

Operating into Hong Kong

Rare as Tang dynasty ceramics: business aviation slots, parking and affordable handling

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Why would anyone want to operate a business jet into Hong Kong? Arrival and departure slots and overnight parking for non-airline aircraft are among the most difficult — and expensive — to obtain of any destination in the world. And with recent changes that disconnect slot reservations from parking assignments, coordinating a stay has become that much harder.

On the other hand, it's Hong Kong: one of the most vibrant cities in Asia and a principal world financial center. If you want to do serious business in Asia — and particularly in mainland China — it's hard to avoid Hong Kong, whether you go there on a private jet or via the airlines or both, the last by flying your business aircraft to a destination where you can alight and then airlining into Hong Kong.

As "Operating in China" (BCA, November 2017, page 42) noted, filing for any major city in the People's Republic of China (PRC) is challenging in terms of access, not because the Chinese are opposed to privately operated aircraft visiting the country — they aren't — but due to the fact that their national airspace system is not set up to accommodate the ad hoc nature of business aviation. Furthermore, that system, including air traffic control, continues to be operated with a heavy hand by the People's Liberation Army.

Within the limitations of this system and the burdensome Chinese bureaucracy, the PRC civil aviation authority and airport managements tend to be cooperative in working with operators or their designated handling agencies in arranging permits, slots and parking. According to western operators

familiar with navigating the Chinese interior, the key to success is thorough flight planning, the willingness to be flexible and a whole lot of patience.

Not Enough Real Estate

On the other hand, Hong Kong is a world unto itself that can severely test those qualities. Classified since Britain turned Hong Kong's control back to China in 1997 as a Special Administrative Region (SAR), the PRC regards Hong Kong as a foreign country — at least in regard to aviation matters. So far, this has been a conflicted relationship, as the laissez faire nature of Hong Kong is the antithesis of the Marxist ideal, but the Chinese recognize that the 426-sq.-mi. (1,104-sq.-km) SAR is a money-generating engine — one of the so-called "Little Tigers" of greater Asia — that it needs to compete with the West. Thus, the PRC holds the metropolis at arm's length, for fear its freewheeling culture might contaminate the Communist mainland, while it siphons off its share of the free-market largess Hong Kong produces.

The city — "HK" to the natives — is independently governed. And this is reflected in Hong Kong's citizens who "harbor an independent style of thinking and are more internationally oriented," according to Vrushali Suvarna, business development and commercial manager at Hong Kong-based business aviation consultancy Asian Sky Group. "Lots of ex-pats [like Suvarna herself] live there."

The relationship between the two political entities has shown



A major financial center for Asia and "gateway to China," Hong Kong ranks as the fourth most densely populated city in the world with 7.4 million people clustered into an area of 426 sq. mi. Designated as a "Special Administrative Region" by Mainland China, it maintains an independent government and economic system.

strain in recent years as the PRC has placed pressure on its SAR not to cultivate too much independence. Notably, the younger generation of HK citizens, accustomed to free thinking, have responded with a series of peaceful demonstrations.

Meanwhile, in February, PRC President Xi Jinping, fully backed by the People's Liberation Army (which dangles its tentacles in nearly every part of the nation's activities), declared himself president for life. He is the only PRC leader to have done so since its founder, Mao Zedong. How this will affect the future of Hong Kong, greater Asia and the world remains to be seen.

Nevertheless, Hong Kong remains "a very active area for business aviation, with lots of companies based here," insisted Phil Balmer, vice chairman of the Asian Business Aviation Association's (AsBAA) Hong Kong and Macau Chapter. "The big issue we have in Hong Kong is a single airport and no real estate for another one. HK is a major city of the world, but we have a true infrastructure problem — one airport to serve everyone."

