

GWBAA News

Greater Washington Business Aviation Association, Inc.

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Dulles Forum A Success For GWBAA

More Than 800 Attend NBAA's Regional Forum at Dulles:

The June 8th Regional Forum at Dulles was a big success. Manning an exhibit booth for the day GWBAA's President Bob Blouin was able to meet many GWBAA members and hand out over 25 membership applications to prospective members. The question most attendees asked Blouin was "What does GWBAA do?" The answer was and is pretty straightforward according to Blouin; "GWBAA does three things:

- Create opportunities for its members to network and learn about local business aviation issues;
- Provides an early-warning to NBAA on local issues (remember Manassas taxes?); and
- Gives back to the local community by staging an annual golf outing, with last year's contributions going to the Red Cross Katrina Fund and the Aero Club of Washington Foundation.

For further information about this event – including photos, opening session audio recordings and handouts – visit <http://web.nbaa.org/public/cs/forums/20060608>.

Catch up with GWBAA members at the ARINC lunch and facility tour coming up on July 20th. For more information read the upcoming events section in this newsletter.

FAA Limits "Priority Service" for Aircraft Registration for International Flights:

FAA's Aircraft Registration Branch in April announced that, due to its workload, it would subsequently limit requests for "priority service" for international flights to one request per N-registered aircraft in a three-month period. (A copy of the notice is available online at http://web.nbaa.org/public/ops/taxes/registration/AFS-750_20060410.pdf. Previously, the owners of aircraft with temporary registrations ("pink slips") could officially only operate their aircraft domestically but were easily able to obtain "priority service" registrations for international flights while their permanent documentation was being processed.

NBAA now reports, however, that FAA has agreed to delay the implementation of the policy until January 1, 2007. GWBAA will support NBAA's efforts to find a mutually acceptable solution. However, GWBAA notes that since one of the FAA's concerns is that many – if not the majority – of the registrations that it has issued were for flights that were never actually operated. It is important, therefore, for aircraft owners to be responsible in their use of the "priority service" for the remainder of this year, to help persuade FAA that there is no need for a new restrictive policy.

Northeast Airspace Overhaul Comments:

Readers of GWBAA News may recall that FAA's Eastern Region Air Traffic Division is in the process of developing a plan to reorganize the airspace in the New York/New

Jersey/Philadelphia area, which FAA says would improve safety, reduce delays, and handle growing air traffic. FAA recently released a draft Environmental Impact Statement for the plan and has asked for comments on four options: No Action; Modifications to Existing Airspace; Ocean Routing Airspace; and Integrated Airspace Alternative. The deadline for comments on the proposal recently was extended until July 1, 2006. For more details, see http://www.faa.gov/news/press_releases/news_story.cfm?newsId=7191.

Regional News Roundup:

A Cessna 182 was forced to land at **Montgomery County Airpark** by fighters on June 5, after entering the ADIZ that surrounds Washington, DC, according to the Washington Post. John Luke III, the airport manager, reported that the pilot was on his way from New York to Alabama and was unaware of the requirements for flying through the restricted airspace. [One can only speculate if this was the only pilot in the U.S. not to have heard of the ADIZ – and what the negative consequences of incidents such as this will be for efforts to convince the TSA and lawmakers that general aviation is secure – ed.]



Frederick Municipal Airport hosted the sixteenth annual AOPA Fly-In and Open House on June 3, a day which Frederick also designated as Airport Appreciation Day. AOPA reports that more than 3,000 attended the event, which featured speakers such as Eric Lindbergh, the grandson of Charles Lindbergh, and AOPA President Phil Boyer, as well as displays of more than fifty aircraft. During the event, AOPA officially announced the launch of its "Project Pilot," which encourages AOPA members to mentor individuals who are interested in learning to fly, in order to increase the number of new pilots.

Several Maryland airports recently warned that reductions in funding for the federal Airport Improvement Program proposed by the Bush administration could delay planned or in-progress projects. Notably, **Salisbury-Ocean City Airport** is anticipating a \$4.5 million grant in FY2007 to complete a 900-foot runway extension, while **Cambridge-Dorchester Airport** has requested \$5.3 million in funding for its own runway extension project.

The Washington County Commissioners have approved the acquisition of 1.61 acres near **Hagerstown Regional Airport**, which lie in the Runway 9/27 protection zone. The property includes two houses. The total settlement price is \$409,900, the majority of which will be paid with FAA funds. In other Hagerstown news, ongoing construction to lengthen Runway 9/27 from 5,461 feet to 7,000 feet and to add 1,000-foot safety areas at each end will result in the closure of neighboring Byers Road until December 15, 2006. The entire project is expected to be completed in December 2007.



Stafford Regional Airport has been selected to host the next Force Protection Equipment Demonstration ("FPRED"), a biennial Defense Department event next expected to be held in August 2007 event. FPRED, which was first held in 1997, has outgrown the air facility at its

former home, Quantico Marine Corps Base. The event displays and demonstrates technology for protecting military personnel, law enforcement and corrections employees, and emergency responders, and will be organized by Computer Sciences Corp.

The Aviation Insurance Market:

Greg Reba, a Regional Director for NationAir, recently offered us the following thoughts on the state of the aviation insurance market, and invited us to share them with our readers:

The first quarter of 2006 has seen a great deal of activity in the aviation markets, primarily from new entrants into aviation insurance.

In January, ***American International Aviation Agency (AIAA)*** ceased handling aviation business for ***AIG Aviation***. AIAA has been a subsidiary company of CV Starr, a company controlled by Hank Greenberg, the former CEO of AIG who was forced to resign last year in the wake of the contingency commission scandals.

