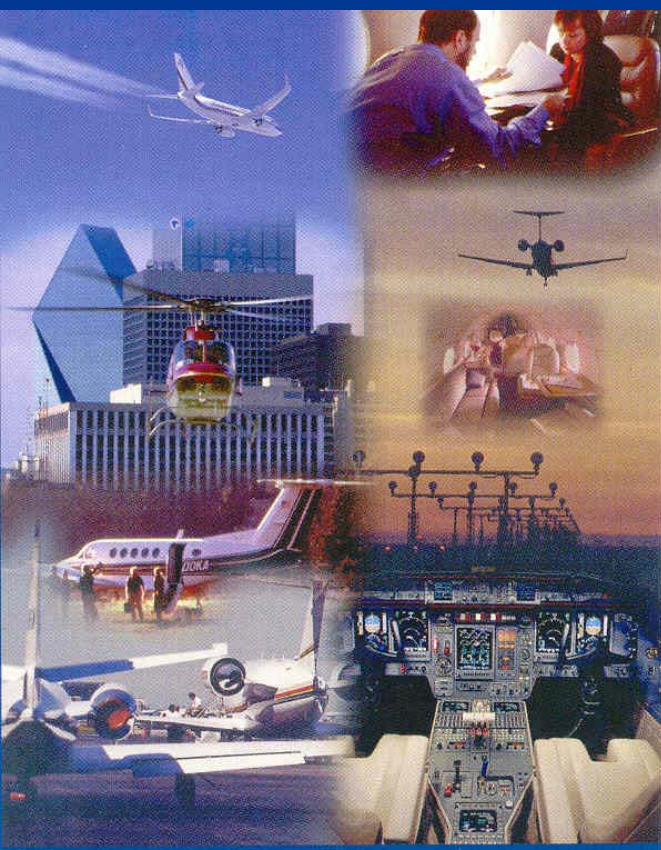


International Business Aviation Council

Suite 16.33
999 University Street
Montreal, Quebec
H3C 5J9, Canada



Annual Report

2002



www.ibac.org

Contents

2002 in Review
The IBAC Governing Board
Governing Board Meetings
Planning and Operations Committee (POC)
Strategic Plan
Communications
Business Aviation Representation
2002 Highlights
International Civil Aviation Organization (ICAO)
IBAC Presentations
IBAC Aircrew Identification Card
International Standard for Business Aircraft Operations
IS-BAO Standards Board
IBAC Financial Report for 2002
Building for the Future



international business aviation council



IBAC Member Associations

2002 in Review

The year 2002 was generally an unstable year for aviation worldwide as all of the industry sectors managed through a period of uncertainty. Business aviation was no exception, although business aviation generally fared better than its commercial counterpart. Although business aircraft manufacturers experienced a reduction in sales and production due to economic downturn, the total flying by flight departments increased. New security provisions, imposed unilaterally by some State authorities, caused considerable difficulty and added to ongoing concerns regarding business aviation access to airspace and airports.

The year 2002 marked a significant milestone in IBAC's 20 year history with the introduction of the International Standard for Business Aircraft Operations (IS-BAO). The industry developed safety standard represents over two years of work by IBAC members and many affiliated flight departments.

Also introduced in 2002 was the IS-BAO audit program as the basis upon which flight departments qualify to receive an IS-BAO Certificate of Registration. Workshops were established for accrediting auditors and for briefing flight department managers, pilots and quality personnel. Audit accreditations were issued to a number of qualified IS-BAO auditors and inaugural audits were completed for three flight departments.

Security was again a significant focus for IBAC in 2002. IBAC advised ICAO of a number of problems inherent in Annex 17 (Security) with respect to applicability of the standards. New proposals for business aviation security standards were developed and presented to both a High Level Ministerial Conference and to the ICAO Aviation Security Panel. Additional presentations were given to various groups, including the major security meeting of the year – AVSEC World 2002.

Planning commenced in 2002 for renewal of the IBAC Business Plan. A strategic planning meeting was held following the NBAA Annual Meeting and Convention in Orlando, at which members discussed issues expected to impact business aviation over a ten year horizon. Actions for addressing the issues were proposed as a first step towards renewal of the Business Plan and Strategic Plan.

