



**EAGLE SERVICE™ PLAN**

**ESP® PROGRAM**

**FREQUENTLY ASKED QUESTIONS**



**Pratt & Whitney Canada**

A United Technologies Company

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**MESP<sup>®</sup>**

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**PROGRAM**

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**EAGLE SERVICE<sup>™</sup> PLAN**

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**FREQUENTLY**

**ASKED**

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**QUESTIONS**

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## WHY THE ESP<sup>®</sup> PROGRAM?

In response to customer demand for an engine maintenance budget program, Pratt & Whitney Canada Corp. (P&WC) is pleased to offer the ESP<sup>®</sup> program (Eagle Service™ Plan). We listened to operators' experience with various engine service plans, and applied that experience to develop a program for you which we believe is the most competitive, comprehensive engine service program available today.

Others may claim to know everything about engine maintenance and maintenance costs for all aircraft engines. As the designer and manufacturer of P&WC engines, we know better. No one knows your engine or the engine maintenance costs better than the engine manufacturer, which is why with the P&WC ESP<sup>®</sup> program we focus only on our area of expertise – your P&WC Engines.

As part of P&WC, the ESP<sup>®</sup> program has the facilities, the parts, the rental engines and the experts to ensure that you and your P&WC engine(s) are provided with the premium service expected from the manufacturer.

We know that flight departments work hard to establish respect and credibility in their organizations. With the ESP<sup>®</sup> programs, we have virtually eliminated the risk of high cost surprises, and engine maintenance expenses become much more predictable. There are other advantages, too—transferability on resale to subsequent operators; renewability at the end of the contract term; enhanced aircraft resale value; “gold card” service from the maintenance facility.

### Want to know more? Read on.

We hope to answer the most common questions.

We want to take this opportunity to say “Thank you, for selecting P&WC’s dependable turbine engines.”

## WHAT IS THE ESP<sup>®</sup> PROGRAM?

The ESP<sup>®</sup> program consists of a number of optional engine maintenance budget plans, for operators of selected P&WC engine models, where P&WC becomes responsible for expenses resulting from:

- Hot Section Inspection (HSI)/refurbishment
- Engine overhaul/refurbishment
- Basic unscheduled engine maintenance
- Basic unscheduled Line Replaceable Unit (LRU)/accessory maintenance
- Required product support improvements at engine shop visit

The ESP<sup>®</sup> program now offers several plan options to suit individual operator's requirements. Among them, the ESP<sup>®</sup> program Gold Plan offers the most comprehensive coverage, and includes:

- All required engine parts for the aforementioned engine events, including Life Limited Parts (LLP) such as disks, rotors, impellers, etc.
- Engine shop labour
- Mobile Repair Team (MRT) support for Aircraft on Ground (AOG) for ESP<sup>®</sup> program covered events.
- Rental engine at ESP<sup>®</sup> program rates
- Troubleshooting labour allowance
- Removal and installation labour allowance for engines and LRU/accessories
- Freight for engine and engine parts

For other plans, please refer to the chart in the section entitled “What is covered by the program?”, page 8.

Each plan has been designed to suit individual operator needs, and has been priced accordingly at a fixed rate per flight hour. On a monthly basis, the operator pays an amount based on the number of hours flown in a given month multiplied by the applicable dollar (\$) rate per hour.

## WHAT ARE THE BENEFITS OF JOINING THE ESP<sup>®</sup> PROGRAM?

For the operator, we think there are many. First, engine maintenance expenses are more predictable as they become stabilized to the level of aircraft utilization. Given the level of utilization, budgeting and forecasting for the engine maintenance portion of your flight operations becomes much easier.

This plan virtually eliminates the possibility of high cost surprises, both scheduled and unscheduled, with the exception of expenses related to such things including, but not limited to, negligence, improper use or accidents. A smooth, steady payment schedule helps, to ensure that the budget remains on target.

