



## WHEELER TECHNOLOGY INC.

CUSTOMER NEWSLETTER



January 1992

Gig Harbor, Washington

### "THIS AIRPLANE IS FANTASTIC!!"



**"IT FLIES HANDS-OFF. MY WIFE CAN FLY IT EASILY. IT'S WONDERFUL IN THE PATTERN. I LOVE IT."**

Jim Warner, Jan 18, 1992



**TWO CUSTOMER-BUILT EXPRESS' MEET AT FIRST EXPRESS FLY-IN, LINCOLN AIRPORT, CALIFORNIA, JANUARY 18, 1992**

Jim Warner is now flying his EXPRESS, N119NC, and he likes it very much. His plane's been ready to fly since Christmas, but he wanted to a few touch & go's in N300 before launching his own. Holidays and weather kept us from flying N300 down earlier, but we finally made it on January 17. After a few turns in N300, Jim launched N119NC the next day and his maiden flight was as thrilling as the first flight of N200EX. Jim was worn out from smiling all day Saturday, even though he had a problem with his governor which limited his first flight time. Also, his oil temp was running high at the high end which is partly attributable to his brand new overhaul. He fixed the

governor problem and a week later took his second flight. He oil temp is still on the high side, so he's trying several options to get it down. Fog has really limited his flying, so he's going to move N119NC to a closer, fog-free airport near his house as soon as the weather allows.

Jim's done a beautiful job of building and finishing his plane and we're very proud to have him as a builder. He says he learned how to paint on his airplane, but we've seen plenty of professional paint jobs which don't look as good as his. His empty weight came out at 1610 lbs without upholstery.



## THE FAA: KINDER AND GENTLER MAYBE, BUT STILL TROUBLESOME

Jim's experiences with the FAA should serve as a warning to all that you should cultivate your inspector (or designee) early in your project. At least talk to him several times and try to get him to come out and take a look at your project before the final inspection. In Jim's case the inspector asked for signatures of witnesses prior to closeout to prove that the plane was built to the manufacturer's specs. That's not standard nor required, (or even possible unless the witness is a factory representative or very involved) but Jim had plenty of witnesses and no qualifications were required, so it was easy to get the signatures. His massive photo album and building log counted for nothing. The inspector also told Jim to put fuel type labels around his filler caps, which is not required - as an experimental he could be burning linseed oil. A separate inspection was required for Jim to prove he built the plane so he could get his repairman's certificate, also a non-event, not required, etc. The outcome of all this was fine, but could have been worse. Try to utilize your local EAA chapter's Designee inspectors for signoffs if they will do it. (We've heard they may not because of liability) All's well..., Forewarned..., etc.

## N300EX

N300 has now flown some 215 hours and is doing just fine with nothing to report except that it's a pleasure to fly. It's ability to take us from Seattle to San Francisco in a few hours is very satisfying every time we get to stretch its legs. One of our builders in the Bay area has a friend with a turbo Cessna mixmaster. On our last tour we apparently took off from San Jose airport several minutes after he did and headed in the same direction. We soon caught and passed him and he still raves about it. We don't remember seeing him which is a pity, 'cause it's fun to wave as you pass the big iron. He sure remembers the EXPRESS though.

## DID YOU SAY 260 HP???

We are getting N300 ready for the upcoming season and a round of magazine feature articles. We have removed the 200 hp Lycoming and are installing an IO-540 260 hp Lycoming. This should dramatically increase performance, particularly for high density altitude, and it opens the selection of engines to include 235 and 250 hp engines too. The 235 hp engine is STC'd for autogas. We expect that N300 with 260 hp will match the speeds estimated for the retractable version. This engine falls within the structural and speed limitations of the existing design and will therefore be acceptable on all existing EXPRESS', although a different motor mount is required and perhaps a different cowl as well. Although this engine is an IO-540, it is not the angle valve engine which produces 300 hp. That engine configuration is *not* acceptable in the current design because it is substantially heavier and can exceed the flutter speed limitations. We will do additional testing including another GVT, and needless to say, we'll keep you posted on results.

It has been reported that the Lycoming 200 horse engine actually dyno's at only 186 hp. If true, that would explain the performance difference between N210 and N300. It also means that the Continental powered versions of the EXPRESS should perform substantially better than N21 whose prototype Continental produced only 203 hp.

For those of you interested in the Continental IO360-ES engine, the last one shipped to a customer was dyno'd at 218 hp!

## KITS AND CONSTRUCTION

### PROCEDURES

New procedures are on the way. Larry, with the help of many builders, has finally been able to devote much of his time to writing procedures and is finally making some headway. You should see new procedures regularly from now on. Some builders have written some supplementary procedures which we will also make available. We continue to work on procedures and appreciate the help provided by advanced builders.

### THE WHOLE TAIL AND OTHER BITS

One of the clear messages from the survey was that many of you want pre-built empennage sections etc. We will offer this option in the near future, as well as some others such as heat control boxes, stall warning devices, etc., which are being developed as we need them for N300. We will, of course, work with the FAA to ensure that builders who elect any airframe options which reduce building time will qualify for the 51% amateur-built rule. Details on cost and order procedures will be available shortly.

### PARTS AND BACKORDERS

Tooling has been completed on the Lycoming exhaust system, and the mild steel version is being shipped. The stainless sets are next, we are waiting for a special bending mandrel which is different for the stainless. Continental mounts are in the works and should start shipping in February. All machined parts are being manufactured and have been or are about-to-be shipped. The few remaining purchased items such as the trim servo, will be shipping within a few weeks.

