2011, and from the FAA on March 1. The G280, which has a range of 3,600 nm at Mach 0.80, features Rockwell Collins Pro Line Fusion avionics and Honeywell HTF7250 engines. Meanwhile, on September 7, Gulfstream achieved full FAA certification for its wide-cabin G650, some 10 months after receiving provisional FAA approval. Notably, the G650 is Gulfstream's first fly-by-wire business jet. Its performance specs include a 7,000-nm range at Mach 0.85 and 6,000 nm at Mach 0.90, as well as a top speed of Mach 0.925. The G650 sports Honeywell Primus Epic-based Planeview II avionics and Rolls-Royce BR725 turbofan engines.



G650



FINAL FLIGHTS
FlightSafety International founder Al Ueltschi

Business aviation lost a legend when Albert Lee Ueltschi passed away at the age of 95. A pilot with Pan American Airways and later personal pilot to the airline's founder and president, Juan Trippe, for nearly a quarter century, Ueltschi saw the need for corporate pilots to train to the same standards as those flying for the airlines. Today, FlightSafety International, the aviation training company he founded in 1951, employs more than 4,000 people at 40 facilities worldwide. Ueltschi was also known for his charitable work with organizations such as Orbis International and HelpMeSee. Just weeks before his death, Ueltschi pledged to donate half his personal wealth to philanthropic causes.

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Avantair Grounds Fleet

Clearwater, Fla.-based fractional provider Avantair "voluntarily" grounded its entire fleet of nearly 60 Piaggio Avanti, a move precipitated by a July incident in which an Avantair-operated Avanti shed an elevator in flight. As the subsequent NTSB investigation closed in on the elevator hardware—also the subject of a previous Airworthiness Directive—Avantair "decided in the caution of safety to voluntarily ground the fleet" and recheck the elevator hardware on each aircraft, as well as all maintenance documentation. The company began standing up the fleet a few days later, but the NTSB lead investigator then raised a red flag about the locking ability of reused lock nuts, at which point Avantair regrounded the entire fleet, replaced all of the locking nuts on the fleet's elevators and investigated if any other similar hardware was reused during previous maintenance events. Three weeks later, on November 9, the fractional firm finally **restarted operations**.



Boeing Business Jets re-confirms plans to build the BBJ Max

Cessna launches upgraded Citation Sovereign

Dassault introduces Falcon 2000LXS



Honda announces the start of HondaJet production line

Hawker Beechcraft delivers 7,000th King Air

Tamarack unveils active winglet for Citation CJ1



NOV

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Learjet and its striking union production line workers enter mediation

Hawker Beechcraft announces intention to close service facilities

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Avantair resumes flying after three-week grounding

Unionized Learjet employees return to work after a five-week strike

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Piaggio makes its first Chinese delivery of the Avanti II

Caiga selects GE H85 to power turboprop



Judge denies expedited sale of Hawker 4000s

First Learjet 85 gets its wings



GE Aviation's H75 and H85 turboprop engines receive EASA certification

Avcorp wins \$24.7 million from Cessna over contracted production work

VistaJet Announces \$7.8 Billion Deal for Bombardier Globals

Swiss operator VistaJet announced a deal worth up to \$7.8 billion for 56 Bombardier Globals, with options for as many as another 86. The new aircraft will be deployed in growth markets, including Russia, China, the Middle East and Africa. Block charter operator VistaJet will also be looking to start tapping the U.S. market by offering intercontinental flights for clients on the East and West coasts. VistaJet founder and chairman Thomas Flohr told **AIN** that all new aircraft purchases are being funded from cash flow and that the company has been achieving year-on-year flight revenue growth of around 25 percent every year since it was launched seven years ago. He indicated that he remains the sole shareholder, with some debt held by banks.

Cessna announces deal to build XLS+ twinjets in China

Gulfstream delivers first G280



House of Representatives passes bill to prohibit participation in ETS

Gulfstream established flight department in Hong Kong

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Avic Unveils 'New Generation' Chinese Business Jet

At Airshow China 2012 in Zhuhai, Avic revealed plans to develop and build "China New Generation Business Jet" (CNGBJ), a "high-end large business jet with long range, a large cabin and high cruise speed." The aircraft, which currently exists only in scale model form, will have "full-digital fly-by-wire, highly integrated avionics and new-generation propulsion systems." Avic further claims that the CNGBJ's performance will exceed that of the Western business jets flying today. Estimated first flight and certification dates are not yet known.



Embraer Legacy 500 makes first flight



DEC

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ERA director general Mike Ambrose passes reins to Simon McNamara



END

Europe Backs Down, Suspends ETS for International Operators

Something convinced the EU to back down from imposing its emissions trading scheme on aircraft operators for every mile of every flight to, from and within its territory. On November 12 the EU announced that it would **suspend enforcement of ETS for international flights**. Collectively, there was much persuasion to suspend the scheme: for example, the U.S. was constructing the legislation to make it illegal for its citizens to abide by the EU ETS's rules; China held in abeyance some orders for Airbus airliners; aircraft operators were skeptical about how the money raised by the scheme would be used to save the planet; and there was deep resentment among business aircraft operators, in particular, toward a system that imposed not only extra cost on operations but also a baffling paperwork task to satisfy a bureaucracy ill prepared to define and process what it required. On November 27, despite the suspension announced 15 days earlier, President Obama signed **S.1956**, a bipartisan measure that orders the Secretary of Transportation to prohibit U.S. aircraft operators from participating in Europe's carbon tax plan. China, India and Russia are also opposing the European plan. If the International Civil Aviation Organization fails to come up with an alternative global program in September, the EU has emphasized it stands poised to reimpose its scheme.