

OWNER & PILOT Advantage

A Magazine for Owners and Pilots from *Skytech* Publications



IS A BUSINESS AIRCRAFT IN YOUR FUTURE?

Time flies. That could be the most factual statement ever spoken. One minute your child is diving into his or her first birthday cake and the next they are walking across the stage at college graduation. >> [page 4](#)

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SPRING/SUMMER 2011
www.skytechinc.com

A Little Different Look

For those of you that are long time readers of our magazine, you will notice some subtle changes in this issue. The colors and layout of the cover and interior pages have been enhanced and upgraded to complement our new company branding effort. More importantly, there has been a slight change in the name from Owner/ Pilot Advantage to Owner and Pilot Advantage. So what's this all about?

Quite frankly, we are broadening our horizons both at Skytech and with our aircraft product lines. Our aircraft management department is now selling transportation to people that have a travel need, but no pilot's license. There are some aircraft manufacturers that will sell you everything from a full jet to a small fraction with a complete management package. Piper's new Altaire is a perfect example of an exciting new product that will fit a niche market for owner pilots and owners that need the transportation, but want a professional crew. For these reasons and more, we are going to add more content that would appeal to an aircraft owner, or perspective owner, that is not a pilot. Our feature article "Is a Business Aircraft in Your Future" starts us down our new path to an ever widening customer base. This being said, we're still all pilots here and are always ready to talk about flying and your airplane.

Skytech, Inc., publisher of this magazine is an aircraft sales and service company with FBOs in Westminster, MD (DMW), Rock Hill, SC (UZA - Charlotte Metro Area) and Administrative Headquarters in Baltimore, MD (MTN).

Your thoughts, suggestions, comments and criticism are important to us and we will always welcome reader feedback.

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MARKET STATUS

Just where are we in the cycle? If we assume the last quarter of 2008 was the start of the carnage (and, it wasn't), we are in the tenth down quarter. However, the real downturn started in early 2008, and some were heading down in late 2007. Therefore, aviation is actually at least thirteen quarters into this recession. The table below depicts how long it took each category to stabilize during the previous dot-com recession (2000-2003):

Light Single	7 Quarters Down
Complex Single	8 Quarters Down
Turboprop	12 Quarters Down

PISTON SINGLES AND TWINS

Most singles are already bouncing along the bottom. The downtrend for the average piston aircraft halted at least several quarters ago. The key word is average. Deal hunters and a good export market have helped piston singles and twins recover, if and only if they are good, no excuses airplanes. Airplanes with high time, outdated radios and chalky paint jobs remain a tough sell at any price. Below is a table showing the length of the current housing recession for aviation to date (2008 to present).

Light Single	7 Quarters down, followed by 6 up or flat
Complex Single	9 Quarters down, followed by 6 up or flat

TURBOPROPS AND JETS

Activity is up in turboprops, but late model King Airs continue to slip in price. However, older turboprops are stable with no change in the Vref Index. Just as in every segment, there is a growing distinction between the clean, low time airplane and those closing in on major maintenance. Below is a table showing the length of the current housing recession for aviation to date (2008 to present).

Turboprop	7 Quarters down with 6 flat, no up
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ANOTHER LOOK AHEAD

Nearly every aircraft dealer reports an increase in activity – not to be confused with an increase in prices. For the first time since 2008, distress sales are not entirely defining the market. There are still plenty of repos and airplanes that have to be "gone this week", but some stability is returning.

Information from the 2011 Volume 1 Vref Market Leader Quarterly Newsletter

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SPRING/SUMMER 2011

HOBBY LOSS RULE – DOES IT AFFECT YOUR AIRCRAFT DEDUCTIONS?

Internal Revenue Code (IRC) Section 183 (Activities Not Engaged in for Profit) limits deductions that can be claimed when an activity is not engaged in for profit. This is sometimes referred to as the “hobby loss rule.” For example, the tax court docket has many cases involving horse breeding activities disguised as profitable businesses by taxpayers. As aircraft have come under increasing scrutiny by the IRS, examiners have attempted to apply this code section to business aircraft owners.

