The Av-Gas Supply ... Outlook Troubled

By Patricia J. Estes

NDAA members weren't promised any rose garden, as the song goes, when a panel discussed av-gas supplies for the '80s at the association's January convention in Bismarck. However, the picture while one of concern wasn't all gloom and doom.

The four member panel consisted of N.D. Aeronautics Commissioner Harold Vavra, Lawrence McCabe, assistant director of Minnesota Department of Transportation (DOT), Ted Campbell, local division manager with Texaco and James Koval, a Texaco executive in International sales in the White Plains, N.Y. Texaco headquarters.

Koval told the group that Texaco takes its obligation to supply av-gas to the aviation industry seriously. The company is not in a program of phasing out this product as it is in phasing out motor fuel in the Midwest.

However, av-gas is a specialized product with low volume sales and its manufacture is similar to that of unleaded gas. Therefore it ends up competing in manufacture with unleaded gas.

Airline deregulation placed even more pressure on the supply and delivery system of av-gas, he noted. The closest Texaco refinery of av-gas for North Dakota users is in Illinois. This causes distribution problems and while Texaco wants to assure the customer of a steady supply, it is not easily done. Texaco does hope to supply North Dakota as long as possible.

In the '70s, he continued, product cost will increase and this must be passed on by Texaco to the consumers. Adequate return to Texaco is a must in order for research into alternate fuels and other energy solutions to continue.

If the aviation industry has needs, so does the fuel industry. One thing needed, according to this Texaco executive, is less government regulation.

While aviation products are not under government regulations, motor fuels are and this affects all fuels directly or indirectly.

More people need to be stimulated into manufacturing av-gasoline. If an economic incentive is there, people will enter into that manufacturing enterprise.

Currently it is clear, Koval continued, that the free market must be given an opportunity to operate. That might lead to incentives for increased production.

New to the area, Campbell shared some solutions under study in the Southeast part of the country where he was previously based.

The problems are similar and solutions focus on pooling of

Continued on Page 4
From Your President
By Bill Beeks, NDAA President

As your new NDAA president I would like to thank all of you for the support you have given our organization over the years. I had hoped to start the year on a very pleasant note, but I received bad news in the mail this morning and am doing a complete rewrite.

I have a copy of the Federal Register, which I received from the office of Harold Vavra this morning. An organization called “Friends of the Earth” has petitioned the FAA and the EPA for some regulation changes. The result is a situation that could very well put pesticide applicators out of business.

Their petition calls for 1,000 feet buffer strips around the target area in which written permission must be given by the landowners or persons living in the 1,000 foot area. There is also a point system set up by which the FAA would be permitted to suspend an operator’s certificate. The EPA would, also, be required to change labeling of pesticides to conform with the above mentioned buffer strips.

I have not had the time to completely study this petition other than to read it over. The board will be working on an in-depth study of the petition along with NAA. In this manner we will be able to provide a united front in the defeat of regulations that could put us all out of business. Comment deadline on the petition is April 15, 1980, so we do have time to organize our strategy.

The solo flight checkout by member Bob Woods. The plane was designed and built by Executive Air Taxi Corp., Bismarck.

Elected
William Beeks, Central Flying Service, Washburn was elected NDAA president at the January convention in Bismarck.

Other officers elected were: Vice-president Ron Ehlers, Dickinson Air Service, Dickinson, ND; Treasurer Larry Linrud, Tri-State Aviation, Wahpeton, ND; Secretary Ted Anderson, Aviation Services, Inc., Minot, ND.

Immediate past president Robert Odegaard, Odegaard Aviation Inc., Kindred, ND, will continue to serve on the board and will represent NDAA on the national board.

UNION CARBIDE (AM CHEM)
Harry R. Johnson
112 N. Univ. Drive
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RELATIVE WIND
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RELATIVE WIND
NDAA Board Meeting

The next meeting of the NDAA Board is 3:00 p.m. Thursday, March 13, at the North Dakota Aeronautical Commission office at the Bismarck Municipal Airport. All members are welcome to attend any board meeting. Stop by if you are in the area.

Thank You
A number of sponsors provided coffee and breakfasts at the January NDAA Convention.

Thanks for the coffee breaks go to: Ostlund Chemical, Grand Forks Insurance Agency, AGSCO and Aviation Underwriting Specialists. And thanks to these sponsors of the breakfasts: American Cyanimid, West Chem., Ostlund Chemical and Velsicol plus your own Board of Directors.