Since the plan is transferable on resale to subsequent owners or operators, it becomes a portable asset to enhance your aircraft resale value, and improves the potential for buyer consideration. With ESP<sup>®</sup> program coverage, the operator is buying what we call VFR/IFR (Value For Reliability/Investment For Restoration). Future purchasers will be assured that engine maintenance has been performed in accordance with P&WC's requirements, and that the plan is backed and supported by the engine's manufacturer.

And last but not least, the ESP<sup>®</sup> program card introduces you to the worldwide P&WC service centres as a valued customer deserving special attention. They will know that you are backed by the finest engine service program in the industry.

## WHAT IS THE HOURLY RATE FOR MY ENGINE?


The hourly rate established for each engine model is based on the expected cost of operating a mature engine. This assures the enrolled operator that their operating costs will be that expected of a mature engine in a mature operation from day one.

The rate takes into account the benefit of existing warranty and commercial support programs, and that the operator's payments begin when the engine's life begins.

There are several basic hourly rates, depending on the plan selected.

For more information on hourly rates, please contact the ESP<sup>®</sup> Program Office (see page 12), or your local P&WC service representative.





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## WHAT DO I DO TO ENROLL?

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First, complete the enclosed enrollment application form (in back pocket) and send it along with copies of your engine and aircraft logbooks. Your P&WC sales or service representative may have or can obtain this form, and will be happy to assist you in completing and submitting the form. Alternatively, you may call us for assistance with enrollment. There is an application form also available on our website at: [www.pwc.ca/ESP](http://www.pwc.ca/ESP). The enrollment application is for information purposes only and does not generate any contractual obligations.

Upon receipt of the enrollment application, P&WC will prepare and send duplicate copies of the P&WC/Operator ESP® program agreement for review and signature by a duly authorized operator/representative.

The enrollment application form may also be used to submit a request for hourly rates or to obtain a quotation to enroll used engine(s).

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## WHO CAN ENROLL?

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The ESP® program is offered to the owners or operators of new or used P&WC engines that are intended for normal passenger/freight transport operation. P&WC engines that have been maintained in accordance with all applicable P&WC Maintenance Manuals, Service Bulletins and recommendations are eligible for enrollment. Used engines may be required to meet certain minimum Service Bulletin standards prior to being enrolled.

By enrolling the engine(s) when new, the operator can ensure a smooth payment schedule, and preclude unforeseen maintenance expenses later in the life of the engine(s).

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## ARE THERE ANY ADVANTAGES IF I ENROLL MY ENGINES WHEN THEY ARE NEW?

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Yes. For operators who enroll engines prior to 100 hours Total Time Since New (TTSN), the first 25 hours TTSN, or the total hours on the engines on the date of aircraft retail sale, whichever is greater, is subtracted from the total time on the engines when enrolled, thus reducing the ESP® program buy-in payment as applicable. In addition, for operators who enroll their new P&WC engines before 200 hours TTSN, an early enrollment New Engine Discount rate may be available for a specified period of time.

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# WHAT ARE THE REQUIREMENTS FOR ENROLLMENT?

In order to be eligible for ESP® program enrollment, in-service engines must:

- 1/ have been maintained in accordance with all P&WC maintenance and overhaul manuals, service information letters and recommendations; and
- 2/ have complete traceability of prior engine maintenance and LLP item sheets detailing hours and cycles; and
- 3/ all prior overhauls and repairs shall have been performed by a facility recognized by P&WC, in accordance with P&WC's applicable manuals, instructions and recommendations; and
- 4/ have recently completed an engine instrumentation verification and calibration (may be waived if engine is new or has been recently overhauled or received an HSI).

If the engine has previously been through HSI, repair or overhaul, and all required P&WC Service Bulletins (category 1 through 6) have not been incorporated, a buy-in may be required to pay for future incorporation of such bulletins.

The ESP® program requires a buy-in payment for engine hours flown since new, or if applicable, since overhaul. If a plan which includes LLP coverage is desired (ex: Gold Plan or Silver Plan), then an additional buy-in payment for LLP usage to date (or to last overhaul) may also be required and calculated.

