



# Joining the Jet Set

Imagine being able to travel on your schedule, not an airline's. Imagine holiday trips that let you avoid airport crowds and long security lines. Imagine having a jet at your beck and call. The idea may not be as far-fetched as you think.

Commercial travel, with its crowded planes, poor on-time performance and lengthy security lines, can start almost any trip — no matter how luxurious the destination — off on the wrong foot. Thankfully, there's an alternative: private jets. But for most people, owning a private jet probably isn't worth the investment. Fortunately, today you can join the jet set without buying and maintaining your own plane.

Not too many years ago, the options for private jet travel focused primarily on charter flights or outright ownership. But in recent years, many new alternatives — ranging from fractional ownership to flight cards — have arisen that fall between outright ownership and per-flight charter. Alternatives like these can make travel by private jet an option for executives and leisure travelers alike.

### Luxury for a Fraction of the Price

Fractional ownership allows you to buy or lease a share of a jet (or a particular type of jet) and share the costs of ownership, maintenance and administration with other owners, and is currently the most popular option available. Fractional owners pay a part of the list price for an aircraft — often anywhere from one-sixteenth to one-quarter share — based on the number of hours they typically fly. The fractional ownership company handles all the details of jet ownership — crew, hangar fees, maintenance, insurance, return flights — and the fractional owners pay a fixed management fee to cover these costs. Fractional owners generally also will pay certain variable costs, such as fuel, catering and some maintenance costs, on a per-use basis.

Although individual deals vary, there can be room for negotiation and flexibility in how a given program is used. If, for example, your contracted interest in the aircraft is not available when you want it, you may have access to a larger pool of identical or similar aircraft fractionally owned or leased by others.

"The advantages are endless" when compared to commercial travel, says Natalie Bloomfield, director of marketing for Flexjet, one of the larger and more established fractional jet ownership providers. "There's absolute convenience. Security goes quickly. You're on the plane within minutes of arriving at the airport, travel with people you know and you never have to worry whether a stranger might hear what you're saying."

- **Fractional ownership financing programs.**

Bombardier Flexjet has created a financing program for fractional jet ownership called Jet Rich Quick that requires no cash down payment other than the cost of one month's flying and a fixed low monthly payment over a two- to four-year term.

- **Membership programs.** Sentient, a private jet membership program, allows travelers to deposit funds in an account, which is then debited according to the amount of time flown. The key advantage to this program is there are no pre-set number of hours to purchase up front. You simply place funds in the account until you use them up and replace them. And, should you decide to



Left: Photograph courtesy of NetJets Inc. Right: Photograph courtesy of PrivateAir

### Take Your Pick of Programs

In recent years, several additional options have arisen to make private jet access more even more reasonable. These new programs make it possible for less frequent flyers to reap the benefits of private jet travel:

- **Flight cards.** Marquis Jet Partners, for example, has a program that allows a traveler to essentially "test" a fractional ownership plan. In partnership with industry giant NetJets, Marquis Jet offers a program often known as a flight card, which allows as little as 25 hours of usage for much less than a full fractional jet agreement and without a wider range of additional fees.

end the program, all of the unused funds in your account are refunded in full.

Together, these options provide a range of plans that make joining the jet set possible, regardless of how often or where you fly. For instance, if your travel plans one day involve a short hop across the state and a trip across an ocean the next, you can find a plan that will allow you to select a different plane type each time you fly, depending on your needs. And as more travelers consider fractional ownership, new and easier ways to take advantage of private jet access are likely to appear.

**Flexibility and Luxury in the Sky**

Traveling by private jet offers many benefits beyond the flexibility of traveling on your own schedule. You will no longer need to arrive at the airport two hours in advance and wait in long lines to clear security. With private jet travel, you are whisked through the pre-departure security checks quickly and efficiently.