On April 1, 2006, ***AIAA*** began operations as an MGA for the ***Berkshire Hathaway*** group of insurers. Many senior AIG employees, including Steve Blakely, Bill Eason, Kyle Sparks, Bill Harwell, John Luikert, and Tony Faiia have all joined ***AIAA***, which is located in Atlanta. In truth, almost all of the former underwriters and claims personnel that handled AIG's airline and large airport book have all joined ***AIAA***.

AIAA seeks to be a major player in the airline, major products, and large airport market. They have the personnel to be a lead market for such accounts, although they will be available as a following market for vertical placements as well. They may also be a vertical market for large GA (FBO) placements in the near future.

XL, who has been a following market for airlines, products, helicopters, and some GA accounts, saw its entire underwriting team leave in January to form a new entity by the name of ***Berkley Aviation***. This entity will seek the same market segment as did XL, which also includes corporate non-owned liability, which is the only product it can offer on a 100% basis. ***Berkley Aviation*** is located in Santa Barbara, CA and uses insurers that are part of the Berkley group, mainly Starnet and Gemini (the latter company is non admitted in the few states where Starnet has not been admitted as of this time.) ***XL*** moved its aviation operations to NYC, where the book is now overseen by Chris O'Gwen, formerly of USAIG.

Just recently, an MGA named ***Inter-Aero*** announced it will begin operations very soon, writing for the Arch Insurance Group. Arch is the insurer that underwrites the Cessna Insurance Program. According to its press release, ***Inter-Aero*** is seeking to write in the same market as ***XL*** and ***Berkley***. This new company is also based in Santa Barbara, CA

USAIG has seen major changes in their management team. Chairman Harold Clark and Executive Vice President Bill Welbourn left the company in late April to head the US aviation operations for Allianz Global Risk. Shortly thereafter, Mike Kriebel and Tim McSwain, who managed commercial operations and claims respectively for USAIG, also resigned and moved to Allianz.

In the wake of these departures, USAIG appointed their current President, Mike Sweeney, to assume the role of Chairman. Dave McKay, who previously managed USAIG's airline and product book, was named President. Vic D'Avanzo, who had

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been the NY branch manager, was promoted to Senior Vice President and will assume Chris O'Gwen's prior duties overseeing USAIG's commercial book of business.

AIG has hired Mike Barrett, the former claims manager for **Phoenix Aviation**, to help fill some of the holes in the claims department left by the **AIAA** departures. Mike hired two former Phoenix claims managers, Ted Green and Joe Shelby, to join him at AIG. Peter Guy, who was handling claims for LAD in their Scottsdale, AZ office, will be moving to Atlanta as well to handle home office airline claims. Tim Boland has returned to his former position as manager of the LAD department in Atlanta. Jim Anderson will remain in his current position as manager of LAD's Scottsdale office. Grey Toulmin, head of the Special Risk department, is retiring effective at the end of May. No replacement has been announced.

Phoenix Aviation has now opened its third full service underwriting office in Seattle. Patrick Montgomery, who has a varied history in the claims area, has been hired to replace Mike Barrett.

Allianz Global Risk is scheduled to begin formal operations on July 1, 2006, with their entire management team coming from USAIG. Allianz will initially be a market for vertical placements for airlines, major product placements, rotor wing operations, and large commercial operations. Their plan is to soon have the ability to write risks on a lead basis, and ultimately on a 100% basis, which would in effect make them a direct competitor with USAIG, AIG, and Global Aerospace.

With all of these changes just happening in the last several months, it is too early to give a definitive opinion as to their effect on the insurance marketplace. However, the number of new entrants seeking to write certain industry segments such as airlines, products, etc., would likely make these segments very price competitive in the near term.

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Upcoming Aviation Events:

- June 9-25: The Studio Theatre will present "Charlie Victor Romeo," a play that re-enacts actual cockpit voice recorder (CVR) recordings. For more information, visit: http://www.studiotheatre.org/plays/plays_details.php?plays_id=94.
- July 6-8: The World Airline Historical Society will hold its 30th Anniversary Collectibles Show in Tysons Corner, Virginia – an opportunity to socialize and add to one's stock of memorabilia. For more information, visit: <http://www.ai2006.com>.
- July 20: GWBAA members are invited to a complimentary lunch briefing and tour of the ARINC facilities in Annapolis. GWBAA's President, Bob Blouin, and other Board members will be on hand to welcome attendees & provide an update on GWBAA activities & upcoming events. Further details will be sent to those who RSVP. Please RSVP to Susan Boyle via email at sboyle@arinc.com or phone at (410) 266-4681 by Monday, July 17.
- September 25: Registration for players and sponsors is now open for GWBAA's golf outing at the Herndon Centennial Golf Course. Please fill out the registration form attached to this email or go to <http://www.gwbaa.com/golfflyer2006.pdf> to

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download the form. In addition, information about the golf course is available at <http://www.herndon-va.gov/HCGolf.html>. Herndon Centennial is a jewel of a course – and wait until you taste the bar-b-cue at lunch!

GWBAA Offers Online Benefits:

We are continuing to add member information for GWBAA's electronic membership directory – <http://www.gwbaa.com/directory.html>. This service is available to GWBAA members at no cost. Please contact Bob Blouin (info@gwbaa.com) if you want to post your company's information.

GWBAA Contacts:

GWBAA President Bob Blouin (info@gwbaa.com) and Jol Silversmith of Zuckert, Scutt & Rasenberger, LLP (jasilversmith@zsrlaw.com) write and edit GWBAA News. GWBAA's success and ability to make a difference depends on the breadth of its support and your participation – so please send any ideas or comments for future newsletters, or for GWBAA, in general, to Bob or Jol, or any of the following people:

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