

# 2010 Air Charter Summit Tackles Key Issues



By Colin Bane

“I always joke that the FAA and our partners in industry are a big family, and just like in any family, everything isn't always going to be smooth sailing. There are going to be some hiccups,” said FAA Deputy Associate Administrator for Safety John Hickey, addressing NATA's 2010 Air Charter Summit on June 8 at the Westfields Marriott in Chantilly, Va. “That's OK, though, because at the end of the day, we all want the same thing. We're all working toward the same goal: a better, safer, more efficient national airspace system.”

Hickey thanked NATA for recognizing the FAA with several 2009 NATA Industry Excellence Awards, including a Customer Service Excellence Award for South Florida FSDO-19 and an Excellence in Pilot Training Award for Arlynn McMahon (the 2009 Flight Instructor of the Year). He then addressed some of the more serious matters at hand, including his response to a NATA survey and subsequent Government Accountability Office (GAO) report knocking the FAA's Regional Aircraft Certification Offices and Flight Standards District Offices for inconsistent interpretation of federal aviation regulations.

“As proud as I am of our safety record, I also know we're not perfect,” Hickey said. “And as in any family, NATA was kind enough to let us know we can do better when you released the results of a study in October that indicated the FAA is not always consistent in the way we interpret regulations. This led Congress to commission the Government Accountability Office to conduct its own review, which basically came out to be, ‘Yep, you guys at the FAA have got to do a better job at standardization! So that's what we're trying to do. The bottom line is we weren't living up to your expectations. So you called us on it. And as much as it irritates me that it took something like that to happen before we made necessary changes, the truth is we weren't meeting the mark. And when that happens, we need to know about it. We need to be held accountable, and we need to do better.’”

Inconsistent interpretation and application of the current rules at the field office level have been costly for the industry, a point raised by the NATA

survey. NATA Director of Regulatory Affairs Jacqueline Rosser addressed the topic during the summit, specifically with regard to the flight, duty, and rest regulations, which have been essentially unchanged since the 1970s but have been interpreted broadly at the local level and need to be standardized.

“The problem isn't necessarily inconsistency at the FAA headquarters level, it's that there's inconsistency at the field level,” Rosser said. “We wanted to be able to show the FAA where the inconsistencies were, and in that respect the survey has been very powerful. Part of the problem is that many operators are reluctant to complain about these issues. A lot of the time the operators just choose to go along with their inspector's position, even when they disagree with it, because it's hard to file a complaint against your inspector without fear of retaliation.”

“We're very encouraged by the FAA response to our survey,” Rosser said. “They want to do the right thing. They want more standardization as much as we do, and they are very actively listening to us.”

During her presentation at the summit, Rosser told NATA members that the FAA may revise current flight, duty, and rest regulations for pilots. Over the last 15 years, there have been several attempts to change those rules, including a 1995 Notice of Proposed Rulemaking (NPRM), a 1998 Aviation Rulemaking Advisory Committees (ARAC), and the 2004 Aviation Rulemaking Committee (ARC) efforts. Rosser joked, “Change is coming... eventually...maybe.”

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## Air Charter Summit

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The ARC worked to update the entire Part 135 regulation, including pilot duty rules. Hickey said that the FAA has made progress toward implementing the ARC recommendations. "On the one hand, change is obviously coming, and the FAA has made progress on the ARC recommendations," he said. "We have seen bits and pieces of it come through with some new published rules and rulemaking efforts underway. But it's also true that nobody wants to see significant rulemaking on pilot duty rules rushed through. What you don't want is to have one dramatic accident, and then everybody gets all

fired up about coming up with a new rule to address it in the future, and you end up with something that isn't really practical, isn't really cost-effective, or just plain doesn't make any sense in the bigger picture. And, as we've seen, these rules tend to stay on the books for a very long time once they're on there, so it's important to get it right."

Change may *actually* be coming on all of those fronts, and soon, according to Hickey. "We're writing a lot of new regulations, and we're doing it one step at a time," he said. "I can tell you that we've reviewed all of the recommendations that came out of the rule-

making committee, and we're currently involved in rulemaking on air ambulance and commercial helicopter operations and crew resource management training in Part 135. We're on target to publish the air ambulance notice of proposed rulemaking (the NPRM) sometime later this summer. And as for crew resource management training, a rule proposed by the ARC, we expect the final rule to be published this fall."

