

ExecutiveTraveler

OCT/NOV 2006
\$7.95

THE ELITE CORPORATE RETREAT AND CLIENT ENTERTAINMENT MAGAZINE

WWW.EXECUTIVETRAVELER.NET



ski *utah*

DISNEY MEETINGS TENNIS RETREATS
VERY LIGHT JETS NORTH CAROLINA



CLOCKWISE FROM TOP LEFT: Jet-Alliance markets its fleet of Eclipse 500s as a low-cost alternative to its competitors; the Eclipse 500 cockpit.



THE FUTURE OF DOWNSIZING

A new breed of Very Light Jets takes to the skies.

BY LAUREN SIMPSON

BETWEEN THE RISING FUEL surcharges and the time lost in interminable lines at major airports, a growing number of executives are finding personal aircraft to be the most appealing method of air travel. Yet private planes have their limitations: the cost of ownership and upkeep is formidable, and fractional ownership, while somewhat easier on the wallet, places restrictions on flight hours and often charges for empty legs.

With the airlines in crisis and reduced fuel costs a priority, there could be no more opportune moment for the advent of the Very Light Jet. Also known as microjets, personal jets, or entry-level jets, Very Light Jets (VLJs) promise to revolutionize air travel by offering convenience and a slimmer price tag.

As the name suggests, a VLJ is a jet aircraft weighing 10,000 pounds or less when fully loaded. The planes are small even for private aircraft; most VLJs hold between three and eight passengers, and the cockpit is designed for one. The limitations of single-pilot operation are offset somewhat by the advanced cockpit features and systems automation in many models, but the FAA remains wary of jet pilots flying unaccompanied. Both pilot restrictions and limited fuel carriage may keep VLJs to short-haul flights, but they make up for their size with the convenience factor:

most of the 5,000 regional airports around the country are too small to handle commercial planes, but pose no problem for a VLJ. Plus, with price tags rarely exceeding \$3 million, VLJs promise to be inexpensive, "neighborhood" planes that can hop between small airports, bypassing the congestion of hubs and dropping passengers closer to their final destinations.

A promise is all that many can deliver at the moment, however, as some awaited models are still in the design and testing phases. FAA certification is a difficult final hurdle most have yet to pass. Despite the delays, several companies are banking on their success, and advance orders for small fleets form the basis for several new services.

Retaining the traditional partial ownership model, Jet-Alliance markets its fleet of Eclipse 500s as a low-cost alternative to its competitors. Slated for production in summer 2006, the six-seat Eclipse 500 is the first VLJ to be FAA certified and retails for approximately \$1.5 million. One million dollars and change may yet be too steep a price for some companies, so Jet-Alliance offers fractional ownership beginning at \$93,450 for a 1/16 share, 50 flight hours per year. Should potential customers balk, Jet-Alliance notes that a 2006 Mercedes CL500 Coupe retails for \$96,275 but "has no hope of ever approaching the 400+ MPH of the Eclipse 500." The Mercedes doesn't come with a \$30,000 annual ownership fee, either, but when the Eclipse 500



is compared to other personal jets, its acquisition cost is minimal: FlexJet asks more than five times Jet-Alliance's rate for the same share of their Learjet 40XR. Jet-Alliance also factors fuel into their hourly fee, meaning passengers aren't surprised with a surcharge. To sweeten the deal, Jet-Alliance only charges passengers for occupied time, not for empty legs of the trip.

Realizing that many will still find Jet-Alliance's prices out of reach, some companies are catering to the wider market by offering slated "air taxi" services with their VLJ fleets. The two leading pioneers in this field are DayJet, headed by Ed Iacobucci of Citrix Systems, and Pogo, now chaired by former American Airlines CEO Robert Crandall. First to launch will be DayJet, whose fleet of 307 Eclipse 500s will begin flights in Florida by the end of 2006, pending government approval. DayJet prides itself on its "Per-Seat, On Demand" service, in which customers fly on their own schedules but only pay for the seats required. A short-haul flight will cost only slightly more than a full-fare coach flight, and customers will be able to fly between DayJet's "DayPorts," the first five regional airports selected for the service. Future DayPorts will appear

across the Southeast in the near future. The added traffic should cause no problem to air congestion, as the DayPort sites are seldom used and the VLJs fly lower than commercial jets.

Pogo, which plans to launch in Massachusetts in late 2008 or early 2009, will operate in a slightly different fashion. The air taxi service will be based on a more traditional model, in which customers rent the plane and pay by the mile or hour. Unlike most charter companies, however, Pogo will initially own and maintain its fleet of VLJs and train its own pilots, guaranteeing customers ease of booking and confidence in the service. Pogo has yet to select its planes, opting instead to study the new models and wait for more VLJs to become fully certified before making the final decision.

Though the Eclipse 500 is the most popular model at the moment, other VLJs are slated to enter production in the next two years. Adam Aircraft's A700 and Cessna's Citation Mustang, an "entry-level jet," should be certified in 2006, but look for Diamond's D-Jet, the ATG Javelin, Spectrum Aero's 33, and Excel-Jet's Sport-Jet in 2008. Still in development but highly anticipated are the Embraer Phenom 100 and the HondaJet, both of which may hold up to eight seats. Projected prices range from \$930,000 to \$3.65 million, but when one factors in the time and hassle of modern commercial air transportation, a VLJ looks more and more like a sound investment. **ET**

BELOW: the Eclipse 500, by Eclipse Aviation, one of the first Very Light Jets to hit the market. OPPOSITE: the Eclipse 500 cabin seats six passengers.

