

[THE ROAD WARRIOR, UNBURDENED]



PRIVATE JETS

Card-carrying jet-setters

Businesses can buy time on a private craft, providing access to convenience, comfort and burlled walnut paneling. Can you imagine going from car to clouds in 10 minutes?

By JAMES GILDEN
Special to The Times

PRIVATE jets were once the rarefied domain of captains of industry, whose corporate derring-do made headlines – and money. The hassle of flying commercial airliners stole precious moments they could otherwise use to pull off the deal *du jour*, and although private jets don't cost peanuts, the reasoning went, a corporate rock star shouldn't have to eat peanuts.

Which pretty much left the rest of the corporate world begging for an extra bag of Planters on the crowded flight home.

Enter "jet cards," a 21st century concept that has opened the door of the exclusive club of private jet travel. Business travelers whose companies can't afford to own and maintain a fleet of private jets now can buy some of the privileges, giving back to corporate foot soldiers a valuable commodity: their time.

With jet cards, companies buy only flight time in increments of as little as 25 hours. They allow executives to fly at a minute's notice out of more convenient, easier-to-navigate smaller airports such as Van Nuys or Santa Monica.

"It frees me up for an additional [See Cards, Page S3]

A posh way to spend a pretty penny

[Cards, from Page S1] four hours per round trip, and you also don't get the brain damage of dealing with LAX or San Francisco Airport," said Ken Pingree, who has flown for more than two years with New York-based Marquis Jet, a world leader in jet-card sales. Pingree, president of Bay Area Financial Group, which provides financial services to small businesses, often travels between his offices in West Los Angeles and San Francisco.

Sales are rapidly growing at two of the largest providers of jet cards. Marquis reported a 200% increase in sales of jet cards in 2003 from 2002. Bombardier Skyjet, based in Fairfax, Va., which also sells charter and fractional ownerships as well as jet cards, also said it saw significant growth in 2004.

About a third of its member companies polled by the National Business Travel Assn. used corporate jets or chartered aircraft in 2003. That increased from 26% the previous year, according to the association, which represents more than 2,500 corporate travel managers and travel service providers.

"Corporations are always looking at the productivity angle, and that is part of the reason" for the growth in private jet use, said Bill Connors, the association's executive director and chief operating officer.

Jet cards appeal to companies that don't want, need or can't afford the expense and commitment of fractional ownership, said Craig Ross, vice president of entertainment/West Coast sales for Marquis Jet. (Fractional ownership allows businesses to own as little as 1/16 of an airplane, which entitles them to 50 hours of use a year. Because they are actually purchasing a share of an aircraft, fractional ownership comes with hefty upfront purchasing costs, as well as maintenance, fuel and flight-time expenses.)

Marquis buys fractional jet shares from NetJets, a leading company in private aviation, and then re-packages and sells



time in the shares it owns, allowing what is, in essence, a rental or short-term lease of the aircraft.

The perks of flying in a private jet are more than convenience and time savings, as I recently discovered on a Marquis jet flight from Van Nuys to an airport near Palm Springs. There are spacious seats, burl walnut paneling and leather upholstery, the privacy and security of being able to choose your cabin companions and the flexibility of knowing that when you step on the plane, the plane is ready for take-off.

The very friendly skies

MARJORIE Goodson Cagle of Los Angeles holds a Marquis Jet card, and pays a little less than \$110,000 a year for 25 hours of flight time on a seven-passenger Cessna Citation V Ultra. Last month, I joined Cagle, her daughter Hannah Cutt and their 10-year-old Australian shepherd, Brando, on a personal flight to Thermal Airport, an airstrip for private jets just outside Palm Springs. It was a short flight, really only a taste of the ease of air travel.

Cagle pulled her Range Rover onto the tarmac at Van Nuys Airport next to our waiting aircraft, an eight-passenger Cessna Citation X, an upgrade from Cagle's usual plane. (Marquis owns shares in 12 types of jets as varied as a six-passenger Hawker 800XP to a Boeing business jet that carries as many as 18.)

Marquis Vice President Ross greeted Cagle with a hug as she stepped out of her car. The pilot descended the steps of the aircraft and helped stow the bags. He then asked to see my driver's license, a standard procedure to check ID, and we buckled into our seats. The pilot pulled up the steps, and we were ready to taxi out to the runway, about five minutes ahead of schedule.

The whole boarding process -- from pulling up to the aircraft to pulling away from the gate -- took less than 10 minutes. Cagle's car was driven off the tarmac by a valet. It would be waiting for her on the tarmac when she returned.

