



PIAGGIO SEEKS TO REASSURE OPERATORS OVER AVANTI'S FUTURE

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Piaggio Aerospace insisted last month that it will keep producing and supporting the Avanti Evo. In an August 16 statement, the Italian manufacturer sought to reassure operators who appear to have been discouraged by a July 28 press release indicating that a new “industrial plan” will see the company focus primarily on military programs.

Annual deliveries of the civil version of the twin-turboprop pusher have dropped into the low single digits for the past several years. Some Avanti operators complained to AIN about poor product support, which they said makes them question Piaggio’s long-term commitment to the program.

“There is no plan to stop Evo production or customer support of the Avanti programs, after having borne the considerable development costs and finally starting the delivery period,” Piaggio Aerospace CEO Carlo Logli told AIN in a written statement.

This appeared to mark a change in emphasis from the July 28 statement in which the company hinted that it might walk away from the civil aircraft sector. “Military platforms provide a sustainable and scalable growth trajectory for Piaggio Aerospace, which has been severely impacted by the contraction of the business aviation market,” said Logli. At the time, the company noted that it would continue to deliver its existing commitments for the Avanti Evo, and when questioned further by AIN it responded only that “At present, the Avanti Evo will continue to be part of the Piaggio

business.”



Piaggio says it has delivered four Avanti Evos so far this year. However, the latest shipment numbers from the General Aviation Manufacturers Association show delivery of just one Avanti in the first half of this year—suggesting that three of them might have been military versions, or that one or more was delivered in July or the first half of August. An unmanned patrol/reconnaissance version known as the P.1HH HammerHead is currently under development.

Piaggio delivered only three Avantis last year and is now reporting an order backlog for 10 Evos, including options. The in-service Avanti fleet numbers 219 of the original model, the Avanti II and the new Evo variant.

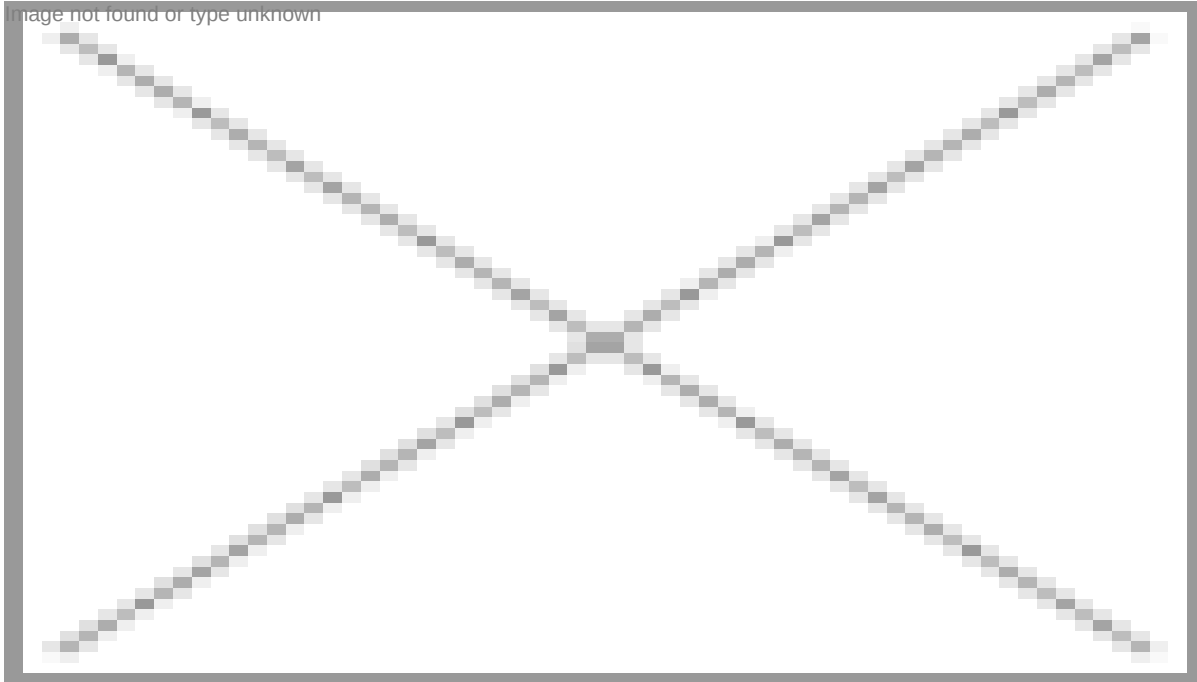
FRUSTRATED OPERATORS

Before Piaggio's August 16 statement, the perceived uncertainty over the manufacturer's commitment to the Avanti appears to have unsettled some operators. Exclusive Charter Service, which operates six Avanti IIs as part of its Aero Club membership program fleet, told AIN that it now intends to sell the aircraft and has cancelled plans to take delivery of a new Evo by year-end.

According to company founder Jason Johnson, it has become too difficult for the operator to guarantee availability of the aircraft, mainly because of problems getting required parts in a timely way. He cited a small seal that needed to be replaced as part of an inspection conducted in June, but for which delivery could not be assured until October.

