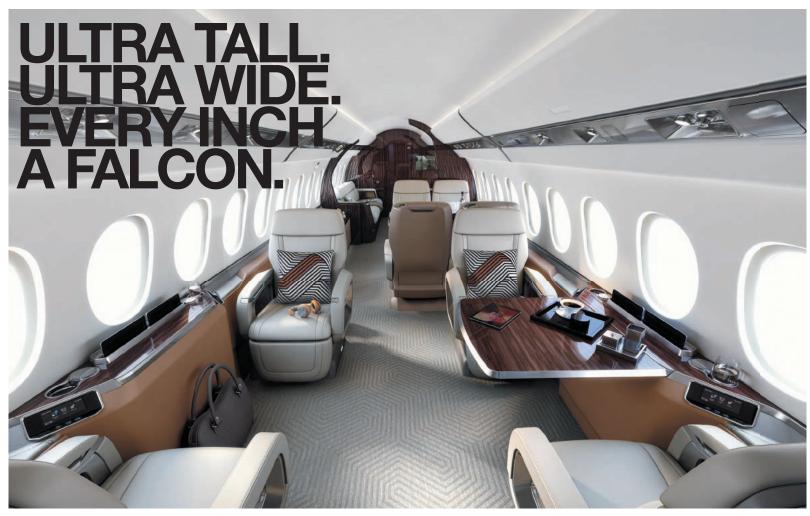
SPECIAL SECTION: CHARTER, JET CARDS, FLYING CLUBS, AND FRACTIONAL SHARES JSINE Spring 2019 | bjtonline.com Robert Herjavec From poverty to Shark Tank stardom and a GIV-SP **EXTRAORDINARY BIZJET CABINS** LATEST TAX-SMART **DONATION STRATEGIES** THE WORLD'S **BEST BEACHES**

















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- Special section: **BJT** Buyers' Guide
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ON THE COVER

Robert Herjavec, photographed for **BJT**





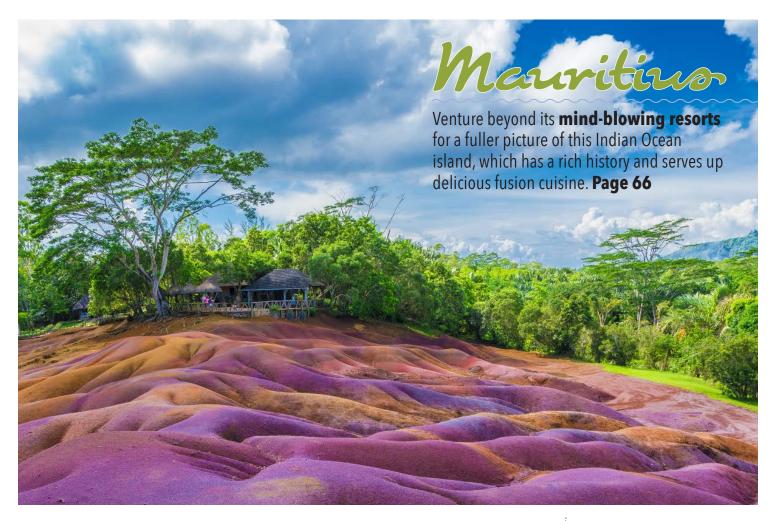
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Up Front

hark Tank, as you probably know, is a wildly popular ABC-TV show on which aspiring entrepreneurs make pitches for funding to a panel of investors. All of those investors are successful and well-known business.

investors are successful and well-known businesspeople, so a vote of confidence from them is arguably just as valuable as their cash.

"Successful" is certainly a word that applies

to the show's Robert Herjavec, who graces this issue's cover. He experienced extreme poverty in childhood and has since faced multiple business and personal challenges; but he now heads the thriving cybersecurity firm Herjavec Group, and he has created and sold multiple companies for hundreds of millions of dollars.

He credits much of that success to a positive attitude. As he told our Margie Goldsmith (*page 18*), "I've never met a successful entrepreneur who is miserable. You've got to believe that tomorrow will be better than today because

if you don't, the weight of negativity will crush you."

Herjavec shares this upbeat attitude with Mark Cuban and Daymond John, two other *Shark Tank* cast members who have sat for **BJT** interviews. Another thing they all have in common is a desire to make the best use of their time—and an appreciation for the way private aviation helps them do that. Herjavec owns a Gulfstream GIV-SP, and he flies it a lot—about 300 hours a year—because, as he told Margie, "When you compete with companies that are bigger than you, you've got to move faster."

Our Herjavec interview is just one of many mustreads in this issue, which is the biggest we've published in years. In addition to some design enhancements that we hope you'll like, it features a 16-page special section on lift providers that includes info on new offerings, consumer advice, interviews with two consultants who help business jet travelers, and a directory of companies. Watch for more special sections in every upcoming edition of **BJT**.



And be sure to sign up for our free newsletter, **BJT Waypoints** (BJTonline.com/subscribe). We've increased its frequency to twice weekly, and we're packing each edition with links to online exclusives, special reports, industry news, previews of upcoming print features, and more.



Jennifer Leach English Editorial Director jenglish@bjtonline.com



While wrapping up work on her Robert Herjavec piece, Margie Goldsmith learned that she had received awards for three of her **BJT** articles from the North America Travel Journalists Association: Gold for "Madeira" (June/July 2018), Silver for "A Very Frequent Traveler Looks Back" (August/September 2017), and Honorable Mention for "Colombia" (October/November 2017). The magazine and its writers have now won a total of 74 editorial awards.

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Aircraft-Building Techniques Spur Comeback for Wooden Boats

Modern aircraft-building techniques are helping to bring wooden boats back into fashion.

Detroit, led by legendary boat builder Chris Craft, was the epicenter in the 1920s and 1930s for much of the wooden powerboat business. The industry was helped by Prohibition and the Great Lakes' vast shared shoreline with Canada—a smuggler's paradise, according to Michigan historian Bud Matthews. The Les Cheneaux Islands in the northern part of the state, now home to one of the nation's premier annual wooden boat shows, became a summer playground for gamblers, Detroit's notorious "Purple Gang" of bootleggers and hijackers, and Michigan's leading families of the day.

But wooden boats presented challenges. Their hulls needed to soak up water after initial launch each season so that their boards could swell, expand, and seal; the boats also had to be kept out of sunlight as much as possible to prevent rot. So northern Michigan's stately cottages needed matching boathouses, and the boats required rigorous maintenance. Fiberglass-constructed vessels that came onto the scene in the late 1950s were cheaper to build and required far less care. No

wonder then that wooden boats became consigned to the ash heap.

But that may be changing. While wooden boats will never be as inexpensive to buy as fiberglass ones, new construction techniques and finishes are making their maintenance far less odious. In Boyne City, Michigan, Van Dam Wooden Boats builds various customer-dictated designs, from sailboats to power racing boats to luxury cruisers. Wood offers a richer finished look and a better strength-to-weight ratio than fiberglass or metal, says sales manager Jeremy Pearson.

Van Dam applies layering and diagonal strengthening processes—in wooden boat building called cold molding—and computer-numerical-controlled milling machines that are also used to make airplanes from carbon-fiber composites. Pearson says this provides for superior durability. The cold molding and a new-generation epoxy eliminate soak time, and thanks to new automotive-style clear-coat finishes, customers no longer need to keep the crafts in boathouses or on curtained lifts. "Some of our boats are out in the elements year-round," Pearson notes.

—Mark Huber



APRIL 11-14

The Masters, Augusta, Georgia. The world's best golfers compete for the coveted Green Jacket. Info: masters.com

APRIL 12-14, 19-21



Coachella, Indio, California. It's the 20th anniversary of this popular festival, which features several genres of music as well as art installations. Ariana Grande will headline. Info: coachella.com

MAY 4

Kentucky Derby, Louisville, Kentucky. It's never too early to start planning for a day of old-world glamour, fancy hats, and plenty of mint juleps. Info: kentuckyderby.com

MAY 13-19

PGA Championship, Farmingdale, New York. The world's greatest golfers compete in this major championship event, which was first held in 1916. The winner takes home not only a replica of the oversized 27-pound Wanamaker Trophy, but also a nice chunk of change: Brooks Koepka walked away with \$1.98 million last year. Info: pga.com

MAY 23-26



Monaco Formula 1 Grand Prix, Monte Carlo, Monaco. This race, which dates back to 1929, takes place on narrow and winding city streets. Info: monaco-grand-prix.com

-Jennifer Leach English

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Quote Unquote



"Levitation is probably the closest analogy to what you feel [playing in the Rolling Stones], whether it's 'Jumping Jack Flash' or '(I Can't Get No) Satisfaction' or 'All Down the Line,' when you realize you've hit the right tempo and the band's behind you. It's like taking off in a Learjet." —Keith Richards

SOURCE: ROLLINGSTONES.COM



Museum Watch

The Best Way to Visit Art Museums

Do you love art museums but not crowds or waiting in line? Would you prefer to converse with an expert about what you're viewing rather than listen to canned commentary on headphones? If so, consider signing up for a private art tour. Some examples:

U.S. Museum Hack offers small-group tours at such places as New York's Metropolitan Museum of Art, Washington, D.C.'s National Gallery of Art, the Art Institute of Chicago, Los Angeles's Getty Center, and San Francisco's de Young Fine Arts Museum. The two-hour tours include a wine and chocolate break. Info: museumhack.com

New York. Critic and college lecturer Merrily Kerr discusses contemporary art on private and scheduled tours of major museums as well as galleries in Chelsea and the Lower East Side. Info: newyorkarttours.com

Amsterdam, Holland. An art-history scholar leads tours at such places as Rembrandt House and the Van Gogh Museum. Info: johannesvermeer.info

Paris. A guide walks you through the Louvre, Orsay Museum, Rodin Sculpture Garden and Museum, or any of several other museums. Transportation to and from your hotel is optional. Info: art-tour-paris.com

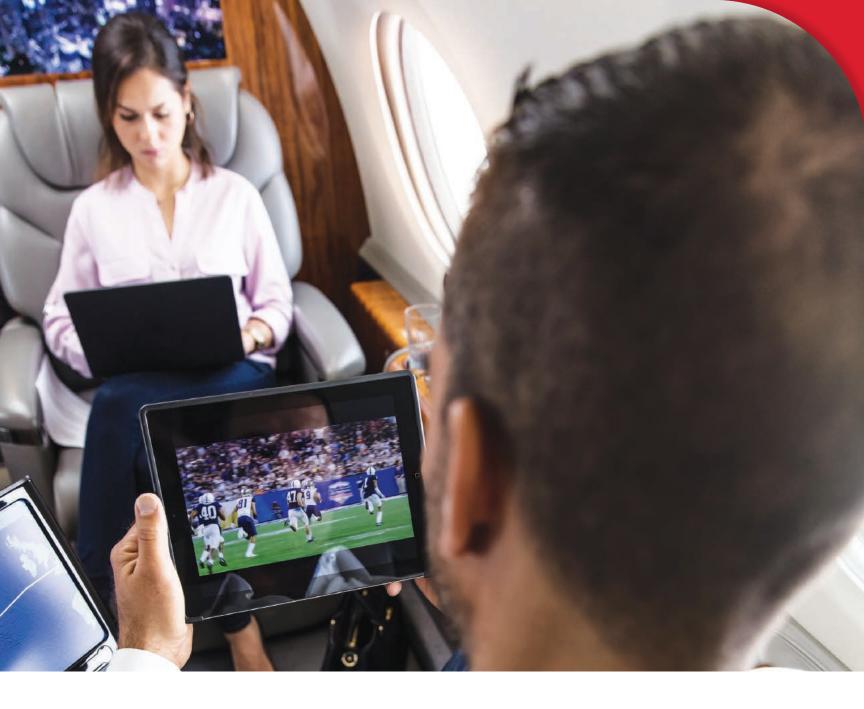
Athens, Greece. Customized four-hour walking tours in a city that has become a street-art mecca include pickup from some hotels, Greek coffee, and a farewell gift. Info: athensinsiders.com

Buenos Aires, Argentina. Explore the emerging avant-garde art scene of Palermo as you visit five to eight galleries and see street murals on a three-hour tour. Info: buenosairesarttours.com

Bangkok, Thailand. A four-hour tour takes you to up-and-coming artists' studios and quirky, hard-to-find galleries and can include show openings, depending on when you book. Info: vayable.com

-Margie Goldsmith





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Why You'll Soon Be Eating Seafood You've Never Heard Of

While certain "luxury" foods-truffles, caviar, Kobe A5 beef-have long been part of fine-dining menus, some of America's top chefs are starting to flaunt their creativity by featuring a wider range of exotic ingredients. Many of them come from the sea.

At the \$5,500-a-ticket Rarities of the Sea dinner at March 2018's GourmetFest in Carmel, California, chef Kyle Connaughton from nearby SingleThread served farm-raised Kindai bluefin tuna to encourage dialogue on issues regarding seafood scarcity and sustainability.

Chef Joshua Skenes, whose flagship San Francisco restaurant Saison has earned three Michelin stars for the last four years, opened Angler in September with a 28-foot-wall of fish tanks. Rather than focus on popular fish like salmon and cod, his menus feature obscure seasonal products like sand dabs and jellyfish.

While many chefs lack the scope or inclination to source and maintain live seafood, a growing number of community-supported fisheries are supplying them with same-day catches that are "in rigor" (rigor mortis, optimal freshness). Dock to Dish, which has multiple U.S. and international collectives, is one example; soon the New York operation will also be adding locally grown kelp to its deliveries.

And when top restaurants champion new foods—like gelidiella, another edible seaweed—they start to appear everywhere along the food chain.

"It's our responsibility," says Skenes. "It starts with chefs."

—Gemma Z. Price





Giving Back



Feeding America

Feeding America, a network of 200 food banks, is a consistently top-rated charity that helps 46 million people through 60,000 food pantries and meal programs across the U.S. The organization works to safely rescue and repurpose some of the billions of pounds of food that groceries, restaurants, and others discard each year; it also educates about the problem of hunger and advocates for legislation that addresses this issue.

Approximately 12 million American youth face the devastating and long-term effects of food insecurity. Feeding America places special emphasis

on them through programs that provide healthy meals to kids not only at lunchtime but also after school, on weekends, and during holiday breaks.

Feeding America is agile enough to respond to situations in near real time. During the partial U.S. government shutdown that began last December, the charity worked to increase food distributions and mobile and pop-up pantries in areas where large sections of the population are federal workers such as TSA agents and Coast Guard employees.

-Jennifer Leach English

BJT readers—who represent one of the highest-net-worth magazine audiences anywhere—clearly have the means to contribute to a better world. To help you do that, we spotlight deserving organizations in every issue. All of them have received a four-star overall rating from Charity Navigator (charitynavigator.org), which evaluates philanthropic institutions based on their finances, accountability, and transparency.







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The din at dinner

Conversing over wine and a good meal is one of life's great pleasures. But not when a restaurant is so noisy that you can barely hear your companions.

by Joe Sharkey

coustics experts in the business-jet industry have been developing ways to better soundproof noisy cabin interiors—but when you get to where you're going, you're likely to confront another sonic challenge: noisy restaurants.

Last summer, my wife and I went to dinner at a restaurant in Tampa that was blasting Frank Sinatra. It was one of those stirring Nelson Riddle arrangements, and it sounded as if a dozen trumpets and as many trombones were blaring at a level that could have woken Sinatra from his

grave. We couldn't hear each other talk, which is a complaint you hear a lot these days about restaurants and bars. Many of them are just too darn loud for normal conversation.

There are several reasons for this, including that interior designers at many restaurants got rid of sound-muffling carpets and even tablecloths in favor of minimalist surfaces like stainless-steel and stone fixtures and hardwood floors. High ceilings became fashionable, too. At the same time, restaurateurs desperate to attract more millennial diners made the questionable assumption that Other Peo-

ple's Music has general appeal when it is boomed out at belt-grinder decibel levels.

I recently met someone for a business breakfast at the trendy Hash Kitchen at Gainey Village in Scottsdale, Arizona. The turkey-bacon hash with poached egg was very good. But when I arrived at 7:45 a.m. on a weekday to wait for my companion and was the only customer in the place, rock music was blasting so loudly that I couldn't concentrate on the menu. I asked the waitress whether it could be turned down. She checked and reported that the sound level was preset by the manager.



The *Atlantic* recently did a piece titled "How Restaurants Got So Loud," which noted that some restaurant critics now even carry sound-level meters. Also not long ago, the *New Yorker* had an article titled "Yelp for Noise," about a new app that enables anyone to measure and report loudness in restaurants and bars. I downloaded the free app, SoundPrint, and got in touch with its creator, Gregory Farber, a research analyst.

"Reaction to the *New Yorker* piece was fantastic," Farber said. "Our inboxes got flooded with users' stories about the frustration of being in noisy places." He added that he has hearing loss from childhood meningitis and that his quest for restaurants where he could better hear dining companions inspired him to create SoundPrint.

Here's how the app works: you tap a "Start" button and let the software measure the decibel level of the restaurant or bar for at least 15 seconds. You can then submit the reading to Sound-Print's searchable database, which at the end of 2018 included more than 20,000 restaurants and bars in cities throughout the U.S. and internationally. The app also is building city-by-city "Quiet Lists," separating out the places that pass muster for acceptable levels, which Farber defines as below 75 decibels.

My Scottsdale breakfast table maxed out at 83 dB—and remember, I was the only customer in the joint and it was 7:45 a.m. "Once you eclipse 76 dB, the ability to hear conversation gets increasingly difficult," Farber said. At 81 dB and above, "human hearing health is jeopardized."

At crowded restaurants with loud music, people's attempts to compensate for the din merely exacerbate the problem. "With each higher notch of background music, people talk louder to be heard, so the noise level keeps increasing," Farber said.

estaurants and bars are hardly the loudest venues, of course; but unlike movie theaters (where sound levels sometimes exceed 90 dB) and rock concerts (often 120 dB or even louder), they are places where you expect to have a conversation over a meal or a drink.