FAA Senior Adviser to the Associate Administrator for Aviation Safety Jim Ballough echoed the assessment that a standardized approach is essential and that transparency is key, noting that the FAA has been working to disposition all the recommen-

dations for the Part 135 ARC Update and that many of the recommendations are in the rulemaking process or have already been published.

Anticipating those rule changes and the mandatory comment period built into the rulemaking process, Rosser urged NATA members to take an active role in responding through the comment process to identify and suggest viable alternatives where there are problems and concerns. "It's very important to get comments in on proposed rules to make sure the FAA gives proper consideration to the issues the industry faces," she said.

At the summit, Hickey reaffirmed that the FAA takes those comments seriously, noting that the administration is currently reviewing comments about the advance NPRM for new pilot certification requirements for air carrier operations, among other proposed regulations.


"We asked for feedback on our proposal to enhance traditional training programs for air carrier crewmember and dispatcher training, and we received a lot of feedback from the public, which we appreciate, and we're in the process of sifting through it now," he said. "So what I want you to know is: We recognize these are all important issues, and we're focused on getting it right. I just want you to know that we get it. We understand that any change in regulations has a ripple effect throughout the industry. That's why it's especially important when we look at implementing new regulations that we make sure we're not just creating more work or having a knee-jerk reaction. Part of our charge as stewards of safety is to make sure we're doing what's right, not what's easy, that we're making changes that will truly improve safety and efficiency and promote professionalism. That's why rulemaking is such a slow and deliberate process."

## A Holding Pattern on FAA Reauthorization

Speaking of slow and deliberate processes, the FAA reauthorization bill also looms on the horizon and was very much on the minds of summit attendees. The House and Senate are currently working to reconcile their versions of the bill, which now includes the flight safety bill.

"Because there are some significant differences in the two versions, the bills will have to be reconciled before the reauthorization can go to President Obama to be signed into law," Hickey said. "So right now, we all just have to wait to see what the final bill holds. The bottom line is that we're in a holding pattern just like all of you are."

As frustrating as that answer may be for just



NATA's Jacqueline Rosser said she is very encouraged by the FAA response to the association's survey showing inconsistent interpretation of federal aviation regulations.

about everybody in the industry, Hickey was right when he said it's important to get it right and implement a safety management system (SMS) to meet current and future demands. The FAA estimates that air traffic will double by 2023, with as many as one-billion passengers, according to Hickey.

"That means we'll have more aircraft and more passengers in the sky than ever before, so we're working with you and our industry partners around the world to increase the safety and capacity of the global civil aviation system," Hickey said. "That's where our Next Generation Air Transportation System (NextGen) comes into play. By focusing on safety, aircraft-centric operations, and aircraft equipage, NextGen is the catalyst for modernizing our air transportation system, transitioning it from a ground-based system of air traffic control to a satellite-based system of air traffic management. NextGen will also shift certain decision-making responsibility from the ground to the cockpit. This is a huge undertaking, and I don't think I'd be exaggerating if I said the future of aviation is tied to the success of NextGen. As we figure out how to meet increasing demand and avoid gridlock in the sky and at our airports, NextGen will give pilots the ability to access real-time information about their location and the locations of neighboring aircraft, which will allow pilots to take more direct routes and fly closer to other aircraft without increasing safety risks."

How likely is it that the FAA reauthorization bill will make it to the President during this legislative session? Rosser is less than optimistic: "The President and the rest of the folks on Capitol Hill have plenty of big issues on their plate right now, and from my perspective it just doesn't seem like there's a fire under anyone to get that done. It wouldn't surprise me at all if they just do another extension and start fresh next session. It's amazing to me that we've gone three years without reauthorizing the agency, but I'm not putting odds on that one way or another."

Other topics heavy on the minds of the summit attendees included charter brokering regulations and collection issues around federal excise taxes when working with brokers and state tax changes and their applicability to Part 135 operators. Change, and some level of anxiety about it, were common themes.