The airframer acknowledges that parts supply response times have not been satisfactory. “Piaggio Aerospace recognizes that in the last few months there have been some delays in providing some of the spare parts, mainly due to the restructuring process in which the company has been recently engaged,” said Logli. “We are working hard to optimize the organization of the parts warehouses located in Genoa [Italy] and Fort Lauderdale, Florida; we can affirm that we are on track to provide the level of service and parts support expected from a top-class aircraft manufacturer.”

Piaggio-authorized Avanti service centers Banyan Air Service and West Star Aviation both said they expect the aircraft to stay in production and that they intend to continue supporting operators.



“Banyan Air Service technical divisions are recognized experts on Piaggio aircraft and [Banyan is] a factory-authorized service center,” said Don Campion, president of the Florida-based company. “We will continue to support the fleet and customers, working closely with Piaggio America.”

West Star Aviation, based in East Alton, Ill., has been an authorized service center since 2009 and supports seven Avantis. “Some parts can be challenging to track down, but overall we have a 90-percent on-time delivery rate with the Avanti,” commented Kevin Syfert, director of Cessna and Piaggio programs. “We have found similar issues with support from other OEMs.”

Other Avanti operators were reluctant to speak on-the-record about their relations with Piaggio but generally echoed the complaints about poor product support made by Exclusive Charter Service, and also questioned whether current levels of Avanti sales can sustain production indefinitely. One U.S. operator said that it intends to buy a number of pre-owned Avantis to use as a source of parts, indicating that it is determined to keep operating what it describes as “a great airplane.”

Piaggio, wholly owned by Abu Dhabi’s Mubadala Development Company since last year, announced it is seeking buyers for its engine-support business, which offers maintenance, repair and overhaul of a range of powerplants under license from Rolls-Royce, Honeywell, Pratt & Whitney and Pratt & Whitney Canada, as well as its MRO support organization for the Avantis currently in service.

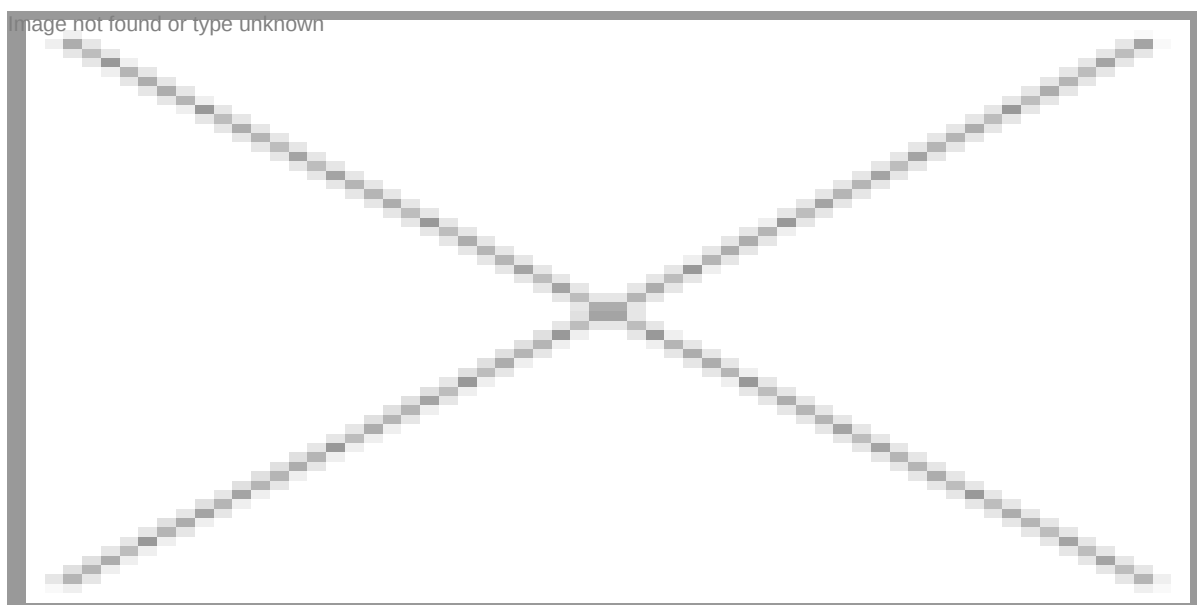
According to the manufacturer, it is now seeking approval from its lenders and the Italian

government for the restructuring plan. On July 15, Mubadala announced that it has sold its 80-percent stake in MRO group SR Technics to China's HNA Aviation. The state-backed group has been working to a goal of establishing a strong concentration of MRO activity in Abu Dhabi as a path to building the emirate's capability in the aerospace sector.

“Shareholder approval of our military-focused industrial plan marks the next phase for one of the world’s oldest aircraft manufacturers,” added Logli in the July 28 press statement. “We now have a state-of-the-art manufacturing base at Villanova and a proven military program with the P.1HH HammerHead, both of which allow us to take on this new challenge.”

On May 29, a P.1HH prototype crashed off the coast of Sicily during flight-testing. The company said it is still “assessing the impact” of the accident on the program. Piaggio also confirmed that the jobs of the 132 employees who were temporarily laid off in 2014 have now been permanently cut.

As of press time, Piaggio is not booked to exhibit at November’s NBAA Convention in Orlando. Until now, the manufacturer has been a leading exhibitor at the world’s largest business aviation show.



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