

OWNER & PILOT Advantage

A Magazine for Owners and Pilots from *Skytech, inc.* Publications



THE PILATUS PC-24

The World's First Super Versatile Jet Unveiled at EBACE • Page 10

IN THIS ISSUE:

- Tax Facts: 2013 Business Aviation Update • 3
- Highways, Flyways, & Personal Freedom • 4
- Pilatus PC-12 NG: By the Numbers • 6
- A Critical Key to IRS Audit Survival • 8



A MILE OF HIGHWAY GETS YOU A MILE, A MILE OF RUNWAY GETS YOU THE WORLD

The article "Highways, Flyways, & Personal Freedom" speaks to one of the biggest threats General Aviation faces today: public misconception. As we know, General Aviation crosses many sectors and is used to support companies big and small, medical transportation, disaster relief, agriculture and many more valuable applications. It is up to everyone involved with General Aviation to look for opportunities to educate those that are misinformed and promote the positive impact it has on not just a select few but everyone. As this column's title suggests, a mile of highway can only take you so far, but a mile of runway really does open up the world.

We at Skytech are especially enthusiastic about the recently unveiled Pilatus PC-24. This revolutionary aircraft sits in a class all by itself – the Super Versatile Jet – and does so with the precision and pedigree that has made the Swiss company tucked away at the base of the Alps so famous. We look forward to bringing this airplane to market and the opportunities for those that haven't seen it yet to experience the thoughtful design and overall size. It's an exciting airplane, and with the ability to use unimproved landing strips and an impressive range, I suppose the statement can now read, "a half mile of clear land gets you the world!"

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.

Please respond to:
Mike Fitzgerald
Executive Vice-President
mfitzgerald@skytechinc.com

Vref

THE MARKET SNAPSHOT

Depending on the day of the week, the general economic news can be positive, "Housing Prices Rebound," or foreboding, "Jobless Claims Point to Slow Hiring." And, that's without opening Pandora's budget box – aka, the sequester. On this day of the week, in general aviation, there is no such disparity. While activity is good in most segments, prices continue to slide – how much depends on condition, times, and whether that type is still in production. Some of the older aircraft are getting closer to salvage value, or as some say, nearly free. If you can start it up, come pick it up.

PISTON SINGLES AND TWINS

Considering the fact some dealers report nearly half of the airplanes on tie-down at their local airports are for sale, and/or have not flown in a year, this segment is pretty good. Virtually any perceived downtrend is related to needy airplanes. There are a few airplanes, hangared and pampered, that are in demand. When priced right, they sell quickly. There is no upward pressure on prices, but these pristine and lavishly updated airplanes continue to command a premium.

TURBOPROPS

After more than a year of relative stability, the average turboprop value dropped 3% in the recent quarter. Year-end discounting of leftover new airplanes tended to drive late model turboprops down. Dealers in this market attribute the drop to overly motivated sellers or substandard airplanes. Many are optimistic, since most of the deals are gone, prices should firm up for future sales.

JETS

Incredibly, after more than twenty quarters of eroding prices, we see yet another downward correction. Valiant attempts to hold the line and sell on quality or pedigree, can bring activity almost to a standstill. It seems the primary thing that moves buyers from the sidelines and back into the market is price.

KICKING THE CAN DOWN THE ROAD

We are not the first to notice the industry has changed. Saying, "It's gone global," is a bit of an understatement. Not that long ago, in the span of less than a lifetime, selling a Learjet from the Midwest to the Texas oil patch defined much of the market – or maybe it was a Bonanza from Wichita to a doctor in Topeka. Now, new Skyhawks are crated or ferried to places that weren't even countries when Cessna conceived the 172 back in the early 1950's. The most you could spend on a new Lear 23 was about \$600K. Now \$65M Gulfstreams routinely leave Savannah for new owners in Beijing or Dubai nearly 7,000 miles away. At points, there and in between, scores of lenders, brokers and maintenance facilities serve the industry. Each one of these vendors has his or her take on the world economy as well as the aviation marketplace. No person, group or organization has any control of the aircraft market. Prices are only what the market will bare. ■

WE KNOW THE VALUE OF A GOOD AIRPLANE!