Is your aircraft really an activity engaged in for profit? This is the question an IRS auditor likes to ask. A properly structured and documented business aircraft should seldom have to deal with the hobby loss rule.

Unless you are involved in an aircraft rental and leasing business, your aircraft should be viewed as an asset being utilized in your operating business, and not a stand-alone aircraft business, as it is often difficult to justify the aircraft as profitable on a stand-alone basis.

For example, if you are a construction contractor and you use your aircraft to visit job sites and vendors, attend trade shows and conventions, your business aircraft is, in fact, a business tool for your construction business, similar to a bulldozer and other construction equipment. This is obvious when the aircraft is owned within the contractor’s business entity.

For various legal, financial and tax reasons, a business aircraft is often owned by a separate legal entity, like a limited liability company (LLC). This is when the IRS likes to invoke the hobby loss rule in an attempt to disallow the aircraft deductions. For this reason, determining who should be the member of the aircraft LLC is critical.

Case laws support the concept of grouping, where the contracting or operating business and

the aircraft “business” are grouped together when the profitability test is applied. If the contracting business is profitable, by virtue of a grouping election, your aircraft business is also profitable. The requirement to group is met by demonstrating that the two businesses are inter-related, which is typically the case when the aircraft is used for various contracting business trips. A detailed and well documented flight log and a business plan or financial projection are useful in proving the appropriateness of grouping the aircraft with an operating business. ■

Aviation Tax Consultants (ATC) assists aircraft purchaser in acquiring aircraft in a tax efficient manner. Our services include the elimination or reduction of sales tax at the time of purchase, maximizing income tax savings, controlling the cost of personal use of the aircraft, avoiding passive activity loss rules and complying with Federal Aviation Regulations. Cooperation with client’s current tax and legal advisors is welcome and encouraged.

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**THE ADVANTAGE
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REQUESTS YOUR
FEEDBACK!**

We would greatly appreciate hearing from you! Please tell us what you think of *Advantage* magazine and offer any thoughts you have for improving this publication. Our goal is to provide helpful, interesting information that you enjoy reading.

Your opinions, suggestions and ideas for new articles and content are important for continuing improvement and growth that will serve all our readers.

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Thank you!

The Pilot-In-Command is solely responsible for the safe and proper operation of his/her aircraft and it is the responsibility of the pilot-in-command to operate that aircraft in compliance with that aircraft’s Pilot’s Operating Handbook and other official manuals and directives.

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>>>> A proposal for an upcoming project that seemed so far out on the calendar is all of the sudden due this week. There never seems to be enough time nor is there any way to slow it down. In today's fast-paced world the hourglass doesn't distinguish the boundary between business and personal commitments. Through it all, the face-to-face contact of decision makers, buyers, sellers, partners, presidents and entrepreneurs remains critical to the largest and most influential deals of a company. There is no substitute for being there in person.

So what is a company or individual to do? In the world of transportation there are many options. Most economically one may choose to move on foot – although that won't win any favor with the staff. As you move up the ladder beyond bikes and wagons you come upon the real choices: a car, train, airliner or business aircraft. Each method presents its own advantages but air travel of some sort is the only real option in most situations. Some of the most secure and profitable companies in our country and beyond choose to utilize business aviation – what is their rationale and could it apply to your situation?

The concept that the success of most businesses relies upon the impact of a handful of people is paramount when understanding the value of a key contributor's time. The corporate impact of a small team of executive leaders is most restricted by time, and actually being in position to do their jobs is of extreme importance. Business aircraft provide these key players with a tool that not only streamlines travel from point A directly to B, but also gives them a safe and secure environment to continue business while on the move. The airplane flies on their schedule to an airport closest to their final destination and does so privately.

A Travel Analysis is necessary to determine if a business aircraft is right for your situation. A Travel Analysis by definition is an evaluation of a company's current travel methods, the frequency and geographic spread of travel presently taken as well as the potential for increased utilization should a business aircraft be added. Following the layout set forth by Alexander T. Wells and Bruce D. Chadbourne in their findings; several categories exist in a proper Travel Analysis: the amount and nature of travel, travel dispersion compared to type and frequency of airline service and potential aircraft utilization.

