



Optimism in Tough Times

Canada's FBOs get ready for the recovery

Written by **Rob Seaman**

Simply put, the FBO business in Canada over the past year has been incredibly tough. Simply put, the FBO business in the past year has been incredibly tough. Between skyrocketing fuel prices and the market downturn that started in the and continued through the first part of this year – business at most airports has been pretty bad. Across North America, been down anywhere from 30 to 40 per cent on average. Like all things in business, this is cyclical, and there've been n that the tide is changing. As many in the business point out: we have been here before, we will survive, and we will be tomorrow.



Corporate traffic through the Irving Gander FBO this year is holding close to its 2008 numbers.

the volume or intensity that was considered the norm in recent years.

In Vancouver, all of the FBOs are focused on preparing for the 2010 Winter Olympics and the increase in business and v attention that they will bring. CBAA's Sam Barone and Bill Boucher are confident that everything is on track for the succ handling of corporate aircraft that will be heading to YVR. They report that the CBAA, working in conjunction with Scott Pacific Chapter Chair, has been representing business aviation interests in Vancouver with the Olympic organizers and g officials for the past two years, getting ready for the event.

Why all the effort? According to the CBAA, all aircraft entering the Olympic area will be screened. In addition, all crews i passengers will have to be preauthorized under a system similar to the e-apis used for US Customs. There will be a rese system for services at the Vancouver area airports. Two key events will be covered by this planning: the Olympic Winte Feb. 12 - 28, 2010, and the Paralympic Winter games from March 12 to 21, 2010. Restricted authorized operations will for security, military, emergency response, VVIPs, and so forth, so the main FBOs at YVR have worked very carefully to common and well-planned service support structure for this period.

Avitat Vancouver reports that everything is in place to secure hangar and ramp space for both international and Canadi According to Farah Faruqi, who's in charge of marketing at Avitat, its primary focus is to assist corporate flight departm planning for this event. Whether it be providing them with ground transportation and accommodation information; or nc upcoming air traffic restrictions and regulations; information on slot reservations; or security and screening – they are r have also developed a new 60,000-square-foot hangar that is complete and fully operational. This offers secure space c accommodating aircraft up to a Boeing 737 or fleet of various smaller corporate planes.

Speaking more to the current market, Landmark Aviation YVR general manager Scott Harold reports that while the airp

traffic this year is down around 20-25 per cent, staff have seen signs of a rebound and expect growth over the coming year. As Harold notes, overall tourism, the mainstay of BC, is basically down – sports fishing, boating and so forth – and aviation linked to all this too. He is, however, excited and optimistic about the opportunities that will come with the Winter Olympics not only for his business, but for all of the FBOs at the airport.



Skycharter has completed a multi-million dollar renovation and service improvement to its facilities.

FBO at a cost of \$10 million. Even during a recession, Skyservice is showing its confidence in the future growth of the region with a continued and sustained commitment to customer service. Bricks and mortar aside, the firm has also hired retail specialist Jill Timmins as its vice-president, Western Canada.

The company reports that generally it finds business is showing signs of rebounding with fuel sales up in March and April across the country at all three of its locations. It has also added two new managed aircraft, both large cabin, to its Calgary base. Recently, the company also announced that it will introduce a new look and image to the lounge at its Toronto operation, complete with Roots furniture. This will be completed during 2009.

Looking down the road, Landmark and Skyservice in Calgary will soon have some new competition in the region. Million recently announced that it has acquired land and will soon be starting construction on a new FBO at the airfield. This again indicates overall optimism in the growth and sustainability of this oil-patch-driven market.

Growth and development in central Canada has also been present in recent months. At YYZ, longstanding operator Skycharter has completed a multi-million dollar renovation and service improvement to its facilities. Included in this is a refreshed lounge with new doors and ground services and a completely new, multilevel FBO. This is a significant and impressive change for Canada's first FBO operators. Skycharter has also added a new and significant tenant, Air Sprint, to its newly renovated facilities at the FBO.

Across town at the Toronto Buttonville Municipal Airport, facility renovations are now complete on the terminal building. The renovation includes a new Million Air lounge and service counter, revamped and additional classroom space for its flight training operations, a new look and location for its Toronto Airways Flight Training dispatch area, and the addition of new flight simulators to its University of Beijing-affiliated aviation training program. This program was undertaken by the owners and operators of the airport despite the fact that its funding support and future well-being has been brought into question in recent months. President Derek Sifton remains optimistic that the issues will be resolved and the airport will continue to provide the same level of support to local and international aviation that it is known for. In business since 1963, Buttonville is the third busiest airport in the province of Ontario.

At the Montréal Saint-Hubert Airport (YHU), an announcement has just been made regarding a \$20 million investment over the next three years that will include a new air terminal, FBO, and hangars. Work is slated to start in 2009. The new airport which will be built and developed on the civilian side (facing runway 06R /24L), should be operational before the end of 2009.

Aérocenter YHU, the operator of this new facility, is a recently formed company created to handle the development and construction of the project. The firm recently announced the appointment of Gordon Livingston as president and CEO. When complete, the new airport will offer an alternative that previously did not exist in this market for those not wanting to travel through Montréal-Trudeau (YUL).

On the East Coast, Cindy Millet, Irving Aviation's retail aviation sales manager, is the first to tell you that the company's business has seen their ups and downs before. Its business includes the corporate, cargo and military sectors, which means that the downturn in one segment are often offset by an increase in another. According to Millet, corporate traffic through its Newfoundland facility has dropped only slightly so far this year. Irving Gander is holding close to its 2008 numbers, Irving Goose Bay has seen a slight decline in overall corporate traffic and at Irving St. John's, corporate traffic has actually increased since it became a UVF.

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As Millet sees it, even though the US economy is impacting discretionary travel of corporate fleets, in Goose Bay, cargo traffic has increased 10 per cent over 2008 (which was already a record-breaking year). And in St. John's, military traffic has increased slightly over last year.

In 2008, Irving implemented a formal program throughout all of its facilities that focused on customer service at all levels. In their opinion, it is a commitment like this that continues to benefit all locations, especially during trying economic periods.

While some would say that everything is simply bad right now, there are good news stories out there. You just have to look and ask. The FBO world has evolved and the operators in Canada continue to find ways to not only keep, but also exceed the global pace of excellence in their facilities and people. Even in bad times, our folks seem determined to use their time wisely getting ready for the next upswing.

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