Adds New Service
Jamestown Aviation Inc. has expanded its service according to Ben Meier. He reports that a helicopter tower business has been added. Ratings in a helicopter rating should contact Jamestown Aviation Inc., Box 427 or call 701-252-2150.

From Your Secretary

By Jack Daniels, NDAA Secretary

The 33rd annual meeting of the North Dakota Aviation Association is now history.

We had a good meeting, but saw a great deal of knowledge presented for too few people.

I for one was very disappointed in the turn out. We fell short, by far, of the expected, and indeed, needed, attendance.

It is difficult to continue to push for benefits for the commercial aviation community in North Dakota when so few work so hard for so many.

Where are those who benefit when it is time for them to guide and direct the efforts of the association?

To those of you who ask, "What has the Association done for me?" I submit what have you asked it to do for you?

If you cared two hoots, really, you would participate in the associations activity and be fully aware of what it is doing for you.

At the very least, it is preserving the integrity of the environment in which you live and work, assisting in the preservation of favorable laws and regulations under which you all operate.

As I have said would happen, the other shoe has fallen. Those of you who make a substantial portion of your living in the use of agri-chemicals are in for one long war.

A vocal group called "Friends of the Earth", has petitioned the FAA and EPA to completely rewrite FAR 137 as well as labeling laws. The result would literally wipe out the application of agri-chemicals by aircraft.

Last Monday's issue of the Federal Register brought forth a package of proposed new rules that can make your blood boil, hair stand on end and temper blow.

As more information and understanding of the basic issues becomes apparent your NDAA officers will seek information, ways to respond and ideas on how to cope with the problem.

The "Friends of the Earth" are after you agri-chemical operators. If you care to stay in the business of aerial application of agri-chemicals you had best join NDAA and NAAA and support their efforts to come out of this one with the right to eat.

This proposal is the most extensive proposed rewrite of FAR 137 since we, your association, and North Dakota Aeronautics Commission director Harold Vavra wrote the rule in 1966.

If you care enough, send your membership check for $75.00 to: Larry Linrud, Treasurer, Box 820, Wahpeton, ND 58075.

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MICK LUMMY

February 1980

RELATIVE WIND
Av-Gas Supply

McCabe reported that N.D. and Minnesota work together on aviation problems including the fuel situation. Furthermore, states within this region work together because that means more clout at the federal level. The Minnesota Trade Association, he noted, is made up of 100 FBOs. McCabe’s DOT office works closely with this group. Aerial sprayers have another association, and a number of people belong to both.

Currently DOT staff’s a fuel hotline desk. All FBOs either low on fuel or out of fuel are recorded and updated on a daily basis.

On the morning McCabe spoke to the NDAA convention six FBOs in Minnesota were close to being out of fuel. Two expected delivery soon and four were limiting sale of the remaining supply.

This information is logged on a recording so the public will know where av-gas is not available. The Minn. DOT has long been believed he said, the airplane is a good business and personal transportation tool. That department is dedicated to this concept and adequate fuel is a key.

By working with fuel suppliers, he noted, sometimes there can be a shifting of loads to where the need is most critical.

During 1979 DOT was called upon to help with spot agricultural aerial spray fuel supply problems.

The state annually uses 205 million gallons of aviation fuel. Of that 175 million gallons goes to major carriers. Thirty goes to general aviation needs and about eight million of those gallons are av-gas. The rest is jet fuel.

Jet fuel use has gone up, McCabe reported, while av-gas has dropped. Of importance is the fact that these sales provide an important source of tax revenue.

John Baker, AOPA national president, told McCabe the fuel supply is the number one priority problem of study for this organization in 1980.

AOPA is looking into experiments in modifying unleaded motor fuel for use as av-gas. This could be a solution to the supply problem. Texaco reported it is also looking into this as a possible solution and this is encouraging, McCabe stated.

One thing NDAA members should be looking at, according to McCabe, is the probability of av-gas going to $2 per gallon. How will all this affect your business?

In asking this of some pilots, McCabe reported, they responded by pointing out that ownership of a plane is a large investment and that operation includes other high costs. So $2.00 is only an incidental cost.

Others with less of an investment in aviation may well be more selective and reduce their use of av-gas.

