

ECONOMIC IMPACT OF THE HEMS WEATHER TOOL

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- HEMS WX Tool is both a line pilot resource and a critical aviation management component.
- EVERY HEMS Operational Control Center (OCC or EOC) currently relies on the WX Tool for accurate “No Go” WX decisions.
- OCC’s a major component of the modern HEMS transport system.

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- FAA will require OCC's in upcoming HEMS Final Rule.
- OCC's will be required to monitor weather conditions, inform pilots.
- HEMS WX Tool is the **ONLY** weather resource of its kind.
- Therefore, costs of requiring OCC's must include **VALUE** of tool to the requirement.

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Proposed Rule	FAA Estimate	Industry Estimate
Communications equipment	N/A	\$1,152,000
Computer equipment	\$1,152,000	\$1,152,000
Satellite tracking equipment X 989	N/A	\$9,890,000
Installation incl. time out of service (10 days) at \$12,000 (cost per day) X 989 Aircraft	N/A	\$118,680,000
Software (development, 1st year)	N/A	\$2,000,000
Total Initial Installation Costs:	\$1,152,000	\$132,874,000
Location costs (per year)	N/A	\$36,000
Software Maintenance (per year)	N/A	\$200,000
Total Recurring Costs (10 years):	N/A	\$2,360,000



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- OCC's costs exceed \$135 Million over 10 years (estimate, not including staffing/training costs).
- No commercial product available similar to HEMS WX Tool.
- WX Tool has created a standard through OCC requirement making it irreplaceable from a regulatory perspective.
- Value of HEMS WX Tool to Required OCC Operation: ?
- Total HEMS WX Tool Value: ???

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- DOT Value of Statistical Life (VSL) for 2013 \$9.1 Million;
 - accident fatality prevention valued greater than 9.1 X 3-4 in HEMS
- “The Socio-Economic Value of Improved Weather and Climate Information “ (Williamson, Hertzfeld, Cordes; Space Policy Institute, The George Washington University, 2002
<http://www.gwu.edu/~spi>)
 - Reduced costs to airline and trucking industry:
\$160-175 Million Annually (for ENSO Prediction)
 - Benefits from Enhanced GOES-R Satellite Predictions:
\$41 Million for Commercial Aviation

HEMS INDUSTRY REPRESENTATIVES

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