

PM Content:

Since the establishment of the European Business Aviation Association in 1977 it has become the principal voice of Europe's business aviation community. Mr. Mandemaker, as the EBAA's Chief Executive, could you please give the 2.1 million readers of The Daily Telegraph your introduction to the EBAA and its key role representing the members of over 300 business aviation companies?

Mr. Eric Mandemaker:

The EBAA was actually founded in Holland as the international Business Aviation Association by Dr. Fritz Philips of the Philips Corporation at that time. He and the twelve founding members were the first people to recognize the potential of business aviation. If I am not mistaken Philips flew an F-27 and one of the early Dassault Falcons. Changing its name to EBAA in 1984, the association has continued to grow over all those years, despite all the ups and downs in the aviation industry over the last 30 years.

Two particularly significant developments have taken place in the sector over that time. The first is that, with rapidly falling ticket prices more and more people have started to use the airlines for their holidays. With such a huge increase in travellers, this has greatly reduced the quality of service available to business people, both in terms of destinations efficiently served and airport processing time. Also we saw airlines saving in terms of the service level they provided to their passenger. Security also became an issue for many business travellers after 9/11 and for some people this was the reason to decide upon business aviation. Both personal and business Security are key issues for influential businessmen who are in the limelight both in terms of business development activities and even as a possible terrorist target.

In recent years major airports have become more and more an obstacle in for the passengers of airlines. Rather than being a method of easily changing transport from road to rail or bus into an aircraft by simply moving through a terminal; nowadays it has become an

obstacle course for some people. The amount of security, the size of the airports, and difficult parking are just some of the many factors which have changed the whole experience. This is where we see that often businessmen do not travel in order to avoid another airport experience; but at the same time they cannot avoid an essential business trip.

If you look at Europe as a whole, we used to have borders and hence people tended to stay either within their own countries, or they flew to the major centers in Europe because they had business to do there with other conglomerates and other large companies. But if you look now, at some countries you will see that Eastern Europe has become cheaper in terms of manufacturing. The European Union has 27 nations and this is a very large area for business people who need to go out there.

There have been a large amount of takeovers and mergers taking place. Many of the cities where some of those companies are located are not presently served by an airline. If you then start thinking about the cost of such a trip, the expense of travel, also in relationship to how much time you spend, then it becomes an entirely different issue. People want to be able to go from an airport close to where they live to an airport where they need to be for business and they do not want to spend the whole day doing so. That is the advantage for businessmen, because not only can they very quickly get aboard an aircraft, but when they arrive they are at their destination and not at another airport. So what does this all have to do with EBAA? The EBAA has basically over the years become more and more involved in making sure that the conditions for business travel in the business aviation sector are well covered.

Business aviation consists of two sectors. We have the corporate flight department and then there are the commercial business aircraft operators. Corporate aircraft are for all intents and purposes a private operation but at the same time they need to be safe and there are rules and regulations which need to be covered. The EBAA assists in this by maintaining dialogue with the authorities.

One of the major issues we are working with is airport access. Airports are becoming more and more crowded. Our members are finding it increasingly difficult to get access to them. In the old days it was not so difficult but now with the low cost carriers and regional airlines, airports have tended to fill up, and slots are harder to get. The majority of slots go to commercial airlines because that is basically what it says in the rules and regulations is that these should go to scheduled operators. Although we are a non-scheduled operator we

are still an operator. We are having discussions with the European Commission to see if that can be changed. Things will change in the future and for us airport access remains a very important issue. Another crucial consideration is security checks performed on passengers and this is something which we are working on very closely.

PM Content:

What kind of steps are the EBAA, the European Authorities and its partners taking in order to ensure adequate security standards for business flights throughout Europe?