Ted Campbell, Lawrence McCabe and Harold Vavra.

NORTH DAKOTA

Relative Wind
pleasure and recreational flying, limiting it to transportation only.

The rising cost of fuel will create an ever-increasing demand for more fuel efficient planes, he continued.

Another development might well be increased plane rentals by those who love to fly but cannot justify owning a plane.

FBOs as business operators will have to be more innovative in the '80s, McCabe suggested, as fuel prices increase and supplies tighten.

The Executive Director of NATA, he noted, predicts a critical shortage of avgas in 1980. At the March NATA annual meeting one entire afternoon will be devoted to this problem.

One result, NATA is suggesting, will be a drop in the number of FBOs, especially the small operators.

This development would be of real concern, McCabe stressed. The aviation industry has been working to develop a transportation fuel supply system throughout the United States, one that allows a private plane to be a viable transportation vehicle.

A decrease in FBOs might well mean that private plane flights might be limited to major destinations where fuel is available.

Vavra told the group part of the problem is that North Dakota is at the end of the avgas pipeline. It arrives in Minneapolis by barge and is then trucked here. Other supply sources are also limited in transportation options.

North Dakota consumes four million gallons of avgas a year. The total market of North, South Dakota and Minnesota probably only accounts for 16 million gallons.

Seeking solutions, Vavra and NDA Executive Secretary Jack Daniels approached the local Amoco refinery at Mandan to ascertain interest in local refining.

Vavra presented some interesting figures on the Mandan refinery operation. That refinery processes 59,000 barrel of crude daily for a finished production of 2.5 million gallons.

Last year 15,000 barrels of that daily supply of crude came from Canada. Today the refinery is using 100 percent N.D. crude.

The Williston basin is producing 100,000 barrels of crude per day and about 40,000 per day go out of the state. All indications, Vavra says, are that the supply of crude oil from western North Dakota is increasing.

Recently the Mandan refinery underwent expansion projects in order to double its production of no lead over a year ago.

One side note, Vavra pointed out, is that it requires more

Continued on Next Page
energy to produce no lead gas. It would cost Amoco $2 million to set up a distribution system for av-gas in North Dakota plus the cost of modifying the refinery.

While a market study on the issue was forwarded to the main office, the local Amoco office did not offer much encouragement for such an idea.

Rather, Vavra continued, the local refinery management thinks industry should be moving to develop an aviation engine that can burn unleaded gas. Then aviation could tap into that supply.

In the summer of 1979, Vavra reported, many suppliers would only deliver a tanker load of av-gas at a time. Some FBOs lack facilities to handle a tanker and lost delivery. In that case shortage is created by lack of storage to accept the product when it is available.

In this state the annual consumption of motor fuel is about 490 million gallons. Av-gas consumption in the 50 states hits the same figure.

The distribution problems for av-gas are severe. Vavra pointed out. On top of that jet fuel to major carriers is a mass market with a delivery per month of 1 billion 100 million gallons monthly.

All of this points out the necessity of the aviation industry to work with suppliers toward finding a stable supply and solutions to problems. McCabe reported that FBOs in his state are considering forming into a cooperative. There is a bulk farm on the market for $2.5 million. A cooperative could buy that facility, purchase av-gas when available, store it and use it as needed.

Executive Secretary Jack Daniels summed up the key problems facing NDAA members in the immediate future. He cited the first one as the need to take into account the $2 per gallon price in making business plans. Secondly FBO operators and those involved in the air taxi business might well start thinking about this overall problem as it relates to their long range planning.

In the question and answer period, Koval responded that the critical difference between motor fuel and av-gas is volatility and octane.

Pilots should resist the impulse to use unleaded gas, he cautioned. The country is divided by fuel companies into geographic areas. Unleaded gas varies as to volatility by region within the country due to weather, altitude, etc.

Another difference is that unleaded gas is less stable as av-gas. Av-gas can be stored for long periods.

While unleaded gas is close to av-gas in octane, he noted, it is not, in other properties which are needed in aviation gas.

Eventually, Koval predicted, an engine will be developed which can use unleaded gas. However, he pointed out, the industry has to realize that many planes with engines using av-gas will be out performing for years and years. "We can't just scrap all those engines."

Continuing, he cautioned against using gasohol in planes. While it has a higher octane, be wary, he advised, of the fact the alcohol could cause problems in airplane engines.

