

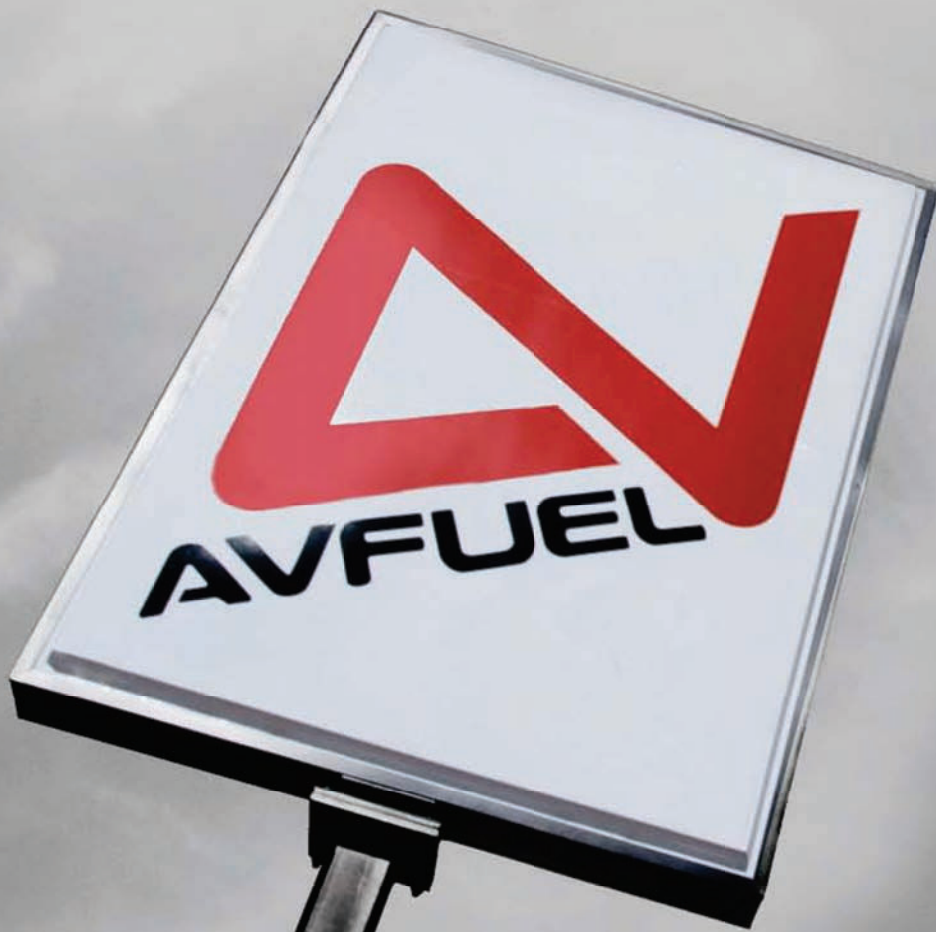
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*A North Star Shining*



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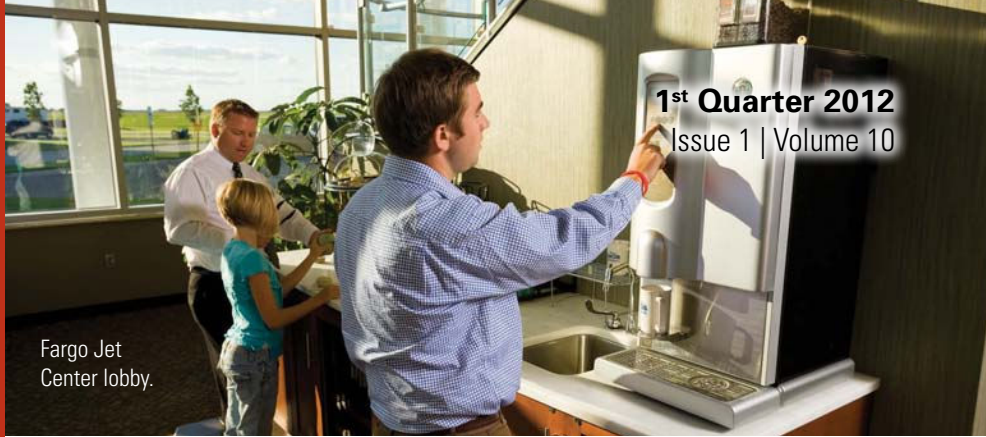


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Fargo Jet Center lobby.

## Rebranding Your FBO

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By Paul Seidenman & David J. Spanovich

What's in a name? If recent rebranding activity is any indication, that's a question that more FBO operators are asking today. Cases of FBOs that have successfully rebranded illustrate a time-consuming, yet well-thought-out methodical process of how to do it right.

## Fargo Jet Center: A North Star Shining

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By Paul Seidenman & David J. Spanovich

When brothers Jim and Pat Sweeney relocated the headquarters of Weather Modification, Inc., from western North Dakota to Fargo's Hector International Airport (FAR) in 1993, they also saw a unique business opportunity waiting to happen. With the perception that there had been a near-zero investment in modern general aviation facilities at the airport, they saw an opportunity to develop a modern FBO that would be open to the public and support the aircraft operated by Weather Modification.

## Finally — A Safety Rating for FBOs

45

By Lindsey McFarren

NATA Safety 1<sup>st</sup> recently established the Ground Audit Standard to promote industry best practices and Safety Management Systems (SMS) development among ground handling providers in response to member requests for a safety standard and rating for FBOs. This audit standard is the first published audit for FBOs and other ground handling service providers.

## President's Message

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## 2012 EVENTS SCHEDULE

### FEBRUARY

**28-29** Air Charter Safety Foundation, Safety Symposium, National Transportation Safety Board Training Center, Dulles, VA  
*www.acsf.aero/symposium*

**29-March 1** Air Charter Safety Foundation, Auditor Training

### MARCH

**5-8** Spring Training Week at the Cygnus Aviation Expo (CAE) – Las Vegas Convention Center, Las Vegas, NV (Cygnus Aviation Expo March 7-9)

**5-6** LSST Seminar

**6-7** FBO Finance Fundamentals Seminar

**7** Safety 1<sup>st</sup> Trainer Seminar

**8** Environmental Compliance Seminar

**27-30** A Capital Week for Business Aviation, Washington, DC

**27-28** FBO Managers Workshop: Influencing Your Airport Commission, Washington, DC

**28-29** FBO Leadership Conference, Hyatt on Capitol Hill, Washington, DC

**28** NATA Industry Excellence Awards Dinner

**29** Day on the Hill Luncheon and Congressional Visits

**29** President's Council Dinner

**30** Spring Committee Meetings

**28-29** FBO Leadership Conference, Hyatt on Capitol Hill, Washington, DC

### MAY

**15-16** LSST Seminar, New England Air Museum, Windsor Locks, CT

**17** Safety 1st Seminar, New England Air Museum, Windsor Locks, CT

### JUNE

**11-13** Air Charter Summit, Marriott Westfields, Dulles, VA

**11** President's Council Dinner, Dulles, VA

### AUGUST

**7-8** Commercial Operators Tax Seminar, Scottsdale Plaza Resort, AZ

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## Government Efficiency – The Impossible Dream

By James K. Coyne

**S**hortly after the sudden departure of the FAA administrator in early December, I had the chance to chat informally with the new acting administrator, Michael Heurta, about some of our major concerns with the agency. He was as shocked as we were about the sudden change in leadership, but sounded hopeful about the FAA's future. I'm not so optimistic.

After a dismal year of interminable reauthorization extensions, surprise White House proposals for new per-flight user fees, a temporary shutdown of non-essential FAA activities in mid-summer, the unconstitutional (in my mind) attempt to abolish the BARR privacy protections on private aircraft use, new rumors of draconian cutbacks in the Contract Tower Program, and reactionary new commercial pilot training requirements — not to mention virtual gridlock within the agency's regulatory process — our industry has few fond memories of 2011. The loss of an experienced FAA administrator at this time, especially one with as much knowledge of all segments of aviation as Randy Babbitt had, can only make matters worse.

Mr. Huerta, however, surprised me with one of his comments. The

agency's agenda for 2012, he said, was to continue ongoing efforts to "improve the safety and efficiency of American aviation." What a pleasant surprise, I thought: Here's a bureaucrat who actually considers efficiency a good thing!

Decades ago, of course, the FAA's mission statement established a goal to improve safety and promote aviation. In those days, that meant a lot more than just bragging about how wonderful American aviation was, and aviation bureaucrats weren't afraid to work with industry to build a strong air transportation system. Safety was important — but so were objectives like lowering costs, saving time, increasing accessibility, and meeting customer expectations. In fact, improving efficiency was on everyone's mind.

Nearly 20 years ago, the FAA was told by Congress that it couldn't foster safety and promote aviation at the same time. As a result, everything the FAA does, from rulemaking to research, from operations to oversight, exists in a one-dimensional bureaucracy where skilled bureaucrats learn to play the "safety card" to advance their personal agenda, even if American aviation suffers. Simple airport projects that once were quickly approved now take years to complete. Research projects get lost in a



labyrinth of conflicting safety implications and rulemaking is held hostage to endless safety evaluations and re-evaluations. And when lone controllers doze off, the only conceivable solution is to hire more controllers. Efficiency be damned!

Worst of all, the FAA's regulatory work force lives in a dream world where they can ignore the realities of modern global competition, using "better safe than sorry" to explain why nothing needs to be done on budget, on time, or with even a modicum of efficiency. Even the simplest paperwork approval that might take ten minutes to approve can now take months, if not years, to complete. Some charter operators, for example, consider themselves lucky if an inspector can complete the process of adding a new aircraft to their certificate in less than 90 days. Aviation maintenance companies also complain that it now takes twice as long as before for simple cabin equipment modifications to get approved.

I wonder how acting Administrator Heurta (or whoever ends up leading the FAA in the years ahead) intends to transform an agency where regulated parties are afraid to raise the question of regulatory efficiency with their inspectors. Is he even willing to

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## President's Message

Continued from page 7

begin measuring the efficiency of the FAA? That, after all, is the first step to become efficient!

Part of the problem may be a severe case of regulatory expansion within the Obama administration. Even their own Regulatory Information Service Center reports that major government-wide rulemaking is now at nearly twice 2007 levels. With all this effort in writing new rules, who has time to make the regulatory process more efficient?

Could it be time to start over? Does anyone really think that aviation regulations are fairly and efficiently administered? Do those responsible for enforcing the regulations have any incentive to improve efficiency? Is the current system economically sustainable?

But we can't answer any of these questions because government refuses to measure efficiency of almost any kind – and regulatory efficiency least of all. If the FAA is suddenly serious about efficiency, now's the time to develop some meaningful efficiency metrics, but I'm skeptical that the current administration would support even a modest step in this direction. Imagine the howls from the FAA's union leaders who, like their counterparts elsewhere in government, decry attempts to weed out their most inefficient members. That might be OK in the private sector, they say, but the government's regulatory responsibility is too complex and too important to be measured.

A different administration at a different time might have the political


courage to tackle these questions head on. Someday, in fact, we may learn what regulations really cost and how efficient the bureaucracy's finest really are. Until then, we watch and worry as the regulatory process exacts its ever-growing toll from aviation businesses and their customers.

For now, at least, an acting FAA administrator is willing to use the word "efficiency." Someday, perhaps, the whole agency will take the word to heart. Imagine a day in the distant future where a bureaucrat might actually be forced out – actually lose his job – because he or she wasn't efficient.

In the meantime, of course, the only career-ending deficiency is getting a DUI violation. **A**

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## Change Is Something We Can Believe In

By Eric R. Byer



**A**s 2012 kicks off, I wonder exactly what, if anything, will be done in this town. In 2011, so little legislative and regulatory business was accomplished by Congress, the White House and the various federal agencies that it is becoming increasingly apparent that this town is a rudderless ship. Washington, DC has become so consumed with fear of making a decision that it simply punts every time it is faced with making one to ensure that the same politicians get re-elected. So, the same politicians do exactly the same thing year in and year out. Sound like a recipe for disaster? Well, it is. And the main reason the Washington, DC ship is rudderless is because there is no leadership.

We have a president who campaigned on change, yet the status quo has become increasingly entrenched. Mr. Obama's big accomplishment (outside of Osama Bin Laden being removed from existence) is the passage of health care reform legislation, which is now becoming such a nightmare for businesses, individuals and even his own administration that people are

openly wondering if this new law is doing more harm than good.

We have congressional leaders within the same party publicly and privately criticizing each other on issues because no one is willing to step up,



make a tough decision and not back down should that decision be questioned. Even legislation that would have passed so easily 10 years ago in both houses of Congress can't be approved nowadays. Yes, I am speaking of a long-term FAA reauthorization bill that is now nearing a cool two dozen extensions and counting.

Then we have federal agencies that simply can't seem to get any type of

rulemaking out the door. A repair station security rule (8+ years and counting), the Part 135/125 ARC recommendations (7 years), and the revised Large Aircraft Security Program rule (3+ years) are still wallowing in the bureaucratic abyss. And, at the writing of this op-ed, the FAA bureaucracy is completely leaderless with Randy Babbitt's departure.