My wife and I recently went to a Bob Dylan concert. We left after about an hour because, as I told my wife at dinner afterwards at a noisy restaurant, "If you want to hear some cranky old guy singing incoherently over way-too-loud music, you can actually do that at home a lot cheaper."

"What?" she said over the thumping music. I shouted back, "I said, 'If I want to hear some cranky old guy...' Oh, never mind. Pass the wine!"

At crowded restaurants with loud music, people's attempts to compensate for the din merely exacerbate the problem.





Joe Sharkey
(jsharkey@bjtonline.com), the
author of six books and a longtime
BJT contributor, wrote a weekly
business travel column for the
New York Times for 16 years.

How to give wisely under the new tax law

Itemizing deductions may no longer make sense, so it's time to take a fresh look at how you make charitable donations.

by Chana R. Schoenberger

ecause of the federal tax law that took effect last year, it may no longer make sense for you to itemize deductions. That means you may not be able to use charitable contributions to reduce what you owe to Uncle Sam.

"A whole host of folks will be taking the standard deduction now who never took it in the past," says Craig Richards, a managing director at Fiduciary Trust in New York City. Two reasons: the standard deduction has nearly doubled, to \$24,000 for couples and \$12,000 for individuals; and while you could previously deduct all of your state and local income and personal real estate taxes on your federal return, you can now deduct no more than \$10,000 of those taxes. With that limit, a couple would need more than \$14,000 in additional write-offs for itemizing to make sense.

Fortunately, there are still tax-advantaged ways to donate to charity. Here's a look at two of them.

Combine Several Years' Donations

One method is to lump your donations: instead of giving to charity annually, give what would have been several years' contributions in one year so that the total is enough for itemized deductions to make sense.

Where once a family foundation was the answer for folks who wanted a long-term, multigenerational vehicle to give away money, donoradvised funds are increasingly more popular. That's because they don't require you to file regulatory documents, cost less to administer, and offer more flexibility, says Jennie Sowers, a partner at Kore Private Wealth in New York City. In addition, unlike foundations, donor-advised funds don't need to donate a certain amount each year. So you can make the gift and take the itemized tax deduction now while waiting until future

years to actually disburse the money from the fund to charities.

One client couple was planning to start a family foundation so their children could use it to make grants jointly, Sowers says. But the children, who are in their 20s and living on separate coasts, didn't want the substantial responsibility of managing a foundation. The family realized they could accomplish the same goals by starting a donoradvised fund and letting the children each make grants with a portion of it, Sowers says.

Donor-advised funds are held at Vanguard, Fidelity, and other asset-management firms. The money you put into them no longer belongs to you, but you can advise the fund on how to invest it and generate returns that will themselves be contributed. You can also advise the fund on where it should make contributions. Any 501(c)(3) nonprofit is eligible to receive donations from these funds.

At Vanguard Charitable, the asset-management firm's donor-advised-fund division, dollars contributed in November 2018 were double the previous November's total, says Jane Greenfield, the unit's president. Donors are also rushing to gift shares of private companies into their donor-advised funds, she says.

If you set up a donor-advised fund or make donations into an existing fund, note that there are limits to how much you can deduct from your taxes. The maximum deduction is 60 percent of your adjusted gross income when you gift cash into a donor-advised fund and 30 percent when you put long-term appreciated assets like stock into one of these funds.

Donate IRA Distributions

Another increasingly popular strategy under the new tax law is donating the amount you're required to withdraw from your individual retirement accounts when you reach age 701/2, Richards

says. You can contribute up to \$100,000 from an IRA's required minimum distribution directly to a charity. This is called a qualified charitable distribution, and it doesn't create a tax deduction; rather, the money is never taxed, Richards says. (You can't make a donation from your IRA into your private foundation or donor-advised fund without paying taxes; only public charities qualify as recipients.)

IRA holders over age 701/2 who donate the required minimum donation from an IRA directly to an eligible charity—a qualified charitable distribution—don't have to worry about meeting a threshold for itemized deductions. This sort of distribution means the money donated does not add to your adjusted gross income. That can help you avoid a Medicare surcharge or make less of your Social Security income taxable. By contrast, if you take a regular distribution without donating it directly to a charity, the money will count as part of your adjusted gross income, even if you later donate it to charity, Richards says.

"If you're going to give more than your required minimum distribution, the calculus is different, but up to that amount, it's very powerful," says Jonathan Rikoon, a partner at the law firm Loeb & Loeb in New York City, who handles trusts and estates.

One client recently gave the first \$100,000 of his required minimum distribution to the U.S. Holocaust Memorial Museum, Sowers says. "To be able to shield a portion of that [IRA distribution] for people who are charitable anyway... that's just a very powerful tool." BJT



Chana R. Schoenberger (cschoenberger@bjtonline.com) has been an editor at Forbes, a reporter for Dow Jones and the Wall Street Journal, and a news editor at Bloomberg News.

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The Shark Tank star and tech CEO spent his early childhood in an earthen-floored farmhouse in Yugoslavia. Now he leaves the earth behind in his own Gulfstream GIV-SP.

by Margie Goldsmith



obert Herjavec is best known as an investor on ABC-TV's Emmy-winning *Shark Tank*, where he has been a regular since the show debuted in 2009. But he is also the founder and CEO of Herjavec Group, one of the world's largest privately held cybersecurity businesses.

Born in Yugoslavia (now Croatia), the now 56-year-old Herjavec moved with his family to Canada at age eight. After graduating from the University of Toronto in 1984, he held a variety of minimum-wage jobs before working for several years in film production. Then he took a job at a company called LogiQuest, where he sold IBM equipment and rose to become general manager. After being fired from that position, he founded BRAK Systems, an internet security software operation that he sold to AT&T Canada for \$30 million in 2000. After that, he took over a Silicon Valley business in the same field, called Ramp, that he later sold to Nokia for \$225 million.

In 2003—after spending three years as a stay-at-home dad—he founded the Toronto-based Herjavec Group, another company focused on internet security. The first year, with a sales target of \$5 million, the company did only \$400,000 in sales, and Herjavec

was convinced it wouldn't succeed. However, by partnering with emerging cyber-technology providers from Silicon Valley and introducing new products, the firm was able to acquire other companies in Canada, the U.S., and the U.K. Over the past 15 years, Herjavec Group has grown from three employees to 300; and it will do over \$200 million in sales this year. It is No.1 on the Cybersecurity 500, a ranking of the world's "hottest and most innovative cybersecurity companies."

Herjavec has authored three business books, including the best-selling *Driven: How to Succeed in Business and in Life.* He collects cars, used to race them, is a two-time marathoner, and two years ago was a contestant on *Dancing with the Stars.* While not crowned champion, he wound up marrying his dance partner, Kym Johnson. When we caught up with him in Toronto, he was about to fly home to L.A. on his Gulfstream GIV-SP after a three-day trip that had taken him to Washington, Minneapolis, and Bowling Green, Kentucky.

Herjavec is the third *Shark Tank* star to sit for a **BJT** interview, following Mark Cuban and Daymond John. Two of the show's guest sharks, Sir Richard Branson and John Paul DeJoria, have also been Q&A subjects here.



Robert Herjavec

What was it like being an immigrant in a country where you didn't even speak the language?

When I went to school, that was tough because I realized we were really different. We were very poor, though I didn't know we were poor when I was in Yugoslavia. I grew up on a farm with dirt floors there, but so did everyone I knew.

What did you want to be when you grew up?

A vet or an FBI agent. I had no concept of career until I was about 13, and then I realized I had to get a career that could pay me enough to live well.

What's the best advice your parents gave you?

My mother said, "Don't be intimidated by anybody because there is nobody better than you, and you are no better than anybody else, so treat everyone with respect." My father said, "Never complain."

After you graduated from college, what did you hope to do?

Be a big TV star and producer. Most immigrants think the way to make a lot of money is to be a celebrity and not a businessperson. Where I come from, being a businessperson isn't viewed as a great career. But people on TV are viewed as successful. I actually did well. I was the field producer for the Winter Olympics for Canada in 1984.

Between film productions, you interviewed at a tech company called LogiQuest. Why did you consider working in a business so far removed from what you were doing?

Because I previously thought I was going to be the next Martin Scorsese, and then I couldn't get a job. My dad had a rule: it's OK to dream but pay the rent first. I could have cared less about computers or math, but the starting salary was \$30,000. That was the only reason.

What do business leaders need to know about cyberattacks?

It's really a matter not of if, but when. How quickly can your systems alert you to a data breach? Most of the large-scale breaches become bad because the adversary has been in your network for a long time and remains undetected.

What do you think is the most important characteristic of being an entrepreneur?

I've never met a successful entrepreneur who is miserable. You've got to believe that tomorrow will be better than today because if you don't, the weight of negativity will crush you. Adaptability is important, too. Everything changes, and you've got to be able to adapt.

What attributes do you look for in entrepreneurs on Shark Tank?

How confident are they? Do they believe in themselves? Are they so confident that they are arrogant? It all comes down to this: before you sell me on your business, sell me on yourself. Make me believe that I should believe in you.



FASTFACTS

► NAME: Robert Herjavec

▶ BIRTHDATE: September 14, 1962 (age 56)

▶ **POSITION:** CEO of global cybersecurity firm Herjavec Group, which he founded in 2003. Investor on ABC-TV's Shark Tank. Author of You Don't Have to Be a Shark: Creating Your Own Success (2016), The Will to Win (2013), and Driven: How to Succeed in Business and in Life (2010).

- ▶ PREVIOUS POSITIONS: In 1990, founded BRAK Systems, which he sold in 2000.
- ► EDUCATION: Degree in English literature and political science, 1984, University of Toronto
- ► TRANSPORTATION: 2001 Gulfstream IV-SP. Owns eight supercars.
- ► CHARITIES: Seattle's Union Gospel Mission
- ▶ **PERSONAL:** Splits his time between Los Angeles and Toronto. Married to Australian ballroom dance champion Kym Johnson since 2016. Three children from previous marriage as well as twins, born April 2018, with Johnson. Enjoys running, reading, traveling.



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Robert Herjavec



ROBERT HERJAVEC'S GULFSTREAM IV-SP

Years manufactured	1992–2002
Price new	\$33M
Average current sale price	\$15M
Passengers (typical)	13
Range	3,880 nm
Maximum cruise speed	500 ktas
Total fixed cost/year	\$872,962
Total variable cost/year	\$1,806,011

Source: Conklin & de Decker except current sale price, which is from AircraftPost. Range is maximum IFR range at long-range cruise speed with all seats occupied, NBAA IFR alternate fuel reserve calculations, 200 nm alternate. Cost figures based on 175,000 miles and 423 hours of flight per year.

"If I'm driving to the west end for one meeting, there better be two other meetings there. I don't believe in a lot of downtime."

Have you learned anything from the other sharks on the show?

All the time. We are such a diverse group with so many differing opinions. It's great to be able to spend time with people who are equally driven and successful. There's no physical type, no height requirement; business doesn't care if you are good looking or not, if you are tall, short, or pudgy. There's no requirement to success except adding value.

You obviously get a lot done: you run a successful business, appear on *Shark Tank*, write books, give speeches. How do you suggest that people be more productive?

It's a matter of being able to divide the truly urgent from the important. People get caught up in the important. Every day there are 25 important things I need to do, but I am pretty clear which of those are truly urgent, which really move the ball forward. And I am extremely organized. If I'm driving to the west end for one meeting, there better be two other meetings there. I don't believe in a lot of down time.

How long have you owned your GIV-SP?

About two years. Prior to the Gulfstream, I had a Bombardier Challenger 601. That was a great plane, but it's hard to beat the windows on a Gulfstream.

How much do you fly?

About 300 hours a year. We need to fly a lot because when you compete with companies that are bigger than you, you've got to move faster.

Your fellow shark, Mark Cuban, said, "Work knowing that there's someone else out there working 24 hours a day with the sole motivation of kicking your ass."

I actually had that quote inscribed in granite above my desk. When we start out, we're hungry, we're small, we want to take on the world. If you're successful, you get to a point where you feel a little bit of complacency. And the reality in business is there's always somebody out there who wants to take it away. You've got to constantly be vigilant.

You've quoted Wall Street Journal editor Mary O' Grady, who said, "If everything seems to be in control, you are not going fast enough." What does that mean to you?

I used to race cars. What you learn in racing is that you are constantly pushing the limit, and you want to get to that place where you are going so fast you are on the edge of losing control, because if you are not, you're just not going fast enough.



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Robert Herjavec



A few years ago, after you and your wife of 24 years separated, you said that you stood on a balcony at a Toronto hotel with thoughts of committing suicide. What did you do to get out of that mindset?

That was a really difficult time. I ended up calling my priest, who said, "I am going to send you to a very dark place, but you are going to see the power of love and hope, and it will change you." That day I flew to Union Gospel Mission in Seattle, and I stayed for a couple of weeks. It's a Christian mission for homeless people recovering from all sorts of addictions. It's incredibly bleak, difficult, and painful on the surface but there are people with unbelievable stories and hope and spirit there. They gave me perspective, and that allowed me to reflect and get better.

Do you ever go back?

All the time. In our office, we have an outreach program where we pay for any of our employees to go to the mission and volunteer, do the outreach program, work in the soup kitchen. We're connected to them for life.

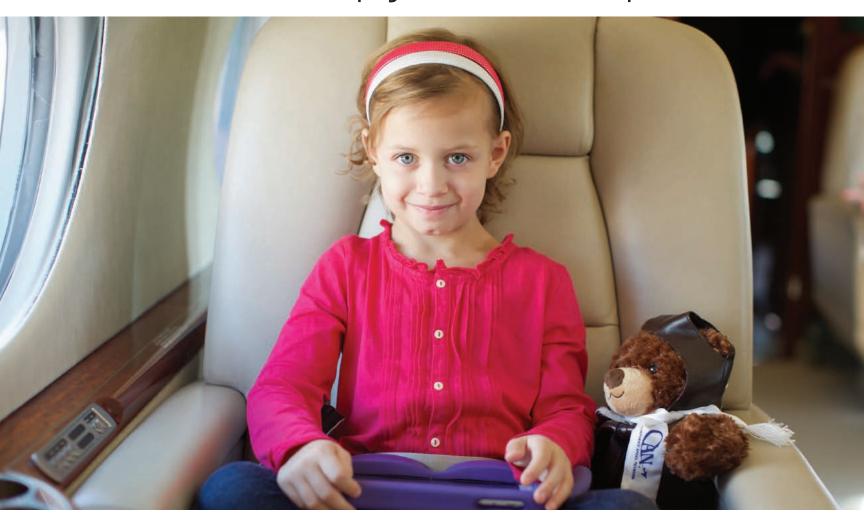
What's the most important thing you have learned about business?

Optimism. It goes back to what my dad said: we all have a choice to complain and blame others or to believe that we can do better. Barbara Corcoran on *Shark Tank* said to me a long time ago that the difference between successful people and others is the amount of time successful people allow themselves to feel sorry for themselves.

Margie Goldsmith

(mgoldsmith@bjtonline.com) is a longtime contributor whose recent interview subjects for **BJT** have included Ashley Longshore and Chester Weber.
This interview has been edited and condensed.

Fill an empty seat with hope.



Give a cancer patient a lift on your next flight.

Corporate Angel Network arranges free flights to treatment for cancer patients in the empty seats on corporate jets.

Since 1981, Corporate Angel Network, a not-forprofit organization, has worked with more than 500 major corporations including half the *Fortune* 100, to fly more than 50,000 cancer patients to specialized treatment and currently transports 225 patients each month.

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Timeshare troubles

Want to charge a third party to use your aircraft? Here's a look at your principal option—and a caveat.

by Jeff Wieand

usiness jet owners and their attorneys spend plenty of time trying to figure out how to charge for flights on their aircraft. Solutions include (a) meticulous compliance with FAA requirements; (b) good-faith efforts riddled with negligent or inadvertent mistakes; and (c) flagrant and intentional violations. If the FAA had the resources and authority to audit how business aircraft owners and operators are charging their passengers, we might be surprised to find how common (b) and (c) are.

In theory, the problem is easy to fix: get your own air carrier (charter) certificate under FAR Part 119 so you can charge whatever you want. But you and your aircraft must satisfy the requirements to obtain a certificate and operate under the Part 135 charter rules; and obtaining a certificate is a time-consuming process that few jet owners have the patience to pursue. Start the process today and you might get a certificate by 2021.

The alternative is to add your jet to someone else's certificate. You might be able to do that in a month if the aircraft is equipped for FAA Part 135 operations, the local FAA office (the "FSDO") is cooperative, and the certificate holder pulls out all the stops. But operating under a charter

certificate is no picnic. First, you won't be operating the aircraft; the certificate holder will, and it won't be doing it for free. It will also be charging (or is supposed to be charging) the 7.5 percent federal transportation excise tax on all amounts paid by the passengers. And all the flights will have to comply with more regulations and more stringent operational restrictions.

Wouldn't it be great if you could just charge people to fly on your aircraft without having to put up with all the rigmarole of Part 135? Actually, you can, but that's where all the figuring starts.

The options aren't voluminous, and except for special provisions like the private-pilot exception and carriage of elected officials, they are mostly found in FAR 91.501. Even this regulation has some pretty esoteric applications, however, like aerial photography and carriage of choral groups. When you come down to it, if you just want to charge a third party to use your aircraft, the principal option is a time-sharing agreement.

ime-sharing an aircraft isn't like timesharing a condo in Bermuda. Rather than being based on calendar time like a condo timeshare, the agreement could be for specific flights or provide that the lessee can

request flights from the lessor, subject to aircraft and crew availability. Though the FAA views a timeshare as a "wet" lease—that is, a lease where the lessor provides the pilots and operates the aircraft for the flight-time-sharing agreements are typically not much like a lease, either. A lease is a transfer of possession of the aircraft from lessor to the lessee, but a time-sharing agreement provides a service, like what you get when you buy an airline ticket.