Highlights of the 2002 year included the introduction of a video promoting airports as a key to community prosperity. Also in 2002, the International Civil Aviation Organization Journal dedicated a complete issue to business aviation.



The IBAC Governing Board

IBAC is a Council of national and regional business aviation associations. Governing Board Members in 2002 were as follows:

Brian Humphries – Chairman	European Business Aviation Association (EBAA)
Paul Stinebring - Vice Chairman (Chairman elect)	National Business Aviation Association (NBAA)
John Batty - Treasurer	Business Aircraft Users Association (BAUA)
Rui Thomas de Aquino (Vice Chairman elect)	Associação Brasileira de Aviação Geral (ABAG)
Dewald Basson	Business Aviation Association of Southern Africa (BAASA)
Rodolfo Baviera	Italian Business Aviation Association (IBAA)
Olivier de l’Estoile (Treasurer elect)	European Business Aviation Association—France (EBAA-France)
Peter Gatz	German Business Aviation Association (GBAA)
Toshi Iwata	Japan Business Aviation Association (JBAA)
John South	Australian Business Aircraft Association (ABAA)
Doug Thierman	Canadian Business Aviation Association (CBAA)

Note: The newly elected executive assume their duties January 1, 2003.

Governing Board Meetings

IBAC Bylaws require a minimum of one meeting of the Governing Board and Members each year. In 2002, meetings of the Governing Board and Members were:

- Governing Board 35 (GB/35) – June 20, Montreal, Canada
- Governing Board 36 (GB/36) – September 13, Orlando, USA.

The 35th meeting of the Governing Board was held following the CBAA General Meeting, Convention and Exhibition in Montreal. Featured at the GB/35 meeting was an International Dinner organized by CBAA and IBAC to help promote business aviation to the ICAO Council, Air Navigation Commission and officials.

GB/36 was held following the NBAA Annual Meeting and Convention in Orlando. The meeting was abbreviated, covering only essential items, to allow time for a Strategic Planning retreat. The Strategic Planning Meeting was conducted over a period of 1 1/2 days, serving as the launch meeting for renewal of the IBAC Business Plan.

Planning and Operations Committee (POC)

The IBAC Planning and Operations Committee (POC) met twice in 2002. The first meeting was held in Nashville, March 15-16 and the second in Bordeaux October 23-24. The POC continued to ensure quality representation of Business Aviation at ICAO and other related international forums.

Security was the major focus of the POC in 2002, with considerable work required to address problems inherent in ICAO Annex 17 (Security). A number of Working Papers were considered for the ICAO Aviation Security Panel and High Level Ministerial Conference on Security. Safety statistics were also a focus as the POC developed a Safety Brief from data provided through a contract issued to Robert Breiling and Associates. The POC also initiated a study of cabotage/customs issues.

Members of the IBAC Planning and Operations Committee in 2002 were:

Donald Spruston, Chairman, IBAC
Olivier de l'Estoire, EBAA-F
Adalberto Febeliano, ABAG
Rich Gage, CBAA
Derek Leggett, BAUA
William Stine, NBAA
Guy Viselé, EBAA
Peter Ingleton, Secretary, IBAC

Strategic Plan

The Strategic Plan developed and approved by the Governing Board in 1999 provided for an Action Plan to be reviewed and updated at each meeting of the Board and Members.

Activity continued on the five Strategic Objectives :

1. Foster safe and efficient global business aviation operations. (*Safety and Efficiency*)
2. Seek means to achieve fair and equitable access by business aviation to the world's airports and air-space. (*Equitable Access*)
3. Contribute to the orderly development of a safe and efficient global aviation system, through participating and contributing as a partner in international standards and planning forums. (*Standards and Planning Forums*)
4. Establish an international presence and structured management program representing global business aviation interests. (*Presence*)
5. Promote the growth of business aviation throughout the world. (*Growth*)

Definition of Business Aviation

That sector of aviation which concerns the operation or use of aircraft by companies for the carriage of passengers or goods as an aid to the conduct of their business, flown for purposes generally considered as not for public hire and piloted by individuals having, at the minimum, a valid commercial pilot license with an instrument rating.

