



“JP” Hanley, President

TBM 700 Newsletter

November 2003

Welcome to our bimonthly update of the Socata TBM 700 market. During the previous two months the following TBM 700's have been sold:

YR.	S/N	A/F	ENG	MDL	EFIS	MFD	GPS	S/S	R/D	Wx	P	I	DH	AIR	ASK \$
2000	172	450	450	“B”	Yes	KMD-850	Garmin 530's	Yes	Yes	Yes	9	9	No	Yes	\$2,000
2000	164	460	460	“B”	Yes	Avidyne	Garmin 430's	Yes	Yes	No	9	9	No	Yes	\$2,250
2002	229	160	160	“B”	Yes	KMD-850	Garmin 530's	Yes	Yes	Yes	9	9	No	Yes	\$2,250

Legend:

S/N = Serial Number	R/D = Radar	↑ = Price Increased
A/F = Airframe	P = Paint	↓ = Price Reduced
ENG = Engine	I = Interior	
MDL = Model	DH = Damage History	
S/S = Stormscope	Air = Freon Air	
MFD = Multifunction Display	Wx = Weather Uplink	

The following is a list of TBM 700's currently for sale:

MODEL YEAR	SERIAL NUMBER	TTSN	FEATURES	ASKING PRICE
TBM	700A		Small door	
1991	002	2,300	1460 TSN, No EFIS or Air, new P&I to cust. Specs	\$1,560,000↑
1991	007	3,020	0 SMOH, GNS-530, Skywatch, Excellent P&I, NDH	\$1,695,000
1991	013	2,000	Dual Garmin 430's, Radar, S/S, 10-year c/w 10/01	\$1,575,000↑
1991	016	3,266	700 SMOH, GNS-530, Skywatch, New P&I 2001	\$1,399,000*
1991	021	1,550	200 SHS, EFIS, Garmin 530, RDR-2000, New P&I	\$1,695,000↑
1992	024	3,380	“0” SMOH, EFIS, Garmin 530/430, new paint & interior	\$1,500,000
1992	030	2,975	2250 SMOH, Garmin-530, KLN-90B, WX-1000, no freon	\$1,550,000
1992	049	2,391	EFIS, IHAS 8000, BFG Skywatch, Freon Air, NDH	\$1,660,000
1992	053	1,527	EFIS, Garmin 530, KLN-90B BFG Skywatch, WX-1000	\$1,599,000*
1993	086	1,257	No EFIS or Air, GNS-430, Skywatch, Gear O/H 6/02	\$1,595,000↓
1995	107	2,000	EFIS, KLN-90B, KMD-850, New Paint 2002, Skywatch	\$1,695,000*
1997	118	1,080	EFIS, Garmin 530/430, S/S, New P&I, Freon Air, NDH	\$1,795,000↓
1999	141	1,400	EFIS, 1-owner, KMD-850, Freon Air, KLN-90B	\$1,925,000
TBM	700B		Large door	
1999	148	1,300	EFIS, Dual GNS-530, KMD-850, EGPWS, Skywatch	\$2,100,000
2000	161	388	Sandel EFIS, Dual Garmin 430's, Freon Air, 02 gen.	\$2,195,000
2000	164	520	EFIS, Garmin 430, P&I like new, O2 generators, Air	\$2,250,000↑
2000	166	1,050	EFIS, KLN-90B, RDR-2000, Freon Air, No Damage	\$2,250,000
2000	169	400	EFIS, KLN-90B, Freon Air, RDR-2000, NDH	\$2,200,000↓

2000	171	328	EFIS, Argus 7000, Skywatch, WX-1000, 02 generators	\$2,300,000
2000	175	600	EFIS, Dual Garmin 530's, Skywatch, Flightmax 750, A/C	\$2,050,000
2000	201	420	EFIS, Garmin 430/530, RDR-2000, FM Immunity/8.33	\$2,385,000
2001	210	201	EFIS, KMD-850 w/EGPWS, GNS-430, Skywatch	\$2,175,000
2001	217	210	EFIS, Dual Garmin GNS-530's, KMD-850, Skywatch	\$2,250,000
2001	218	145	EFIS, Dual Garmin GNS-530's, KMD-850, WX-1000	\$2,275,000
2002	223	215	EFIS, Garmin 530's, Flight phone, WX-1000, warranty	\$2,350,000
2002	228	460	EFIS, Garmin 530's, KMD-850, EGPWS, WX-500	\$2,300,000
2002	234	146	EFIS, Garmin 530's, KMD-850, Skywatch, Pilot Door	\$2,350,000*↓
<u>TBM</u>	<u>700C2</u>		<u>Increased Gross Weight - 7,430 lbs MRAMP</u>	
2003	254	154	EFIS, Garmin 530's, IHAS 8000, WX-500, RDR-2000	\$2,450,000

***Owned or exclusively represented by Corporate AirSearch Int'l., Inc.**

We had the opportunity to attend the TBMOG meeting in St. Augustine, FL where the hot topic of discussion was service bulletin ("SB") 14261. This SB, which was originally issued back in 1998, was recently revised to SB-14261 revision 5 after an engine failure on TBM 700 S/N 112 in December of 2002. Pratt & Whitney ("P&W") attributed the engine failure to the lack of compliance with this SB even though P&W never recommended compliance or even mentioned it to the owner during the hot section that P&W completed 500 hours earlier.

Current TBM 700A and a small percentage of TBM 700B owners are frustrated as they feel P&W should take on the brunt of the cost to comply with this SB. P&W has offered to comply with the SB at a discounted "campaign" rate and upgrade the time between overhauls ("TBO") from 3,000 hours to 3,500 hours but each owner would still have to pay a significant amount of money to be in compliance. It is interesting to note that P&W has not changed the status of the SB but now is recommending that either the current compressor turbine ("CT") blades be replaced with new at hot section or replacement of the entire CT disk with a new high reliability disk that has 43 blades instead of the current 52 blades. There are three choices available to TBM owners that have not complied with SB-14261R5.