Vref Aircraft Price Guides Only \$195 Per Year

800-773-VREF (8733) www.vrefpub.com



2013 BUSINESS AVIATION TAX UPDATE

The fiscal cliff compromise produced some pleasant surprises for taxpayers who are in the market for a business aircraft in 2013. Expiring tax incentives were extended when The American Taxpayer Relief Act of 2012 was signed by President Obama in January.

50% BONUS DEPRECIATION

Bonus depreciation is a form of accelerated depreciation. Instead of the traditional method of depreciating an aircraft under the Modified Accelerated Cost Recovery System (MACRS), bonus depreciation allows the taxpayer to depreciate 50% of the cost of a business aircraft in the year of acquisition. There is no taxable income requirement to utilize bonus depreciation. A business can incur a tax loss and still be able to take advantage of bonus depreciation.

New business aircraft purchased in 2013 can qualify for 50% bonus depreciation. Only brand new aircraft that have never been titled to another taxpayer, and factory demonstrators can qualify for bonus depreciation. Generally, the aircraft has to be placed in service by December 31, 2013 to qualify for 50% bonus depreciation.

SECTION 179 EXPENSING

Code Section 179 of the Internal Revenue Code allows a small business taxpayer to expense capital asset purchase in the year of acquisition. A taxpayer can expense up to \$500,000 of a new

or used business aircraft, or avionics and other improvements made to a used aircraft. There is an aggregate limit of \$500,000 expensing allowed for each taxpayer and it is limited to taxpayers who purchase less than \$2,000,000 in capital improvements. A taxable income requirement has to be met in order to utilize this expensing provision.

(2012 acquisition: Section 179 Expensing of \$500,000 was retroactively extended for 2012 aircraft



purchases. If you made a qualifying business aircraft purchase or avionics upgrade in 2012, you have the option to expense up to \$500,000 of the acquisition cost on your 2012 income tax return.) ■

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.

Daniel Cheung
CPA, Member

Disclosure Under IRS Circular 230: To ensure compliance with requirements recently imposed by the IRS, we inform you that any tax advice contained in this communication, including any attachments, was not intended or written to be used, and cannot be used, for the purpose of avoiding federal tax related penalties or promoting, marketing or recommending to another party any tax related matters addressed herein.



SPRING/SUMMER 2013

PUBLISHER
Mike Fitzgerald

EXECUTIVE EDITOR AND
WRITER
Justin Lazerri

COLUMNIST
Dave Conover

GRAPHIC ARTIST
Jennifer Longo

THE ADVANTAGE
MAGAZINE STAFF
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.

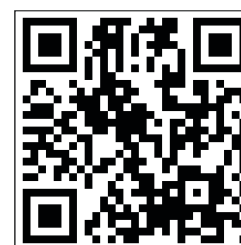
Your opinions, suggestions and ideas for new articles and content are important for continuing improvement and growth that will serve all our readers.

Email us at:
Advantage@Skytechinc.com
800-394-1334

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.

www.skytechinc.com





Highways, Flyways,



Personal Freedom

Jeff Schweitzer Scientist and former White House Senior Policy Analyst; Ph.D. in marine biology/neurophysiology

Most Americans have long forgotten that the roads we all take for granted have a rich history that reverberates even today in the current budget debacle and fight over sequestration. We equally give little thought to the extensive and complex air control systems that allow for tens of thousands of departures and arrivals daily. Nor do most of us realize how in forgetting our transportation history we are in danger of eroding our personal freedoms and our constitutional rights to privacy. To understand the seemingly odd connection between highways, flyways and a threat to privacy, we need to review (mercifully briefly) the history of how we got here today.

