

Welcome

Chart Agents

Greenbelt, Maryland

March 24, 2009



Aviation System Standards

High Performing Organization

Presented To: FAA Authorized Chart Agents

By: Fred Anderson

Date: March 24, 2009

Location: Greenbelt, Maryland



Federal Aviation
Administration



What is an HPO?

- An Office of Management and Budget (OMB) initiative to enhance an organization's cost efficiency and performance to exceed that of comparable providers, whether public or private
- OMB HPO designation is recognized as an alternative to competitive sourcing
- The FAA made a request to OMB for HPO designation, and OMB has approved the HPO Plan



FAA Vision for NACO HPO

- Achieve long-term substantial and sustainable efficiency gains
- Remain competitive in a changing industry despite resource constraints
- Further reduce reliance on public funding through the implementation of cost and performance efficiencies
- Receive Competitive Sourcing Credit without conducting an A-76



HPO Goals

- Reduce NACO operational funding by 20 to 28%
- Increase the quality of AVN products and services



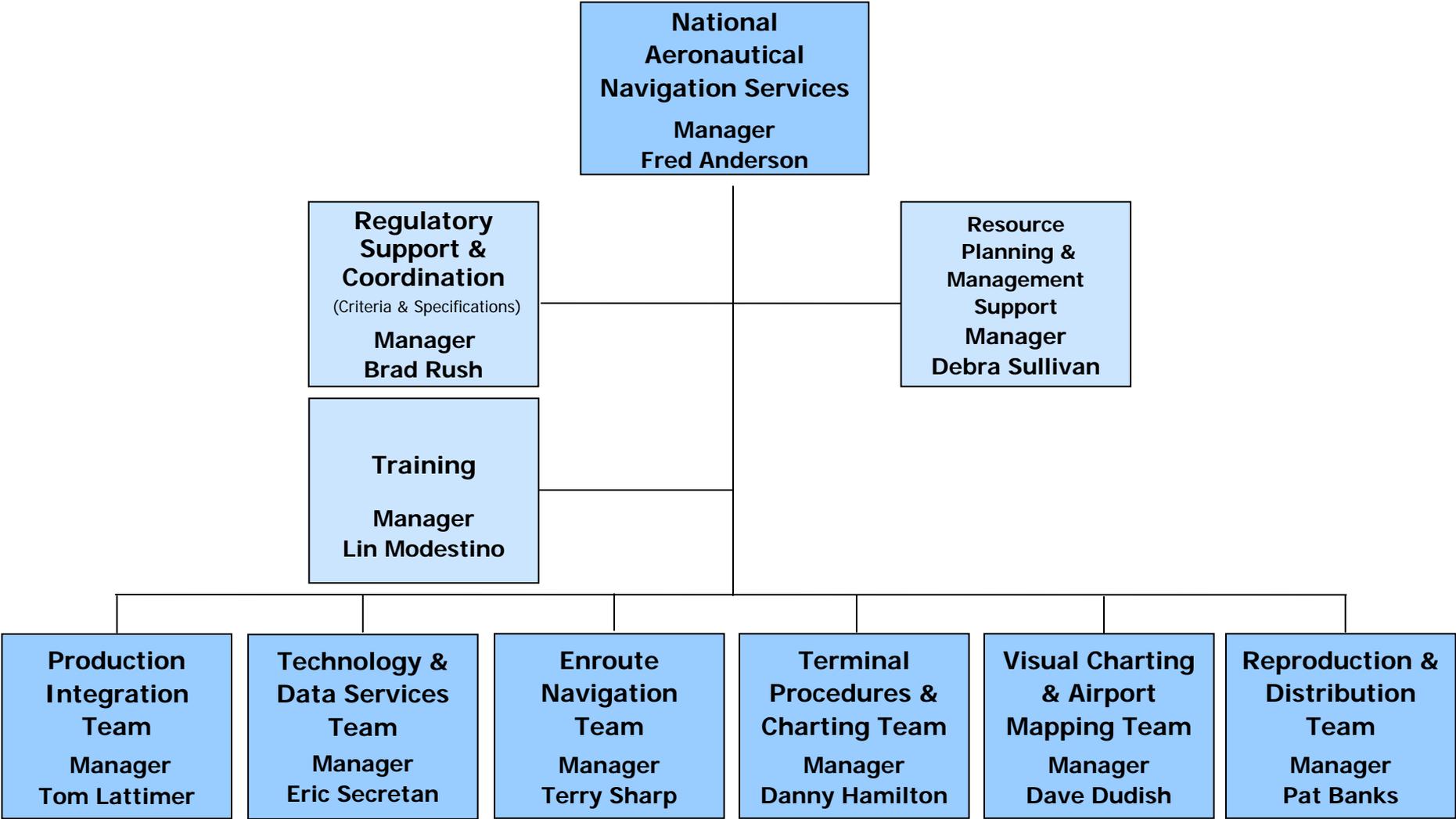
Summary of HPO Plan

- AVN Integration Efficiencies – (\$8.5M/Year)
- Revenue Increases (\$8.9M/Year)
- Reproduction Efficiencies – (\$4.2M/Year)
- Distribution Efficiencies – (\$2.4M/Year)

Note: Total Savings \$24.0M/Year Beginning in FY 13
Savings Based on FY 08 Dollars



AeroNav Services Organizational Structure



New Pricing Model

Estimated FY07 Allowable Cost Recoverable Gap of \$14M

FY07 Costs and Receipts for All Products

Total Production Cost	Recoverable Production Costs	Total Receipts	Total Allowable Cost Recovery Gap
\$45,515,297	\$36,602,563	\$22,265,215	\$14,337,348

If Cost Recovery were Maximized, NACO would have Received an Additional \$14M in Revenue in FY 07

HPO Pricing Methodology

➤ **Aeronautical Pricing Model**

- ➔ For Each Product, a Price was Calculated Such that Revenue from Sales to the Public Would Equal Their Recoverable Costs for the Quantity Sold to the Public

➤ **Strategy for Full Allowable Cost Recovery**

- ➔ Incremental Increase to Minimize Impact on General Aviation Customers
- ➔ Significant Increase on Products with Large Cost Recovery Gaps and the Increase Would Minimally affect the Primary Customer Base (i.e., Helicopter/Oil Industry Customers)