Something has got to give because this town is sinking and sinking fast. Someone needs to step up to the plate in 2012 to save us. Will it be President Obama? Or maybe Mitt Romney or Newt Gingrich? Or maybe Nancy Pelosi or John Boehner? Unlikely rescuers in all instances. The only way we are going to get this ship going in the correct direction is if we, the people, recognize that unless we vote people out of office who are not doing their jobs we will end up with the same cast of characters who dig us a deeper hole year after year. Remember this when you hear the political rhetoric as we enter into the election season. Change is something we can believe in. But only if we take the time to vote out those wishing to stick with the status quo. **A**



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# Legal Attack on FBOs in California



**W**ho could have imagined that a Fixed Base Operator (FBO), required by local government to sell Federal Aviation Administration-approved (FAA) aviation fuel at FAA-funded airports for use in FAA-certificated aircraft that fly in FAA-controlled airspace, could be violating state law?

This is the case in the state of California. A San Francisco-based environmental group has filed suit against a handful of FBOs, under a California state law known as Proposition 65, for selling aviation gasoline at airports.

Proposition 65 is a law that was passed through the California ballot initiative process in 1986. Voters were told by supporters of the law that Prop 65 would simply stop businesses from putting dangerous chemicals into drinking water sources. The reality is, Prop 65 turned environmental regulation on its head by putting private plaintiff's attorneys in charge of enforcement and by giving them significant financial incentive to instigate enforcement actions as often as possible all while putting businesses (the defendants) at an extreme disadvantage in any enforcement proceeding. The specific text of Prop 65 requires the California governor to create and maintain a list of chemicals that are "known to the state of California to cause cancer and/or birth defects." Businesses are required not to discharge any of those chemicals into drinking water supplies and to provide prior warnings to any individuals that the business causes exposure to any of those chemicals. Prop 65 gives any private group the power to sue a business it believes is violating the law.

In May of 2011, the Center for Environmental Health (CEH) began the process of suing FBOs under Prop 65 (the actual suit was filed in late October). CEH asked a California judge to force FBOs to either stop selling avgas or publicly warn everyone living near the airport that the FBO is exposing them to lead. CEH claims the FBOs are responsible for the lead that is emitted by aircraft burning avgas when they fly. CEH *has not* sued the airports that require FBOs to sell Avgas (through Airport Minimum Standards), the owners who fly the aircraft that burn avgas, the companies that make aircraft that can only fly on avgas, the companies that make avgas, or the FAA which certifies aircraft and aircraft engines to use

avgas and regulates where they can fly. In fact CEH has only sued FBOs in California, which creates a very clear picture; FBOs are a target of convenience to CEH and their lawyers. Prop 65 allows CEH to keep 25% of any penalties that are assessed on businesses as a result of the suit and to have the defendants reimburse CEH all of its legal fees for prosecution of the lawsuit. CEH is very good at using Prop 65; they have extracted almost \$120 million dollars from California businesses since 2002.

In response to the CEH attack on its members, NATA has helped those companies form a joint defense coalition where these FBOs can pool their resources and fight against the CEH. The group's first action was to file a suit of its own in federal court, asking that the court rule that CEH's use of Prop 65 was preempted by federal laws regarding aviation and aviation safety. Unfortunately the Federal judge ruled that he did not have jurisdiction to hear those arguments and dismissed the coalition's suit against CEH. The coalition continues to firmly believe that the regulation of aviation fuel is a Federal issue that belongs with the FAA and EPA. Currently both agencies are participating on an FAA-chartered rulemaking committee investigating the obstacles to transitioning general aviation to a lead-free fuel. Additionally the EPA has a current rulemaking underway regarding lead emissions from aircraft.

The coalition is now developing its legal strategy for responding to CEH's lawsuit. The bottom line remains; the future of avgas in California, and perhaps across the nation, now rests with the ability of a few FBOs to withstand an attack from seasoned litigators. If these FBOs are forced out of business or required to pepper the areas around the airport with notices stating that general aviation aircraft flying over your home may give you or your children cancer, our entire industry will lose. NATA believes that this issue, while only based in one state, could have ramifications that affect every airport, FBO and piston-engine aircraft operator in the country; as such, the Association will continue to offer its support to these California businesses as this issue progresses. **A**

For more information on this issue or to see how you or your business could help, please contact NATA Director of Regulatory Affairs, Michael France at [mfrance@nata.aero](mailto:mfrance@nata.aero).

# Do Pilots Love You?



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# 2012 NATA FBO LEADERSHIP CONFERENCE

and

# NATA'S CAPITAL WEEK FOR AVIATION BUSINESS

*by Colin Bane*

**“This coming year is shaping up to be one of the most pivotal years ever for our members,”** said National Air Transportation Association President and CEO James K. Coyne, as final preparations for the 2012 FBO Leadership Conference and NATA’s Capital Week for Aviation Business (March 27-30) come together.

“We’re going to have an election, both in the White House and at the Congressional level, which is very much going to determine the ability of our members to meet the needs of their customers, and I’m very worried about the political horizon,” said Coyne. “We also have a fiscal crisis across the country at the federal, state, and local levels which really puts many general aviation airports at risk. I think if any of our members

have ever thought about coming to Washington, DC to participate in our FBO Leadership Conference and our Day on the Hill event, this is the year to do it.”

This year the format of the annual FBO Leadership Conference has been expanded to include the FBO Managers Workshop (new this year), the NATA Industry Excellence Awards, the NATA annual meeting, elections, and committee meetings, and the annual Day On the Hill Event.

“It’s a one-stop shop for all of our members,” said Eric Byer, NATA’s Vice President, Government and Industry Affairs. “This year it’s all there so folks can come in for two or three nights and not have to travel to multiple events on multiple occasions. I think it’s going to be a great opportunity to network

and tackle some of the big, dicey issues together.”

NATA’s Capital Week for Aviation Business begins with the FBO Managers Workshop on Tuesday, March 27.

Coyne says the new workshop has been something of a pet project for him as he looks to NATA’s future: “I used to be a professor at the Wharton Business School, and I take very seriously the education needs of business managers. The rising new managers in our industry represent a whole generation of young men and women who are going to be running this entire industry in just a few years, and there’s an awful lot for them to learn in terms of understanding the intricacies of the supply chain, the pricing issues, the logistical issues, and the marketing issues. I think that the issues that relate

Continued on page 16

## FBO Leadership Conference: Register Today!

Continued from page 15

### Who should attend the FBO Leadership Conference:

- FBO Owners and Operators
- FBO Presidents, CEOs and COOs
- FBO General Managers
- FBO Department Managers and Managers-in-Training
- Senior Staff of Airports offering FBO Services
- Airfield Managers
- Operation Managers
- Directors of Marketing
- Sales Managers
- Fuel Sales Managers
- Regulatory Managers

### The 2012 FBO Leadership Conference will address these issues and more:

- Find out how to communicate with your airport commission effectively.
- Discover what you can do to foster positive community relationships.
- Hear the latest on general aviation security, including developments in the repair station security rule.
- Learn how to adapt Disney best practices for strategic growth in your own business.
- Find out what the implications of the federal regulations on avgas will mean for your business' future.
- Create new business connections by attending FBO Leadership Conference social events and other NATA Capital Week for Aviation Business proceedings.

to becoming a more efficient manager are more important now, while we're in a downturn in our industry. Developing our strategy for growth or increased profit is harder now than it's ever been; and many of our members are very interested in advancing their own professional training and advancing the professional training of the people they're grooming to succeed them. The new workshop is a recognition that now is a great time for everybody to come together and, if you will, go back to school."

The FBO Managers Workshop, which starts one day before the FBO Leadership Conference and runs March 27-28, should appeal to a slightly different crowd than the FBO Leadership Conference itself. Said Byer, "The new FBO Managers Workshop will deal with true, dedicated issues for the general manager running an FBO."

The first session on Tuesday, *Airport Manager Perspective on Airport/FBO Relations*, features panelists Robert Olislagers (Executive Director, Centennial Airport), Eric J. Frankl (Executive Director, Blue Grass Airport), and Clara Bennett (Airport Manager, Fort Lauderdale Executive Airport) to offer insight on how to work effectively with airport boards. The next session features panelists Lenny Kirsch (Partner, McBreen & Kopko), Christian Sasfai (Vice President and CEO, TAC Air), Mike French (Director of Airport Relations, Signature Flight Support), and Ted Hamilton (Executive Vice President, Operations, Landmark Aviation) for a workshop on *Nationwide Trends Affecting FBOs and Airport Relationships*.

The FBO Managers Workshop continues on Wednesday March 28, from 7:30 a.m. until 11:30 a.m., just before the FBO Leadership Conference luncheon, and features two morning sessions: *Communicating the Value of Aviation Businesses and Communities They Support*, and the CEO panel of the General Aviation Infrastructure and Investment Coalition (GAIIC), with panelists Greg Arnold (President and CEO, TAC Air), Clive Lowe (Vice President of Business Development, Atlantic Aviation), Michael Scheeringa (President, Signature Flight Support), and Jim Hopkins (Vice President, Sales and Charter, Landmark Aviation) discussing capital investment strategies and the development of Best Practices standards between airports and FBOs to facilitate long-term investment.

The FBO Leadership Conference itself begins at 11 a.m. on Wednesday, March 28 with a welcome luncheon at the Hyatt Regency on Capitol Hill in Washington, D.C. and opening remarks by Congressman John J. "Jimmy" Duncan, Jr. (R-TN), a member of the House Subcommittee on Aviation, who will set the tone for the rest of the week's events.

The annual FBO Leadership Conference is geared towards FBO owners and operators, presidents, CEOs and COOs, general managers, department managers and managers-in-training, senior staff of airports offering FBO services, airfield managers, operation managers, marketing directors, sales managers, fuel sales managers, and regulatory managers. The new conference format features a full day of panel sessions on Wednesday before the NATA Industry Excellence Awards presentation and

Continued on page 17



# FBO Leadership Conference: Register Today!

Continued from page 16

## Tuesday, March 27

### **FBO Managers Workshop**

12:00 noon - 5:00 p.m.

**Airport Manager Perspective on Airport/FBO Relations Workshop**

**Nationwide Trends Affecting FBOs And Airport Relationships Workshop**

## Wednesday, March 28

### **FBO Managers Workshop**

7:30 a.m. - 11:30 a.m.

**Communicating the Value of Aviation Businesses and the Communities They Support**

**GA Infrastructure and Investment Coalition Strategy (GAIIC) CEO Panel**

### **FBO Leadership Conference**

11:00 a.m. - 12:45 p.m.

**Welcome Lunch with Keynote Speaker**

12:45 p.m. - 1:15 p.m.

**Table-Top Displays and Refreshment Break**

1:15 p.m. - 2:30 p.m.

**General Aviation Infrastructure & Investment Coalition Leadership Update**

2:30 p.m. - 3:00 p.m.

**Table-Top Displays and Refreshment Break**

3:00 p.m. - 4:00 p.m.

**Future of Avgas**

5:00 p.m. - 7:00 p.m.

**Cocktail Reception and Table-Top Displays**

7:00 p.m.

**NATA Industry Excellence Awards Presentation and Dinner with Special Guest Speaker**

## Thursday, March 29

### **FBO Leadership Conference**

7:00 a.m. - 8:30 a.m.

**Leadership Breakfast and Oil Company Perspective Session**

8:30 a.m. - 9:00 a.m.

**Refreshment Break**

9:00 a.m. - 11:00 a.m.

**Business Solutions for Strategic Growth by Disney Institute**

### **NATA Capital Week**

11:30 a.m. - 12:00 noon

**NATA Annual Meeting and Election of NATA Officers at the Day on the Hill Luncheon**

12:00 noon - 12:45 p.m.

**Day on the Hill Luncheon**

12:45 p.m.

**Day on the Hill Congressional Visits**

## Friday, March 30

### **NATA Capital Week**

8:00 a.m. - 2:00 p.m.

**NATA Committee Meetings**

#### Location for All Events:

**Hyatt Regency on Capitol Hill  
400 New Jersey Avenue, NW  
Washington, DC 20001**

#### Questions?

Contact Diane Gleason, Director of NATA Conferences and Meetings, at [dgleason@nata.aero](mailto:dgleason@nata.aero) or (703) 575-2050.

dinner, a morning panel on Thursday followed by a presentation on strategic growth, the NATA Annual Meeting and election of NATA officers, and the Day on the Hill Luncheon. The rest of the day on Thursday will be set aside for NATA members to visit with their senators and congressmen about some of those “big, dicey issues.” The NATA Air Charter, Aircraft Maintenance, Airports, Business Management, Environmental, and Safety & Security committees will meet on Friday morning, March 30.

“We’ve got plenty to talk about this year, and there are going to be some big themes — in our sessions and as we head to the Hill — with a focus on business and financial concerns

for our FBO members,” said Byer. “Lease agreements between FBOs and airports is one biggie, and we’ll have a session to talk about our General Aviation Infrastructure Investment Coalition group that’s been working with the airport community on trying to develop some best practices on longer term leases that benefit both the FBOs and their investments and the airport community.”

That session, moderated by Signature Flight Support President Michael Scheeringa on Wednesday, will feature panelists Greg Arnold (President and CEO, TAC Air), Jim Hopkins (Vice President of Sales and Charter, Landmark Aviation), Clive Lowe (Vice

President of Business Development, Atlantic Aviation), and Greg Principato (President, Airport Council-North America). The coalition was formed “to address the growing concern that investment in general aviation facilities is being inhibited” and to encourage FBOs and airports to work together on lease agreements that allow FBOs to take better advantage of commercial tax rules and lending practices to incentivize investment and economic growth. The Wednesday panel is aimed at helping FBO leaders better communicate with their airport boards on the issue.

