

# Airline Woes Fuel Jet Charters Flying the Private Skies

By Patricia Kurza

**C**EOs flying around the country in private jets – leaving when they need to, enjoying their favorite cuisine undisturbed in plush surroundings – is an image that smacks of power, privilege and plenty of cash.

But thanks to more affordable charter service options, companies that may never appear on a Fortune 500 list are beginning to get a piece of the private sky.

Despite the disparate payroll size, small and large companies have similar needs: to connect with clients, train employees, manage remote offices and execute strategies at the right time and in the right place. But

Compared with the 3,600 U.S.-based airports that private jet charters serve, and factoring in the efficiencies of on-demand scheduling, small businesses are recognizing the benefits of using private jets for their short-haul (three flight hours or less) requirements.

## Sunrise to Sunset

Novato-based Sunset Aviation, one of the Sacramento-area companies benefiting from this new category of travel clients, manages private-owner aircraft and provides retail charter services. "Sunset has experienced a 23 percent increase in revenue since 2004, operating nearly 4,000 flights annually," says Scott Pritchard, Sunset's sales and

source," says the center's CEO, Scott Powell. Confidence in this growing trend is reflected in the center's recent commitment to build a \$20-million aviation complex at the Sacramento International Airport, slated to break ground in 2006.

Small and midsized companies are getting the message, says New York-based BusinessJet Class president George Khairallah. "Charter prices are not that much higher than the commercial airlines' when you're flying short hauls with two or three of your colleagues or family members," he says. "The savings in time and fatigue are very significant and are definitely worth the cost differential."

**"This is not a service that is just for rock stars and politicians anymore."**

— Scott Pritchard, sales and marketing VP, Sunset Aviation

achieving these goals using commercial aircraft is an increasingly frustrating endurance contest.

Security procedures at commercial airports have significantly lengthened passengers' pre-boarding time. That's "dead time" for key executives whose schedules are tightly scripted with little margin for interruptions. Being able to fly to less-traveled areas where the satellite offices may be located is getting to be an iffy proposition. According to the Aircraft Owner and Pilot Association, 75 percent of all commercial airline flights connect with only the 29 busiest airports in the United States.

marketing VP. "We now operate and manage 30 airplanes from four separate bases throughout Northern California.

"Public education of the benefits of private air charter flight has played a tremendous role in overall acceptance of the product. This is not a service that is just for rock stars and politicians anymore," Pritchard adds.

Managed and charter aircraft are important year-round tenants at the Sacramento Jet Center, whose clients value its proximity to the Capitol's legislative epicenter. "Fractional ownership programs such as Netjets and Flight Options are a growing revenue

BusinessJet Class entered the on-demand transportation market, Khairallah says, to streamline the booking process for the travel agents who typically book business charter flights. It recognized that this niche would benefit from a standardized process where travel agencies and travel-management companies nationwide can easily compare and buy private jet charter services.

Travel agents can be very helpful for finding the best deals. Initially, however, companies should do the up-front work of sizing up their business needs in order to figure when flying charter makes sense. If their destinations tend



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*- Alberto Martinez, private pilot and Intel software engineer*

to be located in major cities, at a distance that qualifies as a long haul (more than three flying hours away) or if many people need to fly, then using commercial flights may be the best alternative.

However, if priorities such as saving time, ensuring privacy or flying to remote locations are paramount, then opting for charter may be the way to go. Once a company decides that

charter is a viable business strategy, Pritchard recommends that it book different types of aircraft to identify which type is the best fit.

"Each company has to determine for themselves whether or not an employee's added efficiency is worth the added expense," Powell says. "The 1900s put wheels on America, the 2000s will add wings. The question is not if, but when."

#### **Up, Up and Away**

While legions of Sacramento area workers are grinding their teeth in rush-hour traffic, Alberto Martinez is enjoying some of the prettiest vistas in the state. Not to mention that his typical trip from Sacramento to San Jose or Santa Clara clocks in at a sweet 40 minutes.

