The 2012 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 glimmer of hope as cause for encouragement. Speculation abound ed about the future of the venerable Wichita, Kan.-based OEM, based in February when the board of directors removed Steve Miller from CEO. Miller, it was noted, is author of the book. The Tuttleman 427 (What I Learned Rescuing America’s Most Troubled Companies). By March the company was auctioning off assets, and in April it reported delin ees were down 7.9 percent in 2011.

On May 3, the hammer that industry parl y had predicted would fall with a tangle as Hawker Beechcraft sold for Chapter 11 bankruptcy protection with U.S. Bankruptcy Court in New York. Since then, barely a week has passed without some news of Hawker Beechcraft’s movement toward emerging as Beechcraft’s Corporation, a new company that is a “strong residue (and focus)” on producing 800 aircraft a year, according to executive VP Shawn Veb. In the short term, however, the kryths continued. Since the reorganization began, the workforce at Hawker has dropped from 6,600 to 12,000. An agreement reached in late July for the sale of Hawker Beechcraft to Superior Group was said to be expected within three months 2012, with 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 business jets at its production line. It was later revealed that the company was not a full-time jet consumer, but in fact had been working on the design sporadically for the last decade. The helicopter will be powered by two 1,800-shp GE CT7-2F1 turboshafts driving a four-blade main rotor, armed directly at the turbine oil and gas worker transport market. It has 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 CT7-17F1 turboshafts driving an all-composite five-blade main rotor. The cockpit will feature a Garmin G5000 avionics suite. The helicopter is slated to enter service in 2015.

Emera DJA makes first flight

Hawker Beechcraft appoints Steve Miller as CEO

Cessna Citation M2 makes first flight

GE Aviation’s H160 receives FAA certification

In tune with the times, this Newsmakers “infographic” makes first flight

The 400th Learjet 60 enters service

Legs LightSpeed makes last-ditch attempt for 4G broadband system

Epic Aircraft is acquired by Engineering LLC of a Russian MRO

Guillemot G280 receives provisional FAA type certification

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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 mtof 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.

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 cantilever 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, seatback 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.

With NASA’s help, Aeron takes another step toward SSBJ

At a time when it seemed that gigantic orders by fractional-share operators were ancient history, NetJets announced the largest-ever order of general aviation aircraft. NetJets placed an order for up to 425 Bombardier and Cessna jets worth up to $9.6 billion. The order includes 75 Bombardier Challenger 300s and 350s (plus options on another 125), 25 Challenger 605s (plus options on 50 more) and 25 Cessna Citation Latitudes (plus options on another 125). In October 2010, NetJets ordered 50 Embraer Phenom 300s and took an option for 70 more. A little more than a year ago, NetJets ordered 120 Bombardier Globals worth $6.1 billion (a firm order for 30 Global 5000s and 6000s and 20 Global 7000s and 8000s and options for 70 more). The new jets will replace some older NetJets airplanes and don’t necessarily reflect rapidly growing fractional sales, although the company expects sales to climb at a modest pace.

Eclipse Aerospace starts Model 550 production

Eclipse Aerospace restarted production of its iconic very light jet in June, and the new Model 550 will begin rolling off the company’s Albuquerque, N.M., assembly line by mid-year. Eclipse Aerospace has been busy supporting the 261 Eclipse 500s built by the original Eclipse Aviation, which folded in 2008. While the airframe and Pratt & Whitney Canada PA610F engines are substantially the same, the cockpit features the latest Innovative Solutions & Support Avio IFMS avionics suite (also available as an upgrade on the Model 500). New features on Avio IFMS include autothrottles and synthetic vision, and enhanced vision should be an option. The 550 has improved fit and finish to the engine pylons assembly that improve cabin heating at altitude. Eclipse is evaluating reducing the size of the large isotropic paint patches surrounding the dual static ports atop the nose (required for flight into known icing approval) and a lighter windshied heating system.

Hawker Beechcraft files for Chapter 11 bankruptcy protection

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 Kcketkov, 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.

Sierra Nevada sues to reinstate $355 million LAS contract

LightSquared Files for Bankruptcy

LightSquared, the would-be provider of 4G satellite broadband for everyone, had been making headlines before 2012 for its feud with the GPS industry and user community (which includes the Department of Defense), fueled by concerns that its signals in a nearby frequency band granted by the FCC would interfere with the weak signals on which the global positioning system depends. The GPS community therefore shed no tears on hearing that L2 had filed for Chapter 11 bankruptcy protection on May 14. Subsequent events, however, suggest that writing off the upstart as a goner could be premature. By the fall, the stars appeared to be aligning for a revival of L2’s plans in a different part of the frequency spectrum. If nothing else, the LightSquared saga has prompted the GPS industry to consider adopting more robust measures to protect the system’s fragile signals from interference.

Embraer’s Melbourne facility receives Phenom 100 production certificate

Hawker Beechcraft announces layoff of approximately 350 employees

Embraer inks aircraft financing MOU with China agency

Gulfstream G650 and G280 make European debut

Directional Aviation buys Eclipse interior

Gipsaero GA10 turboprop single makes first flight

AgustaWestland AW169 makes first flight

Eclipse interior

Hawker Beechcraft gets OK to continue operating during reorganization
Embraer solidifies plan to build Legacy jets in China

VisionAire Vantage resurrected

Brazil seizes nine business jets over alleged tax evasion

Hawker Beechcraft announces loss of $90 million in May

Eurocopter clears Bond Offshore in EC225 ditching

Bell XworX test helicopter crashes in Texas

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 afool of the long arm of FAA enforcers. Signed into law last summer, the PBR requires NTSB approval to the extent practicable, with the Federal Rules of Evidence and Federal Rules of Civil Procedure. 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.

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

Hawker Beechcraft files revised restructuring plan

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.

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 crownelement, 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 graviate to the cheapest feed capacity available. The resulting “race to the bottom” that fellow regional Colgan Air 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 Spanjer 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.

Socata announces it will not build the Grob SPn jet

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

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

Rolls-Royce unveils Trent 1000 Ten for Boeing 787

IRS mandates non-business aircraft use

Pilot’s Bill of Rights gains Congressional approval

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London copes with Olympics rush, but traffic less than expected

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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.

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.

Kestrel secures $30 million federal tax credit

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Piper delivers 500th Meridian turboprop single

American Eagle pilots approve contract

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Avantair Grounds Fleet
Clearwater, Fla.-based fractional provider Avantair “voluntarily” grounded its entire fleet of nearly 60 Piaggio Avantis, 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

Avantair resumes flying after three-week grounding
Unionized Learjet employees return to work after a five-week strike

Judge denies expedited sale of Hawker 4000s
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

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.

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. 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. 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.