And that field, Hong Kong International Airport (VHHH, known locally as Chek Lap Kok Airport for the small island on which it sits) ranks eighth busiest in the world in terms of airline passenger traffic. Completed in 1998 as a replacement for the city's prop-era airdrome, Kai Tak Airport, Chek Lap Kok currently operates at close to capacity, having in 2016 chalked up 70.5 million passengers and 411,530 movements — that's 1,127 per day — on and off its dual, parallel 12,467-ft. runways.

Additionally, in 2010, the facility surpassed FedEx's main hub in Memphis, Tennessee, to become the world's busiest air freight airport. And so it continues, with more than 4.5 million metric tons passing through its cargo terminal in 2016.

With so much commercial traffic and little room for growth, space at Chek Lap Kok is limited and at a premium for business and general aviation. And as Suvarna pointed out, "At HK, the emphasis is on commercial aviation — there is a large volume of it, and so Airport Authority Hong Kong's focus is on commercial aviation."

It's an old story worldwide. "The value of business aviation is what it brings to the country indirectly — this is what we are emphasizing to the authorities," noted AsBAA's Balmer, whose day job is director of maintenance for TAG Aviation's Asia network. In January, the association convened its eighth meeting for business and general aviation slot management

with the Airport Authority Hong Kong. "This was an industry meeting that was called so the authorities could share their needs and listen to us. It was a good indication of the airport working with its users."

Balmer said AsBAA has made "considerable progress" over the course of those engagements to maximize the number of slots for business aircraft at the airport. Nevertheless, his statistics show that available slots for business aviation at Hong Kong International have declined month over month for several years. It seems that sometimes success can work against itself: Beginning in 2014, due to a veritable boom in business aviation growth stimulated by strong economies in China and Hong Kong, the airport's ability to absorb general aviation, as well as its burgeoning commercial traffic, nearly reached capacity.

"In other words, there was significant business growth in China, and business aviation followed it," Balmer said. Then, due to the capacity issues, the airport had to impose restrictions on slots for business aircraft. "So, the biggest problem for us was [the airport management's] transition from a parking issue to one of slots. After 2014 there was a free-for-all for parking. And at that point, the problem became where to reposition."

Making It More Difficult

As implied in the lead, none of this is getting any easier. Since last fall, application for arrival and departure slots and for parking have been separated into independent systems. Now, business aircraft operators must apply for landing and takeoff slots through the Online Coordination System (OCS) before parking can be secured from the Business Aviation Parking Management System (BAPS) — if it's available to fit the window between assigned arrival and departure slots.

"Operators must try to coordinate both by monitoring the system 24/7 in order to capture arrival and departure slots plus parking, grabbing them when possible," explained Asian Sky's Suvarna. One other point of which operators should be aware: The slot system is not tolerant of changes, both before departure for HK and during flight, as a change in arrival could complicate the operator's existing departure slot.

While charter/management operators may have dispatch and flight planning departments to constantly monitor slot and parking availability, flight departments may have to hire handling services to perform this function for them. Operators can apply up to 14 days before intended date of arrival, but again, slots and parking must be requested separately. One bit of good news: initially, five slots were available during night hours (i.e., 2200 to 0659 local), however, last year that was increased to seven slots and in early 2018 to nine, subject to aircraft type and noise restrictions (see below for the caveat), thanks to lobbying by AsBAA

Notably, as with many airports in the world, Hong Kong enforces a nighttime curfew for aircraft with noise signatures that exceed 84 db, a value that is lower than the maximum noise level that defines Stage 4. The reason is that when the airport was built, rather than apply the universally accepted Stage 4 noise standard to night operations, the authorities chose a noise reference system based on the U.S. FAA's Aviation Environmental Design Tool (AEDT), a software application that dynamically models aircraft performance to determine, among other values, aircraft noise. The 84-db restriction applies only during the designated night period at HK; day ops revert to Stage 4.