Communications

Good two-way communications between IBAC Members and the Secretariat and between IBAC and the aviation community and governing bodies remains a priority. Principal means of keeping Members current include the following:

1. Governing Board Meetings and their minutes.
2. Planning and Operations Committee (POC) Meetings and their minutes.
3. IBAC Electronic Update (Quarterly).
4. IBAC Printed Update (Quarterly).
5. Technical reports and bulletins.
6. IBAC Website (www.ibac.org).
7. Work Group Meetings and their minutes.
8. E-mail and phone.

Principal means of communication with authorities and the industry is through:

1. IBAC Flyer.
2. IBAC Update
3. IBAC Strategic Plan Brochure.
4. IBAC Website.
5. Presentations and Working Papers at Conferences
6. Kiosk at industry conventions.
7. Meetings.

Business Aviation Representation

An important element of IBAC's 'raison d'être' is representing the interests of business aviation and its member national and regional organizations at international meetings, work-groups and media events. Considerable efforts by the POC over the past few years to ensure effective representation by IBAC has produced effective results, with status gained at all of the major forums identified in POC planning. IBAC participated at a number of ongoing ICAO committees and forums, including:

- Committee on Aviation Environmental Protection (CAEP)
- NAT System Planning Group (NAT SPG)
- NAT Implementation Management Group (NAT IMG)
- NAT Economic and Finance Group (NAT EFG)
- NAT OPS/AIR
- European Air Navigation Planning Group (EANPG);
- Caribbean (CAR) and South American (SAM) PIRG (GREPECAS);
- GREPECAS Air Safety Board (ASB)
- All Planning and Implementation Regional Group (ALLPIRG) Meeting;
- Asia Pacific Planning and Regional Group (APANPIRG);
- Operations Panel; and
- Aviation Security Panel.

In addition, IBAC continued to provide input to a number of aviation journals such as the ICAO Journal, Global Business Jet, Aviation International News and Flight International.

2002 Highlights

The following were significant events in 2002:

- Introduction of IS-BAO;
- Introduction of IS-BAO Certificate of Registration Program;
- New Video on “Airports — A Key to Community Prosperity”;
- Changes proposed and accepted to Annex 17 (Security);
- Strategic Planning Meeting of the Board and Members; and
- ICAO Journal dedicated to Business Aviation.

International Civil Aviation Organization (ICAO)

IBAC continues to recognize the importance of professional representation in ICAO Committees, Panels, Work Groups and Conferences. IBAC provided representation at a large number of ICAO meetings during the year, including most Panel sessions and regional meetings for Europe, South and Central America and Asia Pacific. Technical Reports on all meetings are filed on IBAC's Website.

Most significantly, IBAC and CBAA hosted an International Dinner at Montreal's Dorval International Airport for the ICAO Council, Air Navigation Commission and senior officials from the ICAO Secretariat. The IBAC Governing Board and Members had the opportunity to meet with the leading aviation representatives from around the world to communicate business aviation issues.

IBAC Presentations

In 2002 IBAC made special presentations at the following Conferences and meetings:

- ICAO High Level Ministerial Conference on Security;
- ICAO Aviation Security Panel;
- FAA Forecasting Conference;
- International Oceanic Conference;
- EBACE;
- Inmarsat Annual Conference;
- Concordia University MBA Program;
- AVSEC World 2002 Conference.

IBAC Aircrew Identification Card

The number of Aircrew Cards issued continued to increase in 2002 (31% growth) with over two thousand Crew Cards issued. IBAC appreciates the work of Crew Card Administrator Paul Lessard and the support of IBAC Members in promoting the Aircrew Card program. Future developments with the program will be highly dependent on the work of the ICAO Facilitation Panel in development of international standards for aircrew identity cards.

International Standard for Business Aircraft Operations (IS-BAO)

The International Standard for Business Aircraft Operations (IS-BAO) was launched at EBACE in Geneva in 2002 after two years of work by IBAC and Member Associations. Experience to date by a number of flight departments that have implemented the standard has been excellent. The IS-BAO program is self funding through a revolving fund for which a statement of 2002 revenue and expenses is shown in Appendix B.