The big advantage of a timeshare is that you can charge for it, even though the FAA places limits on the amounts. Basically, you can charge the "timesharee" two times actual fuel expense, plus certain specified additional charges set forth in FAR 91.501(d), such as crew travel expenses. Further, for reasons best known to itself, the FAA has consistently maintained that the party recovering the costs—the lessor or "timesharer"—must be a corporation or "company."

Two times fuel expense is a far cry from what you can charge for a charter—namely, whatever you can get. But as fuel prices have risen, the perception that you might make some money timesharing your aircraft has increased along with them. In fact, using estimated hourly variable costs for the Hawker 900XP from Conklin & de



Decker, and backing out specific expenses that can be passed on to the timesharee like catering, you could make about \$400 per flight hour by timesharing the aircraft, assuming a fuel price of \$4.50 per gallon. Want to make more? Find a place to buy more expensive gas, since you're entitled to charge double your actual fuel cost.

Note the word "actual." All time-share charges are supposed to be reimbursements for the actual expenses incurred by the timesharer—not estimates or industry averages like the Conklin numbers I just cited—except that you can multiply the cost of "fuel, oil, lubricants, and other additives" times two.

The FAA recently sent a message that it means business when enforcing these requirements. The Hinman Company of Kalamazoo, Michigan carried passengers aboard its two business jets for approximately 850 flights over three years pursuant to six time-sharing agreements. An FAA investigation revealed that, on top of the charges permitted in its regulations, Hinman billed for payments to Honeywell's MSP program and for de-icing and anti-icing. Hinman apparently also failed to itemize the expenses separately for each flight leg, as required by the regulations. Finally, the FAA claimed that in two cases Hinman charged for the same trip twice and for two trips

for separate customers supposedly conducted at the same time. "The aircraft could not have conducted both trips in the same day," noted the FAA, choosing not to view the discrepancy as a simple typo.

In a letter to the agency, Hinman admitted its mistake in billing for MSP, arguing (as in case (b) above) that the deviation was unintentional and did not involve flight-safety issues, which was probably true, and stating that it had refunded the charges to the timesharees. The company also provided specific charges for each leg. Note that the FAA never alleged that Hinman had charged for crew services, a big no-no for the agency, which could have argued in that case that Hinman had forfeited operational control of the time-share flights.

None of this seems to have bought any favors for Hinman with the FAA, however. In a letter delivered to the company last June, the agency concluded that Hinman conducted the time-share flights "for profit" and operated them under the Part 135 charter rules without authority to do so. Before taking further action, the FAA gave Hinman 30 days to accept a proposed \$3.3 million settlement.

Clearly, time-sharing agreements can be useful—but only if you follow all the rules.

Wouldn't it be great if you could charge people to fly on your aircraft without having to put up with all the rigmarole of Part 135? You can.



Jeff Wieand

(jwieand@bjtonline.com) is a senior vice president at Boston JetSearch and a member of the National Business Aviation Association's Tax Committee





Early developmental problems suggested an uncertain future for this light helicopter, but its prospects have brightened considerably.

Kopter SH09

by Mark Huber

When you're young and full of yourself, you might be inclined to think that you can do better than the folks who came before you. Those in a position to test that belief often learn otherwise, however.

We've seen numerous examples of this phenomenon over the years in aviation, perhaps most famously with billionaire aviator Howard Hughes. Some of these dreamers generate flashes of brilliance along the way; but in the end, the cash generally evaporates; and the aircraft—like Hughes's fabled XF-11 spy plane and mammoth Hercules "Spruce Goose" amphibious transport—either never go into production or prove so unprofitable that the enterprise folds.

Twenty-five years ago, I worked with an aircraft manufacturer controlled by one of Europe's leading industrialists, a private pilot convinced that he could build better light airplanes than established manufacturers. He would no sooner finish one design than he would be on to the next, before the previous effort was ever fully refined, and he gave short shrift to customer support for the few aircraft he managed to sell. Needless to say, the story ended right where they tell you it will in business school—with an insolvency filing.

A similar finish seemed possible for a young Swiss national named Martin Stucki, a neophyte in rotorcraft design and manufacturing, who came up with an idea for how to build a better helicopter. It centered on a simple value proposition: offer the public a single-engine ship with a cabin as big as or even larger than those of some

light twins on the market, build it from lightweight composites, fill it with the latest technology, and sell it for less—around \$3 million. As they say in the old beer commercials, "tastes great, less filling."

Stucki, who initiated work on the design in 2002 and unveiled a prototype in 2011, made a variety of pronouncements about the helicopter's development schedule—chiefly that deliveries would begin in 2015, which turned out to be wildly overoptimistic. When the first prototype took to the sky years late in 2014, major problems with the design became evident. The helicopter suffered from vibrations so severe that its maximum forward speed was limited to a crawl, as opposed to the promised 140 knots, a shortcoming that required redesign of the main rotorhead.

From a marketing standpoint, the helicopter's name presented even bigger problems. Stucki branded it the "Marenco Swisshelicopter SKYe SH09," a slew of words, letters, and numbers that only an aficionado of European Commission bureaucracy could appreciate. One can imagine advertising copywriters scratching their heads before uncorking taglines like, "The sleek single with the improbably long name you can't remember."

The redesign delayed first flight of a second prototype until 2016 and burned through unplanned millions in development capital. By early 2017, the manufacturer had spent upwards of \$250 million and more than 250 employees were on the payroll. Stucki and Marenco needed an angel investor to keep the program alive.

FACTORY-NEW AIRCRAFT



2019 Kopter SH09 at a Glance

Estimated price:	Þ	\$3.5 million
Crew:		
Passengers:		
Engine:		Honeywell HTS900-2, 1,020 shaft horsepower
Avionics:		Safran/Sagem all-glass cockpit
Maximum cruise speed:		140 kt
Range (with standard tanks):		430 nm
Maximum takeoff weight:		5,842 lb
Fuel capacity:		198 gal
Main rotor diameter:	Þ	

Source: Kopter Group

They found one: Russian oligarch, political fixer, and "friend of Vlad" (Russian President Putin) Alexander Mamut, whose \$2 billion–plus empire includes precious metals and mining. Mamut—who has had stakes over the years in internet media projects, banks, movie theaters, a fertilizer producer, and a mobile-phone chain—put a reported \$270 million into Marenco through his Cyprus-based holding company Lynwood. That was enough to make him the largest individual shareholder, and it led to Stucki's ouster at the end of 2016.

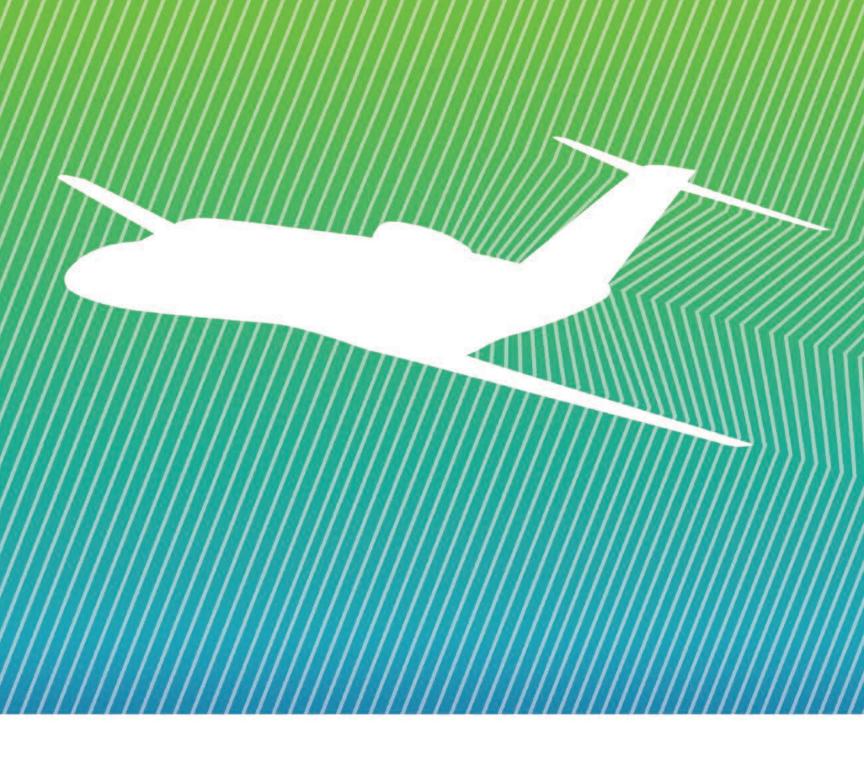
Mamut's team moved quickly to rename the company Kopter Group, attract additional investment capital, and bring in an experienced helicopter company management team. It includes Eurocopter alumni Andreas Lowenstein as CEO and senior sales executive Larry Roberts, as well as technology vice president Michele Riccobono, who joined from Italian helicopter maker Leonardo.

The new team appears to be moving quickly to right the program: a third prototype took to the skies last November and appears to be performing well; and at press time, a fourth aircraft was due to join the test program shortly. Meanwhile, the company is attracting serious orders, and Roberts tells me that plans to build a U.S. assembly plant and establish a training facility are in full swing. Kopter now expects to gain European certification for the SH09 sometime in 2019 and American FAA approval shortly thereafter. The company anticipates having 500 employees by 2021 and an annual production rate of 50 by 2022. Through 2018, Kopter has attracted more than 120 customer letters of intent, and Lowenstein insists that the first two to three years of production are already sold out.

Exploiting the helicopter's speed and comparatively large cabin size (flat-floor seating for seven passengers and one pilot), Kopter hopes to make serious inroads into the executive transport and emergency medical services markets typically served by light and medium twins. Passengers, patients, and cargo can be loaded through two ample side fuselage sliding doors or two enormous rear clamshell doors. The SH09 also features a five-blade main rotor that promises to deliver reduced vibration at high speeds, a ducted tailrotor that will lessen its external noise signature, and a full suite of modern digital avionics. The Honeywell HTS900-2 turboshaft engine (1,020 shaft horsepower) offers the promise of excellent high/hot performance, will be fitted with full authority digital engine controls (FADEC), and requires less maintenance than comparable engines.

Over the last year, the prospects for Kopter's success have brightened considerably. If the company succeeds in delivering on its promises, the SH09 will be a game-changer in a market sector that has essentially been stagnant for more than 15 years.

Mark Huber (mhuber@bjtonline.com), an aviation industry veteran, has reviewed aircraft for **BJT** since 2005.





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Aircraft Management Companies:

Managing Aircraft in a Time of Change





"Everybody wants new airplanes, beautiful interiors and paint, and Wi-Fi. That's the world today."

-Thomas Connelly, Gama Aviation Signature "Aircraft owners with internet and apps on their phones want instant answers to questions they didn't have before," says Mike Moore, vice president of aviation sales at Meridian, which was established in 1946 and manages more than a score of business jets from its Teterboro. New Jersey headquarters.

At Executive Jet Management (EJM), a subsidiary of Berkshire Hathawayowned NetJets, "many more first-time aircraft owners" need "realistic strategies for their flight departments and exposure to the practices of owning an airplane," says Michael Tamkus, senior vice president for client services and management sales.

Meanwhile, the charter arena—a vital component of most management companies' business models—has grown more crowded and competitive. "There are a lot more choices than there have ever been—operators you can call, brokers you can call, apps you can use," says Don Haloburdo, senior vice president of flight services at Jet Aviation, a General Dynamics subsidiary with almost 300 aircraft under management.

Charter customers' expectations have risen in lockstep, notes Thomas Connelly, president and CEO of Gama Aviation Signature, the nation's largest business aviation charter operator. "Everybody wants new airplanes, beautiful interiors and paint, and Wi-Fi. That's the world today."

Adding to the seismic shift, a growing shortage of qualified crewmembers is affecting operations. "It's a very, very challenging environment for hiring pilots," says Andy Priester, president and CEO of Priester Aviation, which will mark its 75th anniversary in 2020. "Salaries are going up faster than ever, and management companies need to respond"

Summed up Brian Kirkdoffer, president and CEO of nationwide aircraft management company Clay Lacy Aviation, which marked its 50-year milestone last year. "The management industry continues to mature and change—certainly more than it has in the past."

These six management companies collectively operate some 700 business



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JETAVIATION A GENERAL DYNAMICS COMBANY aircraft—more than 500 of them available for charter—and have over 300 years of aircraft operational history. Their scale, experience, and service have established them as industry leaders and bellwethers. We asked their senior executives how they're adjusting to the changing landscape while meeting the evolving needs of their customers. For as aircraft management goes, so goes business aviation.

Meeting Owners' Expectations

Amidst the transformative trends, the most basic needs of aircraft owners remain constant. "Asset management is certainly the biggest thing on our clients' minds—making sure their asset is being handled properly and being operated safely and efficiently," says Connelly at Gama Aviation Signature. "Those have always been the key tenets of aircraft management."

Delivering the requisite level of oversight to properly manage the asset requires a robust infrastructure. Gama Aviation Signature, for example, has a Safety Management System, a flight-operations center, and a score of maintenance facilities across the U.S.

It's difficult for many management firms, let alone those with single-digit fleet numbers, to provide that degree of support and expertise, and that has led to "more consolidation" among these companies, says Kirkdoffer at Clay Lacy Aviation. "The scale and scope of services is becoming much more important. We are managing over 100 aircraft, and there's significant value we are able to provide our clients with that kind of scale."

Such scale yields benefits that include reduced rates on fixed costs like insurance, crew training, and hangarage.

Additionally, with regulatory mandates, constantly evolving onboard technology, and other issues making ownership more complex, "management clients want a partner they can trust to help make aviation decisions," says Priester. "We're seeing a trend toward service, toward simplicity, and for consultative and advisory services."

In response to those trends, Priester Aviation, with more than a score of aircraft in its charter fleet based at over a dozen locations, is reinventing itself on the eve of its 75th anniversary. "We approach new clients as not simply a managed customer or a charter customer," says Priester. "We want to learn

their current needs, how they may have changed over the previous year, and how they might change over coming years."

That led Priester Aviation to create the 1945 Club ownership program and introduce a jet card and even a pathway to fractional ownership. "We're looking at serving clients over their lifetime," says Priester. "Our job is to work with them to figure out what's most appropriate for them now along that evolutionary flight path."

A growing demand for simplicity and expertise is compounded by an increasing number of first-time owners coming to management companies. Jet Aviation, which celebrated its golden anniversary in 2017, was one of several major firms reporting a spike in first-time buyers among recent management clients. "They're not unfamiliar with private or business aviation, but they're new to ownership, and they're looking for a solution that is as simple as they were used to with fractional or charter," says Haloburdo. "They would like to stick with that model and be able to make a phone call and have the gears turn."

But whatever the extent of their experience, owners "are highly focused on service and cost." Haloburdo says. "Some want service in the back of the airplane

that is way better than first-class airline." Jet Aviation's 24/7 operations centers (in the U.S., and Zurich, Switzerland; Dubai; and Hong Kong) help meet its demanding owners' service needs. While raising the bar on service, adds Haloburdo, pricing pressure requires Jet Aviation and other successful firms to constantly improve efficiencies "to remain competitive in the marketplace."

Additionally, many new owners are purchasing bigger jets than first-timers have traditionally, presenting a correspondingly larger learning curve for the buyers. "Seven or eight years ago, somebody who flew 150 hours a year would buy a Hawker XP or a Citation," says Moore at Meridian. With the last decade's crash in residual values, "that same customer coming to market with \$5 million is buying a Gulfstream GIV-SP, a Challenger 604, or a classic [Falcon] 2000."

Owners looking for a management solution needn't limit their search to firms with large fleets of similar models, according to Moore.

"As long as you have a global flight-oper-

ations center, there's nothing that makes managing one large-cabin jet any different from managing 20 of them." Moore says. "That's the biggest misconception out there. You're either familiar with the product or you're not. Sometimes there's too much emphasis on how many airplanes and locations you have, and not on the quality of the people."

If those people are topnotch, they'll focus their attention on their clients' evolving needs. 'Owners' expectations change based on their personal lives, their business ventures

and strategies, and overall goals, and we've truly customized how we approach each individual flight department," says Tamkus. "We have seen owners go from flying retail charter extensively on their aircraft to going Part 91, and vice versa. The staffing strategy for each flight department has become more of a focal point for our company and owners alike."

Meanwhile, EJM is able to offer owners significant benefits through its association with NetJets and its service partners, providing discounts on services including maintenance at multiple MROs, training at Flight Safety, crew lodging, technical publications, and connectivity subscriptions.



"We're looking at serving clients over their lifetime. Our job is to work with them to figure out what's most appropriate for them now along that evolutionary flight path."

-Andy Priester, Priester Aviation







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Adding Value to Ownership

But while owners often focus on the cost of management, top management companies focus on its value.

"Management fees and what they include haven't been defined very well," says Kirkdoffer. "More sophisticated aircraft owners understand the difference in fees and management companies. It gets back to the value proposition—any management company should be able to show clearly and transparently where they're providing value, from a cost standpoint, from an administration standpoint, and through the services provided."

Among the services most prized by owners is a management company's ability to generate charter revenue, and that's pretty simple for a good company to demonstrate. Kirkdoffer says. "Have them show you their current records for the same or similar size aircraft, and their records for last year and the year before that. Our focus is on safety, service, and value, and if those are the focuses of clients, they're a good fit for Clay Lacy Aviation."

Most top management companies have just two revenue sources: management fees and a share of charter revenues, and management con-

tracts are individually priced accordingly.

"Our management fee structure depends on whether the owner charters, and what level of support an owner will require," says Tamkus. "We look at factors including how an aircraft will operate—Part 91 versus Part 135, whether it will be used domestically or internationally, and how many owners or partners are involved with it."

EJM has customized reporting software that provides detailed accounting data on owners' aircraft. "After a year's worth of operating under EJM's management, our owners are able to determine the value of our partnership through our ability to deliver efficiency and cost savings." Tamkus says.