INTERSTATE HIGHWAYS

This story does not begin with Eisenhower. As far back as 1815, a national road was built between Cumberland, Maryland and St. Louis, which at the time was both the most ambitious road project in the United States and the pathway for immigration to the west. The road was built, but eventually fell into disrepair. A second more ambitious attempt to create a national system of roads began with the Federal-Aid Highway Act of 1938. The original idea was to create toll rolls to support construction and maintenance. But the Bureau of Public Roads eventually concluded the system could not be self-sustaining; so they suggested instead building a network of public roads totaling about 27,000 miles.

Building on those ideas, Congress passed a revised Federal-Aid Highway Act of 1944, which for the first time contemplated the creation of a true "National System of Interstate Highways" extending to 40,000 miles. But in the absence of any specific routes to build, little progress was made.

Now enter Eisenhower. Upon becoming president, Ike knew firsthand the strategic importance of improving

roads. Ike pushed for the next iteration of the Federal-Aid Highway Act of 1954. The original act optimistically set aside \$175 million for the project. Soon that became obviously and woefully inadequate to the task, and Eisenhower pushed in 1956 for an expanded budget of \$25 billion, of which 90 percent would come from the federal government. That is \$215 billion in today's dollars. At the time, the U.S. debt was \$273 billion, which today would be about \$2.3 trillion. What we bought for that money, during a time of deep debt following world war, was a system that now boasts about 47,000 miles of road, not far from what was imagined in 1944.

NATIONAL AIR TRAFFIC CONTROL SYSTEM

Think of our airways as a system of national highways in the sky. In fact, the history of building the aviation infrastructure in the United States finds many parallels with its terrestrial counterpart. In 1930, Cleveland opened the country's first radio-equipped control room; by 1932 the Commerce Department had installed a national array of 83 radio beacons to guide pilots on transcontinental flights. Soon after, advances in two-way radios allowed controllers on the ground to communicate with pilots, and air traffic control towers started popping up all over the country. By 1936 the Commerce Department had three operational Air Route Traffic Control Centers in Newark, Cleveland and Chicago. But with increased commercial air traffic, even that soon proved to be inadequate.

In 1938, Congress passed legislation to create the Civil Aeronautics Authority (CAA), putting under one roof the growing body of federal aviation regulations. Just before WWII, the CAA had its authority expanded beyond just airways to include departures and landings, which finally united control towers and enroute traffic control centers into an integrated whole.

WWII then brought radar to aviation traffic control, the next big technological advance. Following the first installation in 1946, almost all departure and approach control used radar, but the systems did not extend much beyond airport boundaries. That changed in 1956, when two airplanes collided over the Grand Canyon. Congress funded a \$250 million effort to upgrade the national airway system to include advanced radar coverage. That crash also motivated Congress to pass in 1958 the Federal Aviation Act creating the Federal Aviation Agency, which evolved into the now-familiar Federal Aviation Administration (FAA). That set the stage for everything we see and take for granted today, as new technologies with

transponders, computers, GPS and glass cockpits integrated with ground control improved the safety and capacity of the system. The FAA now safely moves 70,000 flights per day.

EYE IN THE SKY: GIRD YOUR LOINS AND COVER THEM TOO

Federal money built and continues to support our transportation infrastructure in the air and on the ground. So what if I suggested to you the following rather absurd idea: because these are public thoroughways supported with taxpayer dollars, every car and truck in the country must install a GPS to allow the government to track every vehicle driving on an interstate. Furthermore, the government will publish the tracking data in real time so that anybody can see where every car, your car, is driving at all times. The data will also be stored so anybody can see a complete history of your driving record. Your spouse can track your car going to work; your friends and co-workers can see where you've gone on vacation. Advertisers can know what stores you drive to. Your enemies can know where you are at all times. Crazy, right? Completely insane.

And yet this is precisely what the government does with airplanes flying between any two airports -- all airplanes, small, big, commercial and private. Just as you would object to the crazy program of publishing a tracking record of your car for all to see, individuals and small business owners of airplanes object equally to publishing a record of their flights, for exactly the same reasons.