IS-BAO is a 'code of best practices', developed by the industry for the benefit of the industry. It is intended to promote harmonized procedures worldwide. It documents the best practices of experienced flight departments, capturing the procedures that have resulted in business aviation's excellent safety record. The standard incorporates a Safety Management System (SMS), designed specifically for business aviation, as the foundation of the program.

An IS-BAO Certificate of Registration program was also introduced in 2002. Flight Departments that implement the IS-BAO code of best practices can choose to have an audit completed to demonstrate adherence. Upon completion of a successful audit, IBAC issues the company a Certificate of Registration valid for two years. IBAC provides workshops for experienced auditors as well as flight department managers who are considering implementation of IS-BAO. Three workshops were completed in 2002 and eighteen auditors received accreditation.

IS-BAO Standards Board

The IS-BAO Standards Board was formed in 2001 and met for the second time in Orlando in September 2002. The Standards Board has responsibility for keeping the standards dynamic. The Board approved a number of changes and a revised issue dated January 1 2003 was sent out in November to all those who have purchased a copy of the standard.

Standards Board Members are as follows:

Chairman

John Batty, Business Aircraft Users Association (BAUA)

Vice Chairman

Paul Stinebring, National Business Aviation Association (NBAA)

Members

Robert Blouin, NBAA
William Boucher (CBAA)
Robert Conley (Aventis)
Gary Ridley (IBM Europe)
Glenn Navas (Interavia Taxi Aero - Brazil)
Donald Spruston (IBAC)

Secretariat

Ray Rohr, IBAC Standards Manager
Peter Ingleton, IBAC Director ICAO Liaison
Paul Lessard, IS-BAO Administrator



IBAC Financial Report for 2002

IBAC Policy requires that the financial position of the organization be audited every three years. Pursuant to this policy, and given that IBAC's new executives assume position in 2003, an audit was conducted of IBAC finances covering the period from 1999 to 2001 (3 years). The auditing company, Collins Barrow Chartered Accountants, found IBAC's finances in order and reported that all methodologies were sound.

The total surplus for 2001 was \$109,000. The IBAC Governing Board authorized \$51,000 of the surplus to be applied to the Special Project Fund and bonuses, and the remaining \$58,000 to be added to the IBAC Reserve Fund. The approved Reserve Fund for 2002 was set by the Governing Board at \$146,000. The Special Project Fund status at the end of 2002 was \$26,000, which is available for carryover to 2003.

The IBAC financial position for 2002 year-end was reviewed by the IBAC Finance Committee, Chaired by the Treasurer, and submitted to the Board for approval in accordance with IBAC policy.

2001 Year-End Summary (USD)	
Current Assets at Year-End <i>(Cash & Savings Certificates)</i>	\$436,053.
2002 Revenues	\$380,244.
2002 Expenses	\$287,894.
2002 Net Income	\$ 92,349.
Operating Surplus	\$122,800.

More detail can be found in Appendices as follows:

Appendix A - Statement of Financial Position

Appendix B - Statement of Revenue and Expenditures

IS-BAO Revolving Fund Year –End Summary (USD)	
Current Assets at Year-End	\$38,337.
2002 Revenues	\$88,514.
2002 Expenses	\$50,043.
2002 Net Income	\$38,471.

Building for the Future

The next couple of years are expected to be pivotal for the business aviation industry. The business aircraft manufacturing industry should recover to late 1990s sales levels, and greater, as economic recovery is realized. Stabilization of security demands of States, as well as improved rationalization and calming of the rhetoric, will likely lead to more effective and realistic security requirements. Nevertheless, the business aviation community will have to remain vigilant to ensure that security authorities understand business aviation operations, and that business aviation is treated rationally.

The successful introduction of the IS-BAO in 2002 marked only the beginning of the program. Experience over the first year has been very positive and it is now time for IBAC and Member Associations to strongly encourage its adoption by flight departments worldwide. The first Certificates of Registration will be issued early in 2003 and publicity will be used to encourage other operators to apply for Registration. IBAC will also ensure continuous improvement to the standard as additional guidance material will be developed and made available to flight departments and auditors.