AMOUNT AND NATURE OF TRAVEL

“Evaluating the possible use of a business aircraft begins by making estimates about the overall amount of travel

within the organization and the potential growth of such travel. However, this kind of evaluation can be more of a limiting factor than a justifying one. In other words, just proving the existence of a large quantity of travel is not necessarily sufficient evidence that the company could economically use an aircraft.” In reviewing the past travel needs and potential for the future, the questions need to be asked - how many people are travelling to a given location and if able would more individuals benefit from being able to travel then are currently? Just viewing past performance reveals only one side of the equation as the potential for expanding business or incorporating more stops that weren't possible before on the airlines needs to be explored. In addition, would the availability of an immediate, fast mode of transportation for response to customers or a crisis in the field be a favorable or even necessary component for success?

TRAVEL DISPERSION / TYPE AND FREQUENCY OF AIRLINE SERVICE

A key component in determining whether a business aircraft would work is an analysis of the geographic and time dispersions of a business's travel requirements. What is the territory covered or what cities are necessary to visit and how does this correspond with the schedules of the individuals that need to be in place and the airlines? The airlines biggest strength is hub to hub travel and they do a decent job in that department – as long as you don't mind the security lines, lack of privacy, and rigid schedule. But travelling on regional airlines is another story and can be much riskier. Not only do most regional airlines require a transfer through another hub, but the safety and security of operating on an airplane that by nature is a stepping stone for fledgling airline pilots doesn't sit well with a lot of companies. Another point to consider during your evaluation is the need to drive extended distances in a rental car once reaching the closest airline-served airport.

Business aviation reaches ten times the number of U.S. airports (over 5,000 public-use facilities) then the airlines do. The majority of U.S. airline flights only go to and from 70 major airports, and the total number of U.S. destinations served by air carriers has declined in recent years. In some instances traveling to a meeting via airline can dictate leaving a day in advance, hours of travel in a rental car to reach your destination and then returning the day after the commitment in the reverse order. This same trip can be accomplished in one day without the need for prolonged ground transportation by using business aviation. When

considering the productivity factor of the person traveling, the case can be made that the airline journey has a far greater detrimental effect on the financials of the company than simply the cost of a ticket. A great analogy was made in an article titled “The Compelling Case for Business Aviation” appearing in the October 15, 2009 issue of Aviation Week by Peter V. Agur, Jr.. “For the same reasons that we don’t put firemen on city buses, many companies cannot afford to put their key players on the airlines. The assurance of time-place certainty is too critical to be cost driven. In other words, a fire truck is part of a city’s infrastructure just like a business aircraft is part of a company’s infrastructure. It is essential.” Also, don’t underestimate the powerful ability to transport potential clients, business partners or associates in your aircraft. This experience may go a long way in fostering relationships and future business.