Owners often see the full extent of the value a top management company can provide when they transition to a new aircraft. "We have routinely heard from aircraft brokers and financiers about the condition of the aircraft under our management and the positive impact it has on the residual value." Tamkus says.

Good management companies also make sure owners' charter revenue goals are consistent with maintaining their asset's value.

"There are cases where an owner would like to get 300 hours [of charter revenue] but will need another pilot for the last 100 hours," says Moore. With the delta [between expenses and revenue] after the pay and benefits, they may be better off flying less. We manage your asset. I'm not going to be the guy who says, "Yes, hire more people so we can fly more." In that case, we'd rather say, "Here's what you would have netted if you had more charter, and at the end of the year you did better financially this way."

But, Moore says, owners too often choose a management company based on its fees, not the value it delivers. "They spend \$20 million for an airplane and go with a management company because it charges \$10,000 a year less."

Owners need to recognize that "you get what you pay for, and you don't get what you don't pay for," Connelly says. He cites Gama Aviation Signature's management services, which include having a robust operating and safety infrastructure as well as a charter team that meets daily to ensure that the company is living up to owners' revenue expectations. "Educated customers who understand the market and want a company that has those resources are good for us," Connelly concludes.

Management companies with long histories like these also know it's critical to be ready for all market conditions. "We've been in this really strong period of growth for the past couple of years," says Haloburdo. "Eventually, things are not going to be as strong as they are now. We want to be sure we're prepared to take advantage of the growth side, but also prepared to operate the business in a

down cycle. People don't sell their airplanes [because of down cycles], but on the charter side, somebody might decide. 'I'm not going to fly for the next six months.' How are we going to react and what are we going to do when conditions change?"

In addition to providing clients with reports on their aircraft, Jet Aviation regularly briefs them on macro-economic factors that could impact their operations.

Meanwhile, owners themselves are often the determining factor in the charterability of their aircraft. "Our ability to meet owners' charter expectations has nothing to do with demand; it's about how the owners want their airplanes used, and potential restric-



tions they place on them," says Priester. "The charter market wants answers [trip approvals] quickly. We've encouraged owners who have aggressive charter targets to approve what we call 'look and book," where the aircraft is automatically available for flights that meet their requirements."

Supporting Charter Clients

In addition to aircraft owners, management companies must meet the needs of charter customers. The job of pleasing both parties is fraught with potential conflicts and complications, but when a program is designed and executed correctly, everyone can come out ahead.

"It's highly important to have a balanced fleet, and to bring aircraft into your fleet where there's strong charter demand for that category cabin," says Haloburdo. "We can be more aggressive to win those management deals and have them be a win for the owner in getting the requisite amount



"Owners' expectations change based on their personal lives, their business ventures and strategies, and overall goals, and we've truly customized how we approach each individual flight department."

-Mike Tamkus, Executive Jet Management

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for charter, and a win for us in having the quality aircraft to support the needs of our charter customers.

Meanwhile, the trend toward simplicity mandates that charter operators offer jet cards. "Card programs eliminate the financial hassle and payment difficulties from charter," says Haloburdo.

Priester Aviation introduced Centerline in 2018 to meet that demand and add a card program to its "flight path" offerings. "Existing and inbound customers were asking for a simpler [charter] solution," says Priester. "For a lot of our customers, a card is easier, even though it may be a little more expensive. They said, 'If you had card program, we'd take it."

But unlike those sold by brokerages, jet cards offered by most management companies aim to keep membership growth scalable with that of their charter fleets. Priester, for example, makes the Centerline card available only in primary service regions by invitation. "We want to control the number of cards in each area, so we can control how we deliver the service," says Priester. "We feel that 200 to 300 cards will allow us to maintain our standards."

As Priester suggests, in a charter market dominated by price, leading management companies are dedicated to upholding high service levels.

"We look for opportunities to surprise and delight and wow our clients onboard," says Kirkdoffer. Clay Lacy Aviation's rigorous cabin crew selection and

training process ensures attendants have "the right personality and skill set," and candidates "spend three to six months training before they step on an airplane" with a customer, Kirkdoffer says.

Clay Lacy Aviation also provides a major service benefit to all its on-demand charter customers: "If an aircraft has a mechanical, we provide a no-cost recovery option on a similar or larger-size aircraft," Kirkdoffer says. "We've agreed to provide transportation, so if something happens, we still get them where they need to go at no addi-

Meanwhile, though management companies typically prefer to use lift from their own fleets for charter, that's not always feasible or in the best interest of the charter customer. Successful management companies have established networks of vetted providers for supplemental lift.

"We have a large, diverse fleet," notes Moore. "But if we don't have an aircraft that's geographically available, or the client needs to book trips in Europe or South America or Asia, we personally know opera-

tors and handlers all over the world we can call on-we're not just looking them up online. We have strong relationships with our domestic network, and when we attend international trade shows and conferences, we stay to meet brokers and operators and handlers."

Adding quality aircraft to the fleet is another priority today. EJM is "constantly working to increase the number of approved aircraft and crews available to meet the rising demand," says Tamkus, "but only when they have satisfied all requirements of our safety audit process."

Under that process, a full-time team of aircraft transition specialists inspects the aircraft prior to acceptance onto EJM's air carrier certificate. Thereafter, aircraft are continuously monitored by the Fleet Maintenance Department, and the Standards Department conducts annual aircraft audits.

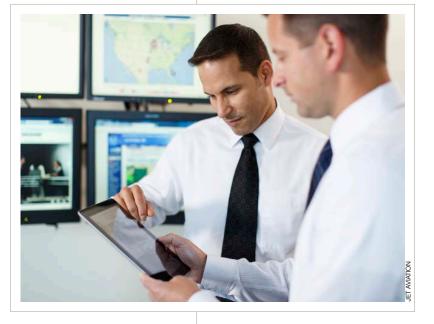
With its mandate to provide supplemental lift for parent company NetJets and its own retail volume, EJM, like other major management firms, utilizes proprietary technology "to optimize the schedule and match up trips," even creating charter opportunities for managed aircraft while owners are using them on trips.

Keeping aircraft already in the fleet desirable for charter is also critical. During its annual full budget review with owners. Gama Aviation Signature provides recommendations on aircraft upgrades that impact their charterability. "We talk about the difference that an aged versus brand-





To ensure outstanding service, Meridian holds weekly Ritz-Carlton hospitality training sessions and holds quarterly town hall-style meetings to discuss "what we can do to make employees happier and do better for clients.



"It's highly

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demand for that

category cabin."

-Don Haloburdo,

Jet Aviation



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new interior and Wi-Fi versus no Wi-Fi can have on the amount of charter they can get and the rates they can receive," says Connelly.

The approach appears effective. Gama Aviation Signature has no jet card and doesn't guarantee availability yet is the largest charter operator in the U.S. by flight hours, according to Argus International. The company also operates the Wheels Up fleet of King Air 350is and Citation Excel/XLS.

Challenges Ahead

What keeps top management company executives up at night? There is no shortage of issues demanding attention.

"One constant concern is the commoditizing of the services we provide and the consistent downward pricing pressure," says Priester. That leads potential charter customers to focus on price, not recognizing the difference in service, but in infrastructure, training, safety systems, and other factors that distinguish providers.

Additionally, the spate of new access offerings, like per-seat charter, while potentially enlarging the customer base, could also have the opposite effect. Priester says. "It seems like it's a moving goalpost, and what customers buy today isn't necessarily what they're able to get a year from now, and that can cause frustration," he continues. "Anytime someone is frustrated by the corporate jet experience, it is bad for the industry."

Meanwhile, as the pilot shortage draws attention (see sidebar), other support disciplines face similar deficits. "There's a shortage of talented mechanics and line service people," says Kirkdoffer by way of example. "We're not attracting the next generation of team members as quickly as the industry needs." To help address the problem, Clay Lacy Aviation sponsors a host of scholarships and internship programs. "Our whole industry needs to take the time to introduce talented people to aviation and give them a career path."

Technology is also a constant focus of management companies. Tamkus notes that EJM is seeing "increased client demand for 'on the move' technology solutions providing real-time updates and ease of client interaction." The company is responding to those needs while seeking to maintain the close customer contact that top management companies encourage. "The most significant updates to our offering are focused on utilizing technology to streamline processes that will allow more time for direct client engagement to enhance the overall charter experience," says Tamkus.

While consolidation may have provided a path for some management companies to grow in the recent past, that approach may have reached its limits.

"Gama acquired Landmark Aviation Management, which had about 80 airplanes, when Signature purchased the Landmark FBO chain," says Connelly. "The acquisition of a management company is really difficult and time-consuming, and there's not as much synergy as people think there is. There's a real risk of attrition while it's going on, so I don't think consolidation of management companies is the easiest way to grow. Organic growth is much more cost-effective in the long run."

Another concern expressed in many quarters involves current charter rates. "The rates are not keeping pace with increasing costs." says Moore. "Every broker in the world just wants to keep rates low. The whole sales pitch of a lot of them is, 'I'll save you money, I'll drive down prices." Looking ahead. Moore predicts. "People will stop offering their aircraft for charter. They'll say it's not worth it. If we in this industry are going to survive, it has to change, but I think it's going to get worse before it gets better."

But whatever lies ahead, if history is any guide, top management companies will find a way to turn these challenges into opportunities for tomorrow's management and charter clients. Haloburdo points to the nexus of technology and marketing that has led to the availability of point-to-point pricing, empty-leg access and shared shuttle flights. "These are revenue opportunities on the charter side that didn't previously exist," he says. "It creates an interesting dynamic that allows prices to fluctuate from day to day. We want to provide solutions that protect our customers from the highs and lows with a safe, reliable, fair market price, so I think that can attract more people into the space. I'm cautiously optimistic about 2019.



"We personally know operators and handlers all over the world we can call on—we're not just looking them up online."

-Mike Moore, Meridian





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How are you addressing the pilot shortage?





THOMAS CONNELLY GAMA AVIATION SIGNATURE

"We learn as we go. We have enough pilots to know what the rates are, and what pilots leaving for other jobs are earning, and we have a very relevant internal salary survey. When clients are hiring new pilots, we recommend where salaries should be. A lot of pilots want to be on a three-person crew so they can guarantee some time off, so if an owner's aircraft has only two pilots, we make sure pilots can schedule time off and fly no more than 200 or 250 hours per year."



DON HALOBURDO JET AVIATION

"It's not just a pilot issue; good, qualified people are needed for every crew position. We want to have the best team we can field, so we need to make sure we've got our eye on changes in salary and quality-of-life issues.

"A lot of aircraft being delivered now are longer-range international airplanes, and those require highly skilled crewmembers. As an industry, we need to create them at a faster rate. That's an issue that needs a long-term solution."



BRIAN KIRKDOFFER CLAY LACY

"You need to have a company culture that can attract and retain great talent that wants to be part of the company, and you can't buy that or change it overnight. We have a career path from start to finish that we can offer to all of our pilots; they can start with the smallest aircraft and have a career path to be captain on the longest-range aircraft. You've also got to make working conditions, including the compensation and benefits, competitive. We look at that constantly. We just hired a Ph.D. whose expertise is in pilot attraction and retainment."



MIKE MOORE MERIDIAN

"We've sat down with every owner and gone over what could happen if their pilot walks away from the account. If you have a two-person crew, your plane could sit for two months. That's lost use of the aircraft and lost [charter] revenue. My advice to aircraft owners: if you like your pilots and the going market rate is \$200,000, pay them \$220,000. Also look at a 401k match increase and a better healthcare plan at a lower cost."



ANDY PRIESTER PRIESTER AVIATION

"We're taking a very aggressive approach. We just rolled out a pilot recruitment and retention program we're presenting to owners, with a signing and retention bonus, a doubled 401k contribution, with the vesting time cut by more than half, and very competitive salaries for the airplanes we're crewing. We're also trying to maintain high standards with Argus and the other audit ratings, and with the evolution in the marketplace, pilots are frequently upgrading to larger airplanes, so it's more challenging to meet time-in-type requirements."



MIKE TAMKUS EXECUTIVE JET MANAGEMENT

"I don't think any of us will disagree that as of late the biggest challenge with a new owner involves the [flight crew] recruiting side. You have to offer [pilots] the right work/life balance and give them a proper support structure while they're on duty and be a voice for them in encouraging the balance they're trying to achieve. We're that cheerleader to an aircraft owner on behalf of the crew. We're in the forefront of conversations giving owners details and statistics-NBAA industry data, other operators' [salaries]-on the competitive landscape. We have over 500 crewmembers, and that's an advantage in knowing what is competitive in salaries and compensation packages."



"You need to have a company culture that can attract and retain great talent that wants to be part of the company."

-Brian Kirkdoffer,

Clay Lacy



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Airbus ACJ330

This bizliner offers globe-spanning range and a huge cabin—and you might be able to pick up a used one for less than the price of a new super-midsize business jet.

by Mark Huber

In June 2017, a Saudi-led coalition severed political and economic ties with tiny but energy-rich Qatar, injecting fresh turmoil into the Middle East. The move cut off the nation's only land crossing (from Saudi Arabia) and eliminated convenient sea lanes and transiting airspace for aircraft entering or exiting Qatar.

Thanks to help from Iran and Turkey, Qatar minimized the economic sting of this regional boycott. Its leader, the Emir Sheikh Tamim Al Thani, was so grateful for the assistance that he gifted Turkish President Recep Erdogan an ultra-plush, three-year-old, VVIP-configured Boeing 747-8 jumbo quadjet that was easily worth more than \$500 million. The gesture was significant, but not particularly hard on the Emir, whose private fleet still consists of 12 VVIP converted airliners, six of them jumbo jets.

Among them are a pair of comparatively economical Airbus A330-200 wide-

body twinjets, capable of globe-spanning, nonstop range of 8,300 nautical miles. (Think Bangalore to Los Angeles, 19 hours in the air with an hour reserve.) This connects you to virtually any city pair of consequence in the world.

Airbus announced the A330 in tandem with the quadjet A340 back in 1987 and developed them simultaneously. Both aircraft are derivatives of the company's first airplane, the 1970s-era A300. Deliveries of the new models began in the early 1990s, a full decade behind Boeing's iconic 767 widebody twinjet. The two Airbus aircraft feature identical advanced fly-by-wire flight controls, cockpit sidesticks, glass-panel instrument displays, fuselage, and wings; in fact, there is only a 3 percent structural difference between the two, according to David Velupillai, marketing director for Airbus Corporate Jets.

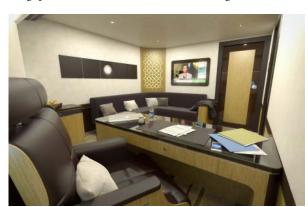
As airlines put pennies under a microscope, the A330, with its fractionally lower operating costs (two engines are cheaper to fly than four), outsold the





A340 by a nearly four-to-one ratio. The A330 remains in production while Airbus delivered the last A340 in 2011. Boeing, meanwhile, still makes the 767, albeit in very limited quantities. But although the 767 has been in production for a decade longer, the A330 has outsold it; there are 300 more A330s than 767s in service, and Airbus has no plans to shut down A330 production anytime soon.

In fact, the manufacturer recently announced an improved version of the aircraft, the A330neo ("neo" stands for "new engine option"). Thanks to more fuel-efficient engines and wingtip "sharklets," an ACJ330neo has a range of more than



10,400 nautical miles. That's about 3,100 nautical miles more than a Boeing 767 VIP can fly nonstop, according to the research firm Conklin & de Decker. Sticker price sans custom interior is around \$240 million.

As of last November, Airbus had delivered 1,427 A330s. Velupillai claims the A330/340 (including the A330neo) is the most successful widebody commercial jet program of all time based on orders. The airplane is operated by an impressive 106 airlines worldwide.

The A330 is available with three engine choices from Rolls-Royce, Pratt & Whitney, and GE. The aircraft was manufactured in several variants but the one most commonly used for VVIP carriage—initially branded the A330-200 Prestige and later badged the ACJ330 (ACJ for Airbus Corporate Jets)—is the A330-200. The -200 is the long-haul variant and the second most popular with more than 660 delivered. In airline configuration, it accommodates 250 to 400 passengers, and the two dozen or so in private hands have generally been configured to seat 25 to 60. The market for these airplanes is thin, but when they do become available you can generally pick up a nice 10- to 15-year-old one with a full-up executive interior at prices starting at \$24 million, less than what you'd pay for a new, 10-seat, 3,000-nautical-mile-range super-midsize business jet.



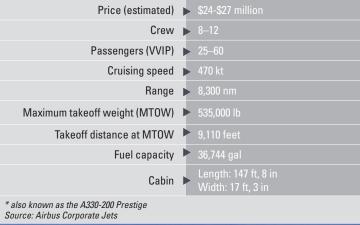
USED AIRCRAFT REVIEW

But, due to its size, the A330 has a few limitations. You can't take it just anywhere. You need long, thick runways and lots of ramp space. Remember, this is basically a flying gas tank. Fully loaded, it tips the scales at better than 533,000 pounds and needs 9,110 feet of runway to take off (sea level, standard temperature day). A full bag of gas is 36,744 gallons (costing roughly \$180,000 per fill-up at current prices). The wingspan is 198 feet and the nose-to-tail length is 193 feet. The good news is that you have an awful lot of interior space to ramble around in during those 19-hour flights. The baggage hold alone is 4,673 cubic feet. The cabin measures 17 feet, 3 inches wide and 147 feet, 8 inches long.

Designers can be tempted to do a lot with that kind of real estate, and that can lead to problems without the proper guidance, cautions Airbus's Velupillai. "The risk when you do cabin outfitting is that you compromise the performance of the aircraft by putting too much weight into it," he says. "You can adversely impact the center of gravity to the extent that you can't fly the missions intended or the owner has to sit in a particular place on takeoff and landing."

While Airbus no longer does cabin completions directly, it does offer design and engineering consultation services (for a fee, naturally) to preclude such difficulties and ensure guaranteed aircraft performance, proper documentation, and maintenance, and it can work with the customer's designer

2005 Airbus ACJ330-200* at a Glance



and designated completion center. The company also has devised several popular interior design schemes for the ACJ330.