If you harbor the idea that this issue does not matter to you because you do not own a private airplane, I have one word for you: drones. If you do not fight for others to keep their right to privacy, you could be next to lose yours. Consider the potential for invasive abuse by drones ranging in size from high-flying full size aircraft to insect-size prototypes now in laboratories looking down into your back yard. Giving up the precious right of privacy is a steep and slippery slope. Give away one right and the next is not far behind. So read on. This issue matters to you whether you own an airplane or not.

To stop the outrageous practice of publishing for all to see every flight of every airplane, the National Business Aviation Association (NBAA) lobbied for a program, which they ran for the FAA, allowing aircraft owners to opt out of public tracking. The FAA still tracked all flights of course, but removed the exempted flights from the database released to the public.

But this caused a public furor, and the program ended after a short time. Chuck Collins of the Institute for Policy Studies explained the objection thus: use of airspace is public information because taxpayers fund air-traffic controllers, radar

and runways. Collins said, "It belongs to all of us. It is not a private preserve."

OKAY, LET'S TAKE THAT SAME LOGIC AND APPLY IT TO OUR HIGHWAYS:

Use of interstate highways is public information because taxpayers fund road construction, bridge building and highway maintenance. "It belongs to all of us. It is not a private preserve." So if Collins's logic is correct, we either must install those GPS units on every car and truck and start publishing their tracking records; or stop the madness and stop publishing the tracking records of airplane owners who wish to keep such information from the public. You can't have it both ways -- look at the history of highways and flyways -- you can't claim the mantle of taxpayer privilege for one and not the other. The fact of taxpayer funding does not result in a de-facto loss of all rights to privacy, on the ground or in the air.

Flying is not the domain of rich celebrities flying their Gulfstreams to opening night, even if that gets all the press. General aviation (GA) is the lifeblood of our economy. Here is just a small sample of what owners of small airplanes do for us:

- After the Haiti earthquake, more than 40 percent of all relief flights were GA. In addition, GA flights were able to get into small airports, grass strips and even roads, which were inaccessible to larger airplanes.
- The United States has more than 230,000 private airplanes that operate out of 20,000 public- and private-use airports. Compare that to the 565 large airports available to the airlines. To put this in perspective, small airplanes fly 166 million passengers every year, making GA effectively the nation's largest airline.
- Then take those facts and consider where American businesses would be if GA were not available to transport people and goods to every corner of the country. Community airfields provide local access to the entire country: "a mile of highway gets you one mile, but a mile of runway can take you anywhere."
- Small aircraft are used by farmers and ranchers to such an extent that without GA crop yields would drop 50 percent or more. And without GA, high value crops would not be brought to market except to a narrow geographic range around the producing farm.
- Without GA we would not have Medevac flights, volunteer transportation for cancer and burn victims. Organ transplants would be virtually impossible without GA, which is used to



transport recently harvested organs to patients around the country in most need.

▪ Our entire power grid would never be built, and would collapse today, without GA. Power lines and transmission towers are built using helicopters, and airplanes are used to constantly monitor the multiple thousands of miles of power lines.

Sure, some rich people own big airplanes and fly them to exotic locales. But that is not the core of GA, nor does that give us an excuse to invade the privacy of every airplane owner. Forget the class warfare angle - this is strictly a matter of privacy invasion at a grand scale. Individuals and small businesses moving by air have the same right to privacy that you do when driving your car.

FISCAL SANITY AND RESPONSIBILITY

Potentially lost in the privacy debacle is another important issue associated with our transportation history that warrants further mention here: the balance between spending for upkeep and expansion and our rapidly growing public debt. Due to sequestration, the FAA was scheduled to close 149 control towers in April. This is a classic case of cutting off one's nose to spite one's face. Commercial aviation contributes \$1.3 trillion to the economy, and comprises 5.2 percent of our GDP. Aviation supports more than 10 million jobs with total earnings of \$394 billion.