1. Continue to operate the engine without complying with SB-14261R5 (Unless regulatory operating requirements mandate compliance)
2. Comply with the service bulletin by replacing the blades on the current CT disk with new.
3. Replace the CT with the new style high reliability 43 blade CT Disk

Please note, presently P&W has not made this a mandatory SB nor has Socata/the DGAC/or FAA changed the status of this SB. Even at the discounted rates the cost to each owner is estimated at \$80,000 to replace the CT disk with the new style CT disk or \$15,000 to \$20,000 to have the current disk rebladed. Please note the upgrade in TBO from 3,000 to 3,500 hours would only be applicable if you replaced the CT disk with the new style 43-blade CT disk.

This is a personal decision that each owner must make and be comfortable with. The P&W PT6A-64 engine has an excellent safety record with approximately 1 engine in-flight failure per 240,000 hours of flying. While no owner/operator wants to take any unnecessary risks, it should give the owner/operator some food for thought that P&W and the airworthiness authorities have not changed the status of this SB.

How has this SB affected the pre-owned TBM 700's? We are now seeing advertisements for TBM 700's stating compliance with SB-14261R5/TBO extension to 3500 hours and prospective buyers are asking if the SB-14261R5 has been complied with. It appears that the market place is starting to dictate compliance with the service bulletin or a price discount so a new owner can comply with it. Although our company sells a large percentage of pre-owned TBM 700's we do not represent ourselves as a technical authority and accordingly recommend that buyers discuss this with P&W, as the engine manufacturer, directly. In our opinion it is best to try to inform all prospective TBM buyers and after they discuss the SB with P&W they can make an educated decision on how to proceed. As the service bulletin can affect the entire market place, including those aircraft that had the SB incorporated at manufacturer, it is in everyone's best interest to have an open dialogue between TBM 700 buyers, sellers and owners.

Although we clearly recognize that most TBM owners are intimately familiar with the principal of the engine's operation a review for those who may not be so knowledgeable may be appropriate. Simply put, the expansion of hot gases through the CT assembly produces the sole energy directly driving the engine compressor section, the accessory gearbox, and although not directly coupled, through the power turbine ("PT") assembly that ultimately drives the propeller. Since the redesign of the new style CT disk/blade assembly may be significantly different than the old style, a prudent person contemplating the incorporation of the SB, should make himself or herself comfortable that the compliance will not have a detrimental effect on engine temperature, fuel flow, or equivalent shaft horsepower, or any other functional parameter that would compromise any data on which flight planning is based. In a perfect world any material change would automatically result in updated operator information but we suggest that one should not necessarily make that assumption. Be informed!

Further thoughts! The PT6A-64 engine is from a long line of P & W reverse flow, free spooling turbine engines with an overall phenomenal safety record. In fact, many of the internal components of this engine are the same as other "dash number" PT6A engines that have been in service for some time. Many, if not all, of these engines already currently enjoy a 3,500-hour TBO! Not to add additional angst to the decision making process but, in the event that through operating and overhaul experience with the -64 engine the standard TBO is raised to 3,500 hours, not an unlikely event, will that negate any benefit in TBO for engines with the SB incorporated or will the TBO for SB compliant engines then become 4,000 hours? Or?

While we acknowledge that we are not technical experts in the mechanical sense, we are definitely experts in the marketing of TBM aircraft and the effects of improvements or otherwise, on an aircraft's value! Because of this SB, current marketplace reality is that aircraft with a compliant engine will be valued higher. The question becomes how much higher? All reputable valuation sources establish a theoretical base value of a particular make, year and model of aircraft in a "half-life" condition, one where the aircraft has "half-life" remaining on all major inspections/overhauls and is in a standard configuration for its age. When valuing a specific aircraft, this "half-life" theoretical aircraft then has its value adjusted up or down based on its specific status. I.E. An aircraft with a recent engine overhaul would enjoy an enhancement to value by approximately one-half of the average cost of the engine overhaul (Since the base value already includes one-half life remaining). Conversely, an aircraft with an engine close to the maximum TBO should expect to suffer approx one-half the cost of the average engine overhaul. If the reader accepts this basic premise, it should be seen that owners of aircraft with the fully incorporated SB should expect to enjoy a value increase of one-half of the amount of the

SB (less the value of any hours flown since compliance!). Purchasers of aircraft on which the full SB has been applied should expect to pay an amount of approximately half of the cost over a theoretically identical aircraft on which compliance has not been accomplished. In short, it would be unrealistic of sellers to expect to recover the entire cost of compliance and buyers would be unrealistic to expect the seller to absorb the entire value reduction.

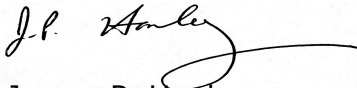
We would like to welcome the following new TBM 700 owners:

- Keith Holben 2000 TBM 700, S/N 172 (Previous PC-12 owner)
- Tom Conrad 2000 TBM 700, S/N 164 (Previous King Air C-90B)
- David O'Malley 2002 TBM 700, S/N 229 (Owned TBM 700, S/N 4)

Please visit our website at www.CaiJets.com to view pictures of the TBM 700's we have available for sale and lots more information on the TBM 700. If you know of someone who is interested in receiving our newsletter please have him or her click this link to [signup](#).

If you are ready to take the next step to purchase a TBM 700 please let us know. We can offer attractive financing packages and have the ability to take trades. We look forward to hearing how we can be of assistance.

Thank you,



James P. Hanley
President

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