However, according to AsBAA's Balmer, the authorities offer an exemption for some business aircraft types unable to meet





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Hong Kong International Airport, situated on Chek Lap Kok Island (as seen from the hills above Hong Kong city), was completed in 1998 and is the eighth busiest airport in the world with 1,127 movements a day.

the 84-db restriction, e.g., the Gulfstream V/550 and 650 and Bombardier Global Express models through the 6000, coincidentally, all powered by Rolls-Royce BR710 turbofan engines. (They're not singling out that engine model, Balmer insisted, but the whole aircraft.) With these exemptions in place, he concluded, "they and 747 freighters are OK to depart."

Hold on a minute. Four-engine Boeing heavies produce noise equivalent to that of twin-engine business jets one-tenth their weight? Well, no. At HK, air carriers are measured under an entirely different index whereby each is assigned a "quota count" for noise. (Aircraft that are under 84 db are exempt from the count.) "It is a quota on how much noise they can produce over a given month, and noise created during the night period is treated as an allocation per year," Balmer explained. If that allocation is exceeded by an air carrier, then the airport may require it to eliminate flights into HK. "They take noise very seriously and expect airlines not to bust their 'noise budgets.'"

Business aviation is not measured in the same way and is not assigned a quota count. The restriction "only applies to night ops, which are given a disproportionate weighting in terms of noise impact," Balmer said. "The amount of noise is weighted higher than during the day, as it is considered a more critical time. As long as they operate within their quota, the airlines are allowed to operate at night. Business aviation does not have a quota count, and the way the rule works is that we're only allowed to operate aircraft that are under the 84-db limit for takeoff. That is why a B777 can depart at 2:00 in the morning, but we can't depart in a BBJ. The point is that we do not fit into the airline system. There should be a special mechanism for us to operate into the night."

Meanwhile, Gulfstream Aerospace has done its own evaluation of its flagship G650 and determined that it meets the 84-db level, but apparently the FAA has yet to update its AEDT data to reflect this — the process could take up to a year — so the aircraft currently operates into Hong Kong on the airport's exemption list.

"We believe the noise restrictions for business aviation are too strict for night ops," Balmer insisted, "and that Stage 4 aircraft should be allowed in, so we are trying to get that number raised to accommodate the bulk of modern business aviation aircraft."

Pat Dunn, president of Aviation Logistics Aircraft Management in Singapore



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and a contract pilot in Gulfstream and Global models, describes trying to operate into Hong Kong as "painful."

"You have to educate your principals about the limitations of going there as a private operator and

the ramifications of the slot and parking situation," he advised. "That is, if slot times are not met, the operator will be penalized. If local owners don't show up on time, they get delayed and are assessed a 'demerit,' and after so many of those, they will reduce your lead time for requesting a new one. A number of [a local management company's] HK clients are down to 48 hr. lead time before they can get a slot."

But according to Suvarna, under the new slot allocation system (the OCS), there is an improvement in the way the authorities penalize fleet operators for not making their slot times for departure. "They used to penalize the aircraft operator, for example, an aircraft management company," she explained. "Now they penalize by tail number, that is, the entity to which the aircraft is registered." One point is assessed for each violation; if more than 20 points are accrued, the operator can only apply for a slot 10 days in advance rather than 14. On the other hand, the authorities allow a 2-hr. window on arrivals and departures to accommodate weather or traffic delays.

Living on 'Leftovers'

Balmer claims that the airport capacity crunch has actually produced a 30% drop in business aviation traffic since 2014 as a result of the restrictions the airport put in place to control traffic growth. "The operators are going to other cities," his colleague, AsBAA Asia director Sarah Keats, added. "That has made a huge impact to the economy in the city."

Keats maintains that AsBAA needs studies and statistical data to show what impact business aviation can have on Hong Kong in terms of bringing in business and job creation. Toward that end, the Hong Kong Business Aviation Center, the airport's sole FBO, has commissioned Chinese University "to try and pin down that data," Keats said, "but it's a difficult task to ascertain the precise economic impact."

"Why aren't there more movements at the airport?" Balmer asked. "Topography, for one. There is mountainous terrain all around the area. Then you have PRC and Macau close-in airspace. The airport claims they are giving out as many slots as they can, based on these limitations. They are convinced they are doing as much as they can do — but [access is] maximized at this time."