“Another big one this year is the avgas mess, and we’re really going to be

Continued on page 19

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## FBO Leadership Conference

Continued from page 17

looking into the future of avgas,” said Byer. Mike France, NATA Director of Regulatory Affairs, will be moderating the avgas panel, which will also feature Walter Desrosier (Vice President, Engineering & Maintenance, GAMA), Rob Hackman (Vice President, Regulatory Affairs, AOPA), and Mark Rumizen (Aviation Fuel Specialist, FAA). “That session’s going to be an opportunity to take a close look at the Environmental Protection Agency rulemaking and the aviation rulemaking committee that’s been tasked with trying to find a solution to find alternatives to avgas in its current form, and to get an update on industry responses to the ongoing challenges — and the ongoing lawsuit in California — to leaded aviation gas,” explained Byer.

As NATA states in the 2012 FBO Leadership Conference brochure, “With all the rumors and uninformed proclamations flying around about the future of avgas, you don’t want to miss this opportunity to hear from the experts and get the answers you need to be able to plan for the future of your business.”

On Wednesday night, following the panel sessions, NATA will be presenting seven awards in five categories at the annual NATA Industry Excellence Awards ceremony.

Awards categories include the Airport Executive Partnership Award, the Aviation Journalism Award, the Excellence in Pilot Training Award, the FAA Customer Service Excellence Award, and the ATP/NATA General Aviation Service Technician Award. Nominations for these awards must be received by NATA no later than January 31, 2012. To obtain a nomination form, call NATA headquarters at



800-808-6282 or email Celeste Clark, [cclark@nata.aero](mailto:cclark@nata.aero).

The FBO Leadership Conference picks up again on Thursday morning with a Leadership Breakfast and Oil Company Perspective session.

“It’s an issue that is absolutely front-burner for our members,” said Coyne, who will moderate the panel. “These past 12 months we have seen more change in the aviation fuel supply than in any time in the last 40 years. You have giants in the industry, like Exxon, who have just vanished almost overnight, and you have a major new consolidation, where we’ve seen a shifting from a world of seven or eight different brands involved in aviation — Shell, Texaco, Chevron, Conoco, Exxon, and all the rest — to now, where there are less than a handful of them and the wholesalers are much more influential. I actually think this is a very good thing for our industry because, when the market was dominated by the big oil companies we represented only one percent of their total sales, and so we were not really a top priority. Now, for the players still in the game, like ConocoPhillips, World Fuel Services, Avfuel, and Eastern Aviation Fuels/Shell, general aviation and business aviation are much more important; in the cases of most of the wholesalers we are now 80-90 percent of their business, and they really take us seriously,

especially now as there’s a scramble for rebuilding brands and loyalties. I think it’s going to be a time of dramatic, unprecedented change, and I think our members want to meet the players.”

Many of the key players will be on hand for the session, including Bryan Faria (Manager, General Aviation, ConocoPhillips), Marty Hiller (President, World Fuel Services), Joel Hirst (Vice President Sales East, Avfuel Corporation), and Buddy Stallings (President, Eastern Aviation Fuels/Shell).

Also on Thursday morning, *Disney Institute* will present *Business Solutions for Strategic Growth*, a session focusing on the impact of the current economy on the industry, how businesses plan for new strategic growth, and business solutions adapted from benchmark best practices developed by The Walt Disney Company, with an emphasis on service and people management, alignment of organizational identity, strategic risk-taking and decision-making, and supporting and retaining quality employees.

From 11:30 a.m. to 12:45 p.m. on Thursday, NATA will hold its annual meeting and election of NATA Officers at the Day on the Hill luncheon. The rest of Thursday will be devoted to Congressional visits.

“Our members are all over the country, in just about every single Congressional district, and when they come to Washington collectively they are the most effective aviation lobbying group there is,” said Coyne. “With new leadership at the Federal Aviation Administration, real questions about whether the FAA reauthorization bill

Continued on page 21

# A CAPITAL WEEK FOR AVIATION BUSINESS

March 28-30, 2012, at the Hyatt Regency on Capitol Hill, Washington, DC

More than 150 industry leaders will come together one week in Washington for a variety of events, including the FBO Leadership Conference and new FBO Managers Workshop. All events will be held at the Hyatt Regency Washington on Capitol Hill.

## Other NATA Capital Week for Aviation Business Events

### Thursday, March 29

*11:30 a.m. – 12:00 noon*

NATA Annual Meeting and Election of NATA Officers at the Day on the Hill Luncheon

*12:00 noon – 12:45 p.m.*

Day on the Hill Luncheon

*12:45 p.m.*

Day on the Hill Congressional Visits  
NATA's Day on the Hill event is a valuable opportunity for members to visit with their Members of Congress to discuss issues important to the general aviation community, including the value of their business to that congressional district and/or state. NATA has been coordinating this event for nearly 15 years, and it has been incredibly successful, with an average of 100 participants and meetings with more than 150 Members of Congress annually. This event is a "grassroots army" approach to promote key issues affecting the aviation business community.

### Friday, March 30

*8:00 a.m. – 2:00 p.m.*

NATA Committee Meetings:

Air Charter

Aircraft Maintenance

Airports

Business Management

Environmental

Safety and Security

CONTACT DIANE GLEASON FOR SPONSORSHIP  
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## FBO Leadership Conference

Continued from page 19

will even be approved by this Congress, the prospect of new user fees, and the whole issue of airport leases and competition with government entities, among other issues, it's not an exaggeration to say that this is the most important year that I've ever seen for our members to come together and be united. Other aviation associations look at NATA's Day on the Hill as one of the most effective grassroots lobbying efforts that's done in aviation, and it's a perfect opportunity to come together to communicate our industry's needs on Capitol Hill. Our members are specially qualified to bring our message to the Hill because each of them is in the business, 24/7, of supporting general aviation and they depend upon a successful aviation environment here in the United States."

"Day on the Hill is a targeted effort to get our members set up with



meetings with their house members and senators," explained Byer. Those meetings are much more than just a formality and an opportunity to visit the U.S. Capitol: NATA has been coordinating the annual event for nearly 15 years, and Byer says it has been a powerful, grassroots approach to bringing general aviation issues and concerns to the attention of the elected officials who represent NATA members in Congress and can hold sway over the future of the industry.

Byer said: "We give our members issue papers to discuss and suggestions for legislation to ask the members of

Congress to co-sponsor and support, and it's also a great opportunity for our members to raise issues and concerns specific to their state with those elected officials. If you message legislators correctly to help them understand where you're coming from and how these issues affect your business, they can become powerful allies." **A**

To register for the 2012 FBO Leadership Conference and NATA's Capital Week for Aviation Business, visit [www.nata.aero/events](http://www.nata.aero/events). Registration for both the FBO Manager Workshop and FBO Leadership Conference is \$575 for NATA members and \$675 for non-members. For the FBO Manager workshop only, registration is \$295. The FBO Leadership Conference only, registration is \$339 for members and \$449 for non-members.



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# The ABCs of PEOs

## Could This Option Help Control Rising Benefit Costs and HR Compliance Risk?

**A**

s the economic horizon continues to shift, many aviation service companies are so focused on their core business that they overlook one of their most potentially serious and costly concerns – human resource (HR) compliance.

Unlike their larger company counterparts, smaller FBOs and charter companies lack the time and resources necessary to build the HR infrastructure and processes that will allow them to concentrate on their main business objectives.

NATA has been working over the last several years to develop cost-effective options for members to provide enhanced employee benefit programs and human resource support services. Many firms across all industries are taking action to contain their overall costs of HR by outsourcing this function to a Professional Employer Organization (PEO). This business model may present an exciting opportunity for aviation businesses creating significant cost containment, enhanced medical plans, and state-of-the-art web-based technology to create HR and administrative efficiencies that will save time and money and enhance the bottom line.

Neither the evolution of technology nor the laws demanding mountains of paperwork are under management's control. And, not only can management not control the escalating costs of healthcare, but additional complexities relating to employee benefits loom large with the implementation of the Patient Protection and Affordable Care Act (more commonly referred to as Health Care Reform) and other state and federal laws and regulations.

### *Risk Avoidance: Share the Liability, Focus on Your Business*

In this litigious climate there is little room for administrative error. As an example, TriNet, a leading PEO, is working on behalf of one client who is being sued for age discrimination. In short, somebody submitted a resume and never heard back. The client's career page on their website only features pictures of young people, thus the lawsuit. Imagine if this happened to your business. Do you have time to take away from running the business to fight a lawsuit like this? According to the Equal Employment Opportunity Commission (EEOC),

Continued on page 25

## Words of Inspiration.

11/17/11

Dear Corporate Angel Network,

Words cannot express my heartfelt gratitude for the wonderful service that you provided to me as I fought to overcome a rare and serious form of cancer. I was diagnosed with stage three esophageal cancer in June of this year. In the two months that followed, extensive chemotherapy and radiation left me thirty pounds lighter and extremely fragile and weak.

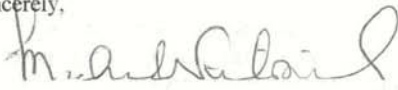
When we realized that I would have to travel from Hendersonville, NC to Memorial Sloan Kettering Cancer Center in New York for my surgery which was scheduled for September 13, we were worried not only about my ability to handle navigating our way through busy airports, but also about the daunting financial burden of travel and hotel costs over an extended period.

It was then that dear friends told us about Corporate Angel Network. Frankly, we were amazed that huge corporations and their busy executives were willing to reach out to ordinary people in their hour of greatest need. You were able to connect us with flights from North Carolina to New York both pre and post surgery and we were able to stay with my wife's brother in his apartment in New York.

I spent 27 days in the hospital and underwent four surgical procedures with the latest techniques and the best surgeons in the country. The result is that, against all odds, I am totally cancer free. I have no doubt that I would have been too ill to travel without your help. I am convinced that Corporate Angel Network made it possible for me to get a level of care not available near my home that was necessary to save my life.

The Corporate Angel Network staff members were patient, helpful, and dedicated to making the necessary travel connections. Everyone made me feel as if they were on my side and rooting for me to get well. When we reached the hangar, the folks associated with both of the corporate flights treated us with a high degree of respect, compassion, and concern for my comfort. They never made us feel as if we were imposing. Thank you from the bottom of my heart, Corporate Angel Network, for easing the difficulty of a very challenging situation. I cannot imagine all the lives you have touched, but rest assured that your generosity made a huge difference in mine.

Sincerely,



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## The A-B-Cs of P-E-Os

Continued from page 23

race and sexual discrimination are the first and second most prevalent forms of workplace discrimination, but few businesses provide training regarding racial and sexual harassment, which opens the door to wrongful termination when employees leave their jobs.

Yet, despite the possibility of being sued, small business owners are not addressing the problem head on. For example, only 23 percent of small businesses provide employment discrimination and/or sexual harassment training (based on a random survey of 300 privately held businesses conducted by the Chubb Group of Insurance Companies).

Studies show that a company's legal costs in a wrongful termination lawsuit can run up to \$85,000 and that winning plaintiffs receive judgments averaging \$500,000. If your company incorrectly handles any of its numerous HR functions, you're at risk of a lawsuit. If filing deadlines are missed, the resulting fines and penalties can erode the bottom line dramatically.

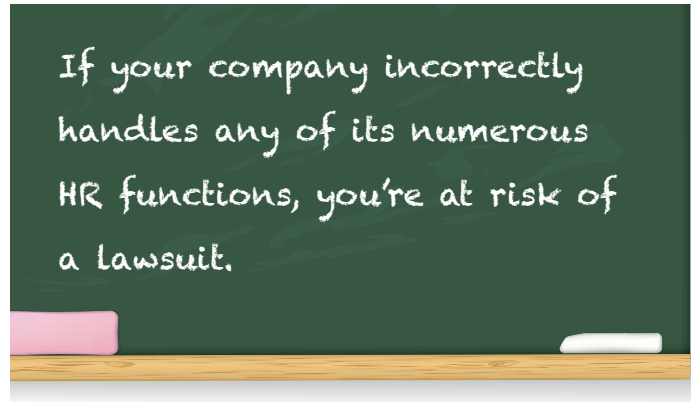
As the complexities of compliance multiply each year, companies are forced to spend more time on avoiding risk and less time on revenue and profit-generating activities. It's increasingly difficult to have the staff and skill sets necessary to keep up with all the requirements now confronting HR. With the right partner, you'll have an experienced service team capable of addressing not only legal and HR compliance issues, but day-to-day responsibilities associated with supporting your employees. The required tests must be conducted, plan provisions must be properly applied, required notices and documents must be provided to employees, and all required government filings must be completed. Plus there's the alphabet soup of HIPAA, COBRA and FMLA to name a few.

When you partner with a PEO, all the mounting transactional HR tasks and the risks associated with them are shared with an expert advisor. The PEO takes responsibility for the HR tasks and shares the risks while you take back the focus on your business. If you follow the PEO's procedures, they assume the liability for HR suits and judgments. A PEO contract includes Employer's Professional Liability Insurance, thereby offsetting some of your existing overhead.

### Adding Up Administrative Tasks

**What Are You Doing to Contain Your Employment Costs?**

The cost of compliance with benefit regulations is often a bigger burden for small companies, primarily because the



associated overhead expense is spread over a smaller workforce. According to a U.S. Small Business Administration survey, small companies spend up to 80% more per employee on federal regulatory compliance than large companies.