The 2003 year will also be pivotal for IBAC as the renewed Business Plan will be approved by the Governing Board later in the year, leading to new strategies and actions to be addressed over the next five years. The new Business Plan will emphasize:

- ⇒ Safety;
- ⇒ Security;
- ⇒ Access;
- ⇒ Business sustainability;
- ⇒ Environment; and
- ⇒ Internal management and process issues..

IBAC's Governing Board, Members and staff commit to continuing quality service to the business aviation community worldwide.



Appendix A

Statement of Financial Position (Exclusive of IS-BAO Revolving Fund)

	Dec 31, 1999	Dec 31, 2000	Dec 31, 2001	Dec 31, 2002
Assets				
<u>Current Assets</u>				
Bank Accounts (Cash on hand)	\$ 52,831.	\$ 10,969.	\$ 98,851.	\$ 92,060.
Savings Certificates	\$100,000.	\$200,000.	\$205,656.	\$305,656.
Total Current Assets	\$152,831.	\$210,969.	\$304,507.	\$397,716.
<u>Fixed Assets</u>				
Furniture and Equipment	\$ 517.	\$ 517.	\$ 0.	\$ 0.
Total Assets	\$153,348.	\$211,487.	\$304,507.	\$397,716.
Liabilities & Equity				
<u>Liabilities</u>				
Accounts payable				\$4552.
GST Paid on Expenses	\$ (2,029.)	\$ (2,407.)	\$(3,438.)	\$(4,434)
PST Refund		\$ (2,340.)	\$(6,872.)	\$(9583.)
GST Payable	\$ 0.	\$ 0.	\$ 1,200.	\$1200.
Total Liabilities	(\$ 2,029.)	(\$ 4,748.)	(\$9 ,111.)	\$(8,265.)
<u>Equity</u>				
Opening Equity Balance	\$176,585.	\$176,585.	\$176,585.	\$176,585.
Net Assets		\$ (21,207.)	\$ 50,960.	\$137,033.
Net Income	\$ (21,207.)	\$ 60,857.	\$ 86,073.	\$ 92,349.
Total Equity	\$155,378.	\$216,236.	\$313,619.	\$405,982.
Total Liabilities and Equity	\$153,348.	\$211,487.	\$304,507.	\$397,716.

Appendix B

Statement of Revenues and Expenses

Revenue

Aircrew Card	\$ 72,675.
Member Contributions	\$271,045.
Interest	\$ 10,535.

Total Revenue	\$354,256.
---------------	------------

Expenses

Aircrew Card	\$ 8,565.
Contract Services	\$ 10,981.
Hospitality	\$ 2,732.
Insurance	\$ 521.
Office Supplies, Tel, etc	\$ 9,088.
Office Lease	\$ 8,311.
Furniture and Equipment	\$ 9,308.
Professional Fees	\$ 1,254.
Publications	\$ 5,395.
Staff Contracts	\$130,351.
Staff Travel	\$ 32,452.
Travel for Technical Reps	\$ 12,020.
Miscellaneous/Contingency	\$ 2,758.
Special Projects	\$ 33,708.

Total Expenses	\$ 268,183.
----------------	-------------

Net Income 2002	\$ 86,073.
------------------------	-------------------

IS-BAO Statement of Revenues and Expenses

Revenue

IS-BAO Sales	\$ 78,264.
APM Manual Sales & Workshops	\$ 10,250.

Total Revenue	\$ 88,514.
---------------	------------

Expenses

Insurance	\$ 1,500.
Office Supplies, Tel, etc	\$ 6,957.
Office	\$ 2,129.
Professional Fees	\$ 70.
Administration	\$ 4,264.
Standards Manager	\$ 33,550.
Marketing and Sales	\$ 671.
Bank Charges	\$ 7.
GST	\$ 891.

Total Expenses	\$ 50,043.
----------------	------------

Net Income 2002	\$ 38,471.
------------------------	-------------------