## The buy-in can be paid either:

- 1/ Full buy-in upon enrollment
  - 100% paid at the time of enrollment
- 2/ Half buy-in upon enrollment
  - 50% paid at the time of enrollment, balance spread equally over 3 months
  - 50% paid at the time of enrollment, balance spread equally over 6 months
- 3/ Flex buy-in upon enrollment
  - Make a relatively small initial payment based on a percentage of the current TTSN or Total Time Since Overhaul (TTSO). Payment for remaining hours flown prior to enrollment can be deferred and are due prior to a HSI or Overhaul, or upon a Basic Unscheduled Removal (BUR) that turns into an HSI or Overhaul.

Please note that the "initial payment" under this Flex buy-in option may not be deferred.

# IS THERE AN ENROLLMENT FEE? WHAT IF I ELECT TO ENROLL AT A LATER DATE?

Generally speaking, there is no enrollment fee other than to pay for the TTSN or if applicable, hours since overhaul, at the current applicable hourly rate. If enrolling under our FLEX buy-in option, pay a smaller percentage of the TTSN at enrollment and defer the remaining flight hours to a later time provided there are no upcoming major events (see the FLEX buy-in option for details).

For new engines enrolled under 100 hours TTSN, the first monthly payment required from the operator is calculated from the total hours on the engines on the date of the first retail sale of the aircraft, or 25 engine hours TTSN, whichever is greater. In other words, if you purchase your aircraft with 15 engine hours TTSN, your first monthly payment would be calculated from 25 hours TTSN as the starting point. However, if you are the first purchaser/operator of an aircraft with 30 engine hours TTSN on the date of retail sale, your first monthly payment would be calculated from 30 hours TTSN as the starting point.

For engines enrolled beyond 100 hours TTSN, the payment for hours flown is based on TTSN or TTSO.

For an engine enrolling at or beyond its first overhaul into a Gold Plan or Silver Plan, an additional fee will be required to account for cycle usage of the LLP not replaced at overhaul.

If you are the purchaser of a new demonstrator aircraft with engines that have more than 100 hours TTSN, the payment for hours flown would be based on hours of operation since 100 hours TTSN. In other words, if you are the first purchaser/operator of a demonstrator aircraft that has accumulated 250 engine hours TTSN due to flight testing, ferry time and demonstration by a retail sales facility, an initial enrollment fee would be required to pay for 150 engine hours of operation since 100 hours TTSN.





■ WHY SHOULD ■  
**I ENROLL**  
**BEFORE MY NORMAL**  
**WARRANTY EXPIRES?**  
**ISN'T THIS PROGRAM**  
**JUST AN**  
**EXTENDED WARRANTY?**

No. The ESP<sup>®</sup> program is much more than an extended warranty. Warranties typically cover defects in material and workmanship, as expressly provided by each specific warranty, and does not include items such as normal wear and tear or Service Bulletin upgrades. With this plan, the major portion of your fee is really an investment toward the future scheduled restoration of your engine, which includes any required replacement or refurbishment of parts due to normal wear and tear and required Service Bulletin upgrades. During the normal warranty period, monthly payments made under the ESP<sup>®</sup> Program are contributing towards major maintenance events, such as HSI and overhaul, which the engine will require at some point in the future.

When establishing the hourly rate, the benefits of the existing warranty coverage provided by P&WC, component suppliers and maintenance facilities are already taken into account, and the rate has been calculated accordingly. Only a small portion of the hourly rate goes towards coverage for a major unscheduled event outside the normal warranty period.

■ IF ■  
**I TERMINATE**  
**MY PLAN,**  
**AM I STILL ENTITLED TO**  
**MY STANDARD WARRANTY?**

Upon termination of the ESP<sup>®</sup> program agreement for any reason, the balance of the remaining engine warranty coverage, if any, is reassigned to the operator.