One such design is called the multi-role tanker transport, or MRTT. This is often employed by governments that want to be able to use their A330 aircraft in a variety of roles, including VIP transport, cargo and troop transport, and air-to-air refueling. Sixty of these aircraft have been ordered. They feature a VIP compartment in the forward section.

In 2012, Airbus unveiled the Gala concept for the ACJ330. It provides for a standardized VVIP cabin in the forward portion of the aircraft that features a master bedroom, master office, and conference area. This speeds completions and reduces costs. Airbus followed this up with a concept called Summit, which incorporates the forward elements of Gala followed by airline-style first-class seating and economy seating in the aft cabin.

With the ACJ330neo, Airbus unveiled yet another design concept, called Harmony, which replaces more traditional cabin lines with curved surfaces in a layout that features round table seating areas, a forward master suite and office with en suite bathroom and shower, four VIP guest suites, and aft seating for support staff. Velupillai notes that any of these three concepts can be retrofitted onto a used A330, as can a variety of avionics upgrades, including the onboard navigation system and the runway overrun prevention system.

Unfortunately, the new, more fuel-efficient engines of the ACJ330neo and the wingtip sharklets are not available as upgrades—those would require structural changes to the aircraft. But given the tens-of-millions price difference between a used ACJ330 and a new ACJ330neo, burning \$10,000 more fuel per trip seems rather inconsequential.

Mark Huber

(mhuber@bjtonline.com), an aviation industry veteran, has reviewed aircraft for **BJT** since 2005



Buying aircraft with charter on your mind

Several factors can make an airplane more or less likely to generate revenue.

by James Wynbrandt

ay you're shopping for a jet and, like most buyers in the preowned market, you plan to make your aircraft available for charter. As you've undoubtedly heard, this isn't likely to come close to covering all your costs, but it can offset some of them. So you'd be wise to keep in mind the factors that can make an aircraft appealing to charter customers and to the brokers and operators who would market it.

Age is among the most important factors. "Aircraft that are not more than five years old will be most attractive [to marketers and passengers]," says Pascal Bachman, a senior vice president of sales at Jetcraft, which

like all major brokerages often advises clients on charterability issues.

Another reason to opt for newer models is that older ones will cost you more to maintain. Hawkers remain popular with passengers, for example, but age-related maintenance expenses make them less than ideal for charter. "The operating costs are so high that the margin is challenging," says Dave Coleman, an aircraft sales representative at Duncan Aviation.

Additionally, aircraft models that are familiar to potential customers, such as those that have seen heavy use in fractional fleets, "generally perform best on the charter market," says Coleman. "Airplanes like the [Citation] Sovereign, popularized by

NetJets, or the Challenger series... Flexjet had a large number of those."

Wi-Fi is a must. "If you want charterability, you've got to be willing to invest in connectivity," says Jay Mesinger, CEO and founder of Mesinger Jet Sales. Large-cabin, long-range jets need "a combination of domestic [air-to-ground] and international [satellite] solutions. It doesn't have to be Ka band [satellite connectivity]. It could be SwiftBroadband."

Consider, too, the market for the aircraft category. If you're shopping for a light jet, for example, you might want to shelve charter plans. "The light jets tend to attract very pricesensitive charter customers," says Coleman. "The margins are insufficient for it to make sense."

nce you've identified acquisition targets, "management companies can provide you with a range of operating budgets that have been prepared for existing owners," says Michael Tamkus, a senior vice president at Executive Jet Management. "That can give you a realistic view of your charter prospects." Alternatively, your aircraft broker can contact management companies to inquire about charter options on your behalf.

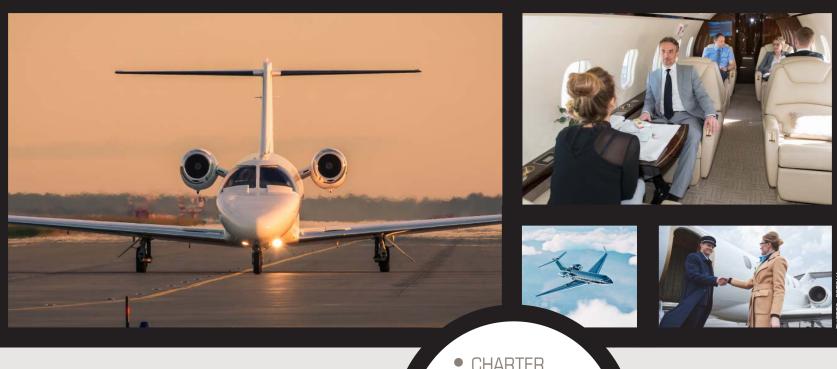
You may ultimately discover that the delta between ownership costs and charter income provides less offsetting revenue than anticipated, as posted rates are often discounted. "On paper it may look good, but once you find charter sells for Y, not X, that margin may disappear," Coleman says.

SIX CHARTER-FRIENDLY BUSINESS JETS							
	ON THE MARKET				2018 SALES		
AIRCRAFT	# IN SERVICE	# ON THE MARKET	AVERAGE DAYS ON MARKET	AVERAGE ASK PRICE	# SOLD	AVERAGE DAYS ON MARKET	AVERAGE SELLING PRICE
CHALLENGER 300	457	10	95	\$10.19M	41	310	\$8.67M
CHALLENGER 604	365	16	207	\$4.73M	40	253	\$4.56M
CITATION SOVEREIGN	349	11	122	\$6.71M	37	248	\$6.04M
GULFSTREAM GIV	197	9	322	\$2.83M	15	239	\$2.46M
HAWKER 800XP	458	46	239	\$1.78M	44	242	\$1.69M
LEARJET 60	317	22	264	\$1.77M	23	281	\$1.65M

Data as of Dec. 31, 2018. Source: AircraftPost.com.



James Wynbrandt (jwynbrandt@bjtonline.com), a multi-engine instrument-rated pilot and regular BJT contributor, has written for the New York Times, Forbes, and Barron's.



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SPECIAL SECTION

BJT reports on charter, fractional shares, jet cards, and membership clubs. Read on for info on noteworthy new offerings, Q&As with two consumer consultants, a directory of providers, and more.

MORE WAYS TO TAKE OFF

Just when you thought flight-time options had been sliced and diced into as many different jet cards and charter offerings as possible, and fractional ownership had reached an evolutionary dead end, along come a spate of new offerings. Here's a look at some of the newest and most noteworthy options.

by James Wynbrandt

Jet Cards

Air Charter Services' Empyrean Capped Rate Account. Designed for the North American market, the Capped Rate Account card from U.K. broker Air Charter Services sets an upper limit on the per-hour price for the light, midsize, and super-midsize aircraft the program employs. As such, "you can take advantage of market conditions with the protection of capped hourly rates—the best of both worlds," says a spokesperson, meaning a 25-hour card might actually yield "27 or 30 hours" of flight time. Card prices are customized based on factors including need for guaranteed access, onboard Wi-Fi, aircraft and interior age, and amount of liability insurance required. Costs for the 25-hour program average about \$121,000 for a light jet, \$188,750 for a midsize model, and \$211,000 for a super-mid.

Airstream Jets' Distance Card. In a new wrinkle on assessing costs, Airstream Jets' Distance Card charges by distance rather than flight time. Sold in small, light, midsize, super-midsize, and heavy-aircraft categories, the card pegs rates to statute miles flown, and the farther you fly, the lower the per-mile cost, with charges based on 1,000-statute-mile increments (as calculated on a great-circle route). Per-mile prices on small jets range from \$9 per mile for long trips to \$14 per mile for short ones; on midsize jets, you pay \$12 to \$17 per mile; and on large jets, the price is \$17 to \$24 per mile. Cards from the Florida-based broker start at \$25,000. (With federal excise tax, or FET, that's \$26,875.) There are no blackout dates or fuel surcharges, and a 5 percent discount applies to same-day trips as well as to those starting or ending at any of more than a dozen of the country's busiest general aviation airports. The HondaJet has been added to the program in the small-jet category.

DashJet's Custom Card. One of a growing number of custom cards, this 25-hour offering from an Iowa-based brokerage is priced based on your flight patterns and preferences (round trips vs. one-ways, typical routes flown, preferred aircraft models). A 25-hour light-jet card averages about \$145,000 (\$5,800)

per hour). One-hour minimum flight times on all category aircraft, including heavy jets, make the DashJet card a good option for regularly moving large groups relatively short distances, and taxi time isn't charged. Cards for more than 25 hours are available at lower, negotiable rates, and you can buy a 10-hour introductory card. Availability is not guaranteed on peak days.

Priester Aviation's Centerline Jet Card. This card parlays the venerable operator's regional bases and high-touch service into a customized offering available by invitation only in Chicago, New York, southern Florida, Atlanta, Texas, Colorado's mountain airports, and Los Angeles. Restricting membership to those regions helps ensure that the travel patterns and expectations of those invited to join mesh with Priester's fleet and service model, says Andy Priester, company president and CEO. The card is sold in 25-hour denominations for light, midsize, super-midsize, and large-cabin jets. Its all-inclusive price is tailored based on callout time, one-ways vs. round trips, preferred aircraft type, schedule flexibility, and other factors, and includes premium catering and other amenities.

Delta Private Jets' Sky Access Membership. This program opens up the company's repositioning flights—a.k.a. empty legs—to members for free booking 24 hours in advance, primarily aboard Citation Excel/XLS jets. The list of available flights, mostly east of the Mississippi, is continually updated, and recently added AmpliFly technology allows members to choose among up to 30 alternative destinations along empty-leg routes—for example, Chicago; Aspen, Colorado; or Las Vegas on a flight between New York and Los Angeles; and Raleigh-Durham, North Carolina and Savannah, Georgia on a flight between New York and Miami. Members can set up flight alerts for up to 10 locations. The card also guarantees availability and provides rates for on-demand charter through DPJ and additional perks, including discounts on some Delta Air Lines flights. Membership costs \$8,500 for the first year and \$6,000 for annual renewals.

Northern Jet Management's Florida Private Advantage Card. This 25-hour card from a Michigan-based operator targets leisure travelers flying one-way between the Midwest and Florida. The program features the company's managed Learjet 40XRs. (A Learjet 70 is also available.) The narrow route focus and relaxed callout response time (24-hour notice) allow economical all-inclusive per-hour rates. The card costs \$164,375, and travelers who can take advantage of the repositioning flights posted on the company's site save \$1,000 off the regular per-hour rate. There are no blackout dates—an important consideration for many Florida-bound holiday travelers—and no repositioning fees apply for Midwest-based cardholders, who also have access to the company's fleet of more than 20 aircraft, ranging from turboprops to large-cabin jets.

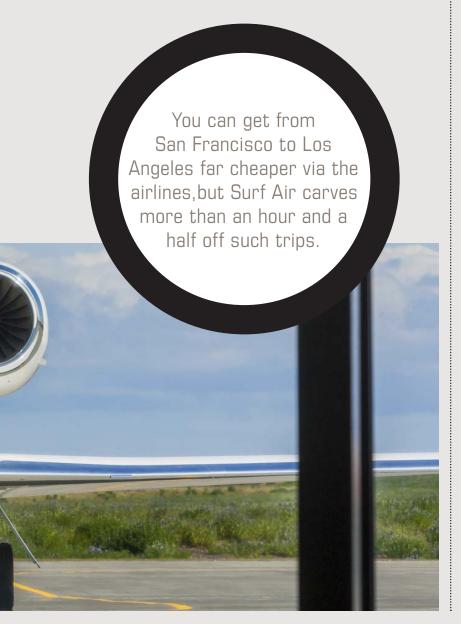
Silverhawk Aviation's Jet Card. "No repositioning fees" is a common feature of jet card and membership programs, yet repositioning costs are actually baked into pricing and shared equally—though members at the fringes of service areas typically benefit the most from this arrangement. With its Midwest focus, charter operator Silverhawk Aviation keeps overall positioning costs down for its jet card and structures charges to reflect the relative expense of servicing cardholders. Flights originating within 200 nautical miles of Silverhawk's Lincoln, Nebraska headquarters incur no repositioning fees; a 1.5-hour minimum applies to flights originating from 51 to 200 nautical miles from Lincoln, while a 1.5-hour minimum and negotiable repositioning fees apply to flights originating beyond that radius. The \$100,000 minimum deposit card has no taxi time, peak or holiday charges, or blackout dates, and it provides free Wi-Fi access and phone calls on all aircraft in Silverhawk's primarily Citation fleet.

Magellan Jets' Sikorsky S-76 Card. Veteran charter brokerage and card provider Magellan Jets offers a 10-hour card for summer travel in the Northeast on the Sikorsky S-76, one of the most comfortable and capable executive helicopters. The all-inclusive \$13,799 fixed hourly rate for the S-76 is good for travel beginning or ending in New York to locations from Maine to Washington, D.C., including Cape Cod, the Hamptons, Martha's Vineyard, and Nantucket. The program is operated through Associated Air Group, which runs a fractional-ownership operation with the Sikorskys. Magellan has also launched a corporate membership deal providing guaranteed access and recovery, fixed hourly rates, catering, and fuel (FET not included) for a \$25,000 initial fee and annual renewals of \$15,000.

PJS Group's Rendezvous Card. PJS Group, a Massachusetts-based brokerage, gives new meaning to the term "lift provider" with its Rendezvous Jet Card, which entitles cardholders to two free season skilift passes at Jackson Hole, along with other exclusive offerings at this and other ski destinations. The card isn't ideal for some last-minute trips, as it requires seven-day notice for travel on 20 peak days. On the plus side, you can even get to Gstaad, Switzerland, because Europe and all other international travel is at the same hourly rates, which are locked in for 12 months. The card is available for light, midsize, supermidsize, and heavy jets in Priority and Elite categories; prices range from \$4,890/\$5,490 per hour for light to \$11,050/\$13,005 for the large cabins including fuel and FET, with a 5 percent round-trip discount. A 10-hour introductory card is available.



Wheels Up's Northeast-South Florida Card. Wheels Up, which pioneered the closed-fleet membership access model, is debuting a light-aircraft card with guaranteed rates for flights between the Northeast and South Florida. The program uses company-owned King Air 350i turboprops and Citation Excel/ XLS jets, and aircraft from on-demand charter partners. Program details and rates were under development as we went to press. Current per-hour pricing for members—who pay a \$17,500 initial fee and annual renewal charges of \$8,500—is \$4,495 for the King Air and \$7,495 for the Citations (plus FET).



WHEN SERVICE FALLS SHORT

Private-lift companies typically deliver a first-rate experience. But what should you do when they don't?

Private jet travelers rarely encounter problems such as substandard catering, inoperative cabin equipment, and mechanical issues that leave them stranded. And when such troubles do arise, most lift providers will do backflips to mollify unhappy clients. Yet even the best providers may occasionally fall short of expectations. Here's what you can do to avoid service issues, and to address those that do occur.

Start by ensuring that you or your representative read and understand the provider's contract and its obligations. Discuss any service requests and associated costs, if applicable, and make sure you're not asking for more than you can reasonably request. "In general, people who are flying on private aircraft expect everything to be perfect," says Stephen Hofer, founder and president of bizav law firm Aerlex. "Occasionally, it is not."

Consider catering—among the most common subjects of complaint: "If you're used to having dinner at Spago or Jean-Georges, the same five-star dining experience can't be translated to private aviation," Hofer says.

Keep catering requests aligned with available foods at the departure point, the galley equipment, and the crew's capabilities. For example, don't request "sushi out of Marrakesh or caviar out of a small Greek island," advises Emily Williams, cofounder of U.K. bizav consultancy 18W Ltd. "Keep it simple."

Should catering or any other service not meet your standards despite prior discussion, contact the flight provider. "To my knowledge, no [provider] has a complaint department," notes Kevin O'Leary, president and founder of consultancy Jet Advisors. "Today, most have a small team that takes care of the customer all the way through."

No industry trade group has a complaint window, either. Acana (Air Charter Association of North America) "does not answer consumer complaints," a spokesperson said. But no consumer watchdog appears needed, as many providers will unhesitatingly drop catering charges, or adjust the cost of the trip if the aircraft didn't meet specified or promised criteria, or you were inconvenienced by, say, a seat that refused to recline or a balky in-flight entertainment system. Losing an account and the potential for client badmouthing is far costlier than trying to keep the customer satisfied

Aircraft-on-ground (AOG) situations—when a mechanical problem takes the airplane contracted for your flight out of service—are the ultimate test of your provider's abilities and commitment, however. Should an AOG occur, standard charter contracts relieve your provider of any responsibility beyond returning

your money. If you booked a critical mission in advance and locked in a discounted rate, you'll now have to pay a premium for whatever lift is available at the last minute. If your jet breaks down midway through a round trip, you'll get half your money back, but you'll be stuck needing a one-way home that could cost far more than the back half of a round-trip rate. If the AOG occurs during a peak travel day or weekend, or in a remote location, it could be days before a recovery aircraft is available.

"Aircraft are not perfect, and if customers wish to have absolute security, they should consider paying the additional cost to have



a reserve aircraft available," says Richard Mumford, chairman of BACA, Europe's charter industry trade association.

As with more garden-variety issues, providers will do all they can to assist you in an AOG situation and find alternative lift, but you'll still be responsible for shouldering the main financial burden. Major charter operators and brokerages have larger fleets and are more capable of providing backup aircraft than smaller providers. If you shop charter by price, expect corresponding service levels in time of need. When contemplating your expectations, consider how you'd like an AOG situation handled, and the capabilities of your provider to respond.

Meanwhile, charter operators are looking for longer-term AOG solutions. At the National Business Aviation Association's annual convention last October, Clay Lacy Aviation led discussions with underwriters aimed at developing insurance to cover AOGs, says Veriar Collins-Jenkins, that company's vice president for charter and managed services. (Clay Lacy guarantees no-cost AOG recovery to its charter customers.)