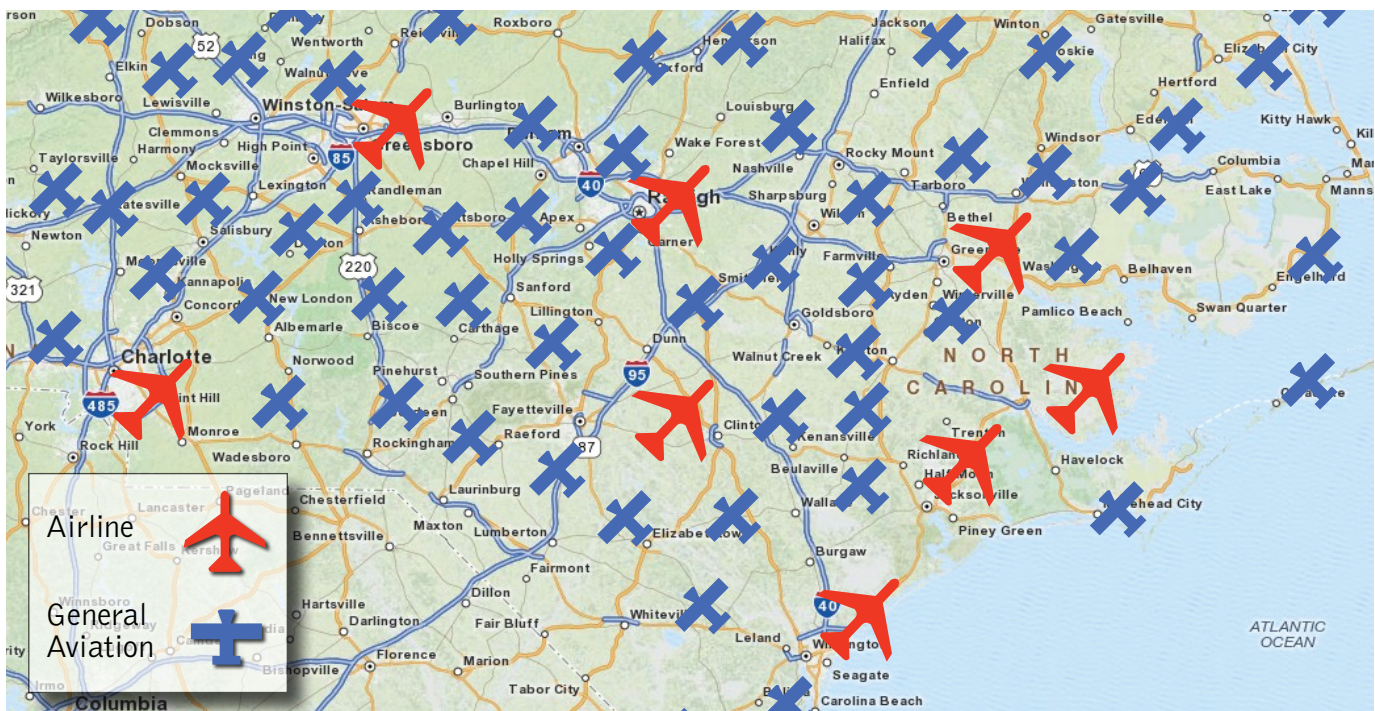
you and your team closer to their destination. Through all of this it is important to concentrate on the model airplane that fits the majority of your missions – not necessarily every one. If 80% of your business is absolutely perfect for a turboprop but there are a couple trips a year that would really be nice in a mid-size jet then the turboprop is your fit. The airlines - or even charter opportunities - can fill the void when your primary aircraft isn’t the ideal platform. For those who are pilots, the choice of airplane may be dictated by experience level and as that builds so too can the available aircraft to choose from. In this scenario, climbing the ladder from piston to turboprop - and if the mission dictates it to a jet - is a natural (and insurance accepted) path. For non-pilots the choices may seem overwhelming. Consider the services of a management company that specializes in the details necessary to safely and efficiently operate a business aircraft. The time saved and mistakes averted in using a good management company can be the difference in the success or failure of a business’s aircraft.

POTENTIAL AIRCRAFT UTILIZATION

Depending on the results of the prior two studies, you should come away with a good idea of the operating range and environments required of your aircraft. The most compelling case can be made when your missions correlate to the worst performing area of the airlines: non-hub regional travel. Piston, Turboprop and some of the lighter jets (both on the market now and in design) are built to excel in the stage lengths occupied by regional airlines, and as we discussed earlier can operate out of far more airports to get

The old saying Time Flies isn’t going anywhere. Nothing can completely solve that problem. However, the proper use of a business aircraft can go a long way in reducing the effects of time on both you and your teams’ professional and personal endeavors. Time does fly – it just does so more efficiently, securely and productively on a business aircraft. ■

Example of Typical Airline / General Aviation Airport Coverage - North Carolina



BARR: MAINTAINING THE PRIVACY OF BUSINESS AVIATION

One of the many advantages flying private aircraft affords is the ability to discreetly travel without broadcasting – unless you want to – your travel plans to outside sources. The ability to perform work “under the radar” of your competition coupled with the security of knowing your travel plans are hidden from unsuspecting eyes can be reason enough for many companies and individuals to utilize business aviation. In today’s technological age – complete with web-based flight tracking programs – it is possible and sometimes necessary to further reduce one’s public visibility through a program from the National Business Aircraft Association (NBAA) called the Block Aircraft Registration Request (BARR). In recent months there has been a public movement gaining steam behind new policy being considered by the U.S. Department of Transportation to severely limit the access to the BARR program. Let’s take a deeper look into the history of the BAAR program, how it works and why such a ruling would affect the over 6400 aircraft and 3200 operators currently utilizing its services.