Mr. Eric Mandemaker:

We have developed our own security approach and are confident that by being tailored to our sector it will be both effective and affordable. So we have made specific proposals to address both the corporate operators and the commercial air taxi operators with procedures developed especially for our sector and not those over complex procedures quite properly applied to the airlines where seats are sold rather than the whole plane charters that our norm in our sector. Moreover, the procedures need to be matched to the scale of the tasks, so we want to see staff at small airports & terminals trained to operate the security equipment as a secondary rather than primary role as is necessary at the larger airports., thereby enabling passengers to be screened quickly and efficiently. Of course the operators need to be well trained in the use of metal detectors and X-ray machines; but they should do so at a level which is more appropriate for business aviation. In large airports there are large volumes of people moving around. However, in business aviation we have very small groups of people that travel anywhere in groups ranging from two to eleven which can be well controlled. As an industry business aviation does not want to be treated differently but rather fairly and appropriately in order to carry out its activities effectively.

Mr. Eric Mandemaker:

The Chairman of the EBAA, Mr. Rodolfo Baviera, has stated his goal to address the misperception that *"Business Aviation is not a toy for rich and famous people, but rather an important tool for the economic development of the European continent."* Could you please comment on the general public's current perception of business aviation?

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It is one of our major issues because the general public has the feeling that business aviation is a *"toy for the boys"* and something for the

very rich. But this could not be further from the truth because business aviation needs to be looked at as a tool. Someone's private secretary needs a good computer with a good screen in order to be able to type. It is her tool. If you go to a hospital for an MRI scan or to see a radiologist, that equipment is very, very expensive. However for the radiologist it is a vital tool without which he cannot diagnose his patients. Is it excessive? No of course it is not excessive! If you would look at the majority of business aircraft very few cabins are engraved with gold and diamonds.

The users have the need to travel quickly and efficiently from point A to point B while they work. They want to do this in private in order to be able to work comfortably. When you are on a commercial airliner you do not know who is sitting next to you. If you open your laptop then half of the crowd can read your computer screen along with you. You cannot make telephone calls on an aircraft nor receive e-mails. If you really look at the standard business aircraft the interior is toned down tremendously. Of course there are chairs and tables but these are not ivory inlaid but rather a veneer tables. The seats are no bigger than a normal business class seat and in some cases they are smaller. The height of the cabin is not like a 747 or anything like that. I am six feet two inches tall and in some of the aircraft I can only just barely stand up, in many of them I have to stoop down. It is a totally functional aircraft. Maybe the passengers do travel in relative comfort but if one takes the Eurostar he travels in comfort as well.

PM Content:

Studies conducted by London Business School or consulting firms showed that companies utilizing business aircraft have achieved improvements in terms of their operating results. Given the rapid pace in today's business environment, to what extent do you believe that business aviation helps companies boost overall productivity and the efficiency of their workforce during business travel?

Mr. Eric Mandemaker:

Tremendously and this will only increase because globalization is continuing. Although we are going through a dip in the economy at the moment this means that some companies will be taken over, new strategies developed and new policies invented. This only means that the people who are part of this economic development need to go to more places and do so quickly. That is why I anticipate growth in business aviation. When we EBAA started, there were only a few countries working together economically, but today there are 27 EU member states and businesspeople need to travel all over Europe. We see more and more people flying to the United States, Africa, the Middle East and the Far East in order to do business. They do this with business aircraft in order to be effective. These people in upper

management also have a private life and they need to remain effective and stay fit. How can a businessman stay really fit if he has to take a 12 hour flight to Singapore but needs to be at the airport three hours before the flight?

Can you sleep in most commercial aircraft? Well, just barely because they are simply not that comfortable. Can one work productively in commercial aircraft? Not really because the amenities are not meant for that. If you go in a business aircraft you can depart at a time of your choosing and work at your own pace. One can sleep more comfortably because the small couches on cabins can be transformed into a bed. The businessman is refreshed and can go straight to work effectively. Then one can go back again without having lost four days of effective working.

If one thinks about it a meeting in Singapore does not last three days. It may last 6-7 hours if that. But in order to have that meeting one needs to travel three days then it becomes a case of lost productivity.

PM Content:

In May of 2009 the National Business Aviation Association and the EBAA will be jointly managing the European Business Exhibition in Geneva. This is one of the premier aviation events in Europe. What has been the feedback from previous EBACE events, and what role does it play as a forum for the international business aviation community?