One issue that galls AsBAA is that there is not a set number of slots allocated by the airport authorities specifically for business aviation. "At some

With ramp space at a premium at HK International, business jets could wind up parked anywhere on the field — even beneath the control tower.

level, a lot of the slots are leftovers dropped by the airlines and air freight carriers, because they are on a different slot system from us," noted Balmer. "So, the reality is that we are operating on the leftovers. The authorities are working hard to get us every available slot — but what we get is still the leftovers. So, our goal is to get an allocated percentage of slots solely for business aviation. They are doing a lot to help us to maximize our slots, but we feel we should have a more solid allocation."

While the airport authorities are attempting to service business aviation within the limitations of the current paradigm, AsBAA's two-part agenda is to negotiate what Balmer terms a "ring fence" around business aviation slots and to have more Stage 4 aircraft approved for operation at night. Since "The airport is supposed to be serving everybody," he argues, "business aviation deserves a certain percentage of slots."

Stories abound among international operators of ample ramp at Hong Kong not being used because the parking spaces are lined off to accommodate Boeing 747-size aircraft, and the Airport Authority's policy has been to limit parking to only one aircraft per such space, regardless of type or its actual dimensions.

According to Barry Collier, managing director of Jet Aviation's Hong Kong aircraft management operation and a Gulfstream 450/550 captain, parking one Global Express in a space that could accommodate as many as three, if carefully staged, has stemmed from concerns about potential ground handling damage. But, he claims, "They are moving toward 'pragmatic parking' and starting to move more aircraft into the large spaces. Ground handling is an issue too — finding the people to move the aircraft, plus there is a limitation on how many ground movements can be done in an hour. It is getting better — but slowly."

A former Royal Army rotary-wing pilot, Collier migrated from Britain to Hong Kong a quarter-century ago to fly helicopters for its vaunted search and rescue service and has lived there ever since.

Mentioned above, the lone FBO on the field is the privately owned Hong Kong Business Aviation Center which is affiliated with Signature Flight Support through a branding arrangement. Offering tech support, customs clearance, passenger and crew services, and yes, some of the ground handling described earlier, the BAC has a ramp and a couple of hangars which some based operators rent with offices. Inside are VIP lounges and the customs clearance area. Prices for parking and hangarage change annually, charged according to the size of the aircraft. Currently for a G650, it costs between \$2,000 and \$3,000 (USD) a day for hangar stowage; the ramp is billed by the hour and is priced somewhat less. Alternately, an option exists for stowage and outside parking at airline maintenance provider China Aircraft Services, Ltd. (CASL) hangar, where the prices for a Global 6000-size business jet are approximately \$7,000 inside and \$4,000 a day on the ramp only when space is available. (Note that precedence is given to jetliners operated by CASL's airline customers.)

Other business aviation support companies on the field are Metrojet, Jet Aviation, Hong Kong Jet, and TAG Aviation charter/management companies. All have FAR Part 145 approvals for business aircraft MRO and are designated service centers for various types. The only FBO on the airport, however, is the Signature-affiliated Hong Kong Business Aviation Center. Despite the restrictions at its airport, Hong Kong remains a magnet for business, and international operators will continue to flock there — only to be confounded by the limited access, time-limited stays, and exorbitant ground-handling costs. Back in the good old days before 2014 when it was just parking that was the issue, the alternate strategy was to obtain in-and-out slots and "drop and go", that is, off-load the passengers and reposition the aircraft to another airport where parking is plentiful, then return to Hong



Macao International Airport is a popular alternate for Hong Kong. Claimed to be congested for parking, this is a typical day on the transient ramp, where business aircraft are charged \$3,000/day and limited to 48-hr. stays.