HISTORY OF THE PROGRAM

Of course the need to block an aircraft from being tracked is only necessary if the ability to track the aircraft exists in the first place. In 1991 the scheduled airlines were afforded this ability through a program called the Aircraft Situation Display to Industry (ASDI) and used the information to more accurately track incoming and outgoing flights while adjusting schedules to meet an ever-changing environment. Following the path of many advances in aviation, the ASDI information made its way to General Aviation in the mid 1990’s. NBAA became concerned with the broad-scale dissemination of data and in 1997 began working with the FAA and ASDI vendors to develop a system to help protect the privacy of General Aviation operators using the IFR system. Congress passed legislation in 2000 that requires commercial flight tracking vendors to have the technical ability to block tail numbers when requested by the FAA Administrator. Access to the FAA’s ASDI data by commercial flight tracking vendors requires compliance with a Memorandum of Agreement (MoA) outlining how the data is used and incorporating protections for blocking aircraft

registration numbers. The NBAA administers the requests to add and remove aircraft from the program and provides monthly updates to the FAA and flight tracking companies.

OPTIONS AVAILABLE TO OPERATORS

There are two options that an operator can choose from in determining how they wish to block their aircraft.

Option 1: ASDI-Level Blocking

With this level of protection an operator’s ASDI data is still distributed to the flight tracking companies but with the premise that the information is blocked from public access. This option gives the operator the ability to track their own aircraft by contacting an ASDI provider of their choice and requesting that the provider unblock the aircraft for the operator only. This option may involve some charges based on the flight tracking provider used.

Option 2: FAA-Level Blocking

This option completely eliminates the FAA data being distributed to the flight tracking companies and thus ensures that no tracking services (public / or private) are available.

PROCESS TO BLOCK AND UN-BLOCK AN AIRCRAFT

Aircraft operators must provide a written request on company letterhead to NBAA to participate in the BARR program. Included in the letter must be the level of ASDI blocking desired, aircraft to be blocked information and a signature of the NBAA Member Representative or aircraft owner if not an NBAA member. Accompanying the letter must be a copy of the aircraft registration. All requests should be faxed to (202) 487-0035 or mailed to: NBAA/ BARR Program Manager 1200 18th Street NW Suite 400 Washington, DC 20036. Visit the NBAA website for use of an automatic form that can generate all the information required for submission. This same process is used to unblock and aircraft.

All requests are taken when submitted but may not go into effect immediately. All lists are updated on a monthly basis and requests made by the 14th of the month should be expected to be in place by the 1st of the following month. If after an acceptable period of time the aircraft still appears through public access on flight tracking websites and the owner/operator is suspecting the information is being displayed intentionally, they should contact the FAA at <http://asdi-program-office@faa.gov>.

FAA'S PROPOSED BARR LIMITATIONS

Until the notorious 2008 hearing in Washington DC when car industry executives were questioned about their choice of transportation not much was made about the BARR program. Since that time, and the added visibility given to the program, a website called ProPublica won a court ruling allowing access to certain blocked registration numbers. Even though the NBAA is fighting this ruling there doesn't appear to be much hope that it will be reversed. The FAA subsequently began "reevaluating" the

To have the FAA block the registration number a General Aviation company must provide the FAA annually a "written certification" that:

- a) The facts and circumstances establish a Valid Security Concern regarding the security of the owner's or operator's aircraft or aircraft passengers; or
- b) The General Aviation aircraft owner or operator satisfies the requirements for a bona fide business-oriented security concern under Treasury Regulation 1.132-5(m), "Employer-provided transportation for security concerns," 26 CFR

If accepted these changes would be adapted into a revised Memorandum of Agreement between the FAA and the flight tracking companies.