➤ **Equitable Cost Sharing for all Customers**

- ➔ FY 09 - Begin Charging Internal FAA Customers
- ➔ FY Need to Equally Share in the Cost of Production

➤ **Revise Direct Subscription Prices**

- ➔ Based on Input from Las Vegas Chart Agents Meeting

➤ **Nautical Chart Prices Established by NOAA**

- ➔ FAA Recovers Cost of Printing and Distribution through Sales

Business and Technology Changes Since Current Agent Business Model was Established

Since the Early 70's:

- Price of Conventional Nautical Charts Increased Over 15 Times
- Price of Sectional Aeronautical Charts Increased Over 8 Times
- Overnight Shipping has become Common in Business
- Electronic Ordering Available - About 98% of Aeronautical Pilots have Access to the Internet (Estimate furnished by AOPA)
- Credit Card and Electronic Fund Transfer Payments Available
- Wireless Devices Now Make Navigational Information Available Virtually Anywhere (these Devices also Include GPS)



Summary of HPO Benefits

- More Efficient Operations
- Increased Production Capacity
- Improving Quality of Products and Services
- Provide New Products and Services to our Customers



Questions



Aviation System Standards

New Chart Agent Network Model

Presented To: FAA Authorized Chart Agents

By: Pat Banks

Date: March 24, 2009

Location: Greenbelt, Maryland



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New Chart Agent Model

- Cease Providing Credits Above Contractual 20% Return Rate
- Increase Chart Agents' Minimum Sales Requirement from \$500 to \$5,000 Per Year to Reduce Administrative Costs and Number of Customer Service Reps Needed
- Permit Agents to Create Sub-agent Networks
 - Flexibility for Agents to Expand and Meet Public's Demand
- Require Online Only Sales to Consolidate Sales Records and Reduce Number of Service Reps Needed
- Conduct Survey Every 6 Months to Solicit Feedback and Monitor Service

Options for Existing Agents Under the New Chart Agent Model

- Become an Agent - Without Sales Outlets
- Become an Agent - With Sales Outlets
- Close Account - Become a Sales Outlet
- Close Account



New Chart Agent Network Model

Opportunities Available:

- Input on Policy
- Increase Annual Sales to Meet \$5K Goal
- Take advantage of Established Networks
- On-line Ordering
- What can we do to Help?