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Kong to pick up the passengers at the completion of their visits. Today, with slot restrictions, this option has become less favorable, as operators need to secure double the number of slots, i.e., four to get in and out of Hong Kong twice and perhaps two more for the reposition airport, if slot control is enforced there. Coordinating this while still maintaining passengers' travel schedules is tantamount to a full-time job.

So, it may make more sense for some operators to file for alternate destinations as close as possible to Hong Kong and then have passengers travel to the city on surface transportation (highway or ferry service) or via helicopter. In other cases, especially if passengers intend to conduct business on the PRC mainland, it may be more practical to fly the Hong Kong leg by airline instead of playing slot roulette at Chek Lap Kok for the side trip.

Alternatives

A popular repositioning or alternate destination field is nearby Macau International Airport (VMMC). "Macau can handle overflow but is limited by space," Balmer cautioned, even though the airport recently added a dozen more parking places for business jets. Hong Kong is a 45-min. ferry ride from Macau, and helicopter service is also available.

Driving from Macau will soon be a possibility, too, since the long-awaited bridge/tunnel complex across the Lingdingyang Channel connecting Hong Kong, Zhuhai and Macau is to open July 1 after several delays. One of the greatest public works projects in history, the 34-sm (55-km) structure, consisting of three cable-stayed bridges, three artificial islands and a submerged tunnel, ranks as one of the longest water crossings in the world.

But Pat Dunn believes Macau "isn't really an effective place to reposition for the same reasons as at HK — you might get a day or two there, if lucky. On a recent flight into Hong Kong that I crewed, it cost us \$4,500 just to clear customs at the Business Aviation Center, and then we had to reposition and went to Macau — where we had to pay another arrival fee. The parking in Macau cost \$3,000 a day; we were allowed to stay 48 hr. and then told to leave."

Two other alternates are Shenzhen International Airport (ZGSZ) and Zhuhai Jinwan International Airport (ZGSD), both in the PRC, which means operators will require permits and crew visas. "Shenzhen is only an hour and a half drive from HK," Suvarna said, "but you will have to do a border crossing with attendant customs clearance."

Until recently, Zhuhai, just across the border from Macau, had not been a recognized alternate for Hong Kong. However, the new bridge/tunnel crossing could make it feasible with some limitations, e.g., it is a Chinese domestic airport, served only by Chinese airlines. In Guangdong Province, the airport is located 31 sm southwest of Zhuhai City and has a single concrete runway 13,500 ft. long. "It is 'weak' on the customs side," Suvarna said, "but we understand they are working to improve it."

In some cases, given the costs at these alternates, it may be cheaper to reposition a Gulfstream-size jet as far away as Taiwan or the Philippines just so the owner can spend a few days

doing business in Hong Kong. For details, reread “Operating in the Philippines,” (*BCA*, August 2014, page 36) to learn how airports there are taking advantage of the parking paucity and high costs at HK. But there may be another reason why some operators are flying farther to reposition from Hong Kong: pressure from slot-controlled airports in the PRC.

“Everyone is repositioning their airplanes due to the slot problem at the major airports [on the mainland] to much smaller airports that are now getting congested, too,” Jet Aviation’s Collier observed. “Some of these places they’re going to are as much as 3 hr. away from Beijing and Shanghai.”

Operating from Hong Kong into the PRC can also be daunting, according to Collier. “There has been no change in Hong Kong operators entering China,” he said, “Lots of talk, but it hasn’t happened. Filing for a trip to the mainland, you’re considered a foreigner.” Flying into the PRC, he advises flight crews to “work to the rules and ‘nuances’” of the mainland aviation authorities. Complicating this, however, is the habit of the PRC

government to change the rules with “monotonous regularity,” he said, as there exists “a wonderful ethos of changing something within hours or days — often while you’re on a trip. You might have to change an itinerary because you can’t get into a place you’ve filed for, and this makes operating on the mainland really difficult.

“Or you might have to leave after 24 hr. because of a rules change,” he continued. “Maybe you’re at a conference or meeting and have to pack up and leave.” And forget about trying to operate charters on the mainland, Collier said, “because you can’t guarantee a slot. Even private clients have to be really flexible. This is a major problem where you lose the flexibility of what you’re offering.”

