

Helis on tour

Asia-Pacific tourism
market booming

RH



SIMULATION

Whole-crew training

COMMUNICATIONS

Information management

SURVEILLANCE

New sensor technologies

Peter Lewis, CEO of Alpine Air Support, questions the monopolised nature of the helicopter support aftermarket and the adverse effects that OEM-enforced restrictions may have on the financial and operational health of rotorcraft operators.



Held to ransom

Not too long ago, the free market economy meant that people bought and sold freely and made their own choices who manufactured, installed and maintained their refrigerators, TV sets and even helicopters. Independent authorised repair facilities looked after their local clientele and in the aviation scenario, relationships were built up with workshop managers and technicians.

Airframers designed, built and flew helicopters, went on sales tours and booked orders. They improved designs, upgraded from the A to B model and repeated the process. They designed a product that clients wanted and actually made money at the point of sale.

Times have changed. Helicopters and systems integration have become more complicated with more avionics than simply the engine and rotor assemblies, so fewer models enter full production. Some companies survived, and those that did often cut their list pricing back to beat their competitors, knowing full well that they would have to claw back lost profits after delivery. This brings us to the present.

Life sentence

We are all aware that electronics companies that make commercial printers almost give their hardware away, but that replacement cartridges are where the money is at. This cunning sales technique is now employed in the rotorcraft industry, affecting how users keep their helicopters airworthy once the warranty period has expired.

Exclusive arrangements between airframers and OEMs have allowed several manufacturers to not only corner the aftermarket but to increase their prices dramatically a few years into a specific

type's introduction. Consider the example of when your repair quote for a display unit has more than quadrupled in one year – you have got to be asking yourself: 'Is this not just extortion?' The airframers have clawed back the once lucrative aftermarket into their clutches because they no longer seem to be able to make money simply by manufacturing helicopters alone.

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By restricting – and in some cases withholding – component maintenance manuals, parts and information for use only by appointed service centres, OEMs are effectively handcuffing themselves to operators for the lifespan of the aircraft. This is a pure monopolisation of the aftermarket. During a conversation with a European airframer recently, the points raised above were discussed, acknowledged and even confirmed as being unacceptable, but that is just the way it is.

You do not have to look too far elsewhere in the commercial world to see shareholder value and profits taking priority over customer needs. Today, large companies

focus less on the product and more on making the big bucks.

Speaking to one operator of a large fleet of helicopters, the lack of availability of all types of spare parts and documentation was acknowledged as being the primary cause of aircraft grounding.

Trying to circumvent the airframer by going to the equipment manufacturer is virtually impossible because many sub-OEMs are not approved suppliers, so are unable able to issue airworthiness release documentation.

Conspiracy theory

The often-heard disparity between what the airframer sales people offer pre-signature and the reality of supporting the product post-delivery is still true.

Operators cannot only be seen as innocent bystanders in this monopoly, or dare we say, conspiracy? One would think that in this age of unlimited networking and the opportunities that the internet offers, operators would pool their resources or at least cooperate with the aim of mutually assured serviceability?

Yet where even rival airlines share tooling, parts exchange pools and maintenance, it is extremely rare for that situation to be mirrored in the rotary world. Every flight department and tour operator seems to be fighting its own exclusive battle in keeping its helicopters airborne over and above what the OEMs and their service centres are offering, which is not much.

It is about time for someone with some crusader DNA to send their lawyers into battle to hold the EU and World Trade Organization accountable for their policies in allowing the helicopter world to be in the lopsided state that it currently finds itself. ■