## **IF MY ENGINE REQUIRES REMOVAL, IS A REPLACEMENT ENGINE COVERED?**

When an engine requires removal for an ESP® program covered overhaul or major engine shop repair, P&WC will arrange for a rental/lease engine for the period required to perform the “off-wing” maintenance (subject to execution by the operator of an appropriate rental agreement). The operator continues to pay the current ESP® program hourly rate for the rental engine; the program covers the hourly rental fee and any per diem charges. With the Gold or Gold Lite plans, engine freight charges (surface, excluding insurance) and a removal and reinstallation labour allowance is also included for both the operator’s engine and the rental engine.

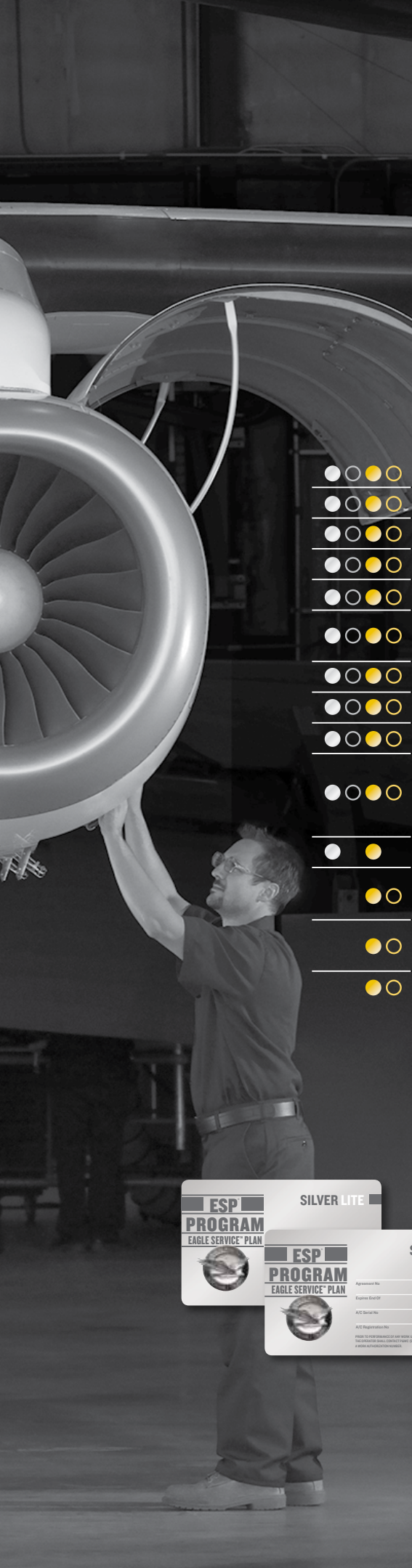
In certain repair or overhaul situations, P&WC may recommend an “exchange” engine to replace the operator’s eligible engine. Operators who prefer this option, if recommended, will inevitably save removal and installation labour, as well as considerable aircraft downtime.

## **WHERE CAN I TAKE MY ENGINE FOR SERVICE?**

All work covered by the program must be authorized by a P&WC service representative. Also, it must be performed by a service centre equipped and qualified (licensed with P&WC trained mechanics) to perform inspection, repair or overhaul of the eligible engine. Given the above, the P&WC service representative will give consideration to the operator’s preferred service centre.

Engine AOG in a remote part of the world? No service centre in sight? With the Gold or Gold Lite plan, we will arrange for MRT support, tools, parts, or rental engine in order to return the aircraft into service.





# WHAT IS COVERED BY THE PROGRAM?

Coverage will vary depending on the specific plan selected. The following table provides an outline of the level of coverage provided.