Mr. Eric Mandemaker:

First of all it has been a phenomenal success because it was the first European exhibition totally and 100% focused on business aviation. Farnborough is a very good air show but EBACE is the show which is specifically focused on business aviation. We just had the eighth show and are currently working on the ninth. Why was it developed the way it was? It provides a perfect opportunity to focus on business aviation and offer the manufacturers the chance to display their products live. We have a large area of aircraft on display at the airport. These ranged from the very small business jets to the large business jets and everything in between. It gives people the sense of perspective of what they can do with the right size of business jet.

In the halls there are manufacturers of business aircraft and they can address issues such as the economics of business aviation. What are the costs of operating a business aircraft? What can they do? How many people can one transport and how far can they fly? All those details are discussed. At the same time we have many suppliers there who assist in fitting out aircraft. In addition we have the air taxi operators who have a booth there to show the businessmen the

possibilities of chartering a business aircraft for their next trip. It serves two kinds of people. That is important for the businessman who wants to maximize his productivity because when he goes to a show or seminar he wants to be able to do it in one day.

PM Content:

The business aviation industry includes air taxis which offer not only direct transport on demand to specific destinations, but also crucial services including medical evacuation, and the transport of vital organs to save lives. Could you share with our readers your thoughts on the contribution and prospects for the air taxi industry in the next few years?

Mr. Eric Mandemaker:

Currently we have 800 air taxi operators in Europe. Some of them have many aircraft whereas others may only have one. Why are there so many of them? It is primarily because there are so many locations in Europe where they need to be based in order to meet the customers. This ensures the availability for people to go anywhere within Europe or outside the continent using air taxi services. You highlighted medical evacuations and of course this type of service will continue because it enables insurance companies to protect those they have insured. But by and large it will be businesses who utilize air taxi services.

We anticipate continued growth of commercial operators. You also have to remember that they need to be given the basis to continue in accordance with safety regulations from EASA. We are working with EASA in adapting those rules in such a way that although they do not have to favour business aviation, they can take our industry into account. A commercial airline operates totally differently in terms of requirements than does an air taxi operation. Although many of the rules are the same some of them do need to be different to take into account the different type of operation. This brings us back to the issues of access, security and transatlantic issues. At the current time an American operator can very easily come here and obtain a permit within 1-12 hours. Whereas it takes us 10 days to do the same thing in the U.S. Equal access and having a level playing field are two key areas where we need to see continued improvement.

The Russian market has become particularly strong for business aviation. Once people have had their first experience in business aviation and they see the advantages they have gained in terms of time or in terms of being able to go with a group of people to a

meeting. Once they have recognized the advantages of travelling to a business meeting and being able to return home comfortably to be with their families, it is only natural that the demand for business aviation services will continue increasing.

PM Content:

You mentioned Russia but we know that beyond Europe's borders there has also been strong growth in business aviation in dynamic emerging markets including China, and the Middle East. How do you anticipate that the growing prosperity in some of these regions will affect the evolution of the business aviation industry?

Mr. Eric Mandemaker:

Yes we are seeing positive trends all the time. For example, the Middle East of course is one area where they utilize business aviation a great deal. In addition to the European Business Aviation Association there is also an Australian, a far Eastern Association, and we are all members of the International Business Aviation Council (IBAC) which is located in Montreal representing the interest of our sector at ICAO. We do work closely with all these bodies to do our best to ensure that the parameters for business aviation are present in all those countries. Rules change from country to country in areas such as ease of access. We also want to ensure that the safety of business aviation is of the highest level. Presently there is a high level of safety in our industry but we continually strive to improve upon that. In fact today the corporate flight departments have an even better safety record than the commercial airlines.

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During 2008 crude oil prices surpassed US\$ 147 a barrel before dropping in recent months. What impact do you think the high energy costs will have on the profitability of the aviation industry and particularly on that of business aviation?

Mr. Eric Mandemaker:

I cannot really speak about commercial airlines because their pricing structure is totally different from ours. They need to fly a lot of hours at a relatively low price. If you look business aircraft you will see that by and large they fly only 600-700 hours a year. Why is that? It is because that aircraft needs to perform under the flexibility of the passenger. Commercial airlines simply don't do that, if you are late they say: "we are sorry you missed the plane"; whereas if our passenger is late nothing happens and the crew simply waits. We

therefore fly only to task and have a lower numbers of flights compared to our counterparts in commercial aviation. That of course in turn means that we burn less fuel in a whole year. Of course the increase in oil prices does concern us all. There is a slowing effect of the lower end of the market such as people who are just starting to use business aircraft. The people that have already used it a long time have taken it as the basis for their calculations. They know that their car becomes more effective and the same applies to their flight.

