EMBRY-RIDDLE Aeronautical University
PRESCOTT, ARIZONA

Off-Shore Helicopter Operations

Matthew Jensen, Bryan Cox, Michael Suldo

Department of Aeronautical Science, Embry-Riddle Aeronautical University, Prescott, AZ

Introduction

This case study research project is based on a foreign oil company desiring to set up and provide helicopter transportation to and from oil rigs in the gulf. The research resulted in three potential options:

1. Purchase a carrier with a current operating certificate
2. Start a new company
3. Contract an existing operator to perform the operations.

Approach

First step was to determine requirements for running such an operation in the U.S. Second was to figure out how to meet such requirements. Third was to determine the cost of each option.

Methods

- Phone interviews with experts in the field
- Use of online sources
- Use of data programs such as Conklin & De Decker
- Real world contract quote from Bristow

Results

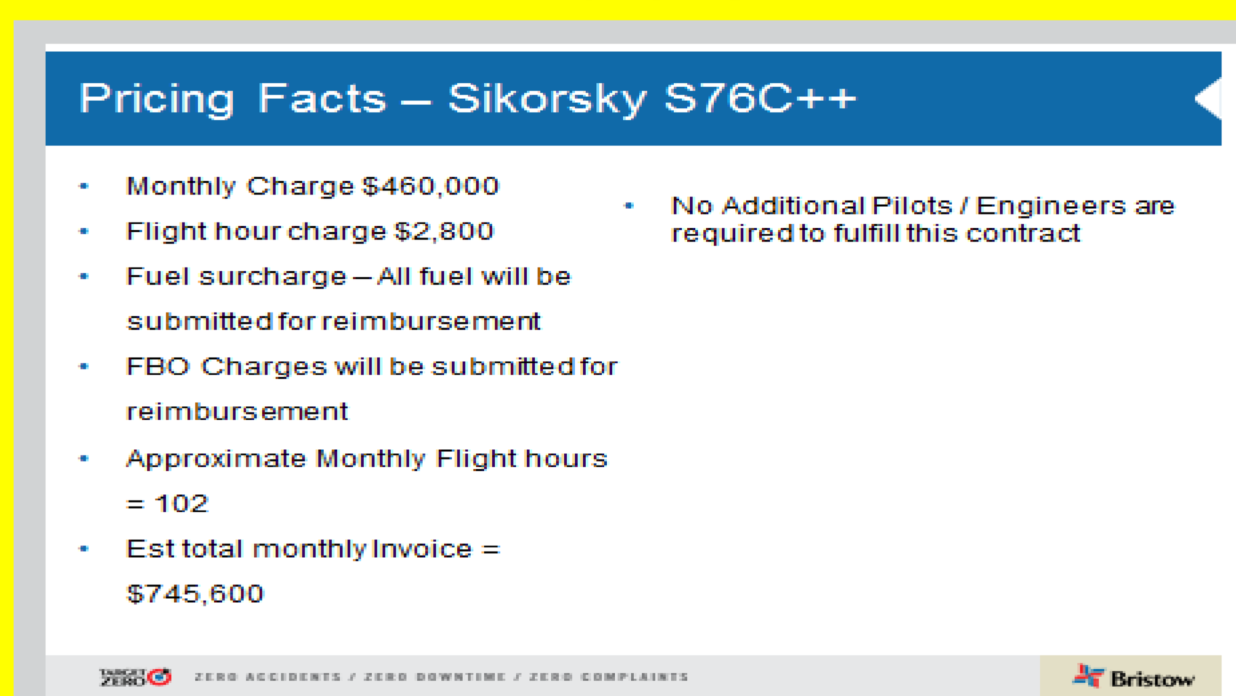
The evidence suggested two possibilities with one clearly being the best. Starting a new company or contracting with an existing operator were both determined to be feasible. Starting up a new Part 135 operation requires a large capital investment and time. In contrast, contracting requires very little time and a much smaller capital investment. Operations solely under Part 91 are impossible due to the companies foreign status.

Table 1

	Fixed Cost	Variable Cost		2 Year Total
Heli Lease Plus Expense 1 S76	149,000/month *24 months	1,801/hr *(365)*2	149,000/month	$33,446,600.00
Insurance	228717/year			$228,717.00
Crew Pay and Benefits/year	2,630,302			$2,882,302.00
Hangar Lease	17,500/month			$408,000.00
Electricity		250/month		$6,000.00
Phone/internet	80/month			$1,920.00
Radio/Skyconnect	63/month	1.2/hour=4380/year		$8,760.00
Skyconnect set up	12,660			$12,660.00
Flight Crew Training	560,000 1st year		224,000 2nd year	$784,000.00
Maintenance Equip.	100,000			$100,000.00
Parking Cost	220/day			$160,000.00
Bottom Line Cost				$38,038,959.00

Operating Costs 1

Table 2



Pricing Facts – Sikorsky S76C++

- Monthly Charge $460,000
- Flight hour charge $2,800
- Fuel surcharge – All fuel will be submitted for reimbursement
- FBO Charges will be submitted for reimbursement
- Approximate Monthly Flight hours = 102
- Est total monthly Invoice = $745,600
- No Additional Pilots / Engineers are required to fulfill this contract

ZERO ACCIDENTS / ZERO DOWNTIME / ZERO COMPLAINTS
Bristow

Conclusions

- FAR Part 135 requires operating certificate signed by FAA
- This certificate is costly and time consuming
- All other aspects of starting a new FAR Part 135 operation are just as strenuous as obtaining certification; total cost : $38,038,959.
- Using a contracted operator is far more efficient and less costly; total cost: $17,894,400

Summary

The evidence clearly suggests that best solution is to use a contract through Bristow Group. Table one and two highlight the capital required to accomplish the objectives.

Acknowledgements

Michael Suldo - Bell Helicopters
Vernon Albert - Albert and Associates
Kade Monzelon - Bristow Group
Ampy Catayud - Flight Safety International
Caitlyn Jones - Sutton-James
Neil Getter - Willis Global Aviation
Bryan Cox - Embry Riddle