NBAA is fighting these proposed changes calling them "fundamentally inconsistent with the government's long-established obligation to protect privacy, not to compromise it." Additionally they are asking what problem the FAA is looking to solve by giving public access to this data.



BARR program under the premise that it doesn't believe that protecting an aircraft's identity from public access is always in the best interest of the United States Government and the general public. The FAA has proposed to exclude General Aviation aircraft registration numbers from ASDI block lists unless the owner / operator can prove a valid security concern or compliance with the requirements of the Treasury Regulation for a bona fide business-oriented security concern. Per the FAA's language, "a valid security concern is a verifiable threat to person, property or company, including a threat of death, kidnapping or serious bodily harm against an individual, a recent history of violent terrorist activity in the geographic area in which the transportation is provided, or a threat against a company."

The proposed requirements to gain access to the list are daunting and would be hard to verify for most companies. One can argue that a company isn't required to permit public tracking of their vehicles on Federal highways so how then can a parallel be drawn that must allow tracking when flying in the IFR system. A public docket was opened for individuals to submit comments to the FAA by April 4, 2011 and the timeframe for the final FAA ruling is unknown. What is known is that this ruling could have ripple effects in the future of General Aviation's rights. ■

*Information gathered from National Business Aircraft Association (NBAA)

VICTOR ENGINES – DESIGNED TO GO THE DISTANCE

There are a lot of avenues available for an owner nearing or at the point of overhaul and the decision made will have a lasting effect on both reliability and future salability of your aircraft. When considering your options, Victor Aviation should be on your short list. Founded in 1974, Victor Aviation has been delivering customers some of the most advanced and balanced piston engines available and have even been recognized by The Aircraft Blue Book Digest as a coveted “value added” item in determining the appraised value of your aircraft. Scott Crossfield and Bob Hoover are some of the aviation legends that have sworn by Victor engines in their personal aircraft. What makes these engines so unique? The following is a breakdown of some aspects that Victor Sloan and his team of highly trained and certified technicians use in delivering their product as well as the levels available to a prospective customer.

PRECISION RECIPROCATING & ROTATIONALLY BALANCED

Improving an engine's parts balance allows it to deliver more power to the propeller and as such the engine becomes more efficient with less wear on internal moving parts. When Victor Aviation balances an engine they not only deliver balance opposing reciprocating masses to within one gram, but also address the engine's front and rear masses in the same fashion.

AIR FLOW VOLUMETRIC EFFICIENCY IMPROVED

Volumetric efficiency testing measures airflow into each cylinder and allows Victor's technicians to match cylinders for maximum power. After cylinders are volumetric-balanced, all cylinders produce uniform airflow to provide for improved uniformity of power distribution.

VALVE TRAIN GEOMETRY IMPROVED

Extracting maximum performance from the valve train is essential for best power, smoothness and longevity.

FULL DOMAIN FREQUENCY VIBRATION TESTED

Through the use of computer-aided analysis, Victor detects abnormalities that are often found in production line engines, including “in operation effective load unbalance”.

ELECTROSTATIC POWDER COAT

Victor has developed a unique process to protect your investment with the application of a special Black Edition II™ powder coat and provides for the ultimate in corrosion protection and improved thermal emission.

COMBUSTION CHAMBER BALANCED

“Power by Victor™” technicians measure the original new cylinder's theoretical compression levels by fluid-filling the cylinders to determine the fluid capacity levels and perform a simulated displacement test. After testing and matching the cylinders, they are positioned on the engine to insure equal effective compression balance. This process insures improved total power delivery, acceleration and maximum engine reliability.

PARKER LUBRIZED STEEL ETCHING

To improve the engine's longevity, a special black lubricant coating is acid etched into various steel internal engine parts to reduce friction and corrosion. When parts are acid etched with Parker Lubrizing, this process insures positive lubrication during the first engine start in the test cell and also creates a corrosion resistant finish that will aid in increasing parts life.

THRUST VELOCITY LOAD TESTED

Victor has a “one-of-a-kind,” state-of-the-art engine test apparatus that measures and records all engine operating parameters, including engine real-time thrust velocity output, without installing a water brake dynamometer on the engine.

