Project Denden

A confidential document

Procurement of a Cargo Aircraft

A

Preliminary Inquiry

By Emnetu Tesfay

July 1987

Forword to Inquiery

After an hour of initial discussion between myself and two Norwegian aviation consultants on the 26th of February 1987, it was agreed that the only aircraft that meets the requirements of the buyer and in essence meets field conditions is the HERCULES C 130 model built by Lockeed.

The buyer having the following requirments of the aircraft as a minimum:

1. Between 10 and 20 tonne payload
2. Long range flight capacity (north/central Europe - Eritrea)
3. Landing possibility on rough runways (no distance limitation)
4. Night landing possibility
5. Propeller motors
6. Available spare parts
7. Good technical condition
8. Reasonable price

Hercules, which is powered by propeller driven motors can land and take-off on rough runways. Since the wings which also carry the motors are built on the upper level of the aircraft, there is enormous tolerance by the aircraft to rough runways and is even capable of landing in unprepared large flat fields in remote regions. Other notable advantages of the aircraft is the possibility it provides to airdrop cargo from low altitude flights, the possibility to load bulky items of cargo like armored cars and other big equipments without dismantling them.

However it is essential for the purchaser to be fully informed about the operational cost of owning and flying an aeroplane. In addition to the consumption of aviation fuel, it should be brought to the attention of the buyer that landing fees, parking fees, air-route fees (crossing a country's air space) are payable by the owner of aeroplane using these facilities. The fees are determined by the tonnage of the aircraft and not by the size of the cargo it carries.

The steps to be taken by a purchaser are:

1. Define the requirments and list them by merrit of priority
2. Identify the available aircraft that meets the requirement
3. Inspect the aircraft (technical log book and valid certification)
4. Registration of the aircraft under a country's flag f.ex(Somali Republic)
5. Insurance

Registration of aircraft is paramount if payload exceeds 5 tonne. Registration of aircraft under 5 tonne payload is negligible. The two Norwegian aviation consultants have offered to survey the international market for Hercules and have promised to produce the findings in about one month time. This survey will be free of charge. After the initial survey is made and identification of the suitable aircrafts made the consultants, if given the assignment, will choose, inspect, register and deliver the aircraft. This service will require substantial utilization of manhours including travel,telephone, and the buyer has to be prepared to pay it. Training of crew is another important assignment of a consultant, whosoever is doing the job.

Design, size, payload and other functions vary within the Hercules range of aircraft. If a good number of Hercules are available in the market and identification is made, then a table of comparison will be prepared to help the buyer make easy commercial and technical comparison between them.

European Aviation Consulting
SOLA AIRPORT, STAVANGER, NORWAY

P.O. BOX 28
N-4051 SOLA
BANK: ROGALANDSBANKEN
ACT. NO.: 8507.07.05066
PHONE:
TELEX:

To whom it may concern.

Your ref.: Our ref.: KNN/sm DATE: 020487

Your request about aircraft for cargo/pax transportation.

Our company has looked at different models, but for your demand there is only one type we can suggest.

This is the well proven Lockeed C-130, Hercules. This is an easy to operate, easy to maintain aircraft very suitable for cargo operations over medium range, and it can easely be converted into pax version.
There is drawings with dimensions attached.
The C-130 is able to carry 15 m.tonn over the mentioned distance with a speed of 500 km/h. Loading / unloading can be done with forklifts or by manual labour. As you can see from the drawings, the plane is also able to carry very bulky loads, ex. cars, dumpers etc.

To follow is an approximately calculation of purchasing mentioned aircraft.

Purchase of aircraft	$ 2 350.000,-
Upgrading of radios etc. for long range navigation	$ 90.000,-
	$ 2 440.000,-

The following expences will vary depending on conditions:

Registration	$
Crew training	$
Ferry flight to Europe	$
Insurance	$
Spare parts	$

As you can see, the total price tag before an operation can start will approximately bee $ 2.9 mill. for mentioned aircraft that is an reasonable price. If your organisation are willing to invest in this project, we will be happy to assist you in any matter as consultans.

Best regards

Kjell Magne Nordbæk

for E.A.C.

European Aviation Consulting
SOLA AIRPORT, STAVANGER, NORWAY

P.O. BOX 28
N-4051 SOLA
BANK: ROGALANDSBANKEN
ACT. NO.: 8507.07.05066
PHONE: 04-570707
TELEX:

To whom it may concern.

Your ref.: Our ref.: DATE: May 22 1987.

Additional information on your request on C- 130 A.

As requested we hereby give you additional informations on C- 130 A.