Questions



Aviation System Standards

Draft of FAA Authorized Chart Agent Agreement

Presented To: FAA Authorized Chart Agents

By: Bill Maynard

Date: March 24, 2009

Location: Greenbelt, Maryland



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Draft of FAA Authorized Chart Agent Agreement

Agents

- **Sign a new Agreement with FAA**
- **Direct Communication with FAA**
- **Establish Network of Sales Outlets**
- **Orders and Returns - Only Initiated by Agents**
- **Agent Personnel must adhere to Terms of Agent Agreement**



Draft of FAA Authorized Chart Agent Agreement

Agents Network

- **Agents must provide FAA with Addresses of Sales Outlets**
- **Agent Orders may be drop Shipped directly from FAA to Agent's Sales Outlets for an additional service fee**
- **Sales Outlets**
 - No Agreement or relationship with FAA
 - No Direct Communication with FAA
 - No Obsolete Returns for Credit accepted directly from Sales Outlets



Draft of FAA Authorized Chart Agent Agreement

Agents Network (continued)

- **Sales Outlet Personnel must adhere to Terms of Agreement between FAA and Agent**
- **Subject to Inspection**

Sales Volume

- **Minimum \$5,000 Annual Net Sales**
- **Agents Not Meeting Minimum Sales Volume in Second Year - Considered for Cancellation**



Draft of FAA Authorized Chart Agent Agreement

Sales Price

- **Agents may sell for no more than the price established by the FAA**
- **Agents may add local sales tax and fees for delivery**

Orders

- **Must be Submitted Using E-Commerce**
- **Only Agents Permitted to Submit Orders**
- **Report Discrepancies within 3 Weeks of Order**



Draft of FAA Authorized Chart Agent Agreement

Discounts

- **Current is 40%**

Obsolete Products

- **Credit Allowed for up to 20% of Agents Net Sales Volume**
- **Agents Return Rate Greater Than 20% in any One Month – Obsolete Returns Not Retained by FAA**