Still, Rosser said the main thing she took away from the 2010 Air Charter Summit was an overall sense that there are clearer skies ahead for the industry. "The word I came away with from the summit was engagement," she said. "Our membership is

feeling very energetic and very engaged right now. The attendance was up, people were very attentive and participating in each of the sessions, and we saw a lot of networking, a lot of discussion, a lot of very spirited Q&A. I think things are headed in a good direction. We're all coming through a very difficult time with the recession, and on the upside of that and as a result of that, everyone's operations have gotten more streamlined and everyone's a lot more focused. Everyone's starting to grow, the travel budgets for events like ours are starting to come back, and people are really seeing the value of these events and wanting to bring the message back to the office and get things moving again. And on top of everything else, we've got very active engagement with the FAA right now. It's been very validating to have this level of response from them, to know that they are very actively listening to us and working with us. It's very encouraging."

Hickey closed out his comments with a similar tone of optimism and mutual collaboration. "Certainly, this is a critical time for our entire industry," he said. "The last decade was difficult on economies and industries around the world, and we were all impacted. But what you do is too important and it matters too much to our economy to ever risk becoming obsolete. So make no mistake about it, you are a critical part of our industry.... We're going to have to embrace accountability, professionalism, excellence, teamwork, partnership, and collaboration. We're going to have to share ideas, implement best practices and lessons learned. We have to be the pacesetter in innovation because we want to determine the speed and the direction of the plane, not chase after it once it's already lifted off. This isn't going to be easy, but if we're committed and if we work together, it will be worthwhile."

The FAA's John Hickey told the NATA audience, "We're all working toward the same goal: a better, safer, more efficient national airspace system."







**AIR CHARTER SUMMIT  
NATA 2010**



Above, Chantilly Air Director of Client Services Terri Farish explains her experience with federal excise tax liability on brokered flights.



During the Charter Brokering Update, DOT Deputy Assistant General Counsel Dayton Lehman (top left) and Priester Aviation President and COO Andrew Priester (above) discuss the impact of upcoming DOT enforcement activities on the industry.



NATA President James Coyne catches up with the FAA's Joseph Conte before the FAA Regulatory Review session.

Below, relevant topics and quality speakers held attendees' attention and kept the sessions crowded throughout NATA's Air Charter Summit.



Right, Summit attendees found value in their ability to ask questions, share information, and raise concerns during the sessions.





Above, the FAA Regulatory Review panel addressed a variety of serious matters, including the implementation of the Part 135 ARC proposals and the inconsistent interpretation of federal aviation regulations. The FAA's James Ballough (right) said that during the rulemaking process, a standardized approach is essential and transparency is key.



Below, NATA Vice President Eric Byer (left), Dennis Keith, and Jim Miller relax during a break between sessions.



During the Transportation Security Administration Update, TSA's John Sammon (above) and Brian Delauter (top) provided the latest security developments affecting the charter community.

Right, the Sensis Corporation's Andy Cebula shares thoughts on the implementation of NextGen while the FAA's Paul Fontaine looks on.



Left, finance and aerospace expert Rolland Vincent discusses the impact of economic decline on the Part 135 community and its outlook for the future.



Right, NATA members chat with Olympic champion, aviation business owner, and longtime pilot Bruce Jenner before his presentation at the ACS Dinner.





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# Bruce Jenner: Winning and Aviation Are in His Blood

*An Interview with NATA President James K. Coyne  
and Vice President Eric R. Byer*

**W**hen James Coyne and Eric Byer asked Olympic Hall of Famer and multifaceted businessman Bruce Jenner to talk to NATA members about aviation in the Aviation Business Journal, he enthusiastically accepted. The interview took place before his riveting presentation at NATA's Air Charter Summit dinner on June 8. Following are some excerpts about Jenner's history with aviation, passion for flying, and views on the industry.

**ABJ: How did you get your start in aviation?**

**Jenner:** When I was a little kid I would go to the airport, sit at the end of the runway, and watch airplanes land and take off, and thought wouldn't that be the coolest thing in the world to learn how to fly, never thinking I would ever really have the opportunity. But then after the games in 1976, all of a sudden I had at least a job and some resources, and I went to Santa Monica Airport to Cannell Aviation and got my ticket, and that kind of started it.