**According to the National Federation of Independent Business, complying with federal employment regulations costs small businesses \$10,585 per employee annually.**

Like other aviation businesses, you are likely confronting several significant challenges in this area, such as limited resources — money, people and infrastructure — with which to operate. For an FBO or charter company the human resource “department” is usually one person who wears many hats. This HR generalist may be responsible for compensation and benefits, HR management, labor relations, legal issues, staffing, IT, training and much more.

In a national survey supported by the Society of Human Resource Management and the National Association of Professional Employment Organizations, 89% of PEO customers reported that outsourcing significantly reduced the time it took to perform HR transactions. The time saved by outsourcing can vary greatly, depending on how many outside providers are used and how much of the administration one chooses to keep in-house. For a company of 20-49 employees, the survey showed a savings of 23 man-hours per week by outsourcing. The larger the company, the more time was saved.

**Long-Term Cost Containment: Leveraging Economies of Scale**

PEOs can offer the best benefit options by simply leveraging their larger employee pools. The best PEOs have experienced relatively small annual increases in their health care

Continued on page 27

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# The A-B-Cs of P-E-Os

Continued from page 25

premiums when compared to individual small company experience. PEO clients benefit by bending the escalating cost curve of providing benefits in their favor.

## Accessing an Integrated Technology Solution

### What's Keeping You from Maximizing HR Efficiencies?

Ask any business owner and he'll undoubtedly tell you that his employees are his most important asset. Unfortunately, the growing complexity of HR administration can hinder this asset from performing at peak levels. Growth becomes increasingly difficult when your HR efforts are tied to manual, paper-based and ad hoc systems. Outsourced services provide an online self-service platform enabling your employees to handle their own HR-related needs in a very efficient and cost-effective way.

Employees have come to expect anytime, anywhere access to their HR information and the ability to update their data with a simple click of the mouse. But the cost of implementing and maintaining a state-of-the-art HR information system is simply out of reach for the average aviation business. With a PEO, this isn't a problem because they license and maintain their own enterprise-level platforms that manage all their customer's HR administrative processes.

To remain an employer of choice in your community, you need to deliver HR services as efficiently and effectively as possible, even in the face of increasing HR demands and complexities. You can't attract, develop and keep top people with HR systems that are manual, haphazard and ad-hoc.

With every new hire comes a mountain of paperwork. If a company doesn't have access to online services and must deal with hard copies, errors can multiply. Similarly, what happens when an employee enrolls in benefits? Payroll must ensure that the accurate deductions are made. When an employee undergoes a life status change and alters his or her selections, benefits and payroll must be adjusted accordingly and within the legally required time frame.

All of these administrative processes tend to "live" within different parts of the organization and yet they are utterly dependent upon one another. At each stop, when information is transferred from one HR process to another, there is a chance of error. Multiply this possibility by the number of employees and the reams of paperwork, and that possibility starts looking like a probability. When one area fails, the whole process comes to a halt.

Mistakes cause employees to focus on the errors rather than appreciate the benefits that HR delivers. Many employees don't realize how much money a company spends on employee benefits. The costs are staggering and can easily reach between 15 and 25 percent of an employee's salary, depending on coverage options. So instead of saying how great it is to get top-quality benefits and flexible spending accounts, employees are complaining that the wrong deductions were taken out of their paychecks. This type of negative "water cooler" conversation can spread rapidly.

Payroll data and benefits recordkeeping need to work in sync. Otherwise, payroll deductions can be wrong. When that happens, the employees notice and valuable time is wasted implementing corrections.

If different vendors are employed for the payroll and benefits recordkeeping functions, senior management is the one who must ensure that everything is coordinated and running smoothly. This entails fielding calls back and forth from the vendors, while trying to understand the technicalities of the different systems.

## HR Solutions

Aviation businesses face a difficult challenge in trying to meet core objectives while simultaneously gaining HR efficiencies and containing employment costs. But you'll have to address this challenge in order to remain in compliance with existing HR laws, remain an attractive employer to top performers, and meet your growth objectives. This is a key reason more and more companies rely on partners that can take on a wide array of HR responsibilities. Such arrangements represent an opportunity for you to operate in a far more efficient manner regarding today's growing HR demands.

With the right outsource partner, you'll have the expertise, capabilities and infrastructure you need to be an employer of choice. You'll be able to cost effectively address state and federal mandates while ensuring your people have first rate benefits options, access to information, and personal support services that will strengthen their loyalty to your company. **A**

NATA Compliance Services and TriNet have formed a partnership to address the unique needs of aviation service companies. A leading national Professional Employer Organization, TriNet helps small businesses contain HR costs, minimize employer-related risk, and relieve the administrative burden of managing HR. In fact, TriNet provided this article for NATA's Aviation Business Journal to help you learn more about PEOs.

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# Rebranding Your FBO

## How to Make A New Name Make Marketing Sense

By Paul Seidenman & David J. Spanovich

**W**hat's in a name? If recent rebranding activity is any indication, that's a question that more FBO operators are asking today. "Probably, the two biggest reasons why an FBO rebrands is new ownership, or that its primary market has changed," said Steve Dennis, CEO of Denver-based Aviation Resource Group International (ARGI). "For example, an FBO that started up decades ago of offering flight training and light, piston aircraft fueling, has been attracting more of a jet clientele. A new name would send a

message that the FBO management recognizes the market it is now serving and wants to grow it."

Mike Sells, President and CEO of The Sells Agency, a marketing firm in Little Rock, Arkansas, explained that rebranding takes place when the brand has such a negative image that it is beyond any hope of salvage or the brand has simply gotten old and outmoded.

"Rebranding is not to be taken lightly, Sells said. "You can't decide to do this for the wrong reasons, or with too high

Continued on page 31



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## Rebranding FBOs

Continued from page 29

expectations for the outcome,” he cautioned. “It is an expensive proposition, and the name change, by itself, has no return on investment. Any such return will depend on how well the new brand is marketed, because it is just one component of the whole marketing effort.”

ARGI’s Steve Dennis stressed that, before the rebranding effort begins, the FBO’s management should determine the “market equity” of the current name.

“You have to research the ‘equity costs’ involved in changing the name,” he said. “Ask yourself, ‘Is it a brand that customers continue to recognize? Does it still command respect and customer loyalty?’”

At the same time, he cautioned, it is important for the FBO operator to be aware of any potential risks involved with rebranding. “The big risk is the loss of historical recognition. The name may have been out there for many years, and people are comfortable with it. Also, the market could have a negative

reaction to a rebranding, resulting in a loss of customers. Often, the first question asked is ‘Why did they change the name? Was the company having financial problems?’”

For this reason, said Dennis, it is important for the FBO to tell its customers why the name was changed, and how it will benefit them. “Any successful FBO maintains a database of customers with phone numbers and email addresses,” he said. “Those customers should definitely be emailed about the name change, with a follow-up phone call, to make sure that the emails were received, as well as to answer any questions. In doing this, you would be validating the reasons why you changed the name in the first place, and effectively closing the loop.”

Cases of FBOs that have successfully rebranded illustrate a time-consuming, yet well-thought-out methodical process of how to do it right. Here are a few success stories.



After 65 years in business, Bridgeford Flying Services located at Napa County Airport in Northern California’s wine country, formally introduced the company’s new logo and name,

Napa Jet Center, in September 2011.

Mark Willey, the FBO’s Managing Partner and CEO, explained that the rebranding was motivated by the fact that the company, which started in 1946 as a flight training school and light aircraft dealer, had evolved into a full service FBO, with a growing customer base, in a premier location.

“When we started the process, we respected the premise that the Bridgeford Flying Services name meant something to the local community. For that reason, we decided to announce the new initiatives during our 65th anniversary celebration, explaining how we expected to take our heritage into the future. Our new name further enhances and helps with brand recognition as will our new logo.”

From the outset, Willey relied on advice from industry and community resources, as well as input from company board members — some of whom had overseen rebranding of their

own businesses. As a long-time Cessna dealer, he reached out to the OEM to gauge their reaction to a new brand. He credits Air BP for their assistance in the selection of the logo design firm, and for working in conjunction with the team throughout the process.

The family members of the company’s original owners were also included in the decision-making process. “We were very

Continued on page 33





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## Rebranding FBOs

Continued from page 31



sensitive to their feelings, and as it turned out, they agreed that a rebranding was a good idea,” said Willey.

Focus groups, which included the FBO’s board members, community leaders, and a few selected

facility tenants played a role in selecting the new name and logo. “We wanted a broad representation because we recognized that there might be some risk of upsetting those who had a personal tie to the old name,” said Willey. “In that regard, we explained the benefits that the name and logo change would have for the airport and the community.”

The consensus was that any new brand should tie in with the Napa name which is known, world-wide, for its wineries and as a destination. “The name implies a very up-scale

location,” said Willey. “In conjunction with this, the FBO is increasingly serving the type of customer for whom Napa is a business or leisure destination. Although the Bridgeford Flying Services brand had considerable equity with the pilots who have flown in here, it was the people in the back of the airplane that we wanted to reach — and who would identify us with the Napa Valley.”

Using the words “Jet Center” also implied a quality, full service operation, Willey added. “The implication is that it’s a quality facility operated by quality people, and that the customers will receive a high quality experience on the way in and the way out.”

“The rebranding process also included an extensively remodeled FBO terminal as well as a culture change to insure the customer came first, and safety was at the forefront of all operations,” Willey explained. “We waited until we were there, as a company, as we did not want to risk being unable to supply the level of service that our new name denotes.”



On the other side of the country, the leaders of a growing East Coast property management and FBO chain wanted to bring each location under a single name. As it turned

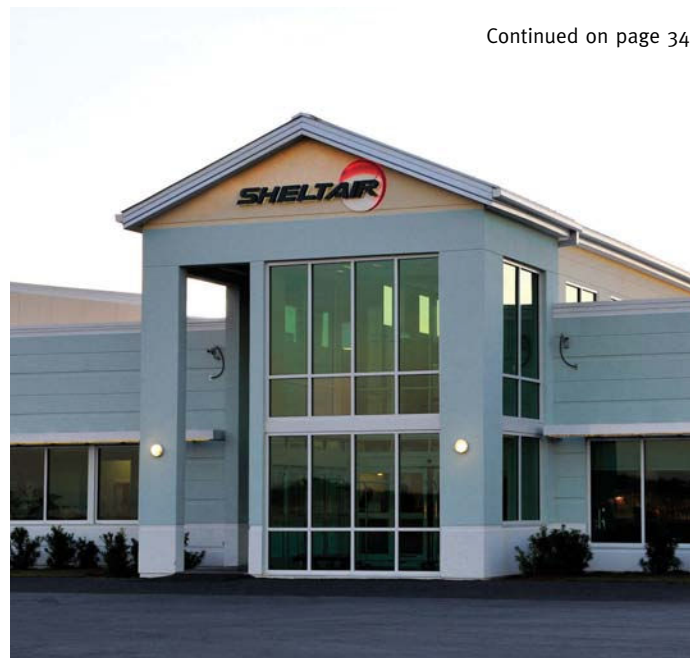
out, two rebrandings were ultimately involved for the Fort Lauderdale, Florida-based chain, now known as Sheltair.

Currently operating 14 facilities, Sheltair started in 1985 with an initial location at Fort Lauderdale-Hollywood International Airport, under the Fort Lauderdale Jet Center name. The FBO chain’s founder was Jerry Holland of Holland Builders, a South Florida-based developer of residential and commercial properties, as well as aviation support facilities.

According to Danny Walsh, Sheltair’s Senior Vice President, FBO Operations, as the chain grew, each FBO incorporated the name of the city served by its airport location, plus the “Jet Center” suffix. By 2005, he explained, the need to bring all of the FBOs under one brand had become clear.

“The problem was that the term ‘Jet Center’ was being widely used by a lot of unaffiliated FBOs, and people were becoming confused,” Walsh explained. “We were frequently asked if we were affiliated with — or owned by — another FBO that used ‘Jet Center’ at some other location.”

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# Finding Its Own Identity — Houston Area FBO Once Shared Airport Name

**W**hen the City of Sugar Land, Texas, changed the name of Sugar Land Municipal Airport to Sugar Land Regional Airport in 2002, it wasn't long before the city considered giving its FBO — which also used the airport's name — an identity of its own.

"People had a hard time distinguishing between the airport and the FBO, itself," said Airport Services Manager Jodie Kaluza. "Customers would call the airport looking for the number of the FBO, only to find out they were one and the same. Then, when our FBO started appearing on surveys as 'City of Sugar Land,' the need to give it a separate identity was very pronounced."

In 2007, the rebranding process was initiated by the formation of a committee which drew in staff members from the airport administration, communications specialists from the City of Sugar Land government, along with representatives from the city's Department of Economic Development. An outside marketing consulting firm was also retained.

"Among the goals we identified was to bring the FBO's services in front of the corporate aviation sector," Kaluza noted. "We wanted to position Sugar Land Regional Airport as the convenient, luxury gateway to the Houston area; and to let people know that we had a top notch facility that could handle large business jets flying international trips."

Kaluza reported that, while Sugar Land Regional is the major general aviation facility for the Houston metro area, it was losing business to William P. Hobby Airport, one of Houston's two commercial airports. To find out why, she conducted a survey of schedulers and dispatchers that participate on NBAA's "Airmail." One of the reasons, indicated by survey results, was a perception that municipal, government-run FBOs, are generally substandard operations.