Be Fair

Is there any reason for optimism that access for business aviation at Hong Kong will improve in the foreseeable future? The

Doubts About China’s Airport Program

Is China’s airport development program a serious attempt to bring air transportation to the country’s far-flung regions? Are the hundreds of airports planned going to truly open the People’s Republic to business aviation? Will the fields play a major role in developing a new generation of civil-trained pilots for the PRC’s aviation industry? Will they encourage China’s well-heeled entrepreneurs to earn pilot licenses and purchase their own aircraft?

These questions frame the objectives of the government’s stated general aviation development plan — or so we are to believe. “Operating in China” (*BCA*, November 2017, page 42) outlined this initiative. The story cited Asian Business Aviation Association (AsBAA) Chairwoman Jenny Lau, who said the foundation of the program was pilot training and small airport development, since the former could not be carried out without the latter. The aim of the initiative, according to the director general of the Civil Aviation Administration of China (CAAC), is to have 2,000 airports constructed by 2030 to serve 2,800 cities and townships, primarily in China’s thinly populated western region.

As of last fall, 311 general aviation airports were claimed to have been completed, with 74 awarded CAAC

approval and the others still awaiting certification. But there were two clues that there might be more to the airport-building program than was publicly apparent. First, the runways at these fields are universally 800 meters (2,625 ft.) in length, perhaps sufficient for primary flight training but not long enough to accommodate most business jets, certainly not the intercontinental types foreign visitors would be operating into the country’s outback.

Secondly, under the communist system adopted by the Chinese under Chairman Mao Zedong after World War II, there is no privately owned land, as technically, everything belongs to the state. So, it is difficult — again, technically — for non-government entities like developers to be able to build retail or residential structures.

Meanwhile, many of the small towns in western China that wanted airports under the general aviation initiative lacked the financial resources to do so. Enter private developers.

Closely watching these developments unfold was Francis Chao, editor and publisher of *China Civil Aviation Report* and managing director of Uniworld LLC, a marketing support company in Beijing. Chao, who divides his time between Beijing and Pittsburg, California, near San

Francisco, has a different take on the PRC’s general aviation program.

Cutting the Cake

In China today the aviation industry “is a big cake,” Chao says and “everyone wants a share.” Civil aviation was “owned and operated” by the state until 1979, when the system was liberalized, allowing the formation of airlines. Now, almost 40 years later, having been exposed to business aviation from visiting operators and recognizing a need to open up China’s remote regions lacking air service, the government has begun to see the need for a general aviation system to supplement airline service and develop new generations of pilots and maintenance technicians.

But there was no knowledge base in the country to support building a general aviation industry from scratch or even an understanding of its freedom of operation in a country where control of every aspect of public life is dominant.

For example, China’s air traffic control system, operated by the People’s Liberation Army (PLA), is set up to accommodate only military and commercial aviation, not operators who want to fly where and when they desire. Integrating ad hoc operations into that system will require a major restructuring of air

long-discussed third runway built on landfill in the South China Sea could — repeat, could — include a ramp extension for parking. But it remains to be seen if the airport authorities would devote even part of any new space to business aircraft parking. Or whether the presence of more concrete would increase the airport's capacity sufficiently to allow more non-airline traffic onto the field. Reportedly, construction has commenced with filling on the north side of the airport, but completion is predicted to be five years away.

In the meantime, AsBAA and operators on the field like the BAC and some charter-management companies continue to lobby Hong Kong's civil aviation authority for "fair treatment" regarding slots, parking and night ops for a larger number of business aircraft types. The recent two-slot increase (from seven to nine) for nighttime arrivals and departures was a small victory.