Dankels suggested, "Maybe it is time for our industry to get into the overall political arena on this issue. Deregulating motor gasoline is one solution even though it is unpopular."

Developing of a product that can be added to motor gas on site to make it into acceptable av-gas is another area the in-
dustery should be looking at, he
stressed.

In backgrouding the issue,
Daniels noted the conversion to
no lead gas as a main motor
fuel is part of the overall situa-
tion. This conversion was done
to ease pollution. It put the
burden on the petroleum in-
dustry of carrying the anti-
pollution battle cost of convert-
ing to production of no lead gas.

That was done rather than
have the auto industry develop
an engine to burn lead gas with
no pollution. The auto industry
sidestepped that investment
cost.

Discussing allocation sys-
tems, Texaco said the
history of purchase and use by
dealers helps to regulate sup-
ply. Dealers automatically get
more fuel in months when
records show more need

Overall, the panel agreed as
the cost of energy goes up the
consumer will become more
selective in using it. This frees
the overall energy supply for
must type use.

The end solution may well
have to be a single product that
meets a variety of needs when
additives are added to it.

Vavra had the last word
... one of realistic common
sense as people moan over the
high cost of fuel. Today, he
reported, it costs 65 cents per
gallon to get the $4.10 in 90, to
bring the oil in and it still has
to be manufactured, distri-
buted, sold, etc.

### Increased Government Regulation Suggested

**Could Spell Doom For Aerial Sprayers**

Recently the FAA and EPA
received petitions from the
"Friends of The Earth" to
tighten regulations and super-
vision of aerial sprayers by
both of these bodies.

These regulations would re-
quire a 1,000 foot buffer strip;
written permission of adjoining
landowners and a point system
for infractions, similar to the
system used on driver’s
licenses.

The proposal is a complex
one and is included in this
Relative Wind as an insert. If
passed, as proposed, aerial
sprayers might as well tie down
spray planes permanently.

Read that insert. Contact
your elected officials, both
state and federal level, and ex-
press your opinions. Addresses
for the FFA and EPA are in-
cluded in an editorial in the
Relative Wind on this topic.

---

**Allied Industry Membership Application**

**National Agricultural Aviation Association**

**Suite 459**

**National Press Building**

**Washington, D.C. 20045**

We recognize the importance of NAAA to the agricultural aviation operator, the direct and indirect benefits to our business resulting from NAAA’s services, and wish to add our support to NAAA through Allied Industry Membership.

We enclose our check for tax-deductible dues, for one calendar year, computed as follows: Our business is (Check one):

- **1 to 10 employees** ........................................ $165.00
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- **51 to 100 employees** .................................... $350.00
- **Over 100 employees** ................................... $480.00

**Person to be on Mailing List:** ........................................

**Company Name:** ........................................

**Street or P.O. Box:** ........................................ **Phone No.:** ........................................

**City, State:** ........................................ **Zip:** ........................................

**February 1980 RELATIVE WIND Page 7**
USDA Awards Contract For Aerial Transportation Device

WASHINGTON, Jan. 23—The U.S. Department of Agriculture has awarded a contract to begin construction of an experimental aircraft called the "Heli-Stat," an aerial transportation device for moving heavy loads. Agriculture Secretary Bob Bergland announced today.

The Heli-Stat is composed of a large, dirigible-like balloon with four helicopters attached. It could be used for unloading ships where no harbors exist, for transporting large loads that could not be moved over roads or for fighting fires in or removing logs from environmentally-sensitive areas where roads should not be built.

Piasecki Aircraft Corp. of Philadelphia, Pa., will handle the first phase of construction.

The Heli-Stat is to be completed within two years and cost $10 million, said Bergland. If construction is successful, the Heli-Stat will be tested for three years removing logs from what is now considered inaccessible terrain.

"We expect most of the development costs to be offset by the sale of logs that will be removed from national forests in the Pacific Northwest during the testing phase for his aircraft," Bergland said.

"The Heli-Stat could help salvage the yearly accumulation of a billion board feet of diseased and fire-damaged timber from national forests before it becomes unusable," Bergland said.

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Editorial:

Needed: Some Common Sense
By Patricia J. Estes

Enclosed with Relative Wind this month is a copy of proposed new rules governing aerial applicators as petitioned by the "Friends of the Earth" to FAA and EPA.