1. Engine type : T56 - A9C
2. On airframe it has not been recorded cycles, because the aeroplane has been military operated. Normally you can take total hrs. and divide by 1.3 to find cycles.
   Total cycles : 7454hrs. : 1.3 = 5734 cycles.
3. Max. gross weight : 124200 lbs.
4. Max. fuel : 34000 lbs.
5. Max. pay load, full fuel : 22200 lbs.
6. Max. range, full fuel : 8,5 hrs.
7. Max. range in nautic miles: 1785 nm : 3250 km
   Full fuel, no reserve.
8. Runaway paved, max t/o weight.
   Lenght will vary depending on airtemp, humidity, field alt,
   : 1000 m - sea level
   1170 m - 1000´field
   1500 m - 2000´field
   2000 m - 3000´field

Best regards

Kjell Magne Nordbæk
for E.A.C.

Minutes of Meeting

Participants: Kjell Magne Nordbæk representing European Aviation Consulting
Emnetu Tesfay representing the potential buyer

Points discussed during the meeting held on the 20th of april 1987

Emnetu - Acknowledged receipt of the consultants letter dated april 2,1987. After the intial meeting we were made to expect a comprehensive information not only on one aircraft but on varaity of them in order to give the potential buyer a chance to evaluate and select an aircraft that suits him most both technically and commercially.

Consultants - We have surveyed the market in America through our contacts and some Hercules were identified. The cost range from two to three million dollars on all of them. Out of these we have picked one which we think suits the Eritrean condition. It is A model of a C 130 Hercules owned by the U.S. Navy (still in green military color) and now available in the civilian market.

Emnetu - Clarification of letter content asked. Both technical condition of the refered aircraft and the cost break down.

Consultants - Aircraft newly overhauled. Propeller flight time for all 4 engines is 0. Aircraft total flight time is 7440 hours.

Propeller	No. 1	after overhaul	0	TBO	1800 hours and/or 5 years
"	2	"	0	"	
"	3	"	0	"	
"	4	"	0	"	

Engine total time

Engine No.	1		" 3500 hours
"	2	lowest=234 hours	
"	3	highest=608 hours	
"	4		

(TBO = Time between overhaul)

Range of the aircraft: (an example)

Stockholm - Cairo - Eritrea
Rome - Eritrea (nonestop with possibilities for emergency landing in Khartoum or Sanna)

Unlike civilian commercial aircrafts, military aircrafts in general have less flight hours relative to their age. And because of the additional requirment for good maintenance by the military authorities (and without cost impact on the owners) maintenance is thorough. There are various levels of maintenance requirments after certain number of flight hours. The log book of an aircraft has all the records.

Regarding the price :

The aircraft will cost you	$ 2.350.000
Upgrading of radios	$ 90.000
Variable cost (see letter) plus commission for consultancy	$ 460.000
	$ 2.900.000

The total cost when the aircraft is delivered in Eritrea will be around the given figure. There might be unforseen expenses but they won't be of significant amount.

If you have problem with registration we can help you to have it registered in the U.S. or Europe under one of your organization's name. But you will have to maintain it to the standard of the country of registration. The standard vary from state to state. Wether the authorities in America will intervine to block the transaction will all depend on your relations with the U.S. The buyer does not neccesserily be a friend but surely should not be an enemy.

Is this price figure within the financial capability of the buyer? If the answere is yes and you want us to go ahead we can obtain more information and transfere them to the buyer. We find it difficult to continue to invest on an uncertain project. So make a decision on this aircraft.

Emnetu - Do you have more information on the aircraft in question?

Consultants - Yes. A big parcel of documents is received from the vendor but we can only transfere in its entirity pending on your decision to make a deal with our company as consultants.

Emnetu - How do you know if the documents are in conformity with the real condition of the aircraft.

Consultants - The log book is the main source of information. However inspection has to be done and there is a long check-list to go through. The insurers are another source of information. They know in detail the condition of equipments they cover.

Emnetu - Do not tell us the seriel no. of the aircraft but can't you transfere the documents so that the buyer can evaluate and make a decision?

Consultants - As a potential buyer we have given you freely the general information of an aircraft in the market. But any more information or work on this project will cost you money. We are in that business. Other consultants would have charged their client for the service we have done for you up to this point.

Emnetu - Regarding charge of consultancy services should'nt it be done at the actual cost of time spent, travels made, lodging, telephone, telex etc rather than a lump sum of money before the work is done?