This Intel software engineer certainly qualifies as a very frequent flyer,

logging at least two hours weekly in the air. Martinez regularly departs from Sacramento Executive Airport in his 2005 Cessna 182T, heading for such destinations as San Jose-based Reid-Hillview airport. He obtained his Federal Aviation Administration Private Pilot certificate in 2001 and then started flying to fulfill his business responsibilities, which often include participating at meetings and conferences.

Martinez says his flight habits are by no means a rarity. "Many in the high-tech industry use their own, lease or rent an aircraft," he says. "When you consider the time savings, leasing or even chartering an aircraft provides significant business advantages. Even if we disregard indirect benefits of the minimum pre-boarding inconvenience, after considering the

direct average cost of one- to two-hour trip airline tickets and the cost of the individual's personal time, chartering a small jet (four to six passengers) will be close to cost-parity for an individual earning \$300 an hour or the same three individuals at \$100 an hour.

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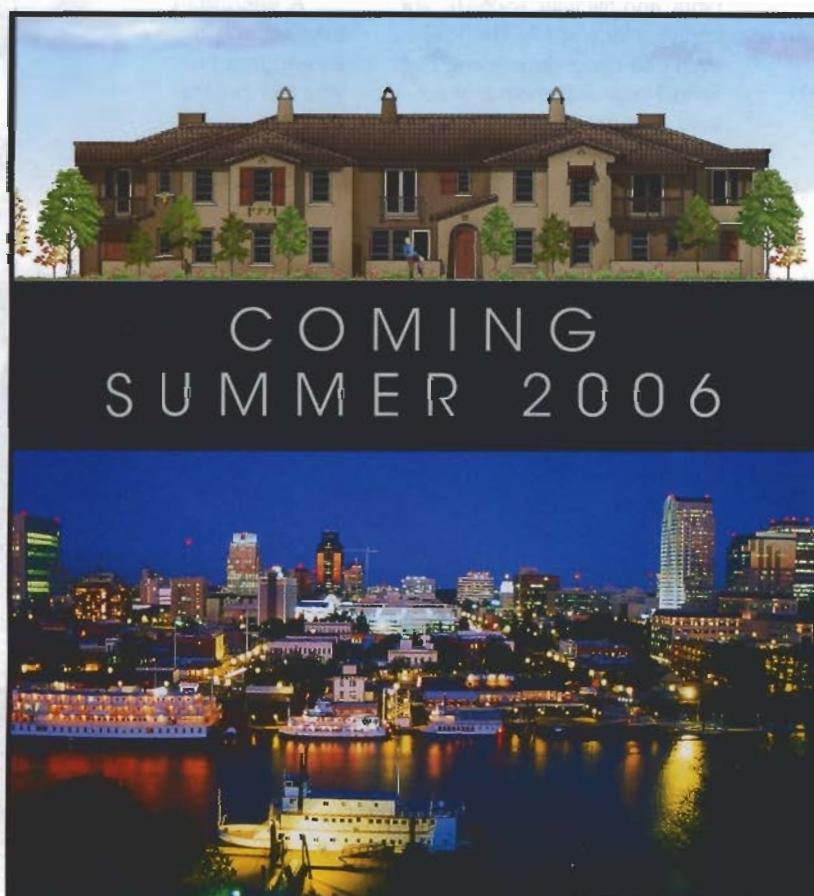
His commercial pilot status with instrument rating privileges allows Martinez to fly a wide range of aircraft, including his current Cessna that gives him long-range capabilities as well as greater cargo and fuel capacity than his former 2001 Cessna 172SP. His private pilot license, however, limits his flying to the prevailing weather conditions.

"The private license only allows flying in visual meteorological conditions,"

explains Martinez, adding that flying in cloud cover and descending into fog-covered airports is not permitted. "Flying without an instrument rating, which enables you to fly in instrument meteorological conditions, limits your options to only the best weather," he says.

Martinez recommends business flyers increase their options by obtaining an instrument flight rules rating (a rating that describes the conditions of reduced visibility to which instrument flight rules apply) in addition to their private license.

But sometimes his well-being dictates when Martinez joins the ranks of commercial airline travelers: "It is not uncommon for me to choose a commercial airline for day trips that are longer than two hours. As a pilot operator, I need to be rested for the return flight, and business meetings are often far from relaxing." 



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