

CANCELLATION GRAHAM WARWICK / WASHINGTON DC

Eclipse 500 order termination signals end to Nimbus taxi plans

Deal flounders when manufacturer returns former internet auctioneer's stock deposit after low value hinders sale

Eclipse Aviation has terminated its landmark 1,000-aircraft purchase deal with Nimbus Group on the eve of roll-out of the Eclipse 500 personal jet. The order was killed after former internet auctioneer Nimbus failed to meet the 30 June deadline to make a \$5.86 million deposit on the first 70 aircraft.

The termination is likely to end Nimbus's plan to establish an air-taxi service using small jets, but Eclipse is believed to be talking to other potential large fleet customers with more robust financing. "Short term, the effect on us will be minimal, and in the long term, we still believe the air taxi market will be viable," says Eclipse.

When the order was announced in September, Nimbus was given

until November to place a deposit, but the deadline was extended in the aftermath of the 11 September terrorist attacks. Nimbus says it issued Eclipse with \$2 million in stock in February as a deposit on the first 10 aircraft, due for 2004 delivery. This was later returned.

Nimbus says the return of the stock hampered its ability to raise the required deposit. "It is our position that we met our deposit requirement for the first 10 aircraft as defined in our agreement," says chairman Ilia Lekach.

Eclipse chief executive Vern Raburn has come under criticism for accepting stock from Nimbus in lieu of a deposit at a time when the companies were trying to raise financing. "I made a mistake," he

says. "Nimbus gave us stock as a deposit on the order. The contract said we had to be able to monetise the stock, but it was difficult to sell. Because of its low value we sent it back. We owned it for about 17 days."

Raburn says the 1,000-aircraft order played no role in Eclipse's last round of private financing, which closed days before the Nimbus order was announced last September, taking the sum raised by the Albuquerque, New Mexico-based company to over \$220 million. "The bulk [of that round] came from investors committed long before Nimbus came into the picture," he says.

Eclipse says it is in talks about other large fleet orders, but because

of its experience with Nimbus, the company is not identifying potential customers. It is believed to have around 160 customers for the Eclipse, including a 112 aircraft deal with Swiss company Aviac.

Lekach says Nimbus was counting on using the \$847,000 Eclipse 500 as the basis for its planned air-taxi business, adding Eclipse's decision "makes it difficult to pursue our vision for an affordable personal jet-taxi business".

The Nimbus deal's credibility was damaged late last month when it emerged that Dafin Asset Finance, which claimed to have committed to finance the 1,000-aircraft order to the tune of \$1.2 billion, had been misrepresented as an affiliate of the Royal Bank of Scotland.

REPAIR

Marshall carries out first skin replacement on CJ1

A major repair to damaged fuselage skin on a Cessna Citation Jet 1 is being performed by Marshall Aerospace at its Cambridge, UK base. The repair to the CJ1, the operator of which is not disclosed, involves the complete removal and replacement of the port side skin from the entry door to the rear pressure bulkhead. Marshall Aerospace says it is the first such repair done on a CJ1. The company used new de-bonding and bonding techniques for the first time.



MAINTENANCE

Piaggio to expand repair activities

Italian manufacturer Piaggio Aero is to open two new maintenance, repair and overhaul (MRO) facilities at Genoa and Villanova d'Albenga airports.

The manufacturer of the P180 Avanti twin-pusher turboprop aircraft is expanding its maintenance activities following contracts with

French airline Brit Air for Bombardier CRJ700 regional jets operating to Genoa and a similar deal involving Italian carrier Minerva Airlines' Fairchild Dornier 328s.

The main site, due to open in the second quarter of next year, will be at Genoa Cristoforo Colombo Airport. Piaggio will lease

two 1,600m² (17,223ft²) hangars and a third one of 800m², plus a 545m² repair shop and another two-storey building.

A second centre will be set up at Villanova d'Albenga airport, which will initially conduct maintenance on general aviation types and later expand to regional aircraft.

IN BRIEF

DIGITAL DELIVERY

Robinson Helicopter has delivered a digitally equipped R44 electronic news-gathering helicopter to Metro Networks. Developed in-house, the system includes a 360° continuous-rotation, five-axis gyro-stabilised, high-resolution digital broadcast camera and laptop control console. Robinson has also delivered the first R44 police helicopter to China, for use by Zhengzhou's public security bureau.

VOLUNTEER FORCE

The Israeli police helicopter squadron has begun using volunteer light-aircraft pilots to perform some surveillance and traffic management missions. The use of private individuals is designed to free the police aviation arm's four Bell 206 JetRanger helicopters to assist the Israeli air force's search-and-rescue unit during heavy work periods.