"One respondent, for instance, wrote that municipal FBOs typically provide a very basic level of service, with poorly trained staff, managed by individuals with no aviation background, who can't anticipate or understand the needs of the passengers

and crews," Kaluza revealed. "This was the impression we had to market against."

It was concluded that the FBO needed a name that would give it the kind of recognition — for quality service — enjoyed by the major national brands. "We chose 'GlobalSelect,'" she said, "because 'Global' promotes the international side of the business, and implies that the facility is not just for small aircraft. 'Select' was chosen because it denotes something upscale."

Kaluza added, there were meetings with city officials, including the Sugar Land City Council, and the city Economic Development Committee to give them an understanding of why the name change was necessary, and the expected benefits it would have. She said, "Since it was also essential for our own staff to buy into the name change, we made a presentation to everyone from top administrative personnel to the guy who cuts the grass."

The GlobalSelect name was formally announced at the NBAA convention in Atlanta in 2010. According to Phillip Savko, the City of Sugar Land's Director of Aviation, this is the only city-owned FBO in the country, to his knowledge, that has gone through a rebranding. He advised that, along with input from staff and customers, any rebranding of an FBO is going to require the financial resources to do it right.

"We estimate that we will have spent between \$30-40,000, exclusive of the new web site design," Savko said. "That includes professional fees for the marketing firm, and the attorney retained for the creation and protection of our new trademark, along with the associated filing fees at the U.S. Patent and Trade Office. The costs also cover anything having to do with the new identify, including the sign and logo, letterhead, uniforms and trade show displays." An additional \$20,000, he reported, is being spent for the GlobalSelect website, which will launch in early 2012.

"How much you spend to rebrand an FBO depends on how you want to do it," Savko noted. "In our case, we tried to do this with quality. It took a lot of good people, and a good team effort."



## Rebranding FBOs

Continued from page 33

The result was that in 2005, the FBOs began doing business as “Sheltair Aviation Services,” chaining off on “Sheltair Aviation Facilities,” the sister company whose business was airport facilities development and leasing. “Our goal was to bring together two different operations of the same company under the Sheltair name,” Walsh remarked. However, he noted that by 2010, the decision was made to again rebrand the FBOs, simply as “Sheltair,” dropping the “Aviation Services” portion of the name.

“At the same time, we decided to drop ‘Aviation Facilities’ from the airport property leasing firm, in order to focus on a single team concept for both companies, which would operate simply as ‘Sheltair.’”

The rebranding effort required more than installing new signage. For starters, the equity in the Sheltair Aviation Services name was a consideration. “We wanted to see how our customers would receive the name change, and if shortening it would impact brand equity,” said Walsh. “In our case, we found that it would make little difference, because nearly all of our customers referred to us as ‘Sheltair.’ It was much the same as when Federal Express rebranded to FedEx. As far as most customers were concerned, no real change had happened.”

Although the second rebranding preserved the Sheltair name, management made sure that the change was communicated clearly to its employees, through internal company newsletters. “We sent a concise message to our employees as to where we were going with the new brand, and how we

planned to get there,” said Walsh. “This allowed us to direct the entire effort in a more focused manner. When you do a rebranding, you have to get your employees onboard with it first.”

Sheltair also sought outside help from the Sells Agency, its long-time public relations and advertising firm. “They helped us to bring the FBO and airport property operations under one brand, and to communicate that effectively — internally and externally,” said Walsh. “As a component of our marketing and communications strategy, we initiated a national ad campaign in three major publications covering general aviation.”

Walsh reported that the new signage and logos are being phased in gradually to mitigate costs. Currently, only four locations have been retrofitted with the updated name and logo, although it will be applied to any newly-constructed or acquired FBOs going forward. Updating the company’s website, new uniforms, letterhead, and collateral material, such as sales brochures also added to costs, which the company chose not to reveal.

Any effort to rebrand demands establishing a clear goal concerning what is to be accomplished. “In our case, the goal was to maintain as much of the brand equity we had built to that point with the Sheltair Aviation Services name,” explained Walsh. “You also have to be sure that you communicate to your customers, as well as your employees, not only what you are doing, but why. And prepare to make adjustments in your planning, based on any customer and staff feedback as the process moves forward.”



For Saker Aviation Services, a name change was mandated by the divestiture of FirstFlight, the charter/management component of the Scranton, Pennsylvania-

headquartered FBO operator. As company President and CEO Ron Ricciardi reported, this wasn’t the first rebranding of the firm’s two FBOs — one at Wilkes-Barre/Scranton International Airport, which did business as Tech Aviation;

the other at Garden City (Kansas) Regional Airport, operating as Central Plains Aviation.

“When we acquired FirstFlight in 2005, we rebranded the entire operation under that name,” Ricciardi explained. But, when the economy plunged in 2008, the decision was made to sell the aircraft management and charter business. Under the deal, the purchaser got exclusive rights to the FirstFlight name, effective six months after the March 2009 sale date. “The challenge was to come up with a new name that would show that we continued to maintain a high service level at both locations,” said Ricciardi. “However, there were a lot

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## Rebranding FBOs

Continued from page 35



of FBOs using names which implied superior service, so we needed to find something unique.”

Ultimately, “Saker” was chosen. “The Saker is one of the highest flying, fastest diving, and most capable hunters of the falcon family,” said Ricciardi. “It represents strength and grace, and conveyed the impression we wanted to make.”

With a new name selected, the company became very proactive in communicating the rebranding to customers and employees, well before it appeared on the FBO hangars and fuel trucks.

“We were very sensitive to the fact that we had undergone a name change just four years earlier when the two FBOs became ‘FirstFlight,’” he remarked. “Using all available media, we let our customers and employees know that the new name would show we planned to maintain our same high service

standards. We also prepared our customer service teams to handle the inevitable questions that would come up, and saw that as a good opportunity to communicate with our customers.”

One of the issues was to convince people that rebranding would not be done again, anytime soon. Ricciardi acknowledged: “There were lingering questions people had, but ultimately, they understood this was an unplanned situation that required us to rebrand. We learned, as long as the motivation to rebrand is sound, and the reasons are shared with the employees and the customers, they will get behind it.”

With just six months to work with, the question, said Ricciardi, was how fast could they accomplish the most visible parts of the rebranding, specifically the new signage, uniforms and collateral materials. Anything with the FirstFlight name on it had to be renamed no later than September 1, 2009.

“Changing the signage required the longest lead time, since we had to contact vendors, plan what it would look like, and factor in delivery times,” Ricciardi noted. “Uniforms were a relatively simple process — just a matter of changing out the patches — as were new decals for fuel trucks and crew cars, and new business cards and stationery. At the same time, we carefully managed our collateral material inventory to the point where we wouldn’t have a lot to throw out when our name changed.”



Sometimes, a major expansion of an FBO is the primary incentive to rebrand, as was the case with Bakersfield Jet Center-By Loyd’s Aviation. Founded in 1958 at Bakersfield, California’s Meadows Field as Loyd’s Flying Service, the company changed its name to Loyd’s Aviation in

1986. The FBO’s present name, which became effective in March 2009, was considered “one component of a complete package,” according to company President Steve Loyd. That

package included a new terminal building at a more visible location on the field, providing world class amenities for its growing jet class of trade.

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## Rebranding FBOs

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“We concluded that the ‘Bakersfield Jet Center’ brand would better represent the fact that we were offering a wider range of services, especially to corporate aviation operators,” Loyd explained. “Using ‘Jet Center’ in the name helped us get the message out that we are a full service FBO. That tells the corporate aviation world that we have ramp and hangar space that can handle any size executive aircraft, along with some level of line maintenance. It also says that we offer the kinds of services that corporate jet customers have come to expect, such as conference rooms, rental car and catering services, and hotel reservations.”

At the same time, “Loyd’s Aviation” was retained as part of the new name — since it was so well known at the Bakersfield airport.

Prior to the relocation and rebranding, the FBO had what Loyd termed “a very small amount of ramp space” situated at the back of Meadows Field. “That included two trailers, totaling 1,500 feet of floor space, which served as the terminal,

along with a small amount of ramp space,” he explained. “Today, the FBO has a 6,000 square foot terminal building, situated on 3.5 acres of ramp space, in plain view of pilots landing and taxiing.

Loyd reported that a total of \$400,000 was invested in the upgrade and rebranding program, which included the name change and refurbishment of the facility and ramp — adding reinforced concrete to accommodate large corporate jets. Included in the cost were new signage, uniforms, business cards and letterhead.

“The combination of the new name and location sent a message to our employees and customers that we were no longer a small FBO at the back of the field doing the same things we had been doing for years,” Loyd said. “Now, I can make the kind of impression I want on the guy coming in on a large executive jet that we are truly a full-service FBO. It has really made a difference and was a positive change for everyone involved.” **A**

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# Fargo Jet Center

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## A North Star Shining

*By Paul Seidenman & David J. Spanovich*



More than 30,000 guests pass through Fargo Jet Center's doors annually.

**W**hen brothers Jim and Pat Sweeney relocated the headquarters of Weather Modification, Inc., from western North Dakota to Fargo's Hector International Airport (FAR) in 1993, they also saw a unique business opportunity waiting to happen.

"At that time, we perceived that there had been a near-zero investment in modern general aviation facilities at the airport," said Jim Sweeney, President, and co-founder of Fargo Jet Center — now the airport's sole FBO.

For example, Sweeney noted that the only FBO on the field at the time, was still using World War II era wooden storage hangars. "As cold as it gets in North Dakota, the hangars were not heated," he said. "This told us that there was both a need — as well as an opportunity — to develop a modern FBO that would be open to the public and support the aircraft operated by Weather Modification, which is still our sister company."

Weather Modification, Inc. currently employs 40 people and operates a mixed piston and turbine powered fleet of 30 aircraft. Founded in 1961, the international atmospheric research and cloud seeding company was purchased by Pat Sweeney in 1992. According to Jim Sweeney, who is also Weather Modification's Vice President, the company is "active in approximately five countries at any given time," and continues to build its international market, that has included more than 30 countries.

For Sweeney, Fargo Jet Center would be the entrée into the general aviation service industry. "I had more of a business



Recent renovations set to accommodate an international clientele.

than an aviation background when we founded the FBO,” said the North Dakota native, who holds an undergraduate degree in business administration from the University of North Dakota.

He explained that the airport’s master plan of the early 1990s included a provision to set aside an undeveloped area on the airport’s north side for expanded general aviation operations. However, that was slated for some 15 years in the future. “We approached the Airport Authority of the City of Fargo proposing that the airport needed a world class FBO — now,” he said. “They agreed, and we broke ground for the new FBO complex in 1994, using a combination of private funding, Municipal Airport Authority and Federal Airport Improvement money. On July 5, 1995, we pumped our first gallon of fuel.”

Located in the airport’s North General Aviation Park, Fargo Jet Center opened for business with a brand new 10,000



Guests arrive on Fargo Jet Center’s ramp.

square foot FBO building, consisting of a lobby, offices, and an operations and technical support center. Also newly-built was a 12,000 square foot storage hangar that could accommodate a Gulfstream IV-size business jet.

The complex also included a new, above-ground fuel storage facility, with a total capacity of 45,000 gallons. That has since been expanded to over 100,000 gallons, with six above-ground tanks, of which five are for jet fuel, and one for 100 LL avgas. Into-plane fueling is accomplished using six trucks,

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## Fargo Jet Center

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Exclusive Aviation, aircraft sales division based at downtown St. Paul, MN.



Fargo Jet Center loads a B-747 with cattle bound for Kazakhstan.

of which four dispense jet fuel. The company's line service staff, he noted, has been NATA Safety 1<sup>st</sup> certified almost since opening day. "We were one of the first FBOs to train our line team under NATA Safety 1<sup>st</sup>," he said. "Today, all 19 of our line service technicians are listed in the NATA Safety 1<sup>st</sup> honor role."

An Avfuel dealer since 2009, Fargo Jet Center has grown from 12 employees on opening day to over 80. Ranked among the top 10 FBOs in the US — scoring eighth place — by Aviation International News' well-known FBO survey in 2011, the company has been in an almost constant growth mode.

Sweeney reported: "In 1997, just two years after we opened, we added a 24,000 square foot storage hangar, plus another 14,000 square feet of office and technical work space. Then, in 2001, we purchased the assets of our competitor, which had, by that time, moved to the North General Aviation Park and built new facilities right next door. That added 17,000 square feet of office space, plus two 30,000 square foot heated storage hangars."

Further enhancements took place in 2009, when Fargo Jet Center's two-story, 17,000 square foot FBO building underwent a total renovation.

"We tripled the size of the customer service desk to allow for multiple transactions for the first time," said Sweeney. "We also installed a fireplace in the center of the lobby, and redesigned the pilot lounge and bathrooms to make them more like what you would find at an upscale spa."

The renovation was part of the company's strategy to pursue and increase its share of international transient business traffic coming in on the largest corporate jets," he explained. "That kind of clientele expects a very high level of amenities

and service. We want to make a positive impression on those customers so they will want to use us again."

And further development is slated. Under current planning, Fargo Jet Center expects to break ground for additional hangar space this year. Prompting the expansion is the growing demand for aircraft storage at FAR.

Reported Sweeney, "Frankly, we are out of space for the increasing amount of tenant aircraft we have in Fargo; and there continues to be a growing number of transient aircraft. Right now, we just can't accommodate all requests for hangar space."