SEVERAL OPTIONS TO FIT YOUR NEED

Aviator Series™: Assembled to factory Zero-Time New Fits and Clearances with new cylinders and balanced to factory specification.

“Power by Victor”™ Black Edition II™: Meets all required parts replacement from the OEM and adds the Black Edition II special overhaul process. The finished result is an engine with maximum performance and power, significant vibration reduction, improved reliability and increased aircraft value.

“Power by Victor”™ Limited Edition II™: The absolute ultimate in the engine overhaul industry. All special engine processes incorporated in the Black Edition II are included and further advanced with Cryogenic Processing Technology for the pinnacle in component durability. This level offers an extended warranty for 5 years, pro-rated up to 10 years or TBO.

Skytech operates two Piper Malibu's in support of customers; both of which are powered by Victor Engines. The performance, smoothness and reliability are something we witness firsthand. We welcome any questions on how a Victor engine could work for your airplane.





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TRAVELING WITH KIDS ONBOARD

Flying with children can be a mix of joy and anticipation, worry and frustration. With a little forethought and preparation, you can ensure a smooth flight.

Whether the child is two years old or a teenager, talk to them about the process of boarding, strapping into the seat, and the nuances of takeoff and landing. Be specific about the behavior you expect from your young passengers.

In age-appropriate language, talk about what's ahead – from twinkling city lights to fluffy, white clouds, from turbulence that bounces the airplane to a slight pain in their ears or stomach.

Reassure your passengers that flying is safe and fun. Cultivate the child's interest in flying and ease their fears by giving them a short tour of the various parts of the aircraft. Explain how the components affect what happens to the airplane in flight. Help children see flying as an adventure.

To keep children happy and occupied during flight, parents should pack each a bag of toys, reading materials, activity books, snacks, drinks and chewing gum. For older children, consider a mini DVD player, MP3 player, or a handheld gaming system.

CHECK UP ON KIDS' HEALTH

When choosing the flight schedule, be mindful of your child's health. Never allow them to fly if they are sick or recovering from an illness, especially an upper respiratory infection. Even the slightest congestion can be very painful. A child with stomach flu will be much more susceptible to air sickness.

According to Dr. Richard Hansen of Oregon-based Emerald Valley Wellness Center, "Susceptibility to air sickness is maximum in children between the age of four

and eight." It's less common in infants and very young children.

Young or old, high levels of in-flight noise permanently damage hearing and cause fatigue. When you're flying, ensure everyone's ears are protected with earplugs or a headset, both of which come in smaller sizes for children. All flight departments as well as parents who fly even occasionally with their kids should invest in child-sized headsets.

Roomy, pressurized aircraft offer the most comfortable flight for children and create the least anxiety. Either way, equalizing air pressure will likely cause some discomfort for most kids.

"Most pressure-related ear problems develop during descent, when the air in the middle ear contracts. We deliberately 'pop' our ears to avoid the pressure build up, though children do not instinctively know how to accomplish this," explains Dr. Hansen on the Emerald Valley Wellness Center web site.

To create the same effect, allow children to eat a snack, sip a drink or chew gum to encourage swallowing. However, avoid pacifiers because they promote air swallowing, which can lead to bloating and intestinal gas pains, advises Dr. Hansen.

FLYING WITH INFANTS

The safest place for your little one is always in an approved child restraint system (CRS), not on your lap, according to the Federal Aviation Administration (FAA). Your CRS should fit in most airplane seats if it is no wider than 16 inches. Make sure it is government-approved and has this statement printed on it – "This restraint is certified for use in motor vehicles and aircraft."

If you prefer a harness-type restraint rather than a hard-backed seat, you can use one if your child weighs between 22 and 44 pounds. Make sure the harness-style restraint is approved by the FAA. Never use this type of restraint in a car.

If your child weighs more than 40 pounds, they should strap in with the seat belt. Supplemental lap restraints or "belly belts" are not approved for use in airplanes or vehicles. The FAA also prohibits children from using booster seats and harness vests during taxi, takeoff and landing.

