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Nashville's general aviation firms see end to downturn

By G. Chambers Williams III
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Allen Howell, along with his father, Reece, started a charter-flight business at the Smyrna Airport in 1982, beginning with a single airplane and a single employee.

Today, his company, Corporate Flight Management, operates a fleet of 23 aircraft and employs 180 people in a business that includes worldwide charter flights, aircraft maintenance and restoration. The company also runs a flight school.

Despite all of the growth, Howell found his company mired in the recession over the past year as he faced the worst downturn in his 28 years in the business.

But the company has survived without any layoffs, and there are signs that business may finally be picking up, he said. "The worst is behind us, and I believe that any of us that are still in business now probably will make it."

Among factors that pulled his company through was a lucrative business restoring old turboprop planes that had been stored for years in the desert of the Southwest in places such as Kingman, Ariz., and selling them to small commuter airlines outside North America, Howell said.

Not all general-aviation industry firms have been as fortunate.

As U.S. commercial airlines have absorbed billions of dollars in losses, the private side of flying — business and recreational aviation — has experienced an unprecedented decline as well because of the weakened economy.

Cutbacks hurt industry

General aviation, which includes almost everything except the major airlines and military aircraft, began to slide in fall 2008, when companies began scaling back their own corporate aircraft fleets and cutting corporate travel, including charter flights.

Manufacturers of business aircraft such as Learjet, Cessna and Gulfstream went almost overnight from having years worth of backlogged orders to having almost no orders at all, said Dan Hubbard, spokesman for the National Business Aviation Association.

During 2009, prices of used business aircraft dropped by as much as 50 percent; many general-aviation manufacturers and flight providers went out of business; and tens of thousands of employees lost their jobs, Hubbard said.

That left some smaller operators in trouble as well. For instance, the timing was horrible for Randy Harmon, who in August 2008 launched a new charter service, Harmony Air, at John C. Tune Airport on Nashville's west side.

"We had just started when the financial markets collapsed," Harmon said. "At the start, we were averaging up to two flights a week. Then we didn't get another charter from the beginning of January until late March."

He's still in business, in part because a second business — the Wings of Eagles flight school at Tune Airport — is doing better. The school has grown to 10 instructors and 12 aircraft.

"We had a sharp increase in new students while the rest of the business was hurting," he said.

Strong year expected

Harmon's and Howell's charter businesses seem to be picking up, too, at this point. Corporate Flight Management last week announced it would add six aircraft this year.

"We anticipate a strong year, and it's good for us that in any downturn in general aviation, the charter business is the first to recover," Howell said.

Some firms that had trimmed travel are starting to venture out again, and some corporations that sold their own aircraft during tough times are beginning to book more charter flights before jumping back into ownership of aircraft, Howell said.

A few local companies kept their planes.

Nashville-based Bridgestone Americas considered selling its only corporate plane, an eight-passenger Learjet 60, last year. But the tiremaker eventually decided not to sell because resale prices for used aircraft had dropped so low, spokes-man Don Darden said.

Bridgestone has far-flung locations throughout North America, and the company plane "allows us to maximize the time of our teammates," Darden said, referring to employees' travel from plant to plant. "It also lets us fly into some of the smaller regional airports that don't have (major) airline service."

Plane makers struggle

Major aircraft manufacturers have lost 19,300 jobs just in the United States since fall 2008, said Katie Pribyl, spokeswoman for the General Aviation Manufacturers Association. But lately there have been a few bright spots.

Inventory of used business jets for sale dropped in December to about 12.8 percent of the total fleet, from a high of more than 20 percent earlier in the year, she said. Such data suggest that more used airplanes are being sold, Pribyl said.

New aircraft sales are still weak, though. Sales in the third quarter of 2009 totaled 1,587 aircraft, including jets and propeller-driven planes, down 46.8 percent from the 2,982 sold in the same quarter in 2008, according to reports compiled by the association.

Improved sales may have to wait on a further rebound in corporate profits, Pribyl said.

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