

From: Lvjet <[REDACTED]>

To: jeevacation@gmail.com

Subject: Fwd: B727 Super

Date: Wed, 09 Oct 2013 16:27:34 +0000

Attachments: 727_SUPER_COSTS.docx

Sultan just called me and wants my opinion on this email he received from his people,. some of these numbers are crazy,. they are quoting \$99,000 per year for training, we pay \$6,000 per year for a full crew recurrent at PanAm in Miami, the fuel burn they quote is 1575 per hour, actual burn is 1250 to 1350 per hour, real numbers.
how should I respond?

tx

Larry

-----Original Message-----

From: ssulayem <[REDACTED]>

To: Larry <[REDACTED]>

Sent: Wed, Oct 9, 2013 12:16 pm

Subject: Fwd: B727 Super

Dear Larry

This came from my people how would you respond

Dear Sultan,

Re the B727 Super VIP, have been trying to put a number on the costs.

On first thought is that this a very expensive plane to operate, as it was manufactured in 1969, which makes it 44 years old.

Without seeing the current inspection status and what is due, it is hard to put a "cost" to the maintenance requirements.

If the aircraft was to be operated on a "Dry Lease" – (A dry lease is a leasing arrangement whereby an aircraft financing entity, such as [GECAS](#) and [ILFC](#) (lessor), provides an aircraft without insurance, crew, ground staff, supporting equipment, maintenance, etc.) then you would pay a fixed cost for the "lease" of the aircraft and then be responsible for all other direct operating costs plus maintenance.

I have attached a breakdown of what the fixed costs are estimated to be. As you will see this is approx. \$1,220,651 per year.

The variable costs (ie the cost to fly the aircraft are estimated to be \$13,617 per hour)
PLEASE NOTE THIS EXCLUDES ANY MAJOR PERIODIC MAINTENANCE DUE (i.e. Yearly C checks and D checks as well as engine visits.

The more hours you fly then your hourly cost comes down.

However, for example, x2 of the engines are due AD 2003-16-05, this involves a complete engine strip down, and I estimate this will cost approx. \$1 mill per engine as well as 3months down time.

I also see a "C" check is due in Feb 2014 – on a 1969 vintage aircraft, you are looking at an open cheque book.