

The aviation industry is coming up with attractive ways to lure travelers back to private planes. Consider snagging a single seat or hitching a ride on an empty flight returning home.

# How to Fly in Style for Less by Private Jet

by Jeff Burger

THE BUSINESS-JET FIELD HAS yet to fully recover from 2008's one-two punch—the economy's decline and the blizzard of bad PR after Detroit's auto CEOs flew corporate aircraft to Washington to ask for bailouts. But the industry is rebounding, albeit with some adjustments to fit the times. Here are five key developments.

## Charter a Seat

Until recently, flying privately meant just that: You owned or chartered the entire airplane and filled it with whichever friends and associates you wanted to take along. Or you "owned" use of the aircraft for a particular flight, via a jet card or fractional jet share.

None of those options is an inexpensive proposition. So more folks are opting instead for a single seat on a private flight, and more companies are getting in on the action.

Greenjets, a West Palm Beach, Fla.-based charter broker, offers per-seat pricing on light jets that includes a "free" companion ticket, allowing you and a friend to travel in style between New York and Florida for \$3,900 and between Las Vegas and New York for \$6,300. These prices are for holders of the firm's Black Greenjet card, which costs \$14,500 annually. Slightly higher prices are available for holders of the \$9,500-per-year Gold Greenjet card.

(Note that as a broker, Greenjets doesn't own or operate aircraft; it arranges flights that other companies provide.)

Want a fixed rate for more than a seat? XOJet, which is based in Brisbane, Calif., offers aircraft for flights between New York City and several West Coast destinations at

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Budget-conscious private travelers are favoring new contenders like the Phenom 300 light jet, above and bottom left. Bottom right, Avanti Piaggio Avanti.

prices that start at \$19,000 for a plane holding up to eight passengers. It can fly coast-to-coast with all eight occupied. New York to Florida flights begin at \$12,000, while New York to Houston, San Antonio or Dallas costs \$15,000 and up. Unlike traditional charter services, this XOJet doesn't charge for extra fuel, catering and other items.

By focusing on popular routes and economical Embraer Phenom 100 very light jets, Southern California-based Jet-Suite has been able to introduce whole-aircraft prices so low they don't even include commas. The company—which

was recently purchased by a group that includes JetBlue founder David Neeleman—offers flights between Van Nuys and Las Vegas for \$999. It uses very light Brazilian-made Embraer Phenom 100s holding four passengers, which means the per-person cost works out to an airline-challenging \$249.75. (Like the price, the fine print is reminiscent of airline travel: Tickets are nonrefundable, subject to availability and usable only on Mondays, Tuesdays and Saturdays. Taxes and fees apply.)

## Teaming With Airlines

Many people who fly privately in the U.S. buy first-class tickets on commercial airlines when traveling overseas. Recognizing that fact, several private-jet companies have announced alliances that will allow their passengers to arrange an entire domestic and international trip with one financial transaction.

Bombardier's Flexjet subsidiary—a Richardson, Texas-based seller of fractional jet shares—has joined forces with Korean Air to offer the Flexjet Connect program, which makes it easier for travelers to arrange flights with both companies. Flexjet customers who purchase first-class Korean Air tickets receive a year of Elite status with the airline, which affords them such privi-

leges as concierge services at select airports and dedicated check-in facilities. Korean Air passengers, meanwhile, can make easy transfers to private jets for the U.S. legs of their journeys via FlexJet's Jet Solutions partner.

CitationAir, another fractional-jet-share provider, has linked up with British Airways. The two companies have announced a service called PrivateConnect, which gives the airline's passengers pay-by-the-hour access to the 80-jet fleet of CitationAir, a Greenwich, Conn.-based division of Cessna, the aircraft manufacturer. If you arrive at a U.S. airport on



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### The Big Shrink

Companies and individuals that had owned whole aircraft are now using fractional shares to cut costs. And some that had employed fractional shares are downsizing to jet cards or charter.

Whatever their travel mode, more travelers appear to be opting for smaller aircraft. Middle Eastern royal families still buy airborne palaces such as the Boeing Business Jet and Airbus Corporate Jet, but an increasing number of budget-conscious private travelers are favoring new contenders like Embraer's Phenom 100, and its slightly bigger counterpart, the Phenom 300 light jet, which can carry up to nine passengers.

The Cleveland-based fractional-jet-share provider Flight Options garnered attention when it placed a big bet on the Phenom 300 a few years ago, ordering 100 of them at a cost of \$750 million. Not to be outdone, Berkshire Hathaway's Columbus, Ohio-based NetJets announced an order last October for 125 of the same model in a deal that could be worth more than \$1 billion. Savings for fractional customers on smaller planes can be substantial: Clearwater, Fla.-based Avantair offers only Piaggio P180 Avanti twin-engine turboprops. Although smaller and slower than rivals' jets, the plane helps keep Avantair's fares 32% to 48% lower, according to its Website.

### Filling Up 'Empty Legs'

Often, private jets fly with no passengers at all. If you want to fly to Missoula, Mont., your charter company will take you there—even though it may well have no passengers for a return trip to the airplane's home base. That repositioning flight is called an "empty leg," and it's one reason private flying is so expensive.

Now that's changing, as more and more companies are using the Internet to match empty legs with customers interested in flying those routes. Charter operators welcome revenue from what would otherwise be unpaid flights, and passengers enjoy big discounts.

Recently developed software makes it easy to match travelers and flights by automatically posting empty legs in a searchable online database whenever a customer books a one-way trip. For example, [stratosjets.com](http://stratosjets.com) and [emptylegmarket.com](http://emptylegmarket.com) both list discounted one-way repositioning flights.

### New Fractional Plans

Fractional shares once looked like a way for business travelers to enjoy virtually all the benefits of full jet ownership, including tax depreciation, but with fewer headaches. Up-front costs are lower, since you buy only a portion of the aircraft. Moreover, you leave



XOJet flies Bombardier Challenger 300s, which typically seat eight passengers.

management and maintenance to an operator, and you can resell your share and walk away after a few years.

Lately, however, high monthly fees and unexpectedly low resale prices have taken some of the shine off these plans, and some customers have been bailing out of fractional shares. Largely as a result, share providers are revamping their business models.

Fractional companies are reducing the number of aircraft models they offer, which cuts costs by allowing them to concentrate maintenance and operations efforts on fewer aircraft types. And some providers are focusing more on light jets and turboprops.

Many other changes look possible. There has been talk of smaller service areas, with more surcharges for those who want to fly to the Caribbean, for example. Some industry insiders also say providers may stop promising to repurchase jet shares from customers. There's discussion, too, about more variable pricing, meaning higher prices for those who want unlimited access to "their" jets, and lower prices for those willing to accept more peak-travel-day restrictions. ■

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