

DUNCAN INTELLIGENCE

• Edited by Tim Garity & Tim Klenke • Fall 2001

Considering A Like-Kind Exchange?

By Dick Peterson

Over the years, Duncan Aviation's Aircraft Sales Representatives have had operators ask some basic questions about like-kind exchange transactions. A like-kind exchange, also called a 1031 exchange, is often applicable to business property like aircraft. In general, this means you won't have to recognize a gain on an aircraft's sale if you purchase a like-kind property.

Suppose you own an aircraft that will realize a large gain if you sell it. To avoid the gain, you might be able to do a like-kind exchange. The timing of the like-kind exchange must satisfy two requirements:

1. The replacement aircraft must be identified on or before the 45th day after the date of the transfer of your aircraft. The replacement aircraft must be "identified" in a written agreement (unambiguously) for the exchange of properties, and the agreement must be signed by all parties before the end of the identification period.
2. The identified replacement aircraft must actually be received before the end of the exchange period, which begins on the date that your aircraft is transferred and ends on the earlier of a) 180 days after the date of the transfer or b) the due date (including extensions) of your tax return for the year in which the bottom unit was transferred.

If done properly, this type of transaction can have huge tax implications. For the best results, we advise you to consult your tax advisor.

Navigation Lighting Systems And Their Maintenance

By Chris Gress

Many lighting products do not have a mandated inspection interval. Maintenance is considered "on condition," so after many hours of use these components may suddenly fail at an unexpected time after some subtle signs.

On Westwinds, rotating beacons may show signs of slow rotation or popping the circuit breaker. These units are a mechanical device containing a motor, bearings, gears, bulbs and oscillating mechanisms, and as with any mechanical device they are prone to wear, friction and corrosion.

G-100s have strobe power supplies and sometimes these units stop without much warning. However, you may notice an occasional popping of the circuit breaker or a change in the flash rate or flash intensity. A change in ambient air temperature affects the electronic components themselves and the solder joints which connect components to the printed circuit board.

Westwind Fuel Pump Sumps

By Tim Garity

In order to replace fuel boost pumps in early Westwind models, defueling is required. Later aircraft (S/Ns 235 & subsequent) are equipped with a sump that allows pumps to be changed without defueling.

Service Letter WW-2434 provides instructions for installing newer sumps. Some used, serviceable kits exist, which may be a more affordable option.

Additional Items - 5000 Hour Inspection

By Tim Garity & Brad Kluthe

G-100 operators should be aware that the 5,000 hr. inspection, usually associated with Thrust Reversers, also includes other inspection requirements from the Airworthiness Limitations chapter of the Maintenance Manual.

These can be missed and are not always on maintenance tracking reports. One item frequently missed is the horizontal stabilizer aft attach fitting lugs. These require an ultrasonic inspection at 5,000 hours. If your Thrust Reversers have had a 5,000 hour inspection and you didn't notice that the vertical stabilizer was removed, the tail fitting may have inadvertently been missed. **Note: Tail inspection on SPX aircraft is due at 4,000 hrs.**

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For G-100/Westwind technical info, we have the experts. Our G-100/Westwind Team consists of tech reps and technicians with experience in airframe/engine, interior/exterior completions, avionics installations, component repair and parts.

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