

# TEXAS ROCKS

## Associated Air Regains Strength; New Outfits Emerge as Others Whither

BY AZIN HATEFI—DALLAS

Following a near three-year hiatus, North America's interior completions Mecca, the greater Dallas area, is experiencing an encouraging rebound in business. A long-established player, Associated Air Center (AAC), has been steadily winning back old customers and adding new ones, while others in the state are busy setting up companies in preparation for a new round of private-aircraft acquisitions by U.S. and overseas operators.

Yet rumors of a pending sale of the Dallas completion and maintenance outfit continue to circulate in various quarters. Washington, D.C.-based Mark Fariborz, a vice president at AAC parent company, The Carlyle Group, declined to comment on the matter but indicated the group was "happy with its investment in the company," and confirmed that AAC was enjoying an upsurge in business after an extended completions drought.

AAC's current VIP aircraft projects include work on Boeing 747-400, 767 and BBJ platforms belonging to Middle Eastern and Latin American corporate and state entities. This has allowed AAC to outsource an increasing amount of interior projects to specialized shops around the country.

One factor that has contributed to AAC's rising fortunes is a contraction—at least temporarily—in completions capacity in the U.S. An example is Arkansas-based Ozark Aircraft Systems (OAS), which ceased operations in late March after prospective buyers in the U.S. and Asia found the owners' asking price "too steep," says a former employee, who asked to remain unnamed. Trouble at San Antonio Aerospace (formerly Dee Howard) is also said to have caused business to head to more established completion centers. Excessive outsourcing and the loss of proper quality oversight, industry insiders say, are to blame for the company's failure to deliver its projects, including a Saudi-owned MD-11, on time.

Experts believe that another factor helping U.S. completion centers is stagnation in Europe caused by capacity constraints and worsening economic and exchange-rate conditions. "The European VIP outfits survived the recession mainly because of their association with larger airline companies, but the big parent organizations are now doing poorly," says one observer.

Completions capacity is now expected to closely match market demand for about a year. As healthier profit margins return to major corporations, more private and VIP aircraft will be acquired, creating bigger demand for interior products and services.

### ELSEWHERE IN TEXAS

In Lewisville, near Dallas-Ft. Worth International Airport, a new company called Cabin Innovations LP has emerged as a result of two well-known cabinet makers joining forces. Prior to merging, Innovative Aircraft Interiors and CabinArt supplied interiors to Infinity Partners, which in turn supported Bombardier's Challenger 604 and Global Express aircraft completions. After Infinity was acquired by DeCrane Aircraft, "we decided to move on and thus Cabin Innovations was born," recalls Danny Wintz, who, in partnership with Hue Tran, now owns Cabin Innovations.

"My partner and I have 38 years' combined aircraft-interiors experience. We can provide interior manufacturing as well as soft-goods, including headliner, sidewalls and carpeting, finish, paint and upholstery. We can also provide engineering design/assembly drawings, stress analysis and



A Boeing 757 lavatory built by Cabin Innovations LLP. The aircraft was completed by Associated Air Center.

burn-test samples and plans," says Wintz. "Our team works with a full machine shop using CNC routers and flat beds. Also available here are repetitive stock parts, one-off parts and custom inlays for tables and bulkheads."

Cabin Innovations' facility includes about 12,000 sq-ft of shop space and offices, and is located 15 minutes Northeast of DFW Airport, 25 minutes from Dallas Love Field or 30 minutes from Alliance Airport.

Another relatively new company, Volaire Jet Interiors, of San Antonio, has been established by ex-Dee Howard and Page Avjet executives. CEO Joe M. Esparza says the company is initially after subcontract work with the likes of Associated Air Center, as well as joint ventures with companies offering exterior paint and avionics.

For future growth, Esparza adds, Volaire is in talks with Saudi Arabian and other investors about establishing a full-service maintenance and interior-support center in Hondo, Texas. Located about 40 minutes from San Antonio, hangar and shop facilities at a former air force base are being offered to civil-aircraft companies to establish a modern VIP aircraft center. Esparza says Hondo city officials are fully backing the effort, which if successful, would create high-paying jobs for skilled workers in the area.

### PAST RIO GRANDE

In Toluca, Mexico, meanwhile, Raytheon Aircraft Services Mexico (RASM) is planning to expand its presence in the interiors field. General Manager Mauricio Rojo told *A/I* the move is intended to prevent existing general maintenance contracts from defecting to larger facilities offering more comprehensive services. Rojo says RASM plans to begin its interior services by offering "light, mostly soft-goods support" to some 100 Raytheon aircraft operators in Mexico. At a later stage, he says, RASM may be able to expand its services to Falcon 50 and Learjet operators, as well.

Separately, RASM's parent company Raytheon Aircraft Co. and NetJets signed a 10-year maintenance contract covering Hawker 1000, 800XP and 400XP business jets used in NetJets' fractional ownership program. Heavy maintenance on the Hawker 1000 and 800XP aircraft will be accomplished at Raytheon's Little Rock, Arkansas facility, while the company's Tampa Beach, Florida, site will handle work on the smaller 400XPs.



A BBJ closet manufactured by Cabin Innovations is being prepared for delivery to AAC.