Remittances

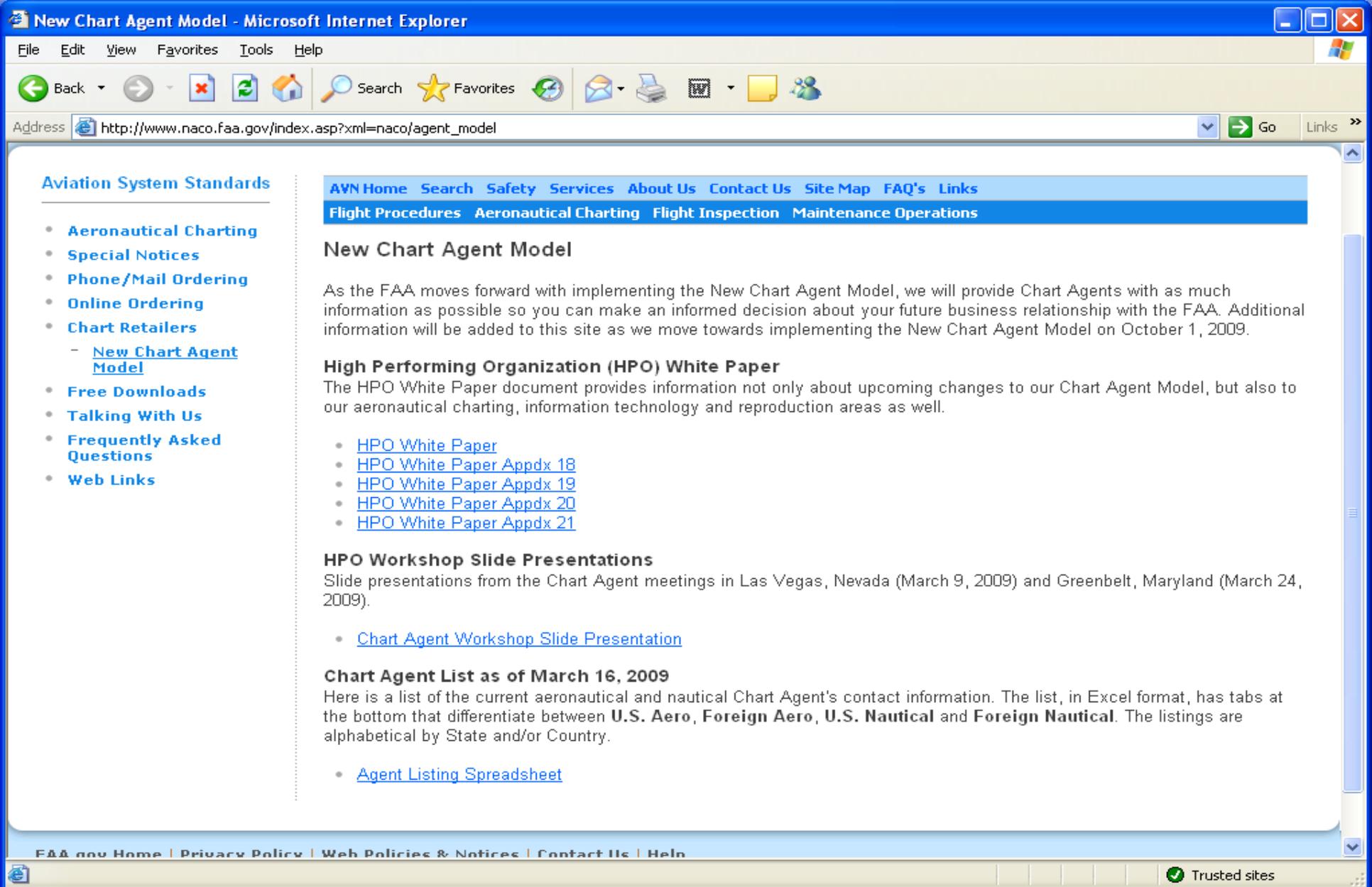
- **Accept ACH-EFT, Credit Cards and Checks**
- **Future Option - Payments Through E-Commerce**

New Chart Agent Model

- **FAA/NACO Website Address for New Chart Agent Model information:**

<http://www.naco.faa.gov>

- **Click on “Chart Retailers”**
- **Click on “New Chart Agent Model”**



Aviation System Standards

- [Aeronautical Charting](#)
- [Special Notices](#)
- [Phone/Mail Ordering](#)
- [Online Ordering](#)
- [Chart Retailers](#)
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New Chart Agent Model

As the FAA moves forward with implementing the New Chart Agent Model, we will provide Chart Agents with as much information as possible so you can make an informed decision about your future business relationship with the FAA. Additional information will be added to this site as we move towards implementing the New Chart Agent Model on October 1, 2009.

High Performing Organization (HPO) White Paper

The HPO White Paper document provides information not only about upcoming changes to our Chart Agent Model, but also to our aeronautical charting, information technology and reproduction areas as well.

- [HPO White Paper](#)
- [HPO White Paper Appdx 18](#)
- [HPO White Paper Appdx 19](#)
- [HPO White Paper Appdx 20](#)
- [HPO White Paper Appdx 21](#)

HPO Workshop Slide Presentations

Slide presentations from the Chart Agent meetings in Las Vegas, Nevada (March 9, 2009) and Greenbelt, Maryland (March 24, 2009).