## Coverage<sup>(3)</sup>

● SILVER ○ SILVER LITE ● GOLD ○ GOLD LITE

● ● ● ●	Overhaul/refurbishment, scheduled
● ● ● ●	Engine repair, basic unscheduled (BUER)
● ● ● ●	Hot Section Inspection scheduled or required
● ● ● ●	Service Bulletins, required <sup>(2)</sup>
● ● ● ●	Engine shop labour
● ● ● ●	Troubleshooting labour <sup>(1)</sup> (Silver plans up to 10 hours; Gold plans, as required)
● ● ● ●	Engine parts, excluding Life Limited Parts <sup>(2)</sup>
● ● ● ●	Engine accessories, P&WC supplied (overhaul, BUER)
● ● ● ●	Rental/lease engine coverage (overhaul, BUER)
● ● ● ●	ECTM <sup>®</sup> program analysis of engine condition trend data ECTM is a registered trademark of Camp System International, Inc to be used with permission.
● ● ● ●	Life Limited Parts <sup>(2)</sup> (ex: disks, impeller, etc.)
● ● ● ●	Line removal/installation/access labour for core engine, rental engine, and accessories <sup>(1)</sup>
● ● ● ●	Freight for engine, engine parts, accessories (surface, unless AOG, excluding insurance)
● ● ● ●	Mobile Repair Team for unscheduled AOG <sup>(2)</sup>

<sup>(1)</sup> Allocation in labour hours per engine event as described in the ESP<sup>®</sup> program agreement.

<sup>(2)</sup> Subject to provisions described in the ESP<sup>®</sup> program agreement.

<sup>(3)</sup> Actual coverage may vary depending on the workscope described in the ESP<sup>®</sup> program agreement.

# WHAT IS NOT COVERED BY THE PROGRAM?

A simple answer would be, if it is not included in the coverage chart (left), it's not covered. But here are some of the standard fine print items that are not covered:

- A/** misuse, neglect, accident, ingestion of foreign material or defects/causes outside of P&WC's control;
- B/** repair or replacement costs attributable to damage caused by corrosion, erosion, sulphidation, or use or inspection contrary to P&WC current operating and maintenance instruction recommendations, including early HSI without cause;
- C/** use, without P&WC approval, of parts not originally manufactured or supplied by P&WC, or modifications to the engine not approved by P&WC;
- D/** rental engine coverage for HSI or engine removal required due to any of the aforementioned exclusions;
- E/** field level routine or periodic maintenance/inspection labour and consumables (ex: oil, fuel, filters, O-rings, items listed in Period Inspection table of the Engine Maintenance Manual);
- F/** hangar fees, tooling fees or any such related airport charges;
- G/** any expenses related to flying the aircraft;
- H/** living or transportation expenses for crew, maintenance personnel or passengers;
- I/** overtime premiums or call out charges; and
- J/** all taxes, duties, tariffs.



## **CAN I TERMINATE MY PLAN?**

Yes. Upon written request, the ESP® program agreement may be terminated at any time by the operator, provided the operator has fulfilled all of its obligations of the Agreement up to such date. In certain circumstances, a credit or reimbursement provision may be applicable, as described below.

## **ARE THERE ANY PROVISIONS FOR REIMBURSEMENT?**

A credit or cash reimbursement provision is available to the aircraft's first enrolled operator, upon notification of termination, provided the engine has not been inducted for its first overhaul. The first enrolled operator is eligible for a non-reimbursable credit of 85% of the net positive account balance, for future expenditures at a P&WC facility, or for ESP® Program payments on another aircraft. This credit is valid for a period of 60 months upon issuance. Alternatively, the first enrolled operator may opt for a cash rebate of 60% of the net positive account balance.

Other reimbursement provisions are available for all enrolled operators who suffer a loss of the engines due to accident or theft. Other than those mentioned above, no other provisions for reimbursement are available.

## **CAN I TRANSFER MY PLAN IF I SELL MY AIRCRAFT?**

Yes. The plan may be transferred to subsequent owner(s) or operator(s), provided the previous operator has not received the aforementioned credit or cash reimbursement and the operator has fulfilled all of its obligations under the ESP® program agreement up to such date. A new Agreement will be required for the new operator and an adjustment to the hourly rate may be required based on the new operator's utilization. An administrative fee to process this transfer will be required.

The transferability of the program should provide an enhanced future resale value of your aircraft, and may also increase the potential for buyer consideration.