Consultants - We need guaranty and as consultants we would like to know our scope of work in advance and negotiate the cost of our services. That is advantagous for your organization too. Everything will be made ready for you to get the plane rather than you go through the long process of making difficult decisions on a subject that the buyer is not familiar with.

For the money we have asked we will inspect, register, fly it to Eritrea and train pilots. We would say you will require five pilots and three technicians, depending on your planned schedule of operation.

Emnetu - You were asked to give a rough estimate of operational cost like landing fee, parking fee and cost of aviation fuel?

Consultants - Any figure given will be misleading. It greatly varies from place to place. Even different airports in the same country charge differenly considering their revenue needs, strategic location of the airport,etc.

(I have made my own survey for the city of Stavanger and the rsults are:
Landing fee for Boeng 737 with 52 tonne weight flying from overseas is £336
Parking fee is free. Some airports charge by volume of aircraft.
Aviation fuel per liter is 1.5 pence. (apparently very cheap)

Remark

Buying an aircraft is rather a difficult and costly task. It requires both expertise and money. There is no easy access between buyer and seller. So the information itself costs money. After locating one it requires a substantial manpower to verify the log book. Then there is a very long (about a thausand) check list for all major components and equipments. But in order the buyer to be sure of what he is buying and how long he can expect to use the equipment the services of experts is essential.

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STAVANGER 16.06.87

TELEX TO : WORLDWIDE AERO USA

DEAR SIRS,

REFERENCE YOUR ADVERTISMENT IN FLIGHT INTERNATIONAL OF C-130 A HERCULES, I WOULD LIKE TO RECEIVE MORE TECHNICAL AND COMMERCIAL INFORMATION ON THE AIRCRAFT INCLUDING PRICE TAG AND SPARE PART AVAILABILITY. PLEASE TRANSMIT AS SOON AS POSSIBLE BY MAIL OR TELEFAX THE REQUESTED INFORMATION TO THE FOLLOWING ADDRESS IN NORWAY. THANK YOU IN ADVANCE.

EMNETU TESFAY
DIGRANESV. 15
4015 STAVANGER
NORWAY

TELEFAX: (04) 50 36 32

BEST REGARDS,

E. TESFAY
NNNN

++++ MESSAGE ACCEPTED ++++

TOTAL P. 1

Worldwide Aeronautical Industries, Inc.

879 W. LOS ANGELES AVENUE, MOORPARK, CA 93021
TELEPHONE (805) 523-0205 TELEX 194303 FAX (805) 529-8020

25 June 1987

Emnetu Tesfay
Digranesv. 15
4015 Stavanger Norway

Dear Mr. Tesfaye,

Thank you for your interest in our C-130A Hercules aircraft. World Wide Aeronautical is the owner of the aircraft, so we have 100% control. Outline information is listed below:

C-130A Hercules Serial Number 158229
FAA Registration Number N9724V
AIRFRAME
Time since IRAN: 621.1 Hours
Time of IRAN: 6833.0 Hours
Total Time: 7454.1 Hours

ENGINE NUMBER	TIME SINCE IRAN	TOTAL TIME
#1	608.5 Hours	5542.0 Hours
#2	331.9 Hours	5816.8 Hours
#3	511.3 Hours	1728.3 Hours
#4	234.3 Hours	5018.4 Hours

Please note: "IRAN" = "Inspect and Repair As Necessary".

Presently we are obtaining three-bladed propellors for the aircraft. They will be fully certified, with inspection required every 1800 hours.

Currently the aircraft has military avionics. A commercial avionics package can easily be added as an option. The aircraft will be completely stripped of outside military paint, and will be sold with bright aluminum finish.

The price is $2.9 million dollars, delivered in the USA. Scheduled certification date is Fall 1987.