In the interim, consider that being left stranded isn't necessarily always a bad thing. "Having to spend an extra day in the Turks and Caicos or the French Riviera is not the worst punishment in the world," notes Hofer.



Membership Programs

JetSuite's SuiteKey. Besides adding larger jets to its fleet this summer, Dallas-based JetSuite is updating its SuiteKey program to offer preferred fixed hourly rates, no repositioning fees, 365-day access, and guaranteed availability with 48-hour notice. This membership starts at \$100,000.

Surf Air's Express. Last year was a tough time for all-you-can-fly membership pioneer Surf Air: it was sued by its erstwhile operator and shown to owe more than \$2 million in federal taxes; and it shuttered its Surf Air Europe venture. But it also introduced Surf Air Express, opening all routes in its California network (including Las Vegas) to flat-rate, per-seat purchase. Members pay an annual membership fee of \$2,500 and then \$445 per flight. You can get from Oakland or San Francisco to the Los Angeles area far cheaper via the airlines, but Surf Air carves more than an hour and a half off such trips, while flights between Santa Barbara and San Diego save nearly two hours, according to the company. Surf Air plans to open its routes to the public sans membership, but rates will vary and only Surf Air Express members will have guaranteed pricing, among other perks.

Charter

Solairus Aviation's Altitude Club. This program has no annual fees yet offers guaranteed access to four categories of late-model aircraft with 24-hour notice; flights on 15 peak days/weekends require five-day notice. The 25-hour program charges \$130,000 for light jets to \$276,000 for super-mids, the largest category, including fuel surcharges and FET; there are no interchange fees among categories. The Altitude Fixed Dollar Program provides access to the same aircraft at guaranteed hourly rates for a minimum deposit of \$100,000. Very light jets and super-mids are \$4,590 and \$9,800 per hour, respectively,

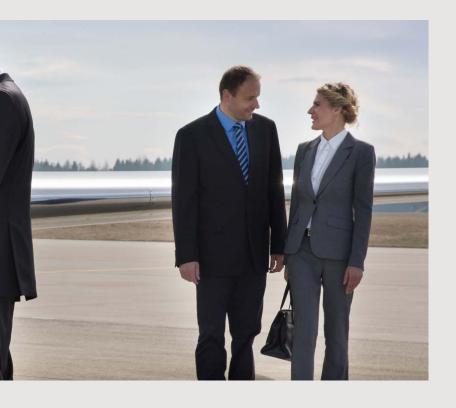
with fuel surcharge not to exceed \$250 per hour (plus FET); round trips are eligible for discounts of up to 25 percent.

Clay Lacy Aviation's Preferred Access. This program provides discounted charter rates and guaranteed availability, with no blackout dates, peak-day surcharges, or membership fees, for a fully refundable \$100,000 deposit. It also offers guaranteed recovery in the event of a grounding due to mechanical problems. All aircraft have dedicated flight crews that have been trained in corporate etiquette, and the program includes complimentary aircraft upgrades and high-end catering.

Executive Jet Management's Flat Rate Program. This program from NetJetsowned EJM requires a minimum \$100,000 deposit, which is refundable. It provides guaranteed access and locked-in discounted hourly rates. There are no blackout dates or limits on simultaneous use of aircraft, which include small, midsize, super-midsize, large, and heavy jets. Recent hourly rates in the continental U.S. ranged from \$6,650 one way and \$5,790 round trip for small jets to \$13,481 one way and \$10,524 round trip for heavy jets. (The amounts include FET.) Additionally, EJM's block-charter program for travelers needing 50 or more flight hours per year provides discounted hourly rates pegged to a contracted number of flight hours.

Fractional Shares

HondaJet Elite by Jet It. Jet It, a fractional startup on the U.S. East Coast, offers shares in the HondaJet Elite. This marks the first time the upgraded version of the HA-420 HondaJet has been made available via shared ownership. Founded by two former HondaJet execs, Jet It expects to have three Elites—each with two to 10 owners—by the middle of this year. The company, based in Greensboro, North





Carolina (as is HondaJet) touts operating costs of about \$1,600 an hour for the Elite. Usage is charged by days rather than by flight hours, with a one-fifth share providing 55 days of access per year. Another potentially huge differentiator for the program: if you're a pilot, following "an easy but thorough type training process," you "can fly your jet whenever you like," the company says.

Teebee Jets' Beechjet 400E Program. Teebee Jets offers access by the week to shareowners of its Beechjet 400Es, which are refurbished Beechjet 400s featuring upgrades that include new interiors, LED lighting, Wi-Fi connectivity, Garmin G5000 glass-panel avionics, and winglets. Owners fly in their own aircraft with dedicated crews. "The 90," the lowest ownership level, provides up to one week of use per month and costs \$850,000 plus a management fee of about \$10,000 per month. "The 180" provides use of the aircraft and crew for up to half of each month for \$1.65 million plus \$19,000 a month. Shareowners additionally pay operating costs of about \$2,000 per hour. All told, those numbers add up to about half the price of an equivalent share from a major fractional program, Teebee says. The Greensboro, North Carolina-based company has a similar fractional program for the Beech Baron NexGen 55, a twin-engine piston aircraft.

Dumont Aviation's Falcon 2000 Program. The Dassault Falcon 2000 is being phased out of NetJets' fleet, but fans of the popular but aging jet can still get onboard through Dumont Aviation. Dumont is buying and refurbishing more than a dozen of these aircraft from NetJets. A one-eighth share provides 100 hours and 45 days of aircraft availability per year; buy-in runs \$750,000 and the monthly management fee is \$12,300. Round-trip flight and repositioning fees are \$3,500 per hour; one-way rates are \$5,650 per hour. Owners also pay flight-crew overnight and per-diem expenses and airport fees at cost. For flights from Delaware (the company's home base), all of that translates to one-way costs of

about \$13,500 to Miami; \$18,000 to the Turks and Caicos; and \$31,900 to Los Angeles. One-way flights must begin or end at one of Dumont's bases, which in addition to Delaware include Fort Worth; Orlando, Florida; Allentown, Pennsylvania; and Bloomington, Illinois.

Airshare's Phenom 300E Program. Airshare (formerly Executive Airshare) now offers a Phenom 300E, making it the only fractional provider to sell shares in the new version of Embraer's bestselling light jet. The 300E (E for "Enhanced") features an overhead tech panel, more comfortable seats, and other upgrades. The Central U.S.-based provider offers shares that give owners access to their aircraft for a set number of days, rather than hours, per year. A one-sixteenth share provides 20 flight days per year on the Phenom 100, 300, King Air 350i, Citation CJ2+, or Learjet 45XR. The only limits on daily flight hours are FAA crew-rest duty rules.

Fractrade's Preowned Shares Program. Fractrade has been brokering for-sale fractional shares since 2006. Owner Dan Dugger says it makes sense to buy a share on the secondary market, because you will pay less and have access to the same fleet as if you bought new. At any time, his site may list more than a dozen available NetJets and Flexjet fractional shares and leases for aircraft in a range of cabin and share sizes. Such third-party brokered share sales net sellers more and cost buyers less than going through the program, Dugger says.

James Wynbrandt

(jwynbrandt@bjtonline.com), a multi-engine instrument-rated pilot and regular **BJT** contributor, has written for the *New York Times, Forbes, and Barron's*.

We talked with two longtime consultants about how they help clients get the most for their bizav dollar.

by James Wynbrandt

Shaircraft Solutions' James Butler

In 1997, James Butler was practicing contract law at his own Washington, D.C.-area firm when a sports agency asked him to investigate "a newfangled investment called fractional air travel, because a couple of the clients were looking into it." Butler subsequently represented those clients in negotiating their fractional-ownership contracts with NetJets.

That experience led Butler to found Shaircraft Solutions. "I came to believe," he says, "that there was a business opportunity in pulling together legal and aviation expertise to represent fliers in this new private-aviation area, which I call the shared-use space. By that I mean fractional ownership and leasing, jets cards, and anything else short of whole-aircraft ownership."

A graduate of the University of Chicago Law School, Butler clerked for a federal judge in the Windy City for a year before accepting a position with Arnold & Porter in Washington, D.C., where he specialized in transactional law. He started his own firm in 1992 and still maintains it, though he says that "most of my efforts now are directed toward the Shaircraft business."

Based in Bethesda, Maryland, Butler has a wide smile and speaks in a calm, deliberate voice that clients likely find reassuring. His staff includes administrative assistants and a marketing coordinator. "It's a small operation," says Butler, who wrote about the fractional field for BJT from 2005 to 2009. "I answer my own phone. I work one-on-one with every client."

CONTINUES ON FACING PAGE

FractionalLaw's Daniel Herr

Asked in 2002 to review NetJets invoices for a friend's parents, Daniel Herr discovered numerous overcharges and questionable fees. "I wound up saving them a significant chunk of money," he recalled.

Sensing an opportunity, the former NetJets pilot launched a consultancy for fractional shareowners. However, "It became clear that if I really wanted to help my clients, I needed to be there when the contracts were written. So I signed up for law school." In 2005, juris doctorate in hand, Herr "morphed the consulting business into FractionalLaw," which he has

operated as a sole practitioner since. Friendly, soft spoken, and precise with his words, Herr

met with us at Lehigh Valley International Airport in Allentown, Pennsylvania, where he bases his King Air 350.

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Who should seek legal advice when buying a jet card, fractional share, or other private-aviation access product?

There's almost no part of this business that wouldn't benefit from having a legal-eye view. Even if it's simple charter and you want a deadhead leg, you need to understand the cancellation policies and commitments. The providers have been shrinking contracts to make them look like boilerplate, but they're fairly complex legal documents. As you go up the chain through fractional and leasing, there's been an evolution in the contract documents as the providers allocate more of the variable-cost risk of operating from the operator to the customer.

So the contracts are fairly one-sided, and having a legal eye in negotiating certain issues can add value for the customer. Even a \$25,000 one-off charter involves a lot of money, and it's worth making sure what the pilot experience is, the vintage of aircraft you're getting, what the avionics are, and that it's a safe trip that meets your expectations.



What common mistakes do business aviation consumers make?

One of the biggest is buying too many hours. The salespeople are incentivized to sell you as much flight time as they can, and when you get to the end of your fractional investment—say, after five years—if you have 25 hours remaining, they will disappear, and that really changes the per-hour cost.

How do you work with clients?

First, we want to understand everything about their requirements: how often they fly, from where and to where, how many people they travel with, their budget, how far in advance they schedule trips, and any special needs. Once we understand, we'll put out our RFPs to providers we think are safe and financially strong and provide the kind of service our client would benefit from. When we get those responses back, we'll go through them with the client and choose one or two options to pursue further, negotiating along the way and finally coming up with business terms. We review and negotiate the contract from the legal side and put it to bed.

We can do all that or we can do a piece of that, depending on what the client needs. Sometimes a client says, "I know I'm going to buy a 25-hour jet card with XYZ. Just review the contract for me." Other clients will say, "I have all these brochures, and I have no idea which is best—I want you to handle this, soup to nuts."

Sometimes a customer will say, "Just get me everything." But there's a basket of concessions that may be available based on the size of the deal, and how valued they are by the provider. We want to pull out of the basket things that add value for you; if we pull something out that's not of use, you're no better off. Say the customer often will fly on peak travel days. We may ask if it benefits them to have a guaranteed upgrade for those trips. That's an example of tailoring contracts to add value.

We know where there's room to negotiate, and we know what's not negotiable, so we can focus on areas that are beneficial and where changes have to be made.

"Sometimes a customer will say, 'Just get me everything.'
But there's a basket of concessions that may be available based on the size of the deal, and how valued they are by the provider."

Shaircraft Solutions' James Butler



Who are your customers?

We have first-timers, and we have developed quite a return business with customers who've done one deal and come back for another as their needs have changed. We have a fair amount of business from folks who have done a deal on their own and realized that they didn't negotiate the best terms. It's not uncommon for me to get a call from someone who says, "The contract looked short and the salesperson said it's not negotiable, so I just signed it. Now I understand there's a lot of room for negotiation, and I want you to make me a better deal than I made myself."

Do you hear from corporate flight departments looking for supplemental lift?

Yeah. We're also seeing midsize and even small companies reconsider the cost and the bandwidth that it takes to maintain a flight department and looking more toward outsourcing that to fractional providers, because it's a distraction from their core business. And whereas years ago the options were one-off charter or ownership, now there's a spectrum of options. So you can tailor the investment to your needs. What some of these companies really need is transportation. They don't want to own aircraft. A lot of companies are looking toward taking advantage of third-party operators.

Membership programs are the latest option in shared access. Your thoughts on them?

From a business-model perspective, it's good if you can get customers to

pay upfront and offer them as a membership the thing you would have offered them anyway-dress it up with special events and concierge services, and fancy words like "platinum." Our clients tend not to be so taken with the bells and whistles that go with some of these programs, but we'll see how those pan out.

I think the last 20 some years tell us there is not a lack of imagination in terms of new business models and ideas about private air travel, and that provides opportunities and also cautionary tales. When there's underutilized capacity and you have aircraft sitting on the ground, you're going to continue to see someone come up with a program with a catchy name to make use of that capacity. That's a source of a broadening of the private jet business model and also a cause of concern, because there are so few barriers to entry. You can find yourself in trouble if you don't look behind the slick brochures and cool apps and ask questions: Who's operating the aircraft? What's the vintage? What's the safety equipment? The pilots' experience?

What future do you see for the shared-use space?

I see no indication that commercial flying will be anything but horrible in the next five to 10 years, in which case there will certainly be interest in shared private flights. Another factor is fuel prices. But I think we'll see more democratization of the private air travel business, more opportunities, more niche programs. As aircraft evolve and improve, we'll see more individuals and companies get into private aviation. I think it's got a bright future, but subject to BJT how the economy does.



James Butler

Born: Sept. 28, 1958 (age 60) in Washington, D.C.

Position: Founder/principal. Shaircraft Solutions

Education: B.A., Colorado College, 1980; M.A., political science, London School of Economics, 1982; J.D., University of Chicago, 1985

Personal: Lives in Bethesda, Maryland. Married, two children. Enjoys golf.



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What do you do for clients?

I spend only about a third of my time on the legal aspects—contracts, the liability associated with fractional ownership, insurance, the structure of ownership, tax issues, depreciation, and personal use.

The rest is the same consulting I did when I started—residual-value projections, finding the best plane for the budget. For clients with vacation homes in Colorado, the single-engine climb gradient of the airplane is an issue, and you have to dig relatively deep into the weeds of the performance manuals. Some clients charter for supplemental lift when they're short on fractional hours, so I help with that.

Who owns a fractional share today?

People who find value in the consistency, convenience, and safety of the fractional industry. There seems to be a misconception that fractional owners are idiots who don't know they can save a lot of money by buying a plane or jet



card, but that's largely false. They know shares are a premium product and they're willing to pay for it. Despite what the industry says about fractional being a stepping stone to whole-aircraft ownership, I've had only one or two clients go from fractional to whole ownership.

What percentage of fractional owners seek professional representation?

Most don't. My clients tend to be more cautious, more detail oriented, more involved, and maybe more business savvy. Most owners don't realize their name is on the FAA registry as the aircraft operator under Part 91 Subpart K, and they have just as much liability as a whole owner—maybe more.

What benefits could fractional owners be missing without representation?

They may not be getting the right airplane or the right program for their mission; and they may not realize the impact their own operational needs or quirks have on the program costs. A particular short leg they do, or a particular series of flights they make on a regular basis may be treated very unfavorably in the fractional boilerplate contract, but you might be able to get an exemption. And there are always variables, such as length of the contract term, special upgrade or downgrade ratios, short-leg waivers, and flexibility on the number of hours that can be used each year. Without help from someone who knows the industry and understands the contract and what's possible to be tweaked, people probably are not taking full advantage of their fractional program.

How do you charge for your services?

Largely on an hourly basis, at \$400 per hour. When I started, I billed invoice auditing on a one-third [of recovered charges] contingency. That was very profitable in the early years and is very unprofitable now. The

> "They may not be getting the right airplane or the right program for their mission; and they may not realize the impact their own operational needs or quirks have on the program costs."



computer systems have more controls in place; there are not the systemic errors I used to see.

The time needed to review and negotiate a fractional contract is widely variable. A boilerplate contract can go quickly. In other scenarios, the cost of the aviation or business analysis is two or three times the legal fee. I'll talk to new clients and find out which category they're in and give them a ballpark. Even a 50-hour fractional share for a light jet, if you bake in all the expenses, costs at least \$7,000 an hour, so it doesn't take much on that budget to find some tweak that pays for my legal bill several times over.

Do you foresee additional players joining the fractional space?

The ferry costs and operating costs are through the roof until you achieve economies of scale, and that takes a lot of investment. I don't see any rational business case for investing the capital to scale up a fractional program when the profitability of the fractional industry has historically been pretty lousy.

What has changed in the fractional arena since the 2008 financial collapse shook the industry?

In 2009 and 2010, I would get phone calls from clients saying, "Free catering isn't what it used to be," or, "The standard champagne isn't what it used to be." While my role is to promote my clients' interests, my advice was, "The industry has lost a lot of money. You will not be treated well on much bigger issues if the industry continues to lose money, so this is your new reality."

Today I see fractional owners accorded less and less respect, and getting closer to being treated like glorified cardholders. The industry was always leery of giving too much pride of ownership. I think they didn't want to tie owners to a particular tail number. I can see the rationale for that. The owner says, "Oh, my airplane has a new interior, and I haven't flown it." But it's gotten to where the purchase of the asset is looked at as the entrance fee to join the club, and the owners aren't treated the way a management company would treat an owner. That sense of appreciation for what the owners have put up seems to be fading.

Where does the fractional model go from here?

If the industry continues to believe its customers owe it a certain level of profitability, and the programs focus on setting their rates or selecting aircraft to achieve a certain profitability target rather on operational efficiencies or giving customers products they want, it runs the risk of killing the golden goose. If a certain chunk of the clientele say, "We've been pushed as hard as we can," and goes to less-expensive alternatives, and it gets to the point where the fractionals lose their scale, then it unravels. The customer base is pretty tolerant of paying a hefty premium, but I'd say there's a limit to that, and we don't know where that is.