Some builders have been concerned about backordered parts. Generally speaking, the composite parts we manufacture are seldom backordered unless we have problem such as a mold out of service for maintenance. Vendor supplied parts are more often backordered, which occurs for a variety of reasons. Even in the best of times our order quantities are comparatively small, which means we are seldom able to exert any substantial influence on our vendors. Moreover, prudent inventory management seeks to find an economical order quantity which yields an acceptable balance between price and stock level.

Tracking all items to insure there is never a stock-out is a virtual impossibility without a full time materials manager,



which is not in the cards for most kit-plane manufacturers. Therefore, backorders inevitably occur, and in fact, in this industry, they are the norm. Never-the-less, we do our utmost to avoid them, and if they do occur we try to consolidate items before we fill the backorders so as to minimize the shipping costs. Usually, we ship backorders in batches after we have accumulated enough parts to make it worthwhile. If lack of a part is holding up your construction, let us know and we'll try to make arrangements to resolve the problem. Otherwise, please be patient and we will get your parts to you.

#### ON THE BUSINESS SIDE

We are very pleased to report that the business picture for Wheeler Technology has improved substantially since the last newsletter thanks to the successfully negotiation of an agreement to manufacture kit components for the Seawind Amphibian.

Orders continue for the EXPRESS kits, and in the coming months we expect to strongly regain new sales thanks to completed customer planes, a strong marketing program, and enhanced performance for N300.

Watch for advertisements in the magazines, press releases and other signs of renewed vigor for the Company. 1992 is very promising.

#### BUSINESS EXPANSION

There is always more than one way to skin a cat. We had originally hoped to ensure the recovery of the company by attracting additional investment capital. Since that approach did not prove effective in the current economy, we have instead looked to leverage our manufacturing capabilities to bring the business onto a sounder footing and repay our creditors. To this end, we have contracted to manufacture kits for the Seawind, a fiberglass four-place kit-built amphibian. We are manufacturing both composite and metal parts, and over the next year expect to bill over \$600,000. We have been gearing up to produce their parts since late November and are now shipping several of their kits per week. It has been a massive task, but it is already breathing new life into the EXPRESS project.

This is good business for WTI, since it is manufacturing only, without the overhead associated with marketing, sales and customer support. The impact on the financial health of the company is already positive, permitting us to more effectively address issues such as documentation, inventory, and improvements to the Express (retract lovers, don't give up). We hope to be able to obtain additional business of this kind to further enhance the company's financial situation.

We want our builders to understand that the Express is our primary business, and we are very excited to have this opportunity to put it back on its feet. We appreciate the loyalty and support that has been continuously demonstrated by our builders and creditors, and our goal remains to see

that you get the best kit plane available. By taking on this additional business we will be better able to meet that goal, and of course, better able to repay the Company's debt.

#### CREDITORS COMMITTEE CONTINUES ATTACKS ON WTI

Since its inception, the Creditors Committee has attempted to close WTI. In October, they filed a motion to liquidate WTI. Upon receiving notice of that motion, a creditor/builder, Mr. Steve Backe phoned Jim Reisinger, Chairman of the Creditor's Committee, to convey his concern that the motion was not in the best interests of the builders. He told Mr. Reisinger that he felt that:

"If the case was liquidated, I would not see any return on my claim."

*Mr. Reisinger agreed that "it was unlikely that any of the builders would receive any money on their general unsecured claims if the case was liquidated."*

The above quotations are excerpted from the *Declaration of Steve Backe in Response to Motion to Convert*, filed by Mr. Backe in protest against the Motion.

The court denied the UCC motion to liquidate WTI, and the Company has filed an amended Plan of Reorganization in an effort to propose a workable plan to exit bankruptcy and pay its debt.

On January 27, the UCC filed an objection to the Company's revised Plan of Reorganization and, in an apparent attempt to discourage approval of the revised WTI plan, immediately mailed copies to creditors prior to obtaining WTI's response. You may rest assured that the Company will respond in detail to each of those allegations shortly.

#### DEMONSTRATION TOURS

Aside from the disruption of orders and cash flow caused by builder's concerns over possible liquidation of WTI, another serious impact of the UCC's attempt to close WTI in October was that it prevented the Company from conducting the sales tours that were scheduled for September and October. Wintertime weather now makes tours impossible to schedule, so unfortunately, our major sales tool has been postponed until spring. We are scheduled to have N300 at the West Coast Kit Builders Seminar at Montgomery Field in San Diego on May 16, beginning at 9:00 AM. Further details will be in the April Kitplanes magazine, in the *Around the Patch* Column.

#### EXPRESS COMPUTER BULLETIN BOARD

The Computer Bulletin Board is operational. The software vendor was very slow to ship the software, but we finally got it and we can now put it to work. There are no files to download yet, but you can begin using it to exchange information with the factory and each other. Access will be limited to current customers and each will be assigned an access code as per normal BBS operation. Follow the



on-line instructions once you connect. The phone number is 206/851-5767. The system operator (Sysop) will be available weekdays from 3:30 to 4:30 pm, PST, although the system will be in operation 24 hours per day, so you can leave messages or exchange information any time. Those of you without computers will not be left out. Subsequent newsletters will include the "best of the BBS" to ensure that everyone benefits from this new service.

#### IN CONCLUSION

Operating a business under the conditions of the last year has been trying. It's has been frustrating to have been so severely hampered and unable to provide all the service, support and product development to properly serve our customers, particularly those who have so loyally and patiently supported us through these difficult times. Now, as we move into 1992, we have a considerable amount of outside business which will enable the company to recover its strength and take up where it left off in August 1990. The EXPRESS is still the best of its type on the market and we intend to make it even better. We want your dreams for your EXPRESS' fulfilled, as well as our own. With over sixty complete airframes now shipped and many builders well into their tail installations, we are looking forward to an EXPRESS fly-in later this year with more than two airplanes.



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