Cutting aviation services to reduce our debt makes little sense in current context or from a historic perspective. In 1946, the U.S. debt-to-GDP ratio was 122 percent. In 2011, that figure was about 100 percent, which puts into some perspective the hysteria over the current fiscal problems we face. Yes, we absolutely must get debt under control; but we must also take a deep breath and look at our history to understand our current predicament. The greatest generation had no problem with deficit spending during and after the war to grow the economy. As we extract ourselves from more than a decade of war and trillions of dollars spent in Iraq and Afghanistan, we face a period in our fiscal history analogous to the end of the WWII. The fundamentals of what Eisenhower knew in 1956 remain true today. As our bridges collapse and roads crumble, as we absurdly attempt to close control towers, we should learn from the past and invest in our future. And in doing so, we should never yield an inch in protecting our right to privacy. ■

Pilatus Sales Experts



Rob Sammartino

888-386-3596 x1204
RSammartino@skytechinc.com
OH, KY, TN, NC, SC, VA, DC

- 20+ Years at Skytech
- Involved with Pilatus PC-12 program since its inception in 1994
- Attended the very first in-aircraft training for the Pilatus PC-12
- 100+ New and used PC-12's sold
- Longest tenured factory authorized Pilatus sales person in United States
- Commercial pilot and flight instructor with over 8000 TT
- 2500+ Combined hours in PC-12/45, /47 and 47E
- 300+ Hours 47E (NG)
- B.A., College of the Holy Cross (1989)



Dave Conover

410-574-4144 x1202
DConover@skytechinc.com
PA, MD, WV

- 30+ Years at Skytech
- Commercial Pilot with 3800+ TT
- 1800+ Combined hours in PC-12/45, /47, C208B, PA46-500T
- Involved with Skytech Pilatus sales and service program since 1994
- Active in Skytech's Aircraft Management department
- General Manager for Skytech's Westminster operations
- Previous responsibility for all North American PC-12 parts distribution prior to Pilatus Aircraft, Ltd formation in Broomfield, Colorado
- Former responsibility for new Cessna Caravan sales in 11 states
- Recognized as world leader in Caravan sales 2003 and North American leader in 2004
- Served as Skytech's Director of Maintenance and Piper Aircraft's Distributor Service Administrator, or Chief of Technical Support
- Former advisor to the Malibu/Mirage Owners and Pilots Association as well as the Pilatus Owners and Pilots Association.
- Spartan School of Aeronautics – AMT 1981
- FAA Airframe and Power Plant rated Technician 1981

PILATUS PC-12 NG

BY THE NUMB3RS

1994 Year PC-12 achieved certification via FAR 23 through Amendment 42 Standards

280 Knot maximum cruise performance

2,650 Feet takeoff distance over 50 foot obstacle (max takeoff weight)

67 Knot stall speed at max takeoff weight

1,830 Feet landing distance over 50 foot obstacle

11 Consecutive years ranking #1 in the Professional Pilot Corporate Aircraft Product Support Survey

1,560 Nautical Mile range with 3 passengers, high speed cruise, NBAA IFR fuel reserve

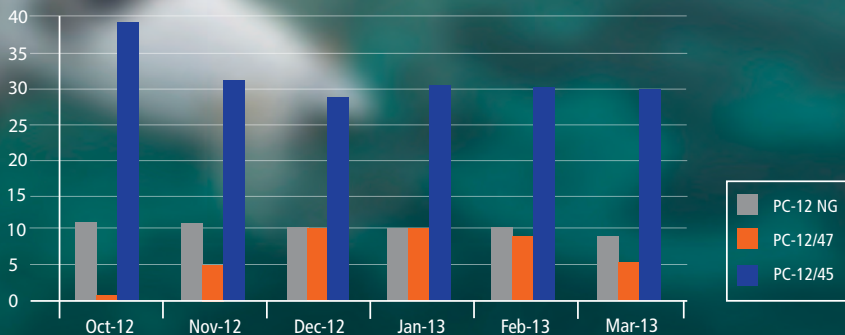
2 Cabin entry options: Forward passenger air-stair door and aft 53in x 52in cargo door

330 Cubic feet pressurized passenger cabin with seating for up to 9 passengers

1 Fully enclosed, flushable potty

Market Snapshot: For Sale PC-12's by Model Type

(6 month trending ending Q1 2013)