- [Chart Agent Workshop Slide Presentation](#)

Chart Agent List as of March 16, 2009

Here is a list of the current aeronautical and nautical Chart Agent's contact information. The list, in Excel format, has tabs at the bottom that differentiate between **U.S. Aero**, **Foreign Aero**, **U.S. Nautical** and **Foreign Nautical**. The listings are alphabetical by State and/or Country.

- [Agent Listing Spreadsheet](#)



Timeline

April 1, 2009

- Letter to all Agents – Summary of Agent Meetings

May 1, 2009

- Certified Letters to Agents Explaining New Chart Agent Model

October 1, 2009

- Implement New Chart Agent Model
- Cancellations Begin

Questions



Aviation System Standards

Outreach & Communication Program

Presented To: FAA Authorized Chart Agents

By: Kevin Diggs

Date: March 24, 2009

Location: Greenbelt, Maryland



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Overview

- Program Objectives
 - Outreach Functions
 - Communication Functions
- AeroNav Services & You
- Product Spotlight



Program Objectives

- Expand awareness of AeroNav Services and its products and services within the aviation community
- Enhance partnership opportunities with chart agents
- Promote safe navigation and the use of current FAA charts and related products;
- Increase communication and visibility within the aviation community.



Communication Functions

- AVN Website and FAA's Safety Program Airmen Notification System (SPANS)
- 800 Telephone Number & Email
- Print Media and Press Releases



Outreach Functions

- Exhibit at national aviation conferences, airshows, and fly-ins:
 - AOPA Expo, NBAA
 - EAA AirVenture Oshkosh, Sun 'n Fun Fly-In
- Participate in state aviation and airport conferences and trade shows:
 - NASAO
 - ACI-NA, AAAE

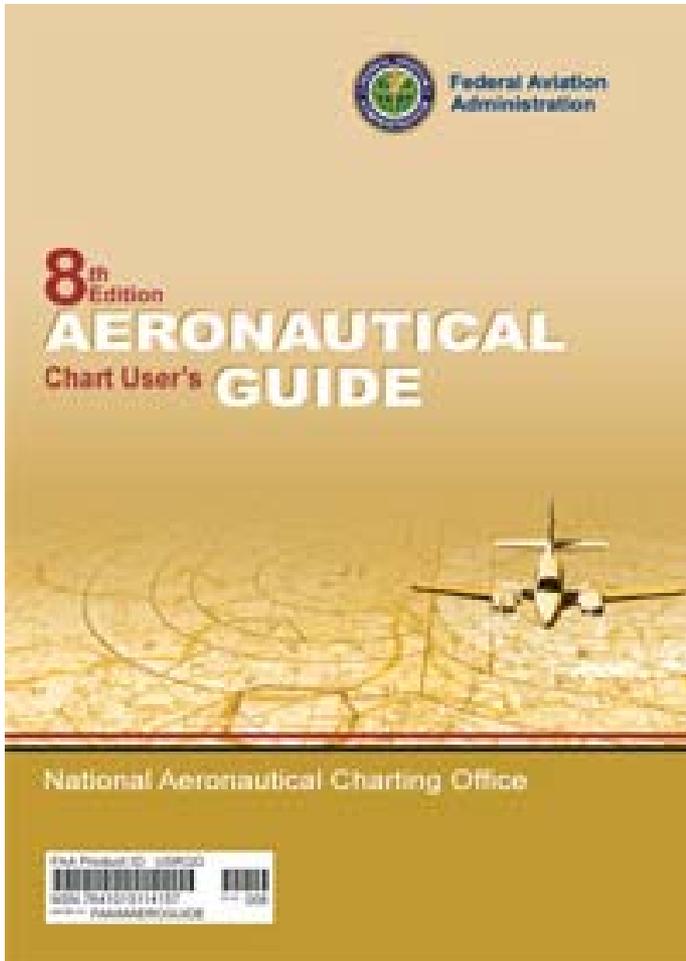


AeroNav Services & You

- New Name
 - Name Recognition
 - Focus on Brand
- New Look
 - FAA Branding
 - Product Design
- New Products and Services

