



NO LIFE SUPPORT NECESSARY

By John F. Infanger,
Editorial Director

Air Trek, Inc. overcomes hurricanes, rides changing demographics to success

PUNTA GORDA, FL — Ground zero, you might call it. On Friday the 13th of August, at the peak of Hurricane Charley, one of two to hit this region this past summer, the airport anemometer broke. The last recorded wind speed: 180 mph. Most of the Punta Gorda Airport was destroyed, including much of the hangar/facility complex that houses Air Trek Air Ambulance. Within months, Air Trek was looking good as new, a reflection of how the Carr brothers and their 100 or so employees approach the marketplace — keep moving forward while making sure the day to day is on track. After a 9/11 setback to their growth plan, the Carr brothers are back on an aggressive growth curve and are looking for new bases to expand.

For some 26 years, president Wayne Carr and VP Dana Carr, along with brother Lester, the director of maintenance have directed what was once more a fixed base operation than an air ambulance firm. It is mostly over the past ten years that Air Trek, Inc. has become primarily an air medical services provider — more than just a transportation provider.

Explain the Carrs, this is very much in line with where the air medical transport business has gone. The market remains heavily marked with brokers who access charter companies and firms such as Air Trek to provide air medical transportation. At the top tier of the field, however, are companies like Air Trek, which not only provide the aircraft but the medical crews and equipment as well. It is turnkey.

And it is growing, with the second Air Trek facility now operating at the Winchester (VA) Airport near Washington, D.C. The scope of flight operations is growing, too, with experience in Europe and South America, and now establishing contacts in the Pacific Rim.

IN THE BEGINNING: 'NOT EVEN A MOM AND POP'

In 1978, Wayne Carr was flying for Intercoastal Airways, a struggling FBO/flight training/charter company that dabbled in medical transport and which he purchased that year. Recalls Carr, "We had been doing air ambulance in a Seneca I and a Cherokee Six. It basically was a cut down stretcher with somebody in the back with a bottle of oxygen, a labcoat, and a stethoscope to look like a medical person. But that was the state of the art at that point in time."

Wayne immediately invited brother Dana to be his partner, with Dana bringing a business education to the new company.

Says Dana, "Wayne is literally my flying mentor. He taught me how to fly and gave me all the lessons [today, he has an ATP rating]."

"When we started this business, you couldn't even call it a mom and pop. We started with a 1964 Skyhawk that was Wayne's personal plane. In the early days we did just about everything: charter, rental, flight instruction with a Cessna Pilot Center, and an occasional air ambulance — the first one being in a Piper Lance."

The turning point toward becoming a company focused almost exclusively on air medical transport, explains Dana, came about 15 years ago. At that point, he says, the company was heavy in the Part 141 flight training market, offering turnkey packages that included housing to European and North American students.

Explains Dana, "It was at that point that we realized that flight training was 30 percent of the revenues and 70 percent of our headaches. Air ambulance was 70 percent of revenues and 30 percent of the headaches."

TARGET: AN AGING, MOBILE SOCIETY

After selling off the flight school, Air Trek successfully immersed its business into air medical transport, exclusively fixed wing, with a fleet of Westwinds, Citation IIs and CitationJets, and a Cessna 441. Today, it employs some 100 persons, 73 of whom are directly related to the air medical transport operations, according to Dana Carr.

"We realized that flight training was 30 percent of our revenues and 70 percent of our headaches."

- Dana Carr

The company is in the fifth year of a 30-year lease at the Charlotte County Airport in Punta Gorda. Dana expects the lease to be renegotiated to a new, umbrella 30-year lease after a third hangar is added, expected to happen in 2006. Dana explains that the project had to be delayed due to the hurricane damage last summer, which for Air Trek is estimated at some \$300,000.

Air Trek does its own fueling, with 24,000 gallons in capacity, while the airport authority retains all retail fuel sales. The company also does all of its own maintenance, other than heavy engine work.

In 2003, Air Trek leased a hangar/office facility at the Winchester (VA) Airport near Washington, giving it a permanent presence in the Northeast market. The move also puts Air Trek aircraft near one of the company's major customers: the U.S. Department of Defense.

Explains Dana, "We have kind of a road map for the future, to have several bases around the country in key geographic spots. From Florida, we can go up to Boston, then to Rochester, MN, where the Mayo Clinic is based, and down through the Ohio Valley."

"Winchester is a first step; we wanted a Northeast location. Now we can easily fly a Philadelphia-to-Chicago trip, and it also facilitates trans-Atlantic flying. Now we can be more competitive from that region to Europe." The company bases two aircraft at Winchester.

"The next step will probably be somewhere out West — the Texas area, and probably Arizona-Nevada. What we're looking for is key population bases and where people travel to." It is in step, he says, with the target demographic: aging Baby Boomers who are mobile, have incomes that can afford air medical, and who are very aware of their health.

Regarding opportunities, says Wayne, "The main thrust of what we're doing is expanding our core competencies. We

don't want to lose our focus on being the best medical transport company we can be. We have to remain fluid in being open to things that come along, but the objective is to be the best."

CHANGING WITH, DEFINING AN INDUSTRY

Toward the goal of being the best, the Carrs relate, it became clear early on that not only were standards and regulations needed in the air medical transport business, but that they would probably need to get involved in the process. In the ensuing years, they have become entrenched in the establishment of standards and the promotion of sensible, but necessary, regulations.

"We've tried to hold ourselves out to the highest standard, and instead of just meeting the standards we've been out there helping to develop the standards," says Dana.

He takes the lead in this activity, and serves on the Board of Directors for the Commission on Accreditation of Medical Transport Systems (CAMTS) and, in fact, was one of the first air ambulance providers to be certified by CAMTS. He also serves as the liaison to CAMTS for the National Air Transportation Association.

According to Dana, changes had to come not only because standards were needed, but the whole service was changing and the patients were requiring more acute care capabilities. That led to companies like Air Trek deciding to become a turnkey service, even providing all medical equipment and personnel.

"In the '70s and early '80s, the hospitals were keeping patients

BUSINESS PROFILE



Dana (left) and Wayne Carr



Last summer, Air Trek suffered some \$300,000 in damage to its two hangars and equipment as a result of Hurricanes Charley and Frances. Within months the hangar was good as new, as Air Trek officials used cash flow to finance the rebuilding, with the insurance payback coming months later.



Air Trek was one of the first to rebuild after the hurricanes hit Charlotte County Airport.

as long as necessary. In the '80s medicare came out with new rules on how long you can keep a patient. That has caused us to transport a more critical level of patient," says Dana.

The Carrs think states need to be more active in licensing the industry, while also having more reciprocity among the states. "We would like the states to be more uniform in regulating," says Dana. "Florida is the most regulated; in Georgia, you get an occupational license and go."



1-800-MED-JETS
world wide phone:
1-941-639-7855