Daniel Herr

Born: June 13, 1966 (age 52) in Flemington, New Jersey

Position: Founder/principal, FractionalLaw

Education: B.A., economics, Princeton University, 1988; J.D., Rutgers Newark Law School, 2005

Personal: Lives in Murray Hill, New Jersey. Married, two children. Enjoys fixing antique tractors and making ice cream with an antique churn. Owns and flies a Beech King Air 350; has type ratings for Cessna Citation 500 and Fairchild Metro/Merlin.

The interviews with James Butler and Daniel Herr have been edited and condensed.

LIFT PROVIDERS



PROVIDERS OF AIR CHARTER (AC), JET CARDS (JC), FRACTIONAL OWNERSHIP (FO), AND FLIGHT CLUBS (FC)

AAG

(flyaag.com, 845-463-6500) Wappingers Falls, New York. Sikorsky Aircraft subsidiary operates S-76 helicopters in Northeast U.S. [AC, FO]

Aero Air

(aeroair.com, 503-640-3711) Hillsboro, Oregon.

Fleet ranges from turboprops to large-cabin jets. [AC]

Aero-Dienst

(aero-dienst.de, +49 911 93 56 603) Nuremberg, Germany. Fleet includes Cessna CJ4, Learjet 45XR and 60. [AC]

Aerolineas Ejecutivas

(aerolineasejecutivas.com, 800-712-0414) Toluca, Mexico.

Operates more than 25 aircraft, from helicopters to Hawker and Learjet midsize business jets. [AC]

Air Charter Service

(aircharterservice.com, 310-205-8959) Los Angeles. Also: Charlotte, North Carolina; Houston; Miami; New York; San Francisco. And: Australia, Brazil, Canada, China, France, Germany, India, Kazakhstan, Russia, South Africa, Spain, Switzerland, UAE, U.K.

Broker books about 9,000 charters a year. [AC, JC] ••••••

Air Partner

(airpartner.com, +44 203 457 0879) London. Also: Fort Lauderdale, Florida; Houston; Los Angeles; New York; Washington; Austria; France; Germany; Hungary; Italy; Monaco; Russia; Singapore; Spain; Switzerland; Turkey. Offers access to all aircraft categories and types from vetted operators. [AC, JC]

Airstream Jets

(airstreamjets.com, 561-826-7056) Boca Raton, Florida. *Jet card offers distance-based pricing. [AC, JC]*

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AMAC Corporate Jet

(amacaerospace.com, +41 58 310 32 32) Kloten, Zurich, Switzerland. Charter division of full-service aviation company books everything from small turboprops to VIP airliners. [AC]



Chapman Freeborn

(chapman-freeborn.com, +86 10 5676 2020) Beijing. Also: Fort Lauderdale, Florida; Houston; Australia; Belgium; Canada; China; Denmark; France; Germany; India; Italy; Netherlands; Poland; Portugal; Romania; Singapore, South Africa; South Korea; Spain; Switzerland; UAE; U.K.; Uganda.

Charter broker offers everything from helicopters to executive-configured airliners sourced from vetted commercial and business aircraft operators. [AC]

Chartright Air Group

(chartright.com, 800-595-9395) Mississauga, Canada. Also: Fort Lauderdale, Florida; other Canada locations. Fleet ranges from turboprops to large jets. [AC]

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Clay Lacy Aviation

(claylacy.com, 818-989-2900) Van Nuys, California. Also: Oxford, Connecticut; Kahului, Hawaii; Long Beach, Santa Monica, Santa Ana, Oakland, Carlsbad, and Santa Barbara, California; Belgrade, Montana; Las Vegas; Portland, Oregon; Philadelphia; White Plains, New York; Miami; Bedford, Massachusetts.; Nashua and Portsmouth, New Hampshire; West Palm Beach, Florida. Founded in 1968, operates large fleet. [AC]

Contour

(flycfm.com, 615-534-4600) Smyrna, Tennessee. Fleet includes Bombardier Challenger 300, Hawker 800, Learjet 35, Citation V. [AC]

Corporate Eagle

(corporateeagle.com, 248-461-9000) Waterford Township, Michigan. ARGUS Platinum-rated provider serves southeast Michigan with fleet of 13 aircraft. [FO]

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CSI Aviation

(csiaviation.com, 800-765-9464) Albuquerque, New Mexico. *Operates twin-engine turboprops.* [AC]

Deer Jet

(en.deerjet.com, +86 4000 666888) Beijing and other China locations. [AC, FO, JC]

Delta Private Jets

(deltaprivatejets.com, 800-927-0927) Erlanger, Kentucky. Delta Airlines division. Fractional and card programs use more than 1,000 light to large-cabin jets from owned and managed fleet and partner charter operators. [AC, FO, JC]

PROVIDERS OF AIR CHARTER (AC), JET CARDS (JC), FRACTIONAL OWNERSHIP (FO), AND FLIGHT CLUBS (FC)

Desert Jet

(desertjet.com, 800-381-5387)

Palm Springs, California.

Operates seven Citation jets and brokers charter through affiliate network of operators. [AC]

Dumont Jets

(dumontgroup.com/charter, 302) 317-3310) New Castle, Delaware.

Fleet includes Gulfstream IV-SPs, Falcon 2000s, Hawker 400XP. [AC]

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Elliott Aviation

(elliottaviation.com, 800-447-6711)

Minneapolis. Also: Des Moines, Iowa; Moline, Illinois.

Fleet includes Citation Excel, Hawker 400 XP, Lear 45XR, Nextant 400XT. [AC]

Empire Aviation Group

(empire.aero, +971 4 299 8444)

United Arab Emirates. Also:

Scottsdale, Arizona; India.

Fleet includes Bombardier Global 6000, Global Express XRS, Embraer Legacy 650. [AC]

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ExcelAire

(excelaire.com, 800-773-9235)

Ronkonkoma, New York.

Fleet includes Cessna Latitude, Embraer Legacy 600, Gulfstream GV. [AC]

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Execulet

(execujet.com, +41 1 223 803 555)

Zürich, Switzerland. Also: Mexico, Russia,

Singapore, South Africa, Spain, UAE.

Fleet ranges from light jets to Lineage 1000 bizliner and helicopters. [AC, JC]

Executive Airshare (aka Airshare)

(flyairshare.com, 877-372-5136)

Lenexa, Kansas.

Offers Embraer Phenom 100 and 300. [AC, FO, JC]

Executive Flightways

(fly-efi.com, 800-533-3363)

Ronkonkoma, New York.

Founded 1981; operates light to heavy jets. [AC]

Executive Jet Management

(executive jet management.com, 800-451-2822)

Cincinnati. Also: U.K.

NetJets division offers "city pair" one-way pricing and flat-rate pay-as-you-go block-charter. [AC]

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Fair Wind Air Charter

(flyfairwind.com, 800-989-9665)

Stuart, Florida.

Serves North and South America with more than 20 aircraft from light to large-cabin jets and lift from vetted operators. [AC]

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Flexjet

(flexjet.com, 866-473-0025)

Cleveland.

Provides access to light, super-light, midsize, large, and ultra-long-range jets. [FO, JC]

Flexjet International

(flexjet.com, 866-473-0025)

Birmingham, U.K. Also: Milan, Italy.

Offers shares and leases on Nextant 400XTi, Legacy 600. Adding more models in late 2019 [FO, JC]

Flightstar

(flightstar.com, 800-747-4777)

Savoy, Illinois.

Diverse charter fleet reaches worldwide

destinations, including Africa and Russia. [AC]

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FlightWorks

(flightworks.com, 770-422-7375)

Atlanta.

Fleet ranges from turboprops to large-cabin business jets. [AC, JC]

Freestream Aircraft

(freestream.com/charter, +44 20 7584 3800)

London.

Wide-ranging fleet based worldwide. [AC]

Gama Aviation

(gamaaviation.com, +44 1252 553020)

Farnborough, U.K.

Operates diverse fleet in Asia, Europe,

Middle East, and U.S. [AC]

Gama Aviation Signature

(gamasignature.com, 833-359-4262)

Shelton, Connecticut. Also: Chicago, Dallas, Los

Angeles, and 10 other U.S. locations.

Over 200 aircraft in fleet. [AC]

Hongkong Jet

(hongkongjet.com.hk/our-services,

+852 3126 1000)

Hong Kong.

Operates Gulfstreams, Falcons, Boeing BBJ. [AC]

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JA Air Center

 $(jaflight.com/charter,\,630\text{-}549\text{-}2150)$

Chicago.

Charters Citation Bravo and Caravan. [AC]

Jet Aviation

(jetaviation.com, +41 58 158 8686)

Basel, Switzerland. Also: Teterboro, New Jersey.

Diverse worldwide services. [AC]

Jet Edge

(flyjetedge.com, 818-442-0096)

Van Nuys, California.

Operates more than 30 mostly large-cabin jets.

[AC]





Jet Linx

(jetlinx.com, 404-465-1550)
Atlanta. Also: Bedford, Massachusetts;
Bridgeton, Missouri; Dallas; Englewood,
Colorado; Fort Worth; Houston; Indianapolis;
Nashville, Tennessee; Omaha, Nebraska;
San Antonio; Scottsdale, Arizona; Sterling,
Virginia; St. Louis; Tulsa, Oklahoma;
Waterford Township, Michigan;
Wheeling, Illinois; Teterboro, New Jersey.
Offers jet cards for light, midsize, super-midsize,
and large-cabin jets. [AC, JC]

Jet Partners

(jetpartners.aero, 866-235-2852)

New York.

Broker arranges flights worldwide and specializes in empty legs. [AC, JC]

Jetlux

(jetlux.com, 855-538-5893)

Miami.

Offers access to small, midsize, and large jets. [AC]

JetOptions Private Jets

(flyjetoptions.com, 310-573-7778) Beverly Hills, California. Also: Dallas. Argus- and Wyvern-registered broker. [AC, JC]

JetSelect Aviation

(jetselectaviation.com, 614-586-1425) Columbus, Ohio.

Operates two-dozen light-mid, midsize, super-midsize, and large-cabin jets for U.S. and international service. [AC]

IetSmarter

(jetsmarter.com, 888-984-7538) Fort Lauderdale, Florida. [FC, JC]

JetSuite

(jetsuite.com, 866-779-7770)

Dallas.

Owns and operates Embraer Phenom 100s and Cessna Citation CJ3 light jets across continental U.S. and in Caribbean. [AC, JC]

Journey Aviation

(journeyflight.com, 561-826-9400) Boca Raton, Florida. Also: Los Angeles; Teterboro, New Jersey. [AC]



Kalitta Charters

(kalittacharters.com, 800-525-4882) Ypsilanti, Michigan.

Fleet includes Learjets, Falcons, King Air turboprops. [AC]

Latitude 33 Aviation

(133jets.com, 888-840-0310)

Carlsbad, California.

Argus Platinum-rated company operates Cessna Citations and Embraer Phenoms. [AC]

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LeBas International

(lebas.com, 805-593-0510)

Huntington Beach, California. Also: Ireland.

Books flights via charter carriers worldwide. [AC]

Leviate Air Group

(leviateair.com, 877-407-8507)

Dallas.

Fleet includes light, midsize, and large jets, turboprops, helicopters.[AC]

Linear Air

(linearair.com, 877-254-6327)

Bedford, Massachusetts. Also: Utah.

Operates single-engine piston aircraft, offering short-haul charter in Northeast, Southeast, and Salt Lake City areas of U.S. [AC]

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L.J. Aviation

(ljaviation.com, 888-552-4278)

Latrobe, Pennsylvania.

 $Fleet\ includes\ helicopters,\ turboprops,$

large-cabin jets. [AC]

Luxaviation

(luxaviation.com, +352 4252 52)

Luxembourg.

Offers charter in Europe, Africa, Asia Pacific region, Middle East, and Latin America. [AC]

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Lyon Aviation

(lyonaviation.com, 413-443-6700) Pittsfield, Massachusetts. Owned and operated fleet includes Hawkers, Falcon 50s, heavy jets. [AC]

Mac Air Group

(macairgroup.com, 888-359-7600)

South Portland, Maine.

Charters light to large jets. Fractional program incorporates revenue sharing. [AC, FC]

Magellan Jets

(magellanjets.com, 877-550-5387)

Quincy, Massachusetts.

Charters aircraft ranging from turboprops to heavy jets. Also offers helicopter service, jet cards. [AC, JC]

Meridian Air Charter

(meridian.aero, 201-288-5040)

Teterboro, New Jersey. Also: Hayward, California. *Operates a score of business jets and accesses additional vetted aircraft.* [AC]

MetroJet

(metrojet.com, +852 2523 6407)

Hong Kong.

Charter and block charter in China, Philippines, and Singapore. [AC] PROVIDERS OF AIR CHARTER (AC), JET CARDS (JC), FRACTIONAL OWNERSHIP (FO), AND FLIGHT CLUBS (FC)

Million Air Dallas

(millionairdallas.com, 972-733-5877)

Dallas.

Charters more than a dozen business jets, ranging from Citation CJ3 to Gulfstream 650. [AC]

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MJets

(mjets.com, +66 85 485 6623)

Bangkok, Thailand.

Fleet includes Cessna Citation Bravo and X, Gulfstream G200 and GV. [AC]

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Mountain Aviation

(mountainaviation.com, 877-700-2491)

Broomfield, Colorado.

Worldwide service with own fleet and partner network. [AC]

National Airways Corporation

(nac.co.za, +27 11 267 5000)

Johannesburg and other South Africa locations. [AC]

NetJets

(netjets.com, 877-356-5823)

Columbus, Ohio.

Berkshire Hathaway–owned behemoth operates fractional industry's largest fleet. Marquis Jet Card offers access in 25-hour blocks. NetJets Europe serves that continent. [FO, JC]

Nicholas Air

(nicholasair.com, 866-935-7771)

Columbus, Missouri. Also Atlanta; Charlotte,

North Carolina; San Francisco.

Serves U.S., Canada, Mexico, and Caribbean with Citation CJ3 and Latitude jets, Pilatus PC-12 turboprop, Embraer Phenom 100/300 light jets. [FC, FO, JC]

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Nomad Aviation

(nomadjet.com, +41 58 800 0800)

Kloten, Switzerland. Also: Malta.

Fleet includes Challenger 604, Legacy 600,

Citation CJ1+. [AC]

Northern Jet Management

(northernjet.net, 800-462-7709)

Grand Rapids, Michigan.

Fleet includes Learjet 40XR, 45XR, 70. [AC, JC]

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OJets

(ojets.com, +65 6350 7199)

Singapore.

On-demand and block-hour charter. Fleet includes Global 6000s, Challenger 650. [AC]

Paramount Business Jets

(paramountbusinessjets.com, 877-727-2538)

Leesburg, Virginia.

Broker offers aircraft in all categories worldwide. [AC, JC]

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Pentastar Aviation

(pentastaraviation.com, 800-662-9612)

Waterford Township, Michigan.

Operates light, midsize, super-midsize, and

heavy jets. [AC]

PlaneSense

(planesense.com, 888-214-1212)

Portsmouth, New Hampshire.

Offers shares in Pilatus PC-12 turboprops, PC-24 and Nextant 400XTi light jets. Operates in U.S., Canada, Bahamas, Bermuda, Carribean. [AC, FO]

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Priester Aviation

(priesterav.com, 888-323-7887)

Wheeling, Illinois.

Founded in 1945. Operates more than 20 aircraft, from turboprops to large-cabin models. [AC]

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Privaira

(privaira.com, 844-778-2472)

Boca Raton, Florida. Also: Teterboro, New Jersey. Fleet ranges from turboprops to

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long-range business jets. [AC, JC]

Red Wing Aeroplane Co.

(redwingaero.com, 651-797-0900)

Bay City, Wisconsin.

Operates a dozen Citation V and Citation V Ultras. Serves U.S., Canada, Mexico, Caribbean. [AC]

Reynolds Jet

(reynoldsjet.com, 877-533-0393)

Cincinnati.

Operates light, midsize, super-midsize, and large-cabin jets worldwide. [AC]

Royal Jet

(royaljetgroup.com, +971 2 5051 500)

Abu Dhabi, UAE.

Fleet includes Bombardier Global 5000, and Boeing BBJ, as well as medevac aircraft. [AC]

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SC Aviation

(scaviation.net, 866-290-9999)

Chicago. Also: Wisconsin.

[AC]

Sentient Jet

(sentient.com, 866-602-0044)

Braintree, Massachusetts.

Access to light, midsize, super-midsize, and heavy jets from more than 100 vetted operators. [JC]

Sierra West Airlines

(sierrawestairlines.com, 800-538-7787)

Oakdale, California.

Also: El Paso, Texas; Swanton, Ohio.

Charters Learjet 55, Metroliner III, Falcon 20.

[AC]

Silver Air

(silverair.com, 800-889-5840)

Santa Barbara, California.

More than 20 aircraft, from light jets to BBJ. [AC]

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Skycharter

(skycharter.com, 905-677-6901)

Ontario, Canada.

Fleet includes 11 business jets. [AC]

Skyjet

(skyjet.com, 855-475-9538)

New York.

Broker arranges flights on all categories of aircraft. Owned by Directional Aviation, parent of Flight Options, Flexjet, and Sentient. [AC]

Skyservice

(skyservice.com, 888-759-4132)

Montreal and other Canada locations.

Operates more than 30 aircraft, including all categories of business jets. [AC]

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SoFly

(soflyus.com, 770-886-3700)

Atlanta

Charter broker provides aircraft worldwide. [AC]



Solairus Aviation

(solairusaviation.com, 800-359-7861) Petaluma, California. Also: Hong Kong. Operates more than 20 aircraft, from turboprops to large-cabin jets, based across U.S. and sources additional aircraft from vetted operators. [AC, FC]

Sun Air Jets

(sunairjets.com, 805-389-9330) Camarillo and Los Angeles, California. Operates nearly a dozen heavy and super-midsize jets. [AC]

Sunwest Aviation

(surfair.com, 800-365-6179)

(sunwestaviation.ca, 888-291-4566) Edmonton and other Canada locations. Offers turboprops and light, midsize, and large-cabin jets. [AC]

Surf Air

Santa Monica, California.