I bought my first airplane in 1978, a Bonanza A36, went back to the factory, met Mrs. Beech, and picked it up. Getting your first airplane is one of the greatest days of your life. I had only about 500 hours at that time when I bought it. I got my instrument rating in it and kept it about three years, and then I bought a 1982 pressurized Barron. Now that one could get me around all over the place. I went everywhere and put a lot of hours on that thing. I went coast to coast, Florida, Mexico; I went everywhere and then sold it.

While I had the Barron, I also bought a Pitts, did a lot of aerobatics, and put about 320 hours on that little Pitts. A guy came up at the airport and said he wanted to buy my Pitts. I had a business relationship with a guy in the South that had a couple of airplanes. Right after I sold it, not really knowing what I was going to do, he had this MU-2 that he wanted to get rid of. He had just spent a year getting it totally redone, and so he said, "I'll make you a deal you can't refuse," and I bought the MU-2.



I bought it through a guy named Rick Crout. He was good friends with my business partner, and he had a small business in Columbia, S.C., and mostly dealt in small planes. I liked dealing with him and liked him as a person. I talked with him, and I said, "Do you want to expand your business? Let's kind of take it to the next level and get into the bigger stuff and see what we can do." That was 22 years ago, and we started Bruce Jenner Aviation, and we've been doing it ever since. That's kind of how it got started because I had an interest in aviation and I also wanted to look at the business side of it.

**ABJ: How many total flight hours do you have?**

**Jenner:** I've kind of lost count, but well over 5,000 hours.

**ABJ: And you're still active, still fly when you can?**

**Jenner:** Yes, mostly with my son, Brandon. He got his pilot's license, and he's always renting stuff. We'll rent a little Super Decathlon and go throw it

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## Bruce Jenner

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around the sky. He's a good aerobatic pilot. He's also a helicopter pilot, so we'll fly helicopters once in a while. Now I'm into RC helicopters, and that's a whole other world. If you think flying an airplane or a real helicopter is difficult, try RC helicopters—it is by far the most difficult thing. I tell people it's kind of like trying to learn how to play the piano and sing at the same time.

**ABJ: Some indicators show that the economy may be getting a little bit better. Are you seeing that on your end, or do you think it's just as bad as it was last year?**

**Jenner:** Through the 22 years that we've been doing it, I've seen all of the ups and downs and the good times and the bad times. The aviation business, our brokerage business, is directly related to what the economy is doing. If the economy is good, business is good. If the economy goes down, business is not good, buyers are hard to find, inventory goes up, and there are planes that you can't move. Obviously for the last few years, the economy has been down and business has been down. Last year we didn't do badly, but everything went out of the United States to Europe—we had one to China, one in the Philippines, a couple in Europe, but nothing was happening in the U.S. The dollar was weak, and people were buying international.

**ABJ: You recently appeared on the Sean Hannity Show and had a really good interview about the fact that the President of the United States flies Air Force One more than any president in**

**history, and he is doing multiple press conferences and bashing the CEOs of the big three automakers for flying in private jets into Dulles. What are your thoughts?**

**Jenner:** Put it this way: I can honestly say I'm not a fan of this administration. The hypocrisy is unbelievable. Here we have probably one of the most ambitious Presidents in history with his agenda, but he tries to demonize anybody else who tries to make something of themselves in the business world. And it is just ridiculous how he can look at business aviation as a perk for CEOs, when it's a business tool. You brought up General Motors. General Motors is an international company; major executives have to move around the world. I can't even imagine trying to do that on a commercial airline. An efficient use of time is so extremely important that big companies can't do that. For companies who have multiple locations throughout the United States that are not near airports, it is an enormous waste of time trying to fly commercially. I have done some promotions using private aircraft where I'll hit four cities in one day, and it's so simple. You can do more business.

For the first time that I know, we've had an administration that really has demonized business and demonized people who do well, whether it's private aircraft, general aviation, or business aviation, and that is just an absolute shame. As I was saying on Sean Hannity, you have to realize in the big picture, we're trying to build jobs in this country. Look at Air Force One; every part inside that aircraft had to be made by somebody, some place. Somebody has to assemble this plane, and there are literally thousands and thousands of jobs. And then you have maintenance that has to be done on the aircraft and guys that are out there filling it up with fuel, and there is a massive industry around this aircraft. Okay, it's not a CEO taking advantage of a perk; this is a very large business.