"For someone who doesn't like to fly, this is the only way to go," Cagle said as she settled in for the 120-mile, 30-minute flight. "It makes travel more friendly."

That friendliness comes at a hefty price. Though cards make private jets more accessible, it's still horribly expensive. The minimum buy-in at Marquis Jet is 25 hours a year, starting at \$109,900 and topping out at \$339,900, depending on which of the company's aircraft the time is purchased on. That works out to at least \$4,396 per flight hour. A five-hour flight to New York? About \$22,000.

A first-class ticket from LAX to New York with a 24-hour advance on United's website for its new premium service recently was \$2,250 one way. If five executives fly, fares would total \$11,250

-- about half the cost of flying five people on a private jet.

Our flight to Palm Springs cost \$4,396 for the three of us. Although it took only half an hour, the flight counted as one hour from Cagle's card because Marquis has a minimum 48-minute flight time, plus 12 minutes for takeoff and landing.

"It's very expensive, but [a jet card] does make it more affordable," Cagle said. "For me, the ultimate luxury is this. I've been doing it less than a year, but I'm a junkie now."

Pingree, of Bay Area Financial, agrees. "Once you start, it's tough to go back," Pingree said. "I would be heartbroken if I had to discontinue using it."

The ultimate upgrade

UPGRADES, an issue near and dear to the hearts of many business travelers, are also on the minds of jet-card users, for the same reasons: more space and amenities.

If the type of aircraft a company has purchased time on is not available, Marquis will provide a comparable or better aircraft, Ross said. On the Palm Springs flight, the roomier, faster Citation X was an upgrade from the Citation V Ultra, on which Cagle had purchased time.

Pingree said he frequently has been upgraded, and Cagle was enthusiastic in describing her upgrade on one flight to a Boeing Business Jet. "It's basically a house,"

said Cagle, describing the \$52-million modified Boeing 737 that seats 18 passengers, sleeps 10 and has nearly 1,000 square feet of "living" space.

For businesses considering a private jet, finding the right program can be a challenge. Besides choosing the aircraft, there are tax and other financial considerations.

A first step for those considering a program that requires a large financial commitment might be to charter a jet for a single trip, said George-Ann Rosenberg, Bombardier Skyjet spokeswoman. Skyjet has an online booking tool for charter flights, and I used it to price a charter flight to Palm Springs: \$7,427 on the cheapest aircraft for a round trip. On a Citation X, it would cost \$18,638, including repositioning and landing fees and wait times.

The exercise highlighted the advantage of using a jet card. Local charter operators may have limited availability and choice of aircraft, and there is no guarantee that an aircraft will be available at the time and place an executive wishes to fly.

With jet cards, only flight time is charged, not overnights or costs associated with returning the aircraft to its base. Companies do not have to pay maintenance fees or fuel costs.

Also consider safety, age and maintenance of aircraft, pilot experience and training, the company's reputation, how it screens its pilots

and what kind of aircraft the company is putting you on, Rosenberg urges.

In response to consumer concern about safety after some recent high-profile corporate-jet crashes, Sentient Jet, another company selling jet cards, formed a committee focused on enhancing safety standards.

Members include Dave Thomas, former head of the National Transportation Safety Board, Jane Garvey, former administrator of the Federal Aviation Administration, and Greg Phillips, a former lead investigator for the NTSB.

Finding reliable government safety statistics that focus solely on corporate jet travel is impractical because the FAA and NTSB do not break the data out of a broader category.

But Phillips points to the FAA's tight regulation of the industry and its maintenance protocols, the large investment of capital in aircraft, and the experience and training of the pilots as some indicators of the safeness of the industry. Talking to people on the "ground" who are directly involved in the operation of the aircraft is one way of learning about a company's safety practices, he suggests.

"I never met a pilot who doesn't like to tell you what he's doing," Phillips said.

Happier on the high road

OUR flight into Palm Springs was extended by a few minutes as the pilot steered the jet around some gathering thunderheads.

For those who question the need to fly from Los Angeles to Palm Springs, my drive back to Los Angeles was Exhibit A.

The thunderstorm that the pilot had flown us around was dumping hail on Interstate 10 somewhere near San Bernardino. Freeway traffic ground to a halt as the pavement became a slushy, wet mess. The drive seemed endless.

The distance I had covered in half an hour in the heavens took me 3 1/2 hours back on earth.