## **ARE THERE MINIMUM CHARGES REQUIRED?**

No. You only pay for the hours you fly a year and there are no annual minimum hours or payments that need to be made. Some exclusions may apply.

## **DO I STILL NEED TO BUY INSURANCE FOR MY ENGINES?**

Yes. The ESP® program does not cover loss or damage to the engine that is related to misuse, neglect, accident, ingestion of foreign material or any other defect or cause outside P&WC control. It also does not cover loss due to fire, theft or consequential damages, and does not provide any liability insurance. The operator is required to carry insurance for all engine shipments, including rental engine shipments, both to and from the aircraft. Also, in the event of the installation of a rental engine, the operator is required to carry or obtain a specified minimum amount of aircraft liability insurance.

## **HOW DO I GO ABOUT USING MY PLAN?**

An ESP® program identification card is issued to the operator. When engine maintenance is required, the operator presents the card to the service centre/Fixed Based Operator (FBO) to identify themselves as an ESP® program member.

The operator, or service centre, must then contact a P&WC service representative by telephone, email or fax to obtain a required Work Authorization number prior to commencing maintenance services. 24-hour telephone instructions are provided on the back of the ESP® program card. A Work Authorization number will be issued upon verification of the card, the selected facility, and the work to be performed.

# WHAT IS MY MONTHLY PAYMENT?

At the end of each month, a monthly report is required from the operator to report the actual number of engine operating hours and cycles for that month. The amount due for the monthly payment is calculated in the monthly report by multiplying the actual monthly operating hours by the applicable hourly rate.

P&WC provides access to a web-based customer portal to facilitate the recording of hours flown. Alternately, a Microsoft® Office Excel®† spreadsheet can be provided to record hours and produce the required report.

# HOW DO I MAKE MY PAYMENT TO P&WC?

Several options are available for making payments for engine usage (based on the monthly report). The operator can either mail a cheque payable to P&WC, or bank-to-bank wire transfer instructions can be provided. We can also set up payments utilizing Visa, MasterCard or American Express cards‡. Whichever method is selected, the amount due is payable in U.S. funds and is due within 15 days of the previous month end. Your FBO/dealer may be willing to assist you with arranging these payments.

† Microsoft Office and Excel are registered trademarks of Microsoft Corporation.

‡ Visa, MasterCard and American Express are registered trademarks of Visa International, MasterCard Worldwide and American Express Company respectively.

# WHAT ABOUT ENGINE TREND ANALYSIS? IS IT REQUIRED? HOW IS IT DONE?

Engine condition trend monitoring is required for engines covered by the ESP® program. In the absence of an electronic recording device on the engine, the data required for input to the ECTM® software must be recorded manually as obtained from cockpit instruments in flight. Manually recorded data is then submitted to the Designated Analysis Centre (DAC) for computer processing and analysis. Data recorded on an electronic engine diagnostic unit must be downloaded by the operator at least once per month and sent to a DAC for processing and analysis. The processing and analysis of your engine condition trend data is included at no charge for operators enrolled in the ESP® program.

By normalizing the flight data to a standard day condition and taking into account the power setting, we can compare the performance of the engine on a flight to flight basis. Early problem detection will help to lower maintenance costs, and consequently maintain reasonable hourly rates. Early problem detection may also improve maintenance planning (less downtime), and reduce the possibility of an in-flight engine occurrence.





**IF**  
**I HAVE ANY FURTHER**  
**QUESTIONS,**  
**WHERE SHOULD**  
**I ADDRESS**  
**THEM?**

If you wish to obtain more information about the ESP<sup>®</sup> program please call or write us at the coordinates below. Our P&WC service representatives are always available to assist you.

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Pratt & Whitney Canada Corp.  
Attention: ESP<sup>®</sup> Program Office (01ES4)  
1000 Marie-Victorin Blvd  
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[www.pwc.ca/ESP](http://www.pwc.ca/ESP)

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International: 450-468-3771  
Email: [esp@pwc.ca](mailto:esp@pwc.ca)

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# STOP

[WWW.PWC.CA](http://WWW.PWC.CA)



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