

Hourly Cost Maintenance Programs

ME201 AS

Module presented by G Kleros

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WHAT ARE HOURLY COST MAINTENANCE PROGRAMS?

Programs Designed For:

- Extended warranty coverage
- Supplemental to Standard OEM warranty
- Insurance component
- Budget stability tool

Available For:

- Airframes
- Engines
- Auxiliary Power Units
- Avionics

TYPES OF HOURLY COST MAINTENANCE PROGRAMS

HCMP are most common with fixed wing business aviation turbine powered aircraft, VIP helicopter and small regional 135 scheduled and on-demand operators.

Transport category aircraft (airliners) self insure or contract directly with an MRO.

Perpetual Program

- *In perpetuity.* A continuous contract with coverage of like offered from original or previously issued with renewal rights. Account balance transfers from term to term accumulating funds or deficits.

Term Program

- *Coverage based on a fixed time.* All items expected to be due within the time frame will be covered. Once the term ends, all obligations end and all funds collected do not transfer to a new term.

WHO PROVIDES HOURLY COST MAINTENANCE PROGRAMS

OEM

- Pratt & Whitney - Eagle Service Program (ESP)
- Rolls-Royce - Corporate Care
- General Electric – On-Point
- Williams - Total Assurance Program (TAP)
- Honeywell - Maintenance Service Plan (MSP)
- Cessna - Power Advantage (P&W, Williams)

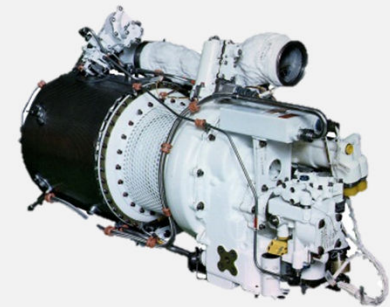
Non-OEM Programs

- Jet Support Services, Inc. (JSSI)

ENGINE AND APU PROGRAM COVERAGE

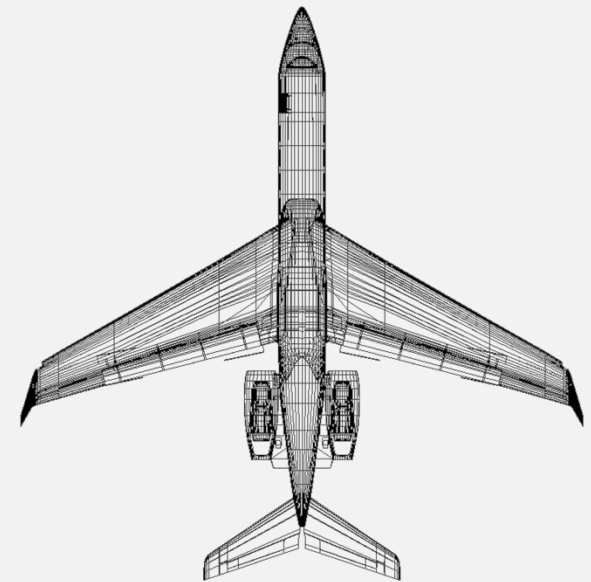
Coverage for:

- Scheduled maintenance
 - Pro-rate coverage
 - Buy –in
- Unscheduled maintenance
- Optional
 - GAP coverage for foreign object damage
 - Troubleshooting
 - Maintenance manuals subscriptions
 - Trend analysis
 - Training
 - Logistic support



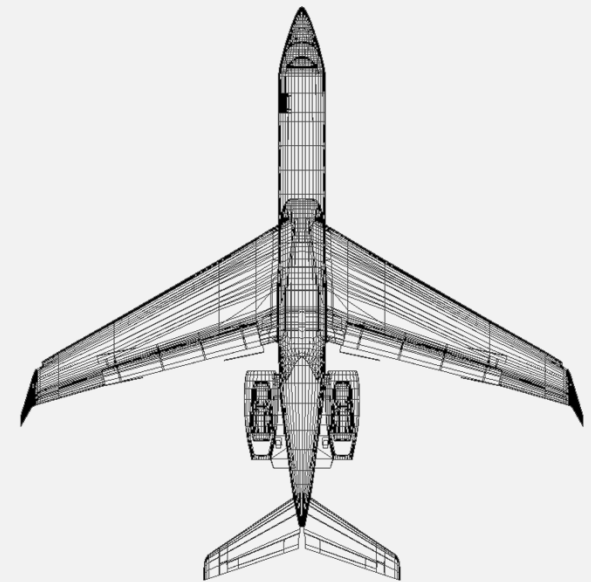
AIRFRAME PROGRAM COVERAGE

- Offered by some airframe OEMs
- Non-OEM aftermarket programs
- Airframe Program options:
 - Parts only
 - Scheduled maintenance labor (optional)
 - Unscheduled maintenance labor (optional)
 - In-flight squawks
 - Troubleshooting
 - Logistic support
 - Cabin amenities
 - Avionics



AVIONICS PROGRAM COVERAGE

- Offered by avionics manufacturers
- Non-OEM sources
- Avionics
 - Unscheduled maintenance
 - In-flight squawks
 - Excludes:
 - Troubleshooting
 - Logistic support
 - Cabin amenities
 - Cabin entertainment systems
 - Obsolescent equipment



TIP-TO-TAIL® PROGRAM

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ENGINES

AIRFRAME

APU



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BENEFITS

- Aircraft budget stability
 - Insurance arm
- Stabilizes maintenance costs
- Enhances/protects residual value
- Benefits to new enrollment vs outside of warranty.

LIMITATIONS

- Cash flow
- Limited facility choice
- Flooded resale market might not recognize the full value of airframe program

QUESTIONS

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