Private jet craft can seat anywhere from 2 to 20, but typically will handle 5 to 10 passengers. Most have luxury interiors with customized space that may include conference areas or even a bedroom. Customizable catering options provide flexibility for food and beverage, and many private jet options allow you to travel with your pet if you choose.

The modern communications equipment found in many jets allows you to work en-route. Or, if you are traveling with your family, you can watch an in-flight movie you've chosen using cabin speakers, rather than headsets.

In addition, flying by private jet often allows you to get closer to your ultimate destination without time-consuming multi-leg flights and

plane changes. Private jets are able to land at more than 5,000 airports in the United States, compared to the approximately 400 commercial airlines can access. And because you control your flight schedule, you are able to return home the same day if you choose.

**Special Considerations for Businesses**

Most private jet usage is still for business purposes. During the past decade and a half, business aviation has exploded, due in part to many of the same reasons that have proven problematic for leisure travelers.

According to the Washington, D.C.-based National Business Aviation Association, the number of companies using business aircraft in the United States jumped more than 60% since 1991, with more than 10,600 companies and organizations operating business aircraft in 2003.

When considering fractional ownership for business purposes, a number of additional factors can come into play, including departure location and destinations, number of travelers involved, cargo needs and personal preferences.



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With the explosion of options available in the fractional jet market, there's almost guaranteed to be a program that's right for you. Here's a look at some of the features and possible downsides of four different types of private jet service providers.

	PROVIDER TYPE			
	Full Fractional	Flight Card	Membership Club	Charter/Charter Broker
Initial Capital Investment	Yes	No	No	No
Average Lead Time	8 to 10 hours	As little as 10 hours	As little as 10 hours	2 to 4 hours
Time Commitment	As long as 5 years	Often 1 year	Can leave at any time	None
Ongoing Management and Other Fees	Yes	No	No	No
Avg. Total Cost, 4-Hour Flight*	\$13,761 **	\$27,984	\$20,480	\$13,000
Key Benefit	Ownership (equity in asset and possible tax write off)	Simplicity, flexibility	No management fees, ongoing membership account	Lower rates
Potential Downside	High initial capital outlay	Higher per-hour charges, no equity	No equity; often no control over choice of aircraft	Smaller operators may have limited fleet choices

**Source:** Aerlex Law Group  
 \* Based on average cost of a Hawker 800 XP aircraft and average fuel surcharges. Additional management, maintenance or other charges may apply.  
 \*\* Does not include depreciation allowance over five-year span for initial purchase price of fractional share.

However, Steve Hofer, a partner in the Santa Monica-based Aerlex Law Group, which offers legal services related to many aspects of the fractionals industry, suggests that whether considering private jet travel for leisure or business travel, the place to start is by taking a look at the number of flight hours you'll need down the road, as well as the overall pattern of your travel.

"I don't think it makes sense for anyone to look at a fractional interest if they're flying less than 50 hours a year," he says. "If 20 hours is your usage pattern for a year, then you may be a customer that is better served by a per-flight charter or a [flight] card."

Conversely, Hofer suggests, if more than one traveler is involved, such as a group of executives from a single company, or when usage starts to approach approximately 400 hours a year, then the economics of purchasing a whole aircraft can start to make more sense.

**One Size May Not Fit All**

Despite the many advantages and options that make private jet travel appealing and accessible today, even becoming a fractional jet owner may not sever all your ties with commercial carriers.

"What we find overall is individuals and companies tell us that they don't ever move entirely from commercial to private aviation," says Dan Hubbard, spokesman for the National Business Aviation Association. "Some people do, but by and large most people retain a mix of different types of aircraft use depending on [use]."

Hofer, mindful of the many advantages traveling by private jet can offer, warns those thinking of exploring the industry of the addictiveness of having a plane at your disposal when compared to commercial carriers.

"There are a lot of different things to look at when choosing a [private jet] provider, and they often tend to be very personal," he says. "In the end, these are [just like] limousines in the sky." ■