Fleet Statistics

1,200+
PC-12's
Delivered

4M+
Flight Hours

390+
PC-12 NG's
Delivered

360K+
Flight Hours

Highest Time
PC-12
24K+
Flight Hours

Highest Time
PC-12 NG:
5K+
Flight Hours

Safety Market Analysis

(Accident Rates per 100,000 Flight Hours)



A CRITICAL KEY TO IRS **AUDIT** SURVIVAL

It is a well-known fact among the professional tax and aviation communities that there has been a significant increase in federal, state and local tax audits involving the acquisition, operation and disposition of aircraft within the last 3 - 5 years.

This article will provide some of my “battle tested” record keeping techniques that have been developed over 30 years as an aviation tax specialist and explore the consequences of failure to keep copious and contemporaneous aircraft expense and usage records.

The cost of not having proper documentation for an IRS audit involving a plethora of aircraft issues surrounding the

in dispute because the parties have presented conflicting evidence as to the business or personal nature of many of Plaintiff’s trips.”

The IRS contested the classifications of many of the “business trips” because the taxpayer’s children, girlfriends and others traveled with Mr. Morton to vacation destinations throughout the world and stayed with him at his vacation homes. Flight logs were maintained which identified the date and time of the trip, the number of passengers, arrival and departure airports and the flight crew. However, there was no attempt to keep systematic records as to the identity of the passengers or the reasons why any of the passengers



business use of a G-III and a G-IV aircraft was very clearly demonstrated on April 27, 2011 by Morton v. U.S. 107 AFTR 2D 1963.

Peter Morton, one of the co-founders of the Hard Rock Café chain and creator and developer of the Hard Rock brand, filed a refund suit in the U.S. Court of Federal Claims in order to recoup nearly \$9.8 million in taxes assessed by the Internal Revenue Service. He claimed that he should be entitled to deductions for aircraft depreciation, operating and non-operating expenses. Before the court would allow the deductions, it had to determine ... “whether Plaintiff has substantiated those business deductions he is attempting to deduct.” The court observed, ... “there are material facts

were aboard a particular flight. The court stated ... “the lack of information about people included on the trip makes it difficult to say at this point definitively that the flights were or were not for business purposes.”

In arriving at the business or personal classification of the various trips, Mr. Morton would meet with his accountant sometime after the trips were concluded. But the court was unable to say whether or not these meetings were sufficiently contemporaneous enough to provide credibility as to the business or personal nature of the flights.

Judge Baskir opined, ... “the court cannot allow a refund until plaintiff convinces the court that the aircraft are actually used for “productive use in a trade or business”,

and ... "that the Plaintiff has not sufficiently substantiated the business or personal nature of the individual trips".

The court gave the taxpayer approximately 60 days to present further evidence as to the nature of the business use of the aircraft. The taxpayer was unable to prove his aircraft business usage for the years under audit so the government kept the \$9.8 million.



OBSERVATIONS AND RECOMMENDATIONS:

1: Contemporaneous records are those that are maintained at or near the time of the event by a person with knowledge of the event and must be kept not only to show an overall purpose for the business trip but also the reason each passenger was aboard for each flight segment. For at least the last 5 years, IRS agents have been requiring aircraft owners to prove that each person was not aboard the flight segment for recreation, entertainment or amusement purposes.

2: Occasional meetings during the year or at the end of the year with your tax preparer to try to determine which flights may have been for business or personal reasons will not be enough to make a credible case.

3: Examples of the types of documentation that I use are; emails both before and after the trip that identify the trip objectives, a brief meeting agenda, participants and contact information for all passengers. Advance trip requests, approved by the appropriate corporate officer, seem to work especially well for public entities. We also include a post trip evaluation to indicate if the objective was met along with future follow-up action items. Copies of purchase orders for

new equipment, purchase contracts for real estate, etc are also inserted in the trip file where appropriate. Obviously, receipts for all trip expenses are maintained in the trip file.