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Despite the fact that business aviation utilizes less fuel than commercial aviation it has raised certain concerns from an environmental standpoint about greenhouse gas emissions. What kind of technological developments are underway in order to reduce the environmental footprint in business aviation?

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If you look at aircraft engines in general and business aircraft engines specifically, since the introduction of the first jet engine they have continuously been working at reducing the amount of fuel it burns to produce thrust. This is for the very simple reason that this is a necessity in our industry because every pound, liter and kilogram of fuel you use needs to be taken airborne. The more fuel you carry the fewer the passengers and, so fuel conservation is of the utmost importance in our industry. If you look at the increase in the efficiency of engines it has been phenomenal. We went from straight jets to bypass engines and from multiple combustion chambers to one annular combustion chamber. High efficiency fans and compressors and turbine wheels have ensured that these engines are extremely efficient and emit low levels of noise. The combustion of fossil fuel will continue to be improved and we will be able to reduce the fuel usage and associated CO₂ even more. Also I hope that in the future we can use fuels which have less carbon. That is only on the energy side of it.

If you look at the airframe side you see that aircraft are getting lighter all the time. Why is that? It is because of advances of technology and the utilization of lighter materials such as composites or lighter versions of aluminum lithium or titanium for example. There have been tremendous improvements in aerodynamics and these make the aircraft very smooth to operate. All of these factors are already a reduction in fuel load. Thirdly, the SESAR program is developing a system where we can navigate in Europe using satellites. That will mean that we can fly a lot shorter distances and do this directly. This will represent a tremendous saving. That same technology which is being introduced will expand the air traffic control system. We can fly from one point to the next without having to make any stops. When we get to our destination we can actually slow down the engine to idle

and glide towards the airport having used hardly any fuel at all and that is another massive fuel saving.. It also means that with this new navigation system there are more and more airports which will have higher capability.

The EBAA and all players in the business aviation industry are aware of our social responsibility. But at the same time we are asking the European Parliament to have ears for what we have suggested. We have proposed an alternative means of compliance which entails a relatively cheap system in terms of monitoring and verification, but at the same time with our monitoring procedures doing 100% offset. Unfortunately parliament did not want to accept it. But I think that over time manufacturers of aircraft and engines, as well as operators and the EBAA will all continue to look for ways to reduce carbon emissions. We have already significantly reduced noise and many of the business aircraft in use today are very, very quiet.

PM Content:

Mr. Mandemaker what have been some of your biggest professional satisfactions during your time in the aviation industry and now as CEO of the EBAA?

Mr. Eric Mandemaker:

That is a difficult question because I have only been here in the position for a little over a year. I don't think that I should as yet claim any great successes. Nevertheless I think that we should thank our previous CEO and current President Mr. Humphries for bringing the association so far already in the years that he was responsible. There is still a great deal to do on issues such as the single European sky, environmental, security and transatlantic issues and safety which remain of paramount importance. The successes will come in due course. At the same time we have to be ever vigilant that we do it well, carefully, and in close collaboration with EASA, Eurocontrol, the European Commission, the European Parliament, etc. It is not something which we can just do by ourselves. People need to recognize that business aviation is a business tool that makes our top managers more effective.

PM Content:

Could you please tell the 2.1 million readers of The Daily Telegraph your final thoughts on what they can expect from EBAA as their partner in the business aviation sector?

Mr. Eric Mandemaker:

EBAA will continue to work with national associations to jointly make sure that the infrastructure and the conditions for business aviation remain in focus and that they are being addressed in such a way that both corporate and commercial operators have benefits. It is important that the traveling public and the passengers have the advantage. Last but not least I would emphasize that business aviation is a tool for economic growth in Europe and beyond and we are very pleased to be a part of this process.

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Thank you very much for your time and comments.