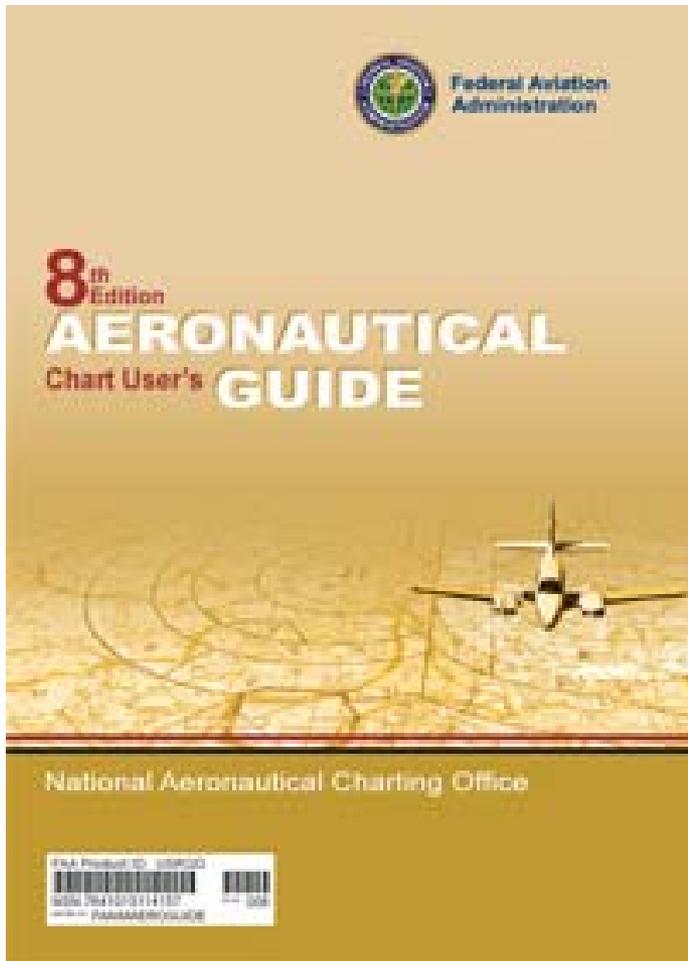


Product Spotlight



Designed to be used as a teaching aid, reference document, and an introduction to the wealth of information provided on FAA's aeronautical charts and publications.