4: All of these records can either be kept in paper format or as part of an online aviation documentation storage vault that has been designed exclusively for the analysis and preservation of permanent aircraft records or both. Whatever system you elect to use, the records need to be available when you need them. If you get a computer virus or suffer a natural disaster and cannot obtain your records, the taxing authority will make an assessment.

5: Those who claim bonus or accelerated depreciation have to make sure that their annual business usage is more than 50% for every year during the 6 and 12 year exposure periods for Part 91 and Part 135 aircraft respectively. If your business use falls to 50% or less, then bonus or accelerated depreciation in excess of straight line is required to be recaptured on your tax return per Internal Revenue Code sections §179 and 280F(b)(2). Although few IRS agents may admit it, we have seen a number of cases where I and other advisors strongly believe that bonus depreciation was an audit trigger.

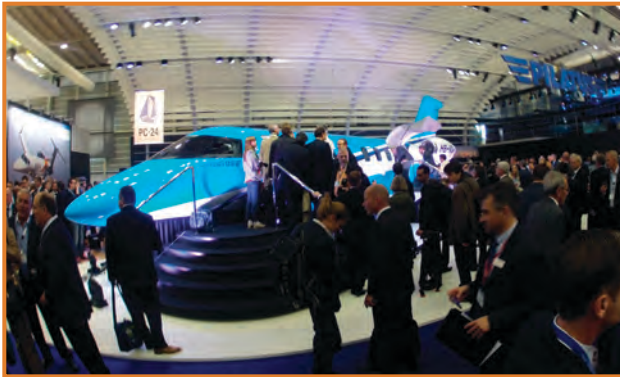
6: Finally, verify your tax deductions before the return is signed and filed. That means, make sure you have copies of receipts or other records that prove the total value of all the deductions you are claiming. If you think that all tax preparers do that...you're wrong! ■

Victor C. Anvick M.S.Tax E.A. Aviation Tax Specialist has been specializing exclusively in federal, state and local aviation tax matters and advising individuals, public and non public companies, charter operators, CPA and law firms for the last 30 years. He pioneered the California Interstate and Foreign Commerce aircraft use tax exemption with his own aircraft in 2001. He is manager of ATIS Group LLC and co-owner of Aviation Document Storage LLC. He can be reached at (661)269-9441. Websites www.airplanetaxes.com and www.turbinz.com.

To ensure compliance imposed by the I.R.S., we hereby inform you that any U.S. Federal Tax Advice contained in this communication (including any continuing pages or attachments), is not written or intended to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or tax related matter(s).

Pilatus Presents It's
Latest Flagship at EBACE

THE PC-24



The world premiere of the Pilatus PC-24 "Super Versatile Jet" at the European Business Aviation Conference and Exposition (EBACE) was met with tremendous fanfare by those in attendance. Representing the Pilatus Crystal Class, this twin-engine jet follows the path set by the world famous PC-12 and shares many similar qualities; ensuring its unique position in the marketplace. First of its kind features, such as a standard pallet-sized cargo door giving unprecedented access to pressurized cabin storage space, are married with remarkable short and unimproved runway performance for a jet. The massive cabin is decidedly Pilatus, being designed from the outset for quick and easy reconfiguration, and includes a flat floor and fully-enclosed, externally serviceable, private lavatory. The Pilatus Advanced Cockpit Environment (ACE™) avionics suite powers the flight deck and FADEC Williams FJ44-4A engines provide thrust and efficiency for the combination of performance and range the Pilatus brand has become synonymous with.

Work on the prototype is in full swing at the factory in Stans, Switzerland, and the roll-out is scheduled for the third quarter of 2014 with a maiden flight to follow by the end of the year. Says Oscar J. Schwenk, Chairman of the Board of Pilatus, "Over ten years ago, we started asking our PC-12 customers

what they would like to see in the next Pilatus aircraft. The answers were always the same: Further and faster – whilst retaining the much appreciated strengths of the PC-12, such as the ability to use very short runways." Schwenk has no doubt that the PC-24 will be just as successful as the PC-12: "Very importantly, the PC-24 is a completely new development – not a 'me too product'. Specifically, there is no other business jet on the market with the same credentials and qualities as our new jet. Once again, we aim to fill a market niche and I am confident we will do so successfully."