**ABJ: From your perspective, you've seen campaigns like NATA and AOPA working on GA Serves America and NBAA with No Plane, No Gain. Is there something the GA community is missing in pushing back against**





**the administration and the naysayers about the use of corporate aircraft and business aviation and GA overall?**

**Jenner:** I think it's extremely important that we do a campaign to bring people together within the industry. The only way you're going to have any power is through organizing. We have a President who has never even balanced the budget of a 7-11 convenience store and he is running a trillion-dollar business, but he's a community organizer and that's what he is trying to do. He is organizing his people to try to stay in business. I think the industry really needs to support the organizations that are out there: NATA, NBAA, AOPA, and all of the organizations. You really have to get behind them and get active. I think that is really important because so many people are affected. I think the aviation community in general has to band together and support the organizations that can lobby. But on the other hand, you've also got to be optimistic for the long term. Aviation is going through a tough time right now, but aviation is here to stay and this administration is not. I feel like from our company's standpoint, we are fortunate. We don't have large overhead within our company. We have sales guys, and some of them work from home. We have an office in Columbia, South Carolina, with my partner and a couple of guys there. So we're very small and very flexible. We're fortunate we can pull back and survive when it's slow, and when things are good we'll probably bring more guys back in and start to generate up. We're not this large, massive organization. I've got good guys who do a really good job.

**ABJ:** For years, we've worked off the hub-and-spoke airlines, and we're seeing more and more regional aircraft tending to the 121 world where people want to get from point A to point B without a connection. Do you see charter, fractional, and just GA overall becoming more of the predominant mode of transportation than say the commercial aircraft?

**Jenner:** I would love to see it. They're trying to do the same thing with the new airplanes coming out today that Bill Lear did with the 24, but on half the fuel and ten times the electronics. They're really not going any faster than the old 24, but they're doing it on so much less fuel. More efficient aircraft are coming into the marketplace, and that is extremely important because of fuel prices. I don't see a massive drop in fuel prices in the near future. Back in the old days when it was under one dollar a gallon, that wasn't the expense you had to deal with. Now today you have to seriously look at what your fuel burn is. I'm kind of curious to see where all that is going to settle.

**ABJ:** Do you see yourself and Bruce Jenner Aviation also going out there and getting a 135 certificate or getting into the FBO business?

**Jenner:** To be honest with you, we have thought about that, but I look at the aviation business as kind of like the stock market right now. It's volatile. Because of its volatility, I don't want to do anything that we have a lot of capital involved in. Maybe a year from now, we may be talking a different story. For right now, the thing I like about our little company is that we don't have massive overhead. We basically broker aircraft. We put buyers and sellers together, and it makes it very simple.

**ABJ:** Bruce Jenner's perfect day—do you play golf or do you fly?

**Jenner:** Perfect day, I would go fly the airplane in the morning, and then I love to wash my own airplane, my MU-2. I used to go in there and scrub it down. I kept it at Clay Lacy's, and the guys would ask, "What the hell are you doing? You can get somebody to do that." And I said, "No, I love cleaning my plane." I put 1,500 hours on my MU-2, and it never gave me a problem—it was a great little aircraft.

**ABJ:** Any reason you gave it up, or was it just one of those things where you had a good buyer show up?

**Jenner:** I had a buyer all of a sudden show up, and so I thought, "Well I'll get rid of it," thinking I would get something else, and then fuel prices went nuts and then kind of holding up right now until things settle down.

**ABJ:** Of course your family is so famous now, and your children are more famous than any people on the planet...

**Jenner:** On the cover of everything, aren't they?

**ABJ:** Does that generation have the same appreciation for private aviation as our generation does?

**Jenner:** Good question. A person's need or curiosity with aviation hasn't changed. Like I was saying, when I was a little kid I'd go to the airport and watch the planes take off and land and think, "Man, wouldn't that be something to fly that airplane?" And I think every young person still has that in them. So I don't think that changes. Now, would it be economically feasible for them to do that? I think that gets a little tougher. So I think that limits a lot of people from getting into it, but I also think young men and women still just have a fascination because there is nothing like it. I don't think that changes. Now the economics of it, we'll see. 