As of year-end 2011, Fargo Jet Center operated eight hangars encompassing a total of 159,000 square feet of storage space, with capacity for aircraft in the size range of the Bombardier Global Express. Currently, more than 80 tenant aircraft are based at the facility. Of those, about 35 are turbine models.

Today, Fargo Jet Center is strongly positioned within three market niches. One is its maintenance business, which has earned the FAA's coveted Diamond Award annually since 2004.

"Our maintenance and repair business has grown significantly," Sweeney explained, "most notably in the special mission aircraft modification market. For example, we hold several STCs for the installation of cloud seeding and atmospheric research equipment. Frequent air ambulance modifications are also being conducted in cooperation with Spectrum Aeromed, another Hector International Airport-based company."

Other specialties include interior refurbishments and avionics upgrades. Fargo Jet Center is also a factory authorized service center for Hawker Beechcraft, Pilatus, and Cessna's



North Dakota summer breezes make work enjoyable.



piston product line. Currently, the company's 24 member maintenance staff includes 17 A&P mechanics.

The company's second major focus is on aircraft sales, which are conducted under the Exclusive Aviation name. Headquartered in an 18,000 square foot hangar at St. Paul Downtown Airport (STP), and staffed by four full-time sales people, Exclusive Aviation is the Cessna dealer for the OEM's new-production piston models, throughout a factory-assigned territory that includes North Dakota, South Dakota, Minnesota, and the western portion of Wisconsin.

Exclusive Aviation also does a global business as a dealer and broker of pre-owned aircraft, handling anything from a Cessna 172 to the largest business jets — from any manufacturer.

International and trans-continental fuel sales, the company's third niche, is considered "an area of significant growth" which, as Sweeney explained, is due to Fargo's location. In 2011, cross-border arrivals accounted for approximately 485 aircraft, up from 390 in 2009.

"We are strategically located as a refueling and customs stop for business aircraft traveling to and from Canada, Europe and Asia," he noted. "Fargo's airport is the only airport in North Dakota with a control tower, onsite U.S. customs, and FBO — all staffed 24-7. Its 9,000 foot runway is the longest one of North Dakota's commercial airports, and it can handle a Boeing 747."

In that regard, Sweeney reported that the airport authority is now in the process of building a new facility for U.S. Customs and Border Protection use that will be located between two of Fargo Jet Center's hangars. "The Airport Authority is working with us to position and promote Fargo as a U.S. port of entry for business aircraft," he said.



Jet maintenance continues to grow in Fargo.

As is the case with most businesses, the Fargo Jet Center has not been immune to the impact of the ongoing recession. As Sweeney pointed out, there has been some impact on the company's total fuel market due to the decline in flying over the past two years. Still, he remains optimistic.

"2011 finished 10 percent better than 2010," he said, "when we pumped about 6.5-million gallons total, and 90 percent of that was Jet A. For 2012, we expect to see further growth, which we are estimating at about 10 percent. In 2007, just before the recession hit, our total fuel sales were 5.1 million gallons."

Fuel sales in 2011 set an all-time record for airline and retail gallons at Fargo Jet Center.

Sweeney said, "We do 100 percent of the fueling for the commercial airline traffic at the airport. Right now, there are four carriers — Delta, American Eagle, Allegiant, and United Express, as well as the ad-hoc large charters that come into the airport. This has been a growing market with non-stop service to eight major U.S. cities, averaging 18 departures per day."

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## Fargo Jet Center

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Citing one of the more unusual jobs for an FBO, Sweeney reported that the Fargo Jet Center has been doing the refueling and ground handling for a Boeing 747-400 freighter that has been flying live cattle out of Fargo to Kazakhstan since 2010. Along with fueling and ground support, Fargo Jet Center has been tasked by the shipper, Global Beef Consultants, to load the huge crates — which carry four to five animals each — aboard the big air freighter. There are 40 crates of cattle, per-flight, and as of December 31, 2011, Fargo Jet Center has handled and loaded 27 of the Kazakhstan-bound flights.

“Since Global Beef Consultants has a multi-year contract with its Kazakhstan customer, we expect that our relationship with that producer will go on for the next several years,” he said.

Looking ahead, Sweeney said there are two trends taking place that will be beneficial to the company’s overall growth: “In addition to the increasing number of international business aircraft arrivals at Fargo, we’ve noticed that more first-time aircraft buyers are acquiring turbine powered equipment as their entrée to general aviation.”

In recognition of this, Sweeney actively promotes the Fargo Jet Center to corporate flight departments, and on the aviation trade show circuit which, for the past several years, has included attendance at the European Business Aviation Convention and Exhibition (EBACE), as well as some 20 annual aviation events held in the U.S.

Darren Hall, Vice-President of Marketing for Fargo Jet Center, said, “We attend large national events such as the NATA Air Charter Summit and FBO Leadership Conference, the NBAA annual convention, as well as a number of regional business aviation meetings. This has been a key to our growth, as it has enabled us to build relationships with our customers.” Those customers, he reported, include the major fractional operators (which have designated the Fargo Jet Center as a preferred FBO), corporate flight departments and independent aircraft operators across the globe.

At this time, the Fargo Jet Center has five aircraft models under its charter certificate — a Piper Seneca V, a King Air C90, a King Air 200, a Cessna Citation S-II, and a Learjet 60. Fargo Jet Center is a member of the Air Charter Safety Foundation (ACSF). ACSF has developed an industry audit standard for charter operators, provides training to auditors on those standards, and oversees those auditors as they perform the audit function.



The Fargo Jet Center team handles another quick turn.

“Most of our charter customers are local area business people,” Sweeney noted. “Also, the expanding oil and gas drilling industry in western North Dakota has had a positive impact on our charter activity.”

Another growing facet of Fargo Jet Center’s business is its flight school, which operates out of both the Fargo and St. Paul locations. The flight training fleet includes four new Cessna Skycatchers — acquired in 2011 — plus three Cessna 172s. All of the single-engine piston aircraft are glass cockpit equipped.

“We now have five full-time and three contract instructors, plus 80 students actively pursuing flight training — from private through multi-engine, commercial and instrument ratings,” said Sweeney.

While all of Fargo Jet Center’s markets are either growing, or at least stable, the company’s main challenge is the recruiting and hiring of skilled maintenance employees. Said Sweeney, “To address this, we have been very proactive in funding scholarships at regional A&P schools and the John D. Odegard School of Aeronautical Sciences at the University of North Dakota, along with internships at the Fargo Jet Center.”

Fargo Jet Center has been a NATA member since the day it opened its doors, and in 2011, Sweeney was elected to the Board of Directors. He has attributed much of his success in the FBO business to NATA.

“NATA has been our advocate in creating a positive relationship with our local airport authority, and at the same time, they are the industry’s advocate in Congress and the recognized experts on the regulatory issues,” concluded Sweeney. “They keep us informed in a very timely manner on all of the industry hot topics, especially through a series of extremely informative seminars, which we attend.” **A**



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# Finally – A Safety Rating for FBOs

**N**ATA Safety 1<sup>st</sup> has established the **Ground Audit Standard** to promote industry best practices and Safety Management Systems (SMS) development among ground handling providers in response to member requests for a safety standard and rating for FBOs. This audit standard is the first published audit for FBOs and other ground handling service providers. The NATA Safety and Security Committee, which includes representatives from large and small FBOs, on-demand charter operators, fractional program managers, insurance brokers, fuel companies, and more, assisted in drafting this important new audit standard.

The NATA Safety 1<sup>st</sup> Ground Audit Standard has two primary objectives:

1. To create a consistent operational safety standard for fixed base operators, airports, and other facilities while increasing the overall safety level of these operations.
2. To provide on-demand charter, fractional and corporate aircraft operators with an alternative to costly proprietary audits of these facilities.

This article will provide an overview of the operational areas covered by the audit as well as tips to prepare for your own audit.

## What Does the Audit Cover?

The audit covers seven separate operating areas within an FBO, ranging from a company's management system to environmental policies and procedures.

1. **Management System** – evaluates management policies and procedures
2. **Safety Management System and Quality Assurance** – evaluates the safety program, emergency response procedures, and quality assurance procedures.
3. **Training** – evaluates the training programs (i.e. general training, hazardous materials training, vehicle and equipment training, security training, and more).
4. **Standard Operating Procedures** – reviews the standard operating procedures to ensure they are properly documented and executed. This includes aircraft marshaling, taxiing, fueling/defueling, deicing, and more.
5. **Security** – reviews the security policies and procedures.
6. **Occupational Safety and Health** – reviews occupational safety and health policies and procedures to ensure the facility is in compliance with state requirements. (Note: This is not a full OSHA audit.)
7. **Environmental** – reviews environmental policies and procedures, including storm water pollution prevention, hazardous materials handling, and underground storage tank requirements.



Continued on page 47

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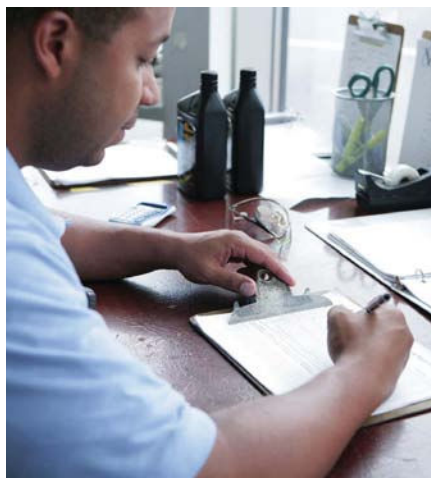
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## Safety Rating for FBOs

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### How to Prepare

Depending on your company's documentation of procedures, implementation of a safety program, and other considerations, you might need six months or more to prepare for the audit. Here's how to get ready.

#### Attend an Introductory Webinar

NATA will be hosting webinars to introduce the Ground Audit Standard and help FBOs determine if this audit is for them. The webinars will also guide FBO management in the basic steps of preparing for the audit and answer any questions regarding the audit.

#### Attend Auditor Training

The NATA Safety 1st Ground Audit Standard allows a facility to pursue self-certification. That is, an FBO with a qualified staff member can send that staff member to attend auditor training and conduct the audit. Although any size FBO may conduct a self-certification audit, it is likely large facilities would have adequate resources to properly conduct this type of audit.

#### Get a Copy of the Audit

Visit [www.nata.aero/groundaudit](http://www.nata.aero/groundaudit) to obtain a copy of the Ground Audit Standard Manual. When your company purchases and agrees to perform an audit, you will receive the complete Standard, which includes licensed copies of the Ground Audit Standard Manual, Ground Audit Checklist and the Ground Audit Guidance.

#### Conduct a Gap Assessment

Once your company purchases the complete Standard, compare the Ground Audit Standard to your current operations. If you find gaps in your operation when you conduct an assessment (and you will), don't just add a paragraph to your company manual or standard operating procedures that copies the language from the standard. The auditor will know if you copy and paste from the standard without reasonable attempts at implementation. The standard should serve as guidance but is not an acceptable means of compliance if the material is just regurgitated and not appropriately implemented.

#### Document, Document, Document

If you don't already, be sure to document all employee training events, daily fuel testing, and safety activities. The NATA Safety 1st Ground Audit Standard requires an FBO to say what it does and do what it says; in other words, every standard must be met with written, implemented policies, processes and procedures. Think of it this way: If your entire staff pooled together for a lottery ticket and WON, never returning to work, would your new staff know how to do their jobs? Written policies and procedures can help ensure new personnel perform to

your standards and existing personnel continue to perform in a consistent manner.

Records related to training, operations, and safety programs are also critical. Do you keep a training record of each employee? Are fuel quality checks adequately recorded? Do you properly review and follow up on safety or hazard reports? These records and other similar items are critical to successfully completing this audit.

#### Freshen Up Your Training Program

For this audit, line operations and safety training are particularly important. Take a look at your training program. If you don't have one, this audit will be difficult. If you do have a program but it consists of training videos from the 1990s, you might want to look at some new training options before you complete the audit.

#### Consider Outside Help

Sometimes it is better to have a third party assist you in preparing for the audit. First, a good safety and operations consultant can provide an objective view of your facility. Second, experienced consultants can typically help you document policies, processes and procedures in a more efficient manner than asking your own staff to develop manuals. Often an FBO's full-time staff is absorbed in daily functions and finds it difficult to draft effective manuals while conducting normal activities. Just be certain to implement the policies and procedures a consultant helps you draft! Well-developed manuals are only the first step to compliance with the audit standards. (Be sure to use a safety consultant who is familiar with and has received training

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# Cover your bases with NATA's Spring Training



The National Air Transportation Association is pleased to host our 4<sup>th</sup> annual Spring Training Week in conjunction with the Cygnus Aviation Expo in Las Vegas. Spring Training is an aviation industry educational camp featuring all-star seminars designed to enhance safety practices, provide major league knowledge and help you coach your team to a winning season.

**NATA's Spring Training Week provides all-star skill-building and conditioning for your whole team.**

**You're safe...** The skills and techniques learned at NATA's Spring Training Week help to ensure safer operations for your team. Don't miss the opportunity to complete FAA required 14 CFR 139.321 Fire Safety Training and strengthen safety and team synergy with enhanced leadership skills at the Line Service Supervisor Training Seminar (March 5-6).

**Hit a homerun...** with NATA's FBO Finance Fundamentals Seminar (March 6-7). One of the great things about our industry is that we frequently see people work their way up through the ranks from the line to management positions. It's the American dream writ large across the general aviation industry, but it also presents a challenge: These are good, hard-working people who deserve to be promoted, but they are frequently also people with no real financial management training to speak of. Give them opportunities to learn about the business side of things and give them tools to empower them to be better managers.

**Meet the team...** As part of the Safety 1<sup>st</sup> Trainer seminar (March 7), trainers will learn how to engage different students, increase learning retention, effectively present lesson plans, identify student verbal and nonverbal cues as well as many other vital training skills. NATA's own PLST Online program and admin experts will walk participants through the trainee and trainer functions of PLST Online and answer questions about the program as well as the administration. When you call NATA's Safety 1<sup>st</sup> with a question about PLST Online, they are the professionals you will talk to and are among your most valuable PLST Online resources.

**Cover your bases...** NATA's Environmental Compliance Seminar (March 8) is designed to provide FBO, Air Charter, Corporate Flight department and airport facility managers and staff with the latest information and techniques for ensuring that their facility remains fully compliant with State and Federal environmental regulations.

**Slide into home...** attend all the seminars for full coverage of safety, environmental, training and financial issues.

Cygnus Aviation Expo is THE premier venue for ground support, FBO and aircraft maintenance professionals to gain firsthand knowledge of cutting edge technologies and attend top-notch educational seminars.

For more information



[www.nata.aero/springtraining](http://www.nata.aero/springtraining)



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## Safety Rating for FBOs

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on the Ground Audit Standard. The Ground Audit Standard's web site lists the names and contact information of several individuals who are trained on this standard.)

### Conduct Another Gap Assessment and Schedule an Audit

Now that you've spent some time documenting your policies, processes and procedures; updating your training program; and implementing the basics of an SMS, conduct another gap assessment to see where you stand. If you're ready for your audit, contact a third party auditor or NATA to start the process.

### Don't Panic

No FBO — let me repeat — **no FBO** — will complete this audit on the first attempt. There is no such thing as a first-time pass. If an auditor has no findings following an NATA Safety 1<sup>st</sup> Ground Audit, ask the auditor for your money back. You didn't have an attentive, thorough auditor. FBOs have 60 days to submit a corrective action plan to address findings from the audit and 120 days to submit the final corrective actions. If you used a consultant, ask him/her for help with the corrective action plan. If you didn't use a consultant, you might consider calling one now to help develop and complete your corrective action plan. Pay attention to your timeline — FBOs that do not successfully complete their corrective

action plan in 120 days will have to start the process all over again.

### Why Should Your Company Perform an Audit?

There is the obvious reason for having an audit like this — that is, to become a safer, more efficient FBO. That reason is a tough sell to management because the benefits are difficult to quantify. I believe there's also a business case for conducting an audit such as this. First, this type of evaluation of your operations could identify a significant safety risk before an accident or incident occurs, saving you the time and money associated with a loss.

Second, use this audit as a means of limiting the number of proprietary audits your facility has to complete for your aircraft operator customers. Some FBOs undergo dozens of aircraft operator audits a year, ranging in complexity from emailed forms the FBO completes and returns to multiple day on-site audits with aircraft operator representatives. The NATA Safety and Security Committee is hopeful a successful rating from the NATA Safety 1<sup>st</sup> Ground Audit Standard will cut down on the number of individual aircraft operator audits an FBO must go through in a year.

Third, contact your insurance broker. Could a third-party safety and operations audit lower your insurance

premiums or at least stave off next year's premium increase?

Fourth, pursuing this type of audit could keep your customers happy. Part 135 air carriers eventually will be required by the FAA to implement a Safety Management System within their operation. There will be a trickle-down effect when SMS is required of air charter operators. Part of a complete SMS is the oversight of service providers; and FBOs should expect oversight from air charter operators to increase as SMS implementation progresses. The Ground Audit Standard was featured in the fourth quarter 2011 edition of *Flitebag*. Visit [www.nata.aero/flitebag](http://www.nata.aero/flitebag) to read that article and learn more about the audit, including how the audit is managed; what we've learned through test audits; and why you should consider having an audit conducted at your facility.

Stay tuned for more information on the NATA Safety 1<sup>st</sup> Ground Audit Standard. Auditors have been trained and NATA Safety 1<sup>st</sup> will be holding short webinars for facilities interested in learning more about the audit soon. Visit [www.nata.aero/groundaudit](http://www.nata.aero/groundaudit) for more information. **A**

Lindsey McFarren is the president of McFarren Aviation Consulting, which specializes in general aviation safety and operations consulting.



Registered FBO status can be verified at  
[www.nata.aero/groundaudit](http://www.nata.aero/groundaudit)



## NATA Safety 1<sup>st</sup> Rolls out Ground Audit Standard Program in 2012

### Why did NATA Safety 1<sup>st</sup> develop the Ground Audit Standard program?

Members of the FBO community have frequently expressed concern that their companies are currently subject to numerous audits by charter operators, fractional ownership program managers, and other consumers. The preparation for and hosting of these audits has resulted in a significant increase in both staff time and resources to accommodate the various audits, which range in complexity from completing and returning an electronic self-audit form to a conducting a multi-day, on-site audit. The requirements of each auditing company vary greatly, making preparation for the audits a year-round necessity.

Further complicating the various audit standards are the demands placed on aviation service providers, including FBOs, by the current push to implement Safety Management Systems (SMS). FBO clients will continue to require increasingly stringent safety practices by FBOs, especially once SMS implementation becomes a federal regulation and international requirement.

NATA Safety 1<sup>st</sup> is the industry-known leader in FBO safety and training programs. As such, it became clear to NATA that a single standard for FBOs could eliminate the burden of multiple audits and raise the standard of safety throughout the FBO industry.

Key points about NATA's Safety 1<sup>st</sup> Ground Audit Standard:

- Developed by small and large FBOs, charter companies, and fractional ownership program managers
- Allows FBO clients to verify an FBO's registration status, indicating the FBO has successfully completed the audit
- Conducted only by qualified, trained auditors, ensuring a quality, consistent audit

### What are the NATA Safety 1<sup>st</sup> Ground Audit Standard objectives?

- Achieve a standardized and consistent audit product acceptable to on-demand air charter operators, business aircraft operators, and other ground handling facility users
- Develop a program similar to the one currently utilized by airline ground handling facilities
- Follow an ISO-compliant format
- Create one audit standard to satisfy operators, customers, and others by including:
  - Best practices
  - Safety Management Systems (FAA and ICAO standards)
  - Regulatory compliance (TSA, EPA, and OSHA)
- Eliminate the need for multiple audits from numerous aircraft operators by providing consistent audits
- Maintain online registry to confirm successful completion

### How does the audit work?

NATA Safety 1<sup>st</sup> manages the audit standard but does not actually conduct audits. This audit allows for two levels of certification: self-certification, whereby the FBO has a qualified employee, trained by NATA Safety 1<sup>st</sup>, conduct internal audits; and third-party certification, in which the FBO contracts with an NATA Safety 1<sup>st</sup>-trained auditor to conduct the audit. A self-certification audit must be completed within a specified time period. NATA Safety 1<sup>st</sup> must be advised of the start and end dates of the self-certification audit.

A list of auditors approved to conduct the third-party audit is available at [www.nata.aero/Ground-Audit/Roster-of-Accredited-Auditors.aspx](http://www.nata.aero/Ground-Audit/Roster-of-Accredited-Auditors.aspx). A third-party audit is conducted at a time convenient to the facility and auditor. The audit of a typical facility should take a single auditor about two days to complete.

After either type of audit has been concluded, the facility has 120 days to review the findings and implement any corrective actions. When the facility successfully closes all findings, it will be listed on the NATA Safety 1<sup>st</sup> registry of audited facilities. This registry will be available online at no charge to aircraft operators and other consumers to verify successful completion.

NATA Safety 1<sup>st</sup> maintains oversight of the audit by reviewing each audit report, including corrective actions, upon completion. Further, NATA Safety 1<sup>st</sup> will conduct random on-site reviews of a percentage of self-certification audits to ensure the finished audit was consistent with the standard.

### We are a small, family-owned/operated business. Can we meet the requirements of the audit standard?

Yes! The NATA Safety 1<sup>st</sup> Ground Audit Standard does not dictate how FBOs meet the requirements. It was written with small and large FBOs in mind. In fact, the audit standard has been tested on a family-owned/operated FBO and one of the largest FBOs in the country.

### I have an internal auditor on staff. May that individual complete our audit?

Yes, if your staff member is qualified in accordance with the NATA Safety 1<sup>st</sup> Ground Audit requirements and has successfully completed the NATA Safety 1<sup>st</sup> Ground Auditor training, he/she may complete your audit. Self-audits are subject to random selection and review by NATA Safety 1<sup>st</sup>.

### How much does the audit cost?

Auditors or auditing companies may set their own prices. Visit [www.nata.aero/groundaudit](http://www.nata.aero/groundaudit) to find out more about the audit standard and view current materials and registration fees.

### Will the NATA Safety 1<sup>st</sup> Ground Audit meet pending FAA requirements?

It is unlikely SMS implementation will be required of FBOs directly by the FAA. However, charter operators and other clients subject to FAA regulations will likely increase their oversight of FBOs and other ground service providers in order to remain in compliance with their own SMS. Although FBOs probably will not be regulated in this area by the FAA, no aviation service company will be unaffected by the upcoming regulations.

### How often should I complete the audit?

Your registration status will be valid for 24 months.

### How do I participate?

A ground service provider wishing to undergo the NATA Safety 1<sup>st</sup> Ground Audit Standard must contact NATA Safety 1<sup>st</sup> to obtain a licensed copy of the Standard, appropriate guidance materials and the Pre-Audit Checklist. The Pre-Audit Checklist is required for both self-audits and third-party audits.

### How can I find more information about NATA's Safety 1<sup>st</sup> Ground Audit Standard?

View NATA's Safety 1<sup>st</sup> Standard online at [www.nata.aero/groundaudit](http://www.nata.aero/groundaudit). **A**

For more information on why you should do an audit and what will be audited, see Lindsey McFarren's article on page 45.

## NATA's 2012 Spring Training – One-Location for All Your Training Needs



**N**ATA is looking forward to its 4th annual Spring Training Week in conjunction with the Cygnus's Aviation Expo (formerly the Aviation Industry Expo). Spring Training is a continuing education training camp featuring all-star seminars designed to enhance safety practices, provide major league knowledge, and help coach your team to a winning season.

Here's the 2012 line-up with dates:

- March 5–6 Line Service Supervisor Training Seminar (LSST)
- March 6–7 FBO Finance Fundamentals
- March 7 NATA Safety 1<sup>st</sup> Trainer Seminar (Train the Trainer)
- March 8 Environmental Compliance Seminar

Cover your bases with NATA's Spring Training to enhance your teams' skill-building and conditioning for 2012. Go to [www.nata.aero/springtraining](http://www.nata.aero/springtraining) for in-depth details. **A**



## NATA President and CEO Coyne Named NAA Elder Statesman of Aviation

**T**he National Aeronautic Association (NAA) bestowed NATA President and CEO James K. Coyne with a Wesley L. McDonald Elder Statesman of Aviation Award at their Annual Fall Awards Banquet on November 7. Joining Coyne in this honor were General Jack Dailey, Leon Potts and John Cashman.



NAA Chairman of the Board and aviation historian Col. Walter J. Boyne USAF (Ret) was on hand to present the trophy to Coyne.

“As the Elder Statesman Award is synonymous with lifetime achievement, these four individuals together have contributed immensely to the advancement of our industry, the defense of our nation, and the fabric of sport aviation in the United States,” said Jonathan Gaffney, chairman of the Selection Committee and president of NAA. “It is such a great honor to put their names on this most cherished award.”

According to NAA, “The Wesley L. McDonald Elder Statesman of Aviation Award was established in 1954 to honor



NAA legal counsel George Carneal and former NATA Board of Director Richard Van Gemert pose with Holly and Jim Coyne during the festivities.

outstanding Americans, who, by their efforts over a period of years, have made contributions of significant value to aeronautics, and have reflected credit upon America and themselves. Previous winners have included Eddie Rickenbacker, Jimmy Doolittle, Olive Ann Beech, Scott Crossfield, Carol Hallett, and Chuck Yeager.”

With over 6000 hours in his log book, Jim Coyne has had a wonderful lifetime experiencing the benefits of business aviation. Flying has been an important facet of his professional

## New NATA Sponsorship Packages Announced

**N**ATA’s sponsorship opportunities offer high visibility focused directly at your target audience, the aviation business community. Our event and seminar sponsorship packages are designed to help you build brand loyalty, drive sales and provide meaningful access to your customers. The number of impressions gained as a benefit of these programs makes them much more than just spending sponsorship dollars – they are true marketing tools. NATA’s seminar and event sponsorship packages are ideal for reaching your audience and demonstrating your commitment to continuing education.

NATA’s sponsorship opportunities are designed with you in mind.

- Achieve high visibility
- Gain meaningful access to your customers
- Build brand loyalty
- Drive sales
- Get a return on your dollar

### Sponsorship Benefits:

- Every sponsor will be listed in brochure/program materials distributed to event attendees.

and private life. Two small, piston airplanes helped him expand Coyne Chemical in the 1970s. During his term in Congress, he flew from Washington to Pennsylvania several times every month, basing his Beech Baron at Washington National Airport. In the White House, he helped Department of Transportation Secretary Drew Lewis deal with the consequences of the PATCO strike and encouraged such innovations as the Contract Tower Program.

As NATA president and CEO, Jim Coyne has visited close to a thousand FBOs and aviation service businesses across the country. He also regularly presents the viewpoint of our industry before congressional committees, the Federal Aviation Administration, Transportation Security Administration, and other federal agencies. He works closely with NATA members across the country, as well as our sister aviation associations in Washington. In recent years, he has worked to develop strong relationships with pro-business, pro-aviation governors and state legislators. Local aviation issues are equally important. Jim Coyne serves on an airport commission and regularly helps airport managers and commissioners understand the importance of their business and general aviation users and tenants. His efforts have led to the



Joining Coyne in this honor were General Jack Dailey, Leon Potts and John Cashman.

creation of aviation advocacy groups at airports across the country.

“On behalf of NATA’s board of directors and its members, I congratulate Jim on this great honor for his outstanding service to the association and the general aviation industry at-large,” stated NATA Chairman Todd Duncan. **A**

- NATA will provide signage for all sponsors.
- A company logo will be shown on items sponsored, such as tote bags, lanyards, and giveaways specific to each event.
- Sponsors may also be eligible for discounts on event registration, based on sponsorship amount.

Please contact Diane Gleason, NATA Director of Meetings & Conferences, with any questions and/or to confirm your sponsorship at [dgleason@nata.aero](mailto:dgleason@nata.aero) or (703) 575-2050.

You can visit [www.nata.aero/sponsorships](http://www.nata.aero/sponsorships) for a detailed list of packages. **A**

## Membership Dues Reminder

**N**ATA’s membership year runs each calendar year from January 1 to December 31. To remain active and in good standing, members must pay annual dues by January 31, 2012. Note: a new dues schedule is effective January 1. Go to [www.nata.aero/membership](http://www.nata.aero/membership) and renew your membership today! **A**

**Go to  
[www.nata.aero/membership](http://www.nata.aero/membership)  
and renew your  
membership today!**

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# NATA SUSTAINING MEMBERS

These special members have made a commitment to help develop programs and initiatives throughout the year. This membership class includes participation, sponsorship, and recognition in all major NATA events and publications.

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Founded in 1940, the National Air Transportation Association proactively promotes aviation safety and the success of aviation service businesses through its advocacy efforts before government, the media and the public, and by providing valuable programs and forums to further its members' prosperity.

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## NATA AMT Award Program Enters Second Year

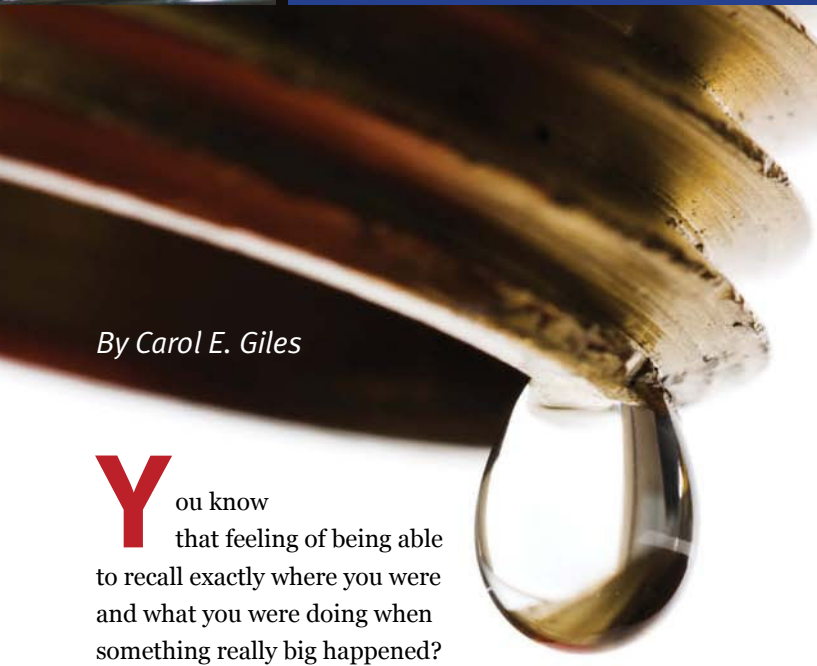
**N**ATA is pleased to announce that applications for the 2011 Aviation Maintenance Technician Employer Award Program are now available. This award program, now in its second year, is designed to recognize companies that employ aviation maintenance technicians (AMT) and encourage and support AMT training. The award is based on the percentage of AMTs employed by a maintenance organization that participate in qualified training events. Any AMT who has received 12 hours of qualified training counts toward the program award. The award categories are:

- Five Star Award – 90% AMT participation
- Three Star Award – 75% AMT participation
- One Star Award – 50% AMT participation

AMT training that qualifies for the program can include company policy and procedures, company safety training, OSHA or DOT relevant courses, foreign repair station training or vendor conducted equipment or component training. All qualified training must include at least one hour of aircraft-related training and one hour of Federal Aviation Regulations training.

In its first year, the AMT Employer Award Program recognized 28 companies for their dedication to maintenance training. “We are very proud of this program, just as many aircraft maintenance providers are proud of their dedication to providing quality training to their AMTs,” said NATA Director of Regulatory Affairs, Michael France. “The first year of this program was an overwhelming success and we look forward to even more participants this year.”

Applications for the 2011 AMT Employer Award Program will be accepted through January 31, 2012. For more information on the program, or to download an application packet, please contact Michael France at [mfrance@nata.aero](mailto:mfrance@nata.aero) or visit NATA’s website at [www.nata.aero/AMT](http://www.nata.aero/AMT). **A**



## The Trickle-Down Effect of New Changes to ADs

By Carol E. Giles

**Y**ou know that feeling of being able to recall exactly where you were and what you were doing when something really big happened? Whether it's a world occurrence or an important personal milestone, the event is burned forever into our personal memory chip.

That's what early 2008 represents for me, as well as for a lot of my colleagues.

"Thousands of flights canceled," blared the broadcast reports. Cameras showed passengers and planes idled at airports across the nation. Sounds like a major snowstorm in Chicago, right? Not exactly. It was a storm, but one that was man-made and started when the FAA discovered non-compliance issues with the infamous Airworthiness Directive (AD) 2006-15-15 issued in July 2006 on MD-80 series airplanes. The AD related to clamping, bundling, and sheathing electrical wiring around the auxiliary hydraulic pump in the wheel well to prevent chaffing, leading to ignition or possible fire near the fuel tank.

Now here's the rub, no pun intended. The non-compliance was about the incorrect use of nylon tie wraps, tie wraps not installed, incorrect installations of snap tubes, incorrect securing of clamps, clamps not installed at all, and more importantly, instances of chafing between wire bundles and other surfaces.

Directly after the events of AD 2006-15-15, two groups studied the Swiss cheese effect of how all the holes lined up and both issued reports. The first report, written by the FAA, was directed to Mary Peters, Secretary of Transportation. It outlined the results of the FAA's investigation of what could be called a "perfect storm," how it happened, and what the FAA and industry planned to do to prevent it from happening again. Based on that report, the Secretary appointed a blue

ribbon panel of aviation safety professionals to take a broader look. This resulted in a second report that contained recommendations to improve the overall aviation safety system.

In August 2009, on a typical hot and steamy Washington day, the FAA established an Aviation Rulemaking Committee (ARC) to evaluate and address all the recommendations from both reports. The committee membership consisted of airlines, manufacturers, and associations, as well as FAA policymakers. The committee had 24 months to implement the recommendations from the two reports and determine whether the FAA should revise any regulations.

In August 2011, the FAA released the ARC's report, containing the process improvements, metrics and implementation strategies for both the FAA and the industry.

Some of the subjects the committee recommended for improvement included:

- Developing Service Bulletins (SB) and understanding how they affect the literal compliance to an AD
- Using Part 43 maintenance requirements to maintain the type design after it is changed by an AD
- Minimizing the number of Alternate Means of Compliance (AMOC) for ADs requiring design changes

Let's look at these, because, if I'm not mistaken, you should be seeing some trickling down by now.

The issues found by the FAA during its oversight of airline compliance to AD 2006-15-15 were the improper routing of wire bundles, and incorrect use of nylon tie wraps and clamps. There is code in the regulatory world for the AD-required tie wraps to be a certain distance apart with bundles routed a certain direction and clamps facing a certain direction. When the FAA took a ruler to the tie wraps and found them a millimeter off, found wire bundles misrouted, and found clamps facing the wrong direction, violations went flying. Airplanes and passengers did not.

Let's look at how we got here. A few years ago the FAA attempted to make ADs more user-friendly by incorporating



reference information from the manufacturer's Service Bulletins instead of repeating all the information in the text of the AD. The unforeseen consequence of this was that manufacturers typically write more in an SB than what is needed to address the unsafe condition. Also, all those maintenance instructions and part numbers find themselves in the body of the AD.

For example, SBs may include instructions that require use of a specific part that might not be directly related to correcting the unsafe condition. But once the FAA adopts the text of a SB into the AD it becomes law — literally — and we now have ADs, for example, that refer to 400-page SBs leaving operators or maintainers trying to figure out how to comply. Don't even think about using standard maintenance practices unless it comes in the form of an AMOC, because the AD/SB has its own set of maintenance instructions in the body of the AD; that is what you have to follow.

Here's an example of literal compliance that came up during the ARC meetings. An AD had a typo in the text and it required the part to be cleaned with a "lint free clothe." That should have been cloth, right? Would you have been out of compliance if you had not used the shirt off your back (lint-free, of course) to clean the part? Would you need an AMOC? Yes, some facts are stranger than fiction, yet these are the facts that keep us up at night.

To address these types of situations, the ARC suggested that SBs and ADs allow the use of standard practices. In effect, once an AD is complied with, maintenance could be performed using methods, techniques, and practices in accordance with the manufacturer's Instructions for Continued Airworthiness (ICA) and an operator's own maintenance programs developed under CFR 43. Of course, any maintenance procedure would have to consider the AD requirements and maintain compliance; however, the "how to" instructions would be left up to the operator.

Currently, SBs do not distinguish between critical tasks required to correct the unsafe condition and non-critical tasks. All of the maintenance instructions are incorporated by reference meaning SB language is referred to in the AD text. This can put an operator at risk of non-compliance if the SB is not followed exactly unless an AMOC is in play. The ARC drafted an Advisory Circular identifying items that are required for compliance and recommended only putting those tasks in an SB. This way only those items that have a direct effect on addressing an unsafe condition will be incorporated in an AD.

The other part of 2008's perfect storm was the lack of coordination and communication between the operator, the FAA inspector, and the inspector to other parts of the FAA, e.g., the Aircraft Certification Office (ACO) and the Aircraft Evaluation Group (AEG). For the most part, operators talk to manufacturers, and manufacturers talk to the FAA, largely the FAA's Aircraft Certification Service

Who does the safety inspector talk to? How do inspectors get help when they find non-compliance with an AD? How do they know if an AMOC was issued? One of the ARC workgroups looked at those topics as well as at inspector decision-making, training, the AMOC process, and what is now called the "24/7 process," which describes issuing AMOCs after hours. The FAA also emphasized — again — to inspectors the role of the AEG and how it can help the inspector in the AD process.

The AD ARC report lists implementations strategies, recommendations, expected benefits, and the metrics that will

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# NATA Maintenance Perspective

Continued from page 57

indicate success. Industry participants developed a communication plan including writing articles, conducting training, and developing other documents to help with future compliance planning, AD management, and AD development. The FAA issued new policy and guidance material, developed training courses, and conducted road shows to discuss the report and changes.


As maintenance technicians we're taught from the beginning that ADs are sacred, and rightly so, because they correct a known unsafe condition and that, above all else, we need to maintain compliance. As so many people discovered in 2008, in today's environment, it is very easy to slip out of the lane of compliance simply through normal operation and maintenance.

I am sure no one wants to be caught in the downdraft of another perfect storm. So, make the time to take a few moments and look up the link below to the FAA's Aircraft Certification Service Continued Operational Safety website, where you will find links to the AD ARC report, the Secretary's Internal Review Team report, and the FAA's AD Compliance Review Team (AD CRT) Report. Scan the information for what best practices and changes you might start trickling (or better yet, flowing!) into your operation. **A**

Carol E. Giles, former Manager of the Aircraft Maintenance Division, FAA, now President of Carol E. Giles & Associates, Inc, an aviation safety consulting firm.

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## *Brandon*

Brandon Kover, 16, was born without a cerebellum, a region of the brain governing coordination. "He was supposed to be a vegetable," said his mother, Annette Kover. "When he was born, the doctors told us, 'Good luck.'"

But that wouldn't do for the Rancho San Diego youth. "We put him in school when he was 2 and gave him a wheelchair. In five minutes, he was doing figure 8s. We got him a computer, and he used it to plan trips on a flight simulator. It's amazing how his brain has caught on."

Brandon has participated in the San Diego Challenge Air program over the past three years. "There are no rules in the air. You can feel free," Brandon said, giving admirers a thumbs-up as he was helped into the cockpit. This time he got to take the yolk under pilot Lance Ricotta's eye. Mom waited nervously on the ground. "Mom's a scaredy cat," Brandon said, laughing.

How can you help special needs youth like Brandon? Donate...or become an Event Sponsor, Volunteer Pilot or Ground Crew Volunteer. Sixteen events are held annually, nationwide. To learn more, visit [www.challengeair.org](http://www.challengeair.org) or call 1-877-FLY-KIDS.

Photo by Colin Yu.

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