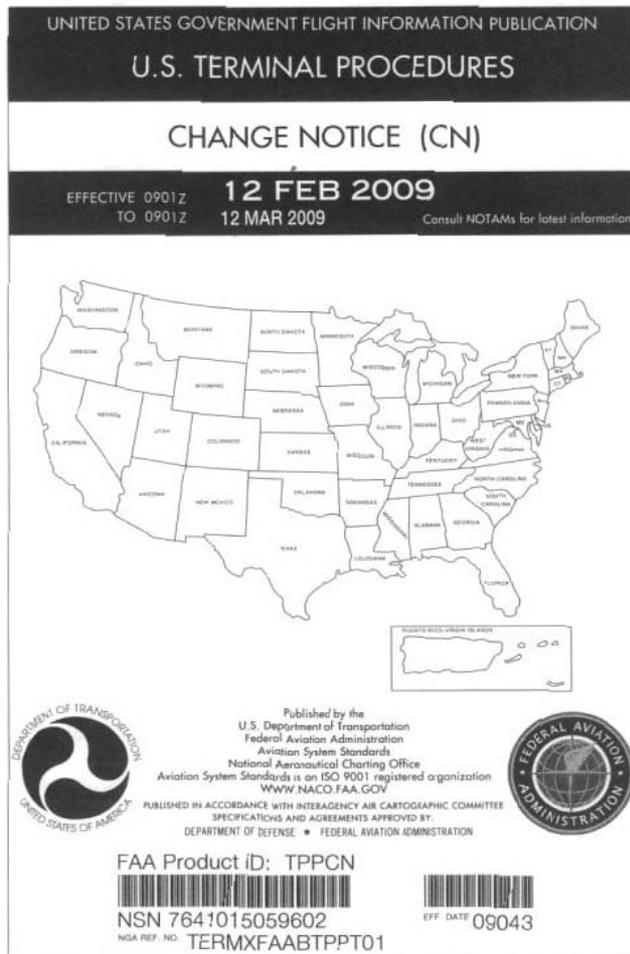
Product Spotlight



Features

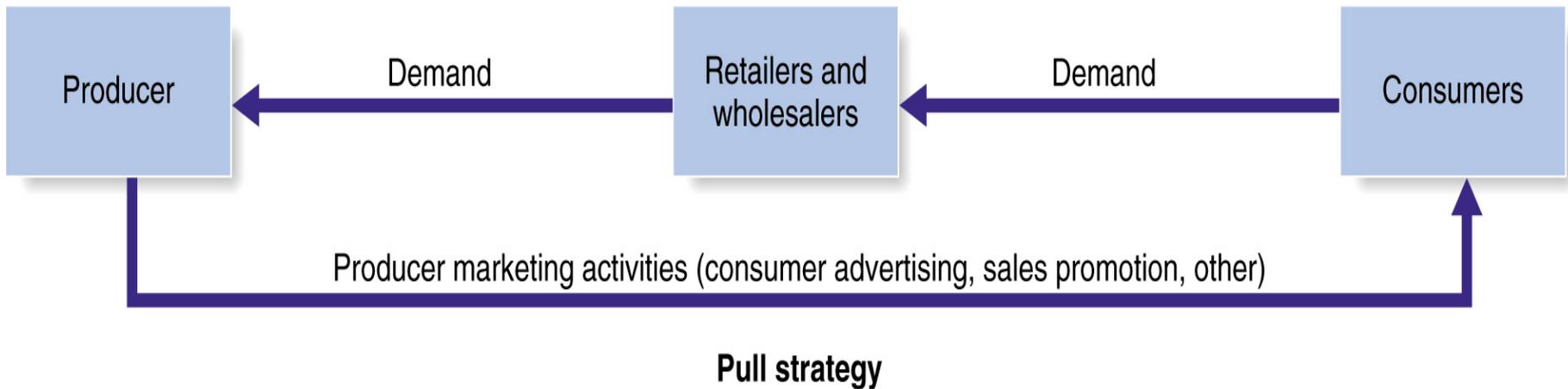
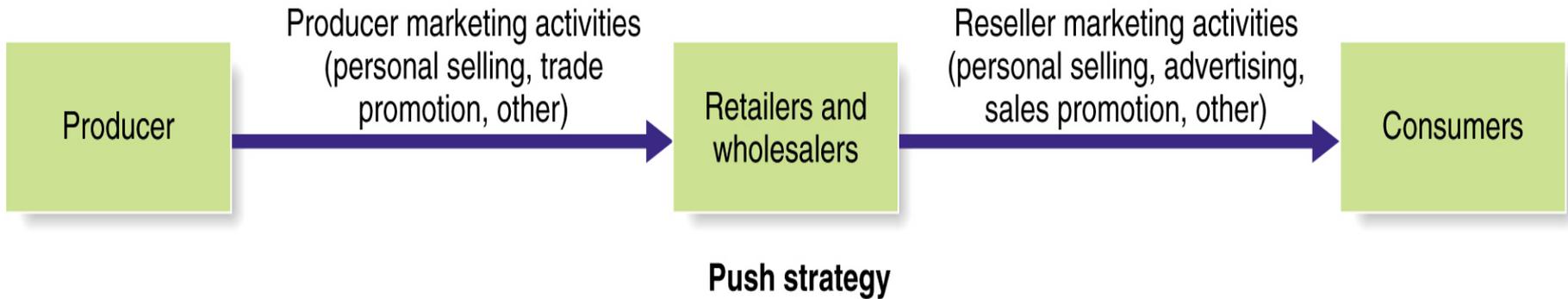
- Explanation of chart terms and symbols.
- Comprehensive display of aeronautical charting symbols organized by chart type.

Product Spotlight



U.S. Terminal Procedures Publication Change Notice is published at the midpoint between revisions in bound volume format.

Promotion & Partnering



Questions

