

Flight Clubs

As other "alternative airlines" flounder, Surf Air flies the skies.

By James Wynbrandt

Photograph by Andy Freeberg for Barron's

NEW FORMS OF PRIVATE-JET TRAVEL ARE STRUGGLING TO GAIN altitude. These new approaches—from flight clubs to systems for purchasing a single seat on a charter—are hawked by so-called alternative airlines, and while many probably won't get off the ground, California's Surf Air is gaining speed. Its CEO, Jeff Potter, insists that the company, which operates more than a dozen scheduled daily flights between off-the-hub airports in the Bay Area and Los Angeles, is not an airline. "It's an all-you-can-fly club," he says. "You pay a monthly fee, and you get to fly as much as you want during that month."

Potter—who was Frontier Airlines' CEO during its early years and has also headed vacation club Exclusive Resorts—came aboard Surf Air in February, taking over from company founder Wade Eyerly, who retains an ownership stake. Using Swiss-built, seven-passenger Pilatus PC-12 single-engine turboprops, Surf Air operates from plush private aviation terminals at smaller airports: among them, L.A.'s Hawthorne Municipal and Burbank, Santa Barbara Municipal, and San Carlos Airport, not far from Silicon Valley. Parking is free, and passengers can arrive 15 minutes before the flight and receive concierge service; a rental car or taxi will, for example, be waiting steps away at the other end if requested. Clients also don't have to undergo security screening, since the total weight of the plane and passengers is below the government's 12,500-pound cutoff.

Since commencing operations in June of last year, Surf Air has developed a devoted membership that credits the service with helping their businesses grow and enhancing their personal lives. "I wouldn't have envisioned expanding in L.A. so rapidly," says Heather Rafter, an attorney who counsels small businesses and says the new airline service makes building a Southern California business possible. "At least 50% of my client base is now in L.A.," she adds. Rafter lives in Portola, and several times a week drives 15 minutes to San Carlos Airport for a flight to Hawthorne—and that's after dropping her daughter off at school. "My clients can meet me at [Hawthorne] airport. We use the conference room [in the private aviation terminal]," she says. Rafter has even toted snowboarding gear for her son attending college in the L.A. area. "I feel like Wonder Woman," she says.

Surf Air assesses a one-time \$500 membership fee plus monthly dues between \$1,599 and \$2,999, depending on the number of "flight passes" in the member's plan (two, four, six, or eight). "Friends and family" memberships cost an additional \$1,499 to \$2,899 monthly per person, also depending



Attorney Heather Rafter used Surf Air to expand her business down in Los Angeles.

on how many flight passes. Each pass is good for one flight booking; once the flight is concluded, another can be booked. There are no cancellation fees.

"We have not seen members who join and fly 20 times in a month," says CEO Potter, pointing to research showing that rather than binge-flying, customers seem satisfied simply "knowing they have that flexibility" to fly when they want to. That sounds plausible. "I travel a quarter-million miles a year," says Richard Torin, a wine merchant in Santa Barbara who flies Surf Air to connect to long-haul international flights, and to visit his son in Berkeley. "I have no desire to do any more local traveling than I have to."

Membership, which now exceeds 400, has been limited to avoid system overload; thousands are on the waiting list to join. Tom and Martha Ritchey of San Ramon fly almost weekly to check on a house they're building in Santa Barbara. "We hardly ever find ourselves in a jam to need more" flight passes than the two they each have, Martha says.

For more than 20 years, former San Carlos Mayor Sally Mitchell commuted weekly from San Jose on Southwest Airlines to her home in Los Angeles. "Southwest was a wonderful partnership for all those many years," she says,

"but the convenience of this [membership] is irreplaceable." Surf Air costs "about the same" as Southwest, she says, considering the free parking service and her car's reduced wear and tear—not to mention personal time saved.

Surf Air's initial success stands in contrast to other airline-alternative service launches. Arrow Flight Club, slated to commence an all-you-can-fly service between Seattle and San Francisco in 2013, has yet to get off the ground. Services that aim to sell individual seats aboard chartered aircraft on a per-flight basis have also fizzled. The "jet sharing" program announced by Massachusetts-based JumpSeat in 2013 appears dormant; the company didn't respond to our inquiries regarding the service. GreenJets changed its name to Blackjet and suspended its per-seat offering. Blackjet CEO Dean Rotchin says customers aren't yet familiar with the model. "We need budgets to create awareness, and we're raising that money now," he says.

Meanwhile, Surf Air just added service to Las Vegas and Truckee Tahoe, without increasing its three-aircraft fleet, which meant taking some scheduled flights away. "We as members are enamored of the schedules that enticed us [to join]," Rafter observes. The company will add more aircraft "in the later summer, or early fall time frame," Potter insists. If Surf Air continues its ascent, expect flight clubs to pop up in other well-traveled corridors around the country. ■