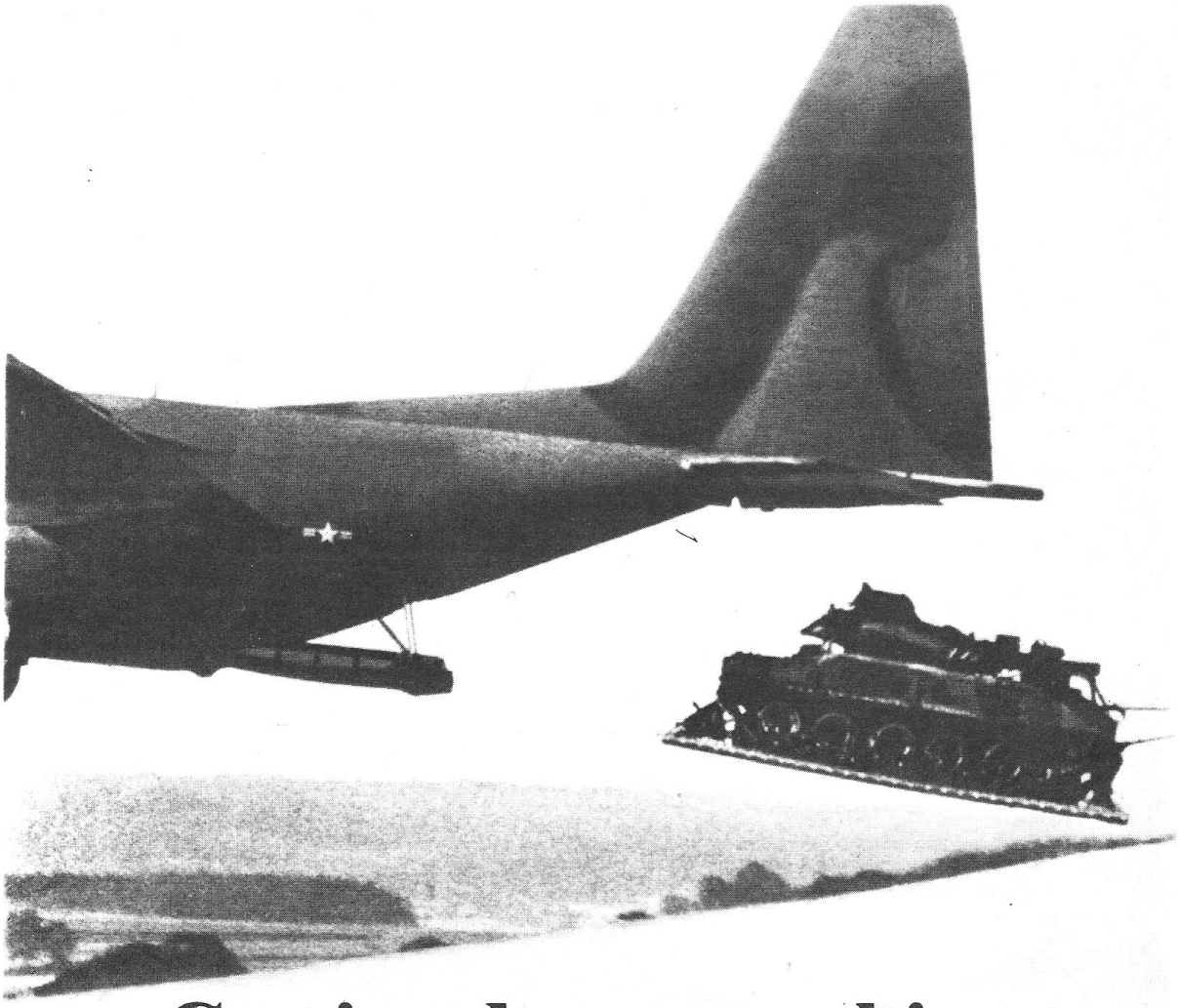
Sale of aircraft subject to approval by U.S. State Dept.

Once again thank you for your interest. If you have any questions or require additional information please let us know.

Best Regards,

Mike Hodson

FROM WWHERO/CHL-J 049 06/25/87 15:16 P. 1
26.06.87 00:20



Carries almost anything. Almost anywhere.

When a wide variety of missions demand a plane with multiple capabilities, governments all over the world turn to the C-130 Hercules aircraft.

With a cargo capacity of 43,000 pounds, the Herc can airlift anything from trucks to tanks and set them down safely on most any type of terrain. As a tanker, it typically has a 56,000-pound capacity and the ability to refuel at jet speed—or at the lower speed of a helicopter. With its 18-hour flying capability, it can handle long endurance surveillance, reconnaissance, weather tracking and search and rescue missions.

Years of rugged service have proven its reliability. Hercules performs under the most adverse weather conditions, and it's ready to take on any runway, from sand and gravel to snow and ice.

Despite its versatility, dependability and outstanding performance, the C-130 Hercules is surprisingly cost efficient. That's why it's used by more than 55 nations worldwide, for every type of airlift mission imaginable.

Lockheed-Georgia

Innovation
Giving shape to imagination.

EPLF	to	Name EYASSU TESFAI ERICSSON, STOKHOLM, SWEDEN	Telephone No. (fax) 468-7402834
	from	Name EMNETU TESFAY	Telephone No. (fax)
TELEFAX	Date 16.02.87	No. of pages 1	If problem with quality of text call

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