But Pat Dunn isn't impressed. "There are 300 to 350 based business aircraft distributed between mainland China

and Hong Kong [AsBAA sets the number at 470], but just south of Hong Kong in Southeast Asia there are more than 750, and they are as limited in terms of access as U.S. operators. This is more than double the number that are 'theoretically' based there. That is, they 'try' to be there, but there is no parking. Business aviation represents 8% of all the slots issued in Hong Kong. They are trying to open up late-night slots, but who wants to go in the middle of the night?"

Dunn's advice to operators planning to go to Hong Kong — and fortunate enough to nail down slots — is to "ensure your principals are on time coming and going. It's frustrating to deal with the issue — even the based operators are saying it's only gotten worse. But don't get upset, as it's not going to change anything. Be prepared for inconvenience."

And Phil Balmer added, "If you are a foreign operator coming here only infrequently, navigating the system is complex; for a company like TAG that is here, we have to live with it every day." **BCA**

traffic management as well as ground-based infrastructure.

"The PRC government — the CAAC, the military and the Office of the Premier of China — is there to regulate and not to serve or help," Chao observed. But the PRC is committed to establishing a general aviation sector, and as it has done with great public works projects in the past, it threw millions of yuans (the Chinese currency) at the endeavor, purchasing general aviation OEMs like Cirrus Aircraft and Continental Motors as a means of laying the groundwork. However, it still lacked an operational infrastructure, mainly airports, to support its nascent industry, and in 2015, the premier delegated the authority to build a network of general aviation airports to cash-strapped local governments throughout the country. By 2030, he claimed, there would be a general aviation airport in all 2,800 counties in China. "Later they modified it to 500 general aviation airports by 2020," Chao said.

"Under the old order," Chao explained, "if you wanted to build an airport, you had to go to the central government [and deal with extensive bureaucracy]; and few wanted to do that, so they exploited a loophole to build landing strips limited to 800 meters." The "little secret" about that, he says, was that these airports were not really about aviation but a scheme by local developers to

secure land. "So the central government released land that people could develop for profit. In Chinese, it's called 'red-line drawing' — you are 'blessed' to use the land for a specified purpose, and once you have the red line drawn on a map, you can move people out of that area, develop it, and raise its value."

The general aviation initiative is the first time in China's history that land has been "blessed" by the central government, allowing developers to borrow money against it through government-owned banks. "Now there are hundreds of 'general aviation industrial parks,'" Chao said, "and most of them have an 800-meter runway, a huge terminal, a control tower, hangars and a few light airplanes — as in the PRC, you can start a general aviation company with only two airplanes — and hardly any aviation activity. Also, a large city will have been built there, but the focus will not be the airport, which was just a way to get the land to be able to develop a city."

No Place to Go

But the subterfuge, he says, is that "everyone knows that in China there is limited airspace for general aviation to begin with because the military is not relaxing ATC to accommodate it. You won't get permission for a flight plan, and you can only fly within a 30 km [16 nm] radius of the airport and up to a 1,000-meter [3,280-ft.] ceiling, good

only for basic training and 'discovery flights.'"

Some 30 of these airports are owned by the Aviation Industry Corp. of China (AVIC), which Chao claims has subcontracted to developers to improve the land and build the airports. "The developers are not there for aviation," he maintains, "their focus is on developing the land. They know that the military isn't going to liberalize ATC any time soon so they're 'relaxed' and getting loans from the state-owned banks."

Some background on PRC aviation fiefdoms may be in order here. "China started with military aviation [in the late 1940s] and built commercial aviation later," Chao said. "At that time, they separated the PRC Air Force into two parts: one to defend the country and the other to develop commercial aviation as the CAAC." Originally, the CAAC embraced both rulemaking and operation of China's national airline, which carried the same acronym in its livery. Eventually, the airline was spun off, and the CAAC reverted to being solely a regulator.

With the liberalization of commercial aviation in the 1980s, airlines developed rapidly, and the CAAC, now fully divorced from the military, rode higher in the PRC bureaucracy on the success of the commercial carriers it was vested with regulating. "And the part of the military that was in charge of the airspace that the airlines were flying through