The world's oldest Pilatus dealer, Skytech Inc., was on hand for the PC-24 unveiling in Geneva, Switzerland and shares in the enthusiasm of this revolutionary product. Says John K. Foster, President of Skytech Inc., "We always wondered what Pilatus could possibly build next after setting the bar so high. And now we know: an airplane that does the same things with an even larger cabin, longer range, and more payload while displaying unheard-of short field performance. And it retains that flat floor and massive cargo door. So here comes the PC-24 – and all the expectations associated with a jet aircraft built with Swiss precision at an airport surrounded by the Alps. This is going to be good." ■



The Skytech team with Pilatus CEO Markus Bucher (far right)





PC-24

THE SUPER VERSATILE JET



- Max Certified Altitude **45,000 ft**
- Take-off Balance Field Length (MTOW, ISA, Sea level, dry paved runway) **2,690 ft**
- Landing Distance over 50ft Obstacle **2,525 ft**
- Pilatus ACE™ Avionics System
- Williams International FJ44-4A
- Range with 4 Passengers (800 lb payload) **1,950 NM**
(NBAA IFR reserves of 100 NM + 30 min VFR, LRC, Single Pilot Ops)



Contact Skytech for More Information

888-386-3596

PilatusSales@skytechinc.com

www.skytechinc.com

All PC-24 data is preliminary and subject to change without notice



Experience the Skytech Advantage
 200 Airport Drive
 Westminster, Maryland 21157

FIRST-CLASS
 PRESORT
 U.S. POSTAGE
PAID
 LUTHERVILLE, MD
 PERMIT NO. 171



a word to the wise

BY DAVE CONOVER

MORE THAN JUST THE FINAL REPORT....

On average, the NTSB investigates about 1500 accidents per year that range from general aviation through airline operations. Everyone is familiar with the thoroughness and methodical nature utilized by the NTSB investigators, and the most common result we see is a final report of each specific accident in detail. Additionally, the NTSB utilizes the results of their investigative data to provide recommendations to improve safety through regulatory means. However, a lesser known set of useful (and user friendly) data that they provide is in the form of the Safety Alert.

According to the NTSB, the circumstances of each new accident are often remarkably similar to those of previous accidents. This suggests that some pilots are not taking advantage of the lessons learned from previous tragedies that could help them avoid making the same mistakes. The Safety Alerts are relatively short 2-3 page narratives that review several related accidents followed by some tips and guidance on what pilots can do to avoid such errors. Additionally, they end with a list of specific training and reference materials not only from the FAA and NTSB; but from the AOPA Air Safety Institute, so a pilot can delve into the subject further.

The Safety Alerts usually contain an 'ah-ha' moment for even the most seasoned aviator and provide a method of quickly reviewing large volumes of NTSB data that have been

consolidated into concise formats. Several examples of recent reports include: Prevent Aerodynamic Stalls at Low Altitude; Pilots: Manage Risks to Ensure Safety; and the one I found very interesting, since it crossed over a wide range of aircraft operations, is Preventing Rote Callouts.

The Rote Callouts Safety Alert reviews scenario's including business aircraft as well as commercial airliners. To summarize, as pilots we can act out of habit or even become complacent regarding cockpit call outs or running checklists. In some cases, pilots reacted to what they expected to see; or what they have always seen in the past as opposed to actually taking the time to specifically verify an action or indication. As normal, there is a concise list of recommendations titled: 'what pilots can do'. Included in the report are a few 'ah-ha' like suggestions such as – set a methodical pace when running checklists to ensure that you actually see and furthermore verify each indication and physically touch or point to a specific indicator.

The NTSB Safety Alerts certainly do not take the place of regular recurrent training and proficiency. But, they do add another tool that we can easily utilize to prevent us from repeating history. The NTSB Alerts can be accessed at:

www.nts.gov/safety/safety_alerts.html ■