Membership club offers unlimited flights between

Southern and Northern California and Las Vegas
for monthly fee. [FC]

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TAG Aviation

(tagaviation.com, +41 22 717 01 00) Geneva. Also: Bahrain, China, Malta, U.K. Operates more than 50 aircraft, including many European-based large-cabin jets, and sources aircraft from partner operators worldwide. [AC]

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Talon Air

Farmingdale, New York.

Owns/operates helicopters, turboprops, and light, midsize, super-midsize, large-cabin jets. [AC]

Tampa Bay Aviation

(talonairjets.com, 888-825-6624)

(tampabayaviation.com, 727-461-5229) Clearwater, Florida.

Also: Saint Petersburg, Florida.

Fleet includes single-engine piston models,
turboprops, small jets, and helicopters. [AC, JC]

Travel Management Company

(tmcjets.com, 866-569-3296) Elkhart, Indiana.

Operates more than two dozen business jets and offers point-to-point pricing. [AC]



Ultimate Jetcharters

(ultimatejetcharters.com, 330-497-3344) North Canton, Ohio. Operates 30-seat Dornier 328 jets. [AC]

Velocity Jets

(velocityjets.com, 866-575-5387)
Fort Lauderdale, Florida.
Brokers charter and offers jet card utilizing worldwide network of aircraft of all categories. [AC, JC]

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VistaJet

(vistajet.com, +852 2901 0500) China. Also: New York. Operates owned Bombardier fleet worldwide. [AC]

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Voyager Jet Center

(voyagerjet.com, 412-267-8000) West Mifflin, Pennsylvania. [AC, JC]

Western Airways

(flywesternairways.com, 800-373-0896) Houston.

Fleet ranges from King Air turboprop to Bombardier CRJ-200. [AC, FC]

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Wheels Up

(wheelsup.com, 855-359-8760) New York. Offers King Airs and jets. [FC, JC]

Wing Aviation

(wingaviation.com, 866-944-9464) Houston.

Operates more than 20 aircraft, ranging from twin turboprops to large-cabin jets. [AC]

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Worldwide Jet Charter

(worldwidejet.com, 602-726-9990) Phoenix.

Fleet includes Global Express, Gulfstream IVs, Challengers, and Learjet 60s. [AC]

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XOJet

(xojet.com, 877-599-6538) Brisbane, California.

Offers more than 40 owned-and-operated, light, midsize, super-midsize and large-cabin jets, and a dditional 900 aircraft through Preferred Partner Network. [AC, FC]

Though this directory includes providers that BJT deems noteworthy, a company's inclusion here does not represent an endorsement by the magazine. Visit BJTonline.com for an expanded, interactive directory that includes aircraft manufacturers and brokers, caterers, consultants, and more.

Venture beyond its mind-blowing resorts for a fuller picture of this Indian Ocean island, which has a rich history and serves up delicious fusion cuisine.

by Chris Allsop

Through an airplane porthole, Mauritius looks like the Polynesian islands reimagined as a diminutive Pangaea. Cotton-wool clouds snag on jagged peaks that slide seamlessly into lush, green plains. There's no mistaking the island's volcanic origins-Mauritius and its close neighbor, Réunion, lie along a submerged plateau that stretches north beneath the Indian Ocean to the Seychelles.

Similar to that exotic archipelago, Mauritius is a world-class beach destination (and a favored bolthole of the just-marrieds). It has the prerequisite warm turquoise waters, tropical fish teeming through bright coral, and languid palms bending over silvery sands. But this clamshell-shaped island has depth to match the sheen, its national identity a Creole stew of complementary cultures, the ingredients imported by tall ships that, over centuries, navigated to its picturesque shores.

> But it's telling that Portugal-which in the early 1500s became the first of the European nations to discover Mauritius-didn't establish a permanent colony there as it had done on Sri Lanka (another of today's top-tier honeymoon destinations). Roughly 700 miles east of Madagascar, this African island state is a little off the beaten trade route. So when the Dutch were next to arrive nearly a century on, they beached boats on a jungle







wilderness that was unchanged from when the Portuguese had shown up and was home to an ungainly ground pigeon set to become the byword for extinction.

While the dodo was finished off within 70 years of the arrival of the Dutch, the island's colonial history had really only just begun. The French came next (possessively renaming the island "Isle de France"), followed by the English. Then, in 1968, Mauritius won its independence.

Viewed from a taxi, the island is a rush of green sugarcane, a blur of red and orange, as you pass Hindu pilgrims homebound from festivals, and a collection of unexpected signposts like the one to "Cyber city." (The island acts as a major internet hub for the African continent.) For many tourists, eclectic snapshots from the backseat of a cab while en route to the supercharged luxury of the coast offer the only glimpses of the island's true self.

And it's hard to blame them for moving on—the resorts are mind-blowing. Ones such as St. Regis, Lux*, and Oberoi have sculpted the prime parts of the island's 100 miles of beach into manicured reserves replete with bottle palms and G&T bars, where guests drift between sea-view balconies and poolside hammock beds. While all of the beaches in Mauritius are public, the resorts have laid out their sun-loungers on some of the sweetest stretches, often fringing quiet lagoons. But with such an abundance





available to them—Trou-aux-Biches, Belle Mare, and Flic en Flac are all superb—the locals remain relaxed.

Your holiday needs will dictate which coast you visit. Families tend to favor the more developed west and north, where the reliably calm coasts are better suited to beach days and snorkeling. (The water tends to be a degree or two warmer, as well.) The north also offers Grand Bay, the island's number-one tourist town, and access to a string of offshore islands crying out for an exploratory crew armed with a catamaran and a cocktail shaker.

However, despite a reputation for windiness (less so during the island's summer), the east has grown in reputation and is now seen as the quieter, more glamorous option, offering white-sand beaches for lounging (Belle Mare is a standout) paired with top-drawer water sports, kite-surfing in particular.

The south coast, Savanne, is regularly described as "rustic," "wild," and "interesting." All of these adjectives land successfully: this rugged facet of the island with its sugar cane-covered hinterland and rougher seas (there's no reef here) has not seen as much resort building as other





Top: Mauritius sunset. Above: a sugarcane field. Left: a seaplane parked in front of a resort on the north coast.





Top: calm waters in the north and west are well suited to snorkeling. At left: Grand Bassin crater lake. Bottom: Seven Coloured Earths, a geological formation in the town of Chamarel.

parts of Mauritius, although some inroads are being made, particularly at the village of Bel Ombre. So why head south? Well, besides the lure of the elemental nature of Savanne—the deserted coves, basalt sea cliffs, and beaches fresh with on-shore spray—it is also the location of the country's most scenic national park: Black River Gorges.

This mountainous wilderness, approximately 2 percent of Mauritius's area and home to its highest peak (2,717 feet), offers a glimpse of the evergreen ebony forest that would have covered the island's plains and mountains when the Dutch arrived. (At one time, Mauritius provided Europe with the majority of its ebony.) Beneath the towering canopy, hikers navigating the 75-mile network of trails will encounter deer, macaques, and wild boar once introduced as quarry for colonial-era hunts.

Worthier of your Instagram feed would be a shot of the Mauritian cardinal—its vermilion plumage dipped in the sunset—or the extremely rare pink pigeon, for which the national park is one of two habitats remaining. The other is Ile aux Aigrettes, an island conservation project near the

former capital of Mahebourg that is well worth your time. If pigeons, pink or otherwise, don't float your boat, then the far-ranging viewpoints on the three-hour Macchabee Loop Trail should offer some succour. Hikes are best undertaken in the winter—aka low mosquito season.

Just outside the park, and another tick in the plus column for the south, is Le Morne mountain—a surging fist of basalt on the coast's most westerly point. Le Morne is a UNESCO World Heritage Site, because of its part in the island's slaving history: a group of 19th century slaves are said to have jumped to their deaths from the summit rather than face recapture. The mountain's placement on an ironed-flat, palm-covered, beach-lipped peninsula seems almost purpose-made for resorts.

The colonial trade winds deposited Indian, Chinese, and French cultures upon these shores, and it's a colorful mix that you'll see on the weekend at the beaches or while watching Hindu—the island's primary religion—festivals at the sacred Grand Bassin crater lake (aka Ganga

Traveler Fast Facts

WHAT IT IS:

Marooned in the Indian Ocean 700 miles east of Madagascar, Mauritius occupies a high position on many Best Honeymoon Destinations lists. It is a reefringed tropical island with an intriguing history. A longtime sugar colony, it traded hands between the Dutch, the French, and the British before finally gaining independence in 1968.

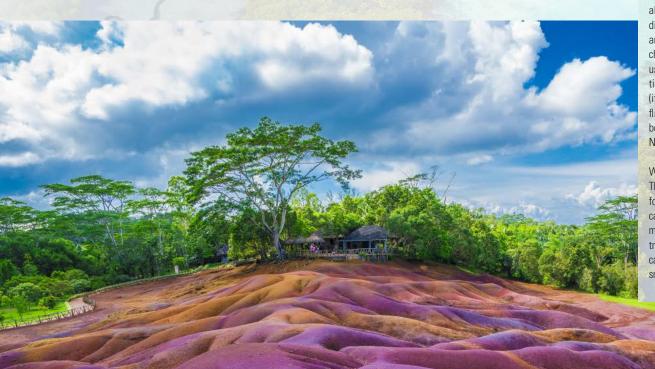
CLIMATE:

Mauritius has a steady climate throughout the year, with temperatures ranging from highs of 79°F in January (the wettest month) to lows of 70°F in July. Peak season is between October and April, but with the high temperatures come humidity and a risk of tropical storms between January and March. The island's winter, between May and September, brings a better chance of clear skies, pleasant temperatures, and a reduced mosquito population. The summer cyclone season extends from November until April.

GETTING THERE:

The main Sir Seewoosagur
Ramgoolam International Airport,
in the country's southeast,
accommodates private jets of
all sizes. Commercial flights go
direct from Europe, but if you
are flying from the U.S., then a
change at a European airport is
usually called for, with total flight
times averaging 25 to 30 hours
(it's probably best to break your
flight in Paris for a weekend stay
before heading on to the island.)
No tourist visa is required.

WHAT TO KNOW BEFORE YOU GO: The extraordinary coastal resorts, for all their efforts, do not replicate Mauritius inside their well-manicured grounds. Be sure to travel inland to see the life of the capital Port Louis and interesting small towns such as Chamarel.









Above: a white-sand beach and marketplace wares. Left: Port Louis, Mauritius's capital.

Talao) near to Black River Gorges. And central to all of these rituals is the island's delicious fusion cuisine.

The scruffy capital of Port Louis offers a bounty of street-food stalls in its historical bazaar adrift in a mouthwatering haze of turmeric and cumin rising from pots of chicken curry. Must-try local classics include the fried lentil and potato dholl puri, which comes across like an Indian take on a burrito, and the spicy gateau piment, a kind of falafel fritter often enjoyed for breakfast. After your meal, stop into the Photography Museum of Mauritius for a taste of colonial history. And if Port Louis seems a little too modern, try atmospheric Mahebourg, which preserves both the island's traditional wooden architecture and a laidback sense of history.

Another way to mix food and history is through rum-tasting sessions while you're visiting some of the old colonial mansions. Though Mauritius didn't begin producing rum in a serious way until 2006—refined sugar and its greater profit margin used to gobble up the entirety of the sugarcane crop—its double distilled flavors are now muscling into the Caribbean-dominated market and as an organic add-on to some of the country's best colonial properties.

Le Domaine de Saint Aubin near Souillac offers rum tasting, fine dining, and an intriguing colonial mansion made with parts of an old ship. Chateau de Labourdonnais in the north—a

mansion turned museum surrounded by more than 1,300 acres of sugarcane and orchards—has an on-site distillery with tastings available. (If you visit here, be sure to also drop in on the superb Botanic Garden, only 10 minutes' drive away.)

If you'd prefer to just to buy your rum without all the preliminary sniffing and swilling, you can find it in an eye-catching dodo-shaped bottle from Dodo Rum Mauritius. You can also hunt out some small-batch Penny Blue Single Cask #28-a local molasses rum with enough tropical fruit, vanilla, and spice to launch a trade route.

A quotation that's often trotted out about Mauritius issued from Mark Twain who, visiting in 1896, wrote, "From one citizen you gather the idea that Mauritius was made first and then heaven; and that heaven was copied after Mauritius."

Today, Mauritius is a place of competing heavens, with each resort and each coast offering individual tweaks on paradise. Exploring beyond a resort's gates will fill out Twain's perspective, but if you decide you want to just flop in the resort, well, you'll still hear the angels singing.

Chris Allsop

(callsop@bjtonline.com), is a U.K.-based travel writer. His last BJT feature, on Sri Lanka (April/May 2017), received an honorable-mention for Best Single Article in a Consumer Travel Magazine in this year's Folio: Eddies competition.

Traveler Report Card

ACCOMMODATIONS:

In the north of the island, the recently renovated Lux* Grand Gaube (A) offers the island's only Peruvian/Argentinian restaurant (alongside memorable Turkish and Creole options) within an extensive, imaginatively designed complex encompassing two private bays (with one adult-only beach). In the shadow of southerly Le Morne mountain, the **St. Regis** (A+)—housed in a former sugar baron's plantation house—is beachfront perfection. Opt for the first-floor suites and their ocean views. Finally, in the Turtle Bay Marine Park, a prime snorkelling spot, the **Oberoi** (A+) offers superb service, an award-winning spa, and complimentary activities including wine-tasting. (Try the domestic Rieslinglike lychee wine.)

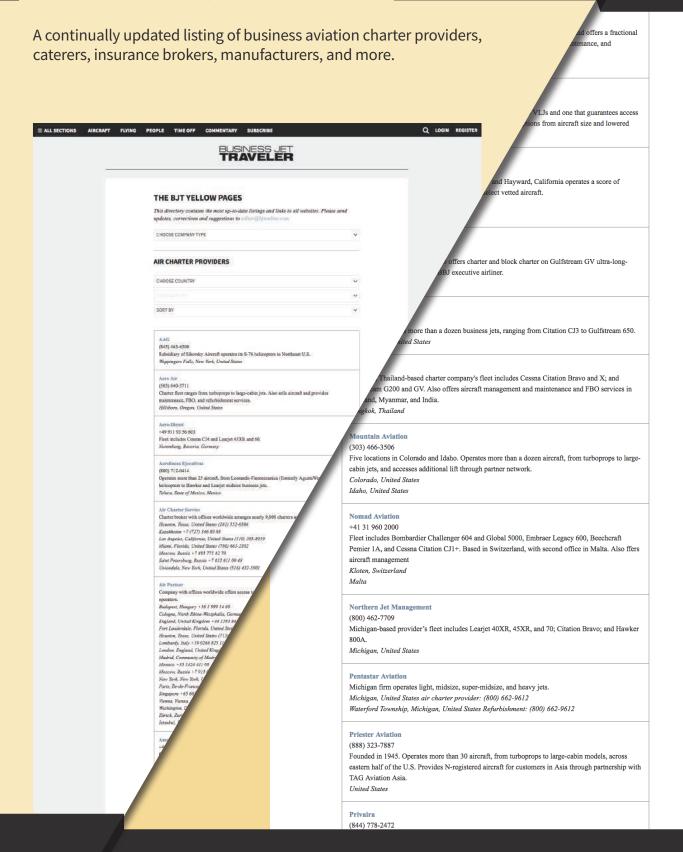
CUISINE:

Find the freshest seafood cooked in Creole style at La Cabanne du Pecheur (A), a vellow shack perched above northerly Trou-aux-Biches beach. On the other end of the ambiance and price spectrum is Le Café des Arts (A+), which offers a Michelinstarred menu in the art-covered surrounds of a converted sugar mill. You'll find incredible Mauritian home-style cooking at the family-run Palais de Barbizon (B+) in Chamarel, while the Lambic Restaurant & Bar (B), in a renovated 19th century townhouse in central Port-Louis, is a well-stocked beer venue with a Creole-based menu and a garden shaded over by century-old mango trees.

ACTIVITIES:

Options include water sports, world-class spas, excellent hiking, old colonial mansions to explore, a unique cuisine to gorge upon, and championshipstandard golf courses.

BJT YELLOW PAGES





The sky's the limit

Here's a look at some of the incredibly opulent private jets being flown and developed for customers with the deepest pockets.



by Kim Rosenlof

From fern-covered "living walls" to furnishings encrusted with jewels and precious metals, there's almost nothing the ultra-rich can't order to make their private aircraft a home away from home. While business jet manufacturers draw the line at on-board hot tubs, swimming pools, and fireplaces due to safety concerns, amenities such as showers, luxurious lounges and staterooms, gyms, theater-style entertainment areas, and large dining rooms are all within easy reach and can be decorated in the most lavish styles. Here are descriptions of some of the most opulent private jets now flying or in the works.





For example, the largest of at least three (some sources say four) jumbo jets in the fleet of Sultan Hassanal Bolkiah of Brunei—the Boeing 747-8LQ Boeing Business Jet (BBJ) nicknamed "The Flying Palace"—cost approximately \$100 million to purchase and \$120 million to upgrade. In addition to gold trim, solid gold and Lalique crystal sinks, and gold-plated fixtures, the cabin decorations employ other precious metals, gems, and expensive woods and fabrics. Two-toned leather chairs and sofas provide luxurious seating for the sultan and his entourage while gold and lapis lazuli inlay bring a touch of royal treatment to tables and other horizontal surfaces. Lush blue, gold, and cream custom carpet enhances the cabin.

The sultan also has access to the Royal Brunei fleet, which includes