This petition and proposal is really part of an overall situation that is the accelerating trend in this country to solve any problem, big or small, with a new set of regulations and resulting penalties for any infracton.

At the rate we are going we may be creating an entirely new professional field ... that of regulation writer, enforcer, reviser, etc.

I am sure that the members of the "Friends of the Earth" are well intentioned. However, I happen to think since we ALL inhabit this planet Earth, it behooves ALL of us to be friends of the earth ... note the small letters. I am NOT advocating that we all join this formal organization.

I AM advocating some other actions. One of those activities is for NDAA members to become more vocal and visible in charting the future of the aviation industry.

And if you know someone who is involved in North Dakota aviation but is not a member of NDAA, recruit that person TODAY.

I have to state I resent any implication that those of us connected in any way with the aerial application industry are not true friends of the earth.

Wise use of pesticides when needed helps feed the world. Agriculture today, perhaps, is the most productive industry in the United States and U.S. agriculture may be the most productive industry in the world.

Part of that productivity is linked to the proper use of chemicalls.

I also am not naive enough to believe that no abuse of chemical application by aerial sprayers exists. We all know it probably does.

One of the purposes of NDAA and the national organization to upgrade its members' knowledge in this field; to police its members; to promote aviation safety.

More than that NDAA and the national organization are actively involved in working for legislation of constructive guidelines for needed new legislation in many facets of aviation, including aerial spraying.

The proposed regulation changes are an overkill, rather like using a machine gun to kill a housefly. If passed, these regulations or any patterned after them, would surely strangle the aerial application industry and hurt American agriculture.

The American consumer always pays for overregulation in the end. In this case, the pay off would be at the grocery store checkout.

Under this proposal the FAA and EPA would gain increased jurisdiction over aerial applicators. FAA would move from concern with safety to policing aerial application activities.

It is evident those who suggest these changes do NOT understand the time frame a farmer faces when confronted with a pending crop loss. The decision sometimes is to spray now or lose it all.

By the time the proper papers and authorization, as proposed, were signed, the farmer would no longer need to have Continued on Next Page

RELATIVE WIND February 1980
Join NDAA

Are you a current paid up member of NDAA? If not, why not? NDAA is the state organization working for the aviation industry.

NDAA is ready to lobby for needed state legislation or to speak out on issues that affect the aviation industry.

NDAA belongs to the national association and provides a voice in Washington for you. Aviation is facing some critical issues...fuel, increasing regulations, problems caused by spiraling inflation.

NDAA provides a voice for members facing these issues. NDAA actively researches solutions.

What's that saying? If you are not part of the solution, you are part of the problem?

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Complete This Survey Today To Help Insure Your Aviation Fuel Needs

ESTIMATED 1980 AVIATION FUEL NEEDS FOR AGRICULTURAL PURPOSES

A. Aerial Applicator
   Company: ____________________________
   Contact (name): ______________________
   Address: _____________________________
   City, state, zip code: ________________
   Phone number: _______________________  
   Total fuel storage capacity: Quantity: gal.
   Type: ________________________________
   Quantity: ____________________________

B. Local Fuel Supplier(s)
   Company: ____________________________
   Contact (name): ______________________
   Address: _____________________________
   City, state, zip code: ________________
   Phone number: _______________________  
   Refiner (e.g. Exxon, Mobil, Chevron, etc.):
   Type of fuel purchased: ____________________________
   Total gallons annually: ____________________________
   (If you use more than one supplier, provide the above information for each additional source on attached sheet.)

C. Estimate your total 1980 aviation fuel needs as follows:

   GALLONS
   TYPE OF FUEL
   1st Qtr. 2nd Qtr. 3rd Qtr. 4th Qtr. TOTAL YEAR
   1. ____________________________
   2. ____________________________
   3. ____________________________

D. Indicate the total number of agricultural aircraft you operate annually:

   Manufacturer & Model Horspower Annual Hours Usage
   1. ____________________________
   2. ____________________________
   3. ____________________________
   4. ____________________________
   5. ____________________________
   6. ____________________________
   7. ____________________________
   8. ____________________________
   9. ____________________________
   10. ____________________________

Return completed form by February 25, 1980 to:
National Agricultural Aviation Association
National Press Building - Suite 459
Washington, D.C. 20045

When necessary, use additional paper to provide NAAA with all the information requested above. Be certain to include your name and address on all attachments.

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