Of course, once onboard remember to have fun. Kids are naturally curious and enthusiastic. With planning and preparation, flying can be a joyful adventure that kindles a lifelong love of aviation and creates wonderful memories. ■

Article appeared in Fall 2008 issue of Owner Pilot Advantage

Why Aircraft Management?

Time Savings: Both in length of travel and productivity during. Be home in time for dinner while accomplishing more in the day.

Accessibility: Arrive closer to your destination by gaining access to thousands of General Aviation airports compared to the limited airline served network.

Versatility: Bring whomever and whatever you need to complete your mission. Change directions mid-flight, add destinations – whatever you need, the airplane is at your fingertips.

Security: Both at the airport and in the air, feel safe knowing your total travel experience is private and secure.

Investment: An aircraft can be one of the most useful tools in your toolbox and as a bonus is eligible for substantial business tax savings. Ownership has its rewards.



Why Skytech?

Skytech operates a “Turn-Key Management” approach for our customers. Just tell us where and when and we’ll handle the rest.

Aircraft Storage: Strategically located in the Baltimore/ Washington and Charlotte Metro Areas, Skytech provides aircraft storage in prime locations at reduced rates.

Pilot Services: Commercially trained and licensed flight crew complete the professional experience.

Insurance: Take advantage of Skytech’s combined buying power to access insurance rates and liability limits that are all but unattainable to the private owner.

Scheduling & Coordination: 24 hour web access to customized owner portals enables seamless communication of needs and upcoming flights.

Maintenance: Skytech’s award winning FAA Service Centers will maintain your aircraft in peak condition so you can count on it when needed. A team of detailers ensure a spotless aircraft every flight.

Invoicing: A monthly invoice simplifies the ownership experience.

Price Advantages: Fuel, Hangar, Insurance, Maintenance – Skytech Management Customers enjoy reduced rates for substantial savings.



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a word to the wise

BY DAVE CONOVER

BE VIGILANT

On Tuesday May 3rd, the Connecticut House and Senate passed their new budget that did not contain the aviation tax increases proposed earlier this year. The proposed taxes would have imposed an annual personal property tax on all aircraft based in Connecticut and eliminate certain sales tax exemptions on aircraft weighing less than 6,000 lbs. If these proposed taxes had been enacted; an exodus of personal and business aircraft as well as the industry supporting them would have likely ensued.

With general aviation contributing over 2.4 billion to the Connecticut economy; virtually every aviation organization rallied their resources to make their opposition heard. Most notably - NBAA, AOPA, The Connecticut Legislative Aviation Caucus and Connecticut Business Aviation Group all reinforced the negative economic impact the proposed taxes would provide. In addition to the major aviation groups, the legislators heard opposition from a myriad of repairs stations, management companies and 135 operators all reinforcing the same message. The coordinated efforts of everyone involved prevailed and the state acquiesced. The final budget as passed did not contain any of the proposed aviation tax increases.

The latest attempt to tax aviation by Connecticut isn't the first and is likely not the last. We have seen many

states look at aviation as a possible revenue source by implementing or modifying sales/use taxes and property taxes as well as closing the door on Fly-Away, ICC and Casual Sale exemptions. The best defense continues to be a better offense. With virtually every state trying to close large fiscal deficits; aviation tax planning is best left to a professional law/accounting firm that specializes in aviation.

On a Federal basis, to help aid the economic recovery, we currently enjoy some of the most aggressive tax incentives in history on aircraft (capital) purchases during 2011, with some lingering incentives going into 2012. Additionally, aircraft depreciation schedules and class life currently remain very favorable. With the mounting Federal deficit and the signs of an improving economy (albeit slower than any of us would like); reports are beginning to indicate that everything may be on the table for review once the current tax incentives expire. If an aircraft buying decision is projected to be anytime in the near future, it may be time to revisit the decision. We might be right in the middle of the 'good ol days' as it relates to aircraft and the IRS.

On an individual basis, now more than ever it is imperative to belong to one or more aviation organization. The ability to collect information and rapidly mobilize to work together as a group is an excellent way to help protect our industry. We are frequently told to 'Be Vigilant' with respect to our surroundings and security issues. This phrase is also appropriate as it relates to protecting our industry from over zealous taxes and regulations. ■