

THE SIDE OF THE STORY TOO SELDOM HEARD:

Business Aviation Is Good For America

An American Perspective. by Dave Higdon

"I want you to get up right now, sit up, go to your windows, open them, and stick your head out and yell - 'I'm as mad as hell and I'm not going to take this anymore!'"

- Actor Peter Finch as talk-show host Howard Beale in the 1976 film, 'Network'.

Well, it's time – some say past time – for business aviation to follow Howard Beale's advice, to sit up, open the cockpit window and shout at those denigrating one of this country's greatest industries - "We're mad as hell and we're not going to take this anymore!"

'This' is the continuing demonization of business aviation use by companies and in turn, of all business aviation. It's time for politicians and others to stop, think, and realign themselves with reality.

Already various organizations in business aviation, in fact, from across the general aviation spectrum, NBAA, NARA and GAMA to name just three, are pushing back. Yet these institutional efforts, good as they are, fall short of the carrying power of individuals within business aviation in delivering their own messages to friends, colleagues, business associates and lawmakers... *Lawmakers, in particular.*

It's time for us, as members of the business aviation community, to voice our collective anger and reintroduce some facts to those who appear to be aligned against us...

- **FACT:** Only a tiny percentage of the business aircraft fleet flies for Fortune 500 companies; the vast majority put their wings to work for small businesses, ranging from a few hundred people to as few as one or two.
- **FACT:** Somewhere upwards of 25,000 private aircraft fly in support of the business interests of their owner; about



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- 20,000 of those are piston twins, turbo-props and jets; somewhere between 5,000 and possibly 10,000 are the archetypical 'little airplane', a four or six seat craft powered by a single piston engine.
- **FACT:** Their use spans the spectrum of diversity of American businesses and entrepreneurs. These aircraft essentially support jobs – hundreds of thousands of jobs if you trace their impact from component vendors through the factories to the flight departments.
- **FACT:** The economic impact of general aviation, as a product and an activity, exceeded \$200 billion – back in 2005; it grew higher in 2006, 2007 and 2008, based on the delivery of new planes and the expansion of the fleet.
- **FACT:** In 2005, nearly 800,000 Americans earned their livelihoods directly or indirectly from general aviation – manufacturing, sales, service, operating and teaching—and more than half of that many again benefited from the multiplier effect of those nearly 800,000 jobs.

Thanks to general aviation, 1.26 million hard-working, skilled, voting Americans have jobs, homes, cars, trucks, kids and school supplies from the micro-economy of private aircraft.

On top of all this, aviation – private aircraft, engines, avionics and other flying goods – **are a huge net positive on our international exchange balance sheet.**

All this before we even begin to deal with all the positive things business aviation does for its adherents.

It's time for all of us involved in business aviation to stand up and say; not only is business aviation good for America, business aviation is *essential* for America!

Unfortunately, an understanding of this reality is not reflected in the current rush by some policy makers to demonize business aviation.

This is dangerous, it's dangerous because it's costing jobs, it's dangerous because it is threatening an entire manufacturing base, it's dangerous because it is taking away a tool many companies absolutely rely on to remain competitive and survive.

In short it's dangerous for America.

WHAT BUSINESS AVIATION MEANS

Now let us take a look at what the business airplane actually means for the vast majority of companies and individuals that use them: Airplanes used by businesses predominantly carry mid-level technicians, support staff, and middle managers - not high-level executives.

Of course, there might be those trips more cost-consciously flown on the commercial airlines – if the airlines actually go to those places. Reflect on this:

- **FACT:** Airlines serve far fewer than 500 cities in the U.S. – and today's number is actually down by about 100 cities and towns from a year ago.
- **FACT:** The airline industry shed nearly 30,000 jobs last year – jobs that became surplus when the common carriers cut fleets, seats and cities from their operations.
- **FACT:** This means fewer places a busy business person can even reach by commercial airlines – let alone reach in a manner that's both time and dollar efficient for the employer.

Some might argue that business people could use commercial airlines to get close and drive the balance... of *course* they could, if their time has *no* real value, but of



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course it is of value! And beyond issues of their time, it costs the company for which they work. These are the two most critical reasons behind the use of business aircraft!

Let's take an example. A technical support team using a business aircraft can fly to that out-of-the-way facility, land at a business airport close by, perform the upgrades and be home at a reasonable hour. No rental-car costs, no overnight-hotel/motel costs, no extra meals-on-the-road costs.

The alternative can often be, book the first available commercial flight, maybe having to wait a day or more, drive to the commercial airport, spend several hours at check-in, pick up the rental car at the destination, drive several hours, arrive late, finish half the job on day one, spend overnight at a local hostelry, eat at the local restaurant, finish the project the next day, drive several hours back to the commercial airport, and hope the connections work so the team doesn't end up spending *more* of the company's money on a second night's hotel bills.

It is not hard to see where the efficiency comes in!

THE MYTH OF THE CORPORATE JET & TALES OF MISJUDGMENT

There's no getting around the fact that recently, the judgment of some users has been lacking in appreciation for the situations in which they find themselves. It's true that some people make us angry for their *use* of business aircraft and it's true that the option of using a corporate aircraft will not be appropriate in every instance.

It is true that in some cases company boards have seen fit to laud a tiny percentage of executives with corporate aircraft use that defies business-use parameters. Actual abuses of privilege and lapses of judgment deserve full illumination and corrective action.

But it is also true that in many of these instances the missions flown fail the corporate-abuse test because the executive on board reimburses the company and pays taxes on the use of the airplane. So no shareholder funds are wasted and the public coffers are not shortchanged.

It is true, however, that for many users of business aircraft, they don't make the choice >

– their financial watchdogs make the choice... and for good cause: These aircraft help produce profits for companies that operate them wisely. In survey after survey, instance after instance, businesses that embrace what a private plane can contribute fare considerably better at the bottom line than their competitors who do not. Abuse does exist, yet, as such, only a *tiny* fraction of hours logged by business aircraft don't directly contribute to the bottom line of the operating business. *Tiny!*

EXCEPTIONS DON'T JUSTIFY EXTREMES

For *really* close to 100 percent of the aircraft flown for and by business – including *luxury* jets – no ridicule or shame should befall those business people who limit their use of company aircraft to useful, beneficial and justifiable missions, those that contribute to the company's financial success.

Nothing – *not a single thing* – about business aviation or the larger general aviation community deserves the battering received of late; the battering is particularly difficult to stomach coming from people we *know* have at some time enjoyed the efficiencies of corporate aviation, be it someone's private plane or a government aircraft that serves the same role as a corporate aircraft.

Undeniably, the President himself, Barack Obama, owed his ability to expand his successful election campaign to business aviation. The company: Obama for President, the company plane: a leased Boeing 757.

We know of members of Congress, from both sides of the Hill and both sides of the aisle, who've benefited from campaign-financed trips that reimbursed some favored company which supplied the jet. There's nothing wrong with that, as long as there's transparency and legality, that is; but remember that added productivity you enjoyed from use of general aviation before acting to condemn it.

ECONOMIC REALITIES

Politicians and others must stop feeding fuel to the fire of business aviation's own contraction, one borne by the ill winds of other problems – frozen credit markets, collapsing real estate values, paralysis on Wall Street.

Your misunderstanding of business aviation has a ripple effect.

Thanks partly to the poor economic decisions of a few in high places, and thanks in growing part to the ill-informed claims being made against general aviation, economic activity, employment and even general aviation flying itself are down. GAMA reported a drop in total shipments for the first time in five years with piston shipments showing a 20-percent decline.



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Aircraft sales started down before you started your assault on business flying; business flying was down before you demonized the users of business aircraft. And with these declines, manufacturing and support, maintenance and upgrades, and flying time itself have all declined.

With those declines came the workforce reductions you might expect. So far, the direct- and ripple-effects tally is approaching 20,000 good-paying aviation jobs – and growing. The general aviation industry is in the midst of shedding tens of thousands of jobs without the help of those looking to assail the use of, and existence of, the private company plane.

Even so, total industry billings were close to \$25 billion - and that in itself should be an attention-getter for the lawmakers, and a worthwhile reason to broaden their understanding of the depths of America's aviation might.

Think hard, and be informed before simply adding to the decline of an American strength!

We're mad as hell and we're not going to take it anymore – which means every time we hear someone unjustly malign business aviation, business aircraft and the people involved, we're shouting back, ringing your

office and registering complaints - to your office, to our editorial pages, and to our voting friends and neighbors.

For the part of the industry, if we all take the opportunity to sound like Howard Beale for a moment, maybe – just maybe – the country will get the point that we're for real, we're really serious, and we contribute greatly to the good of the world. So prepare to get "mad as Hell!" We're in for a long pull.

In mid-February, NBAA and GAMA formalized their pushback with the resurrection of the old NBAA "No Plane. No Gain." program. By visiting the program's website – www.noplanenogain.org – you can find a wealth of useful information to use in your own personal support of business aviation.

NARA also has been very active in advocating a balanced view of the benefits of business aviation to policy makers in Washington and beyond, for more information, visit: www.nara-dealers.com

Similarly, Cessna Aircraft launched its own targeted website (www.cessnarise.com) and Hawker Beechcraft Corp. pushed back in the form of its own advertising campaign.

➤ In addition, to help keep you abreast of the campaign to defend the practical usefulness of business aviation, *World Aircraft Sales Magazine* will run a series of articles over the coming months reinforcing the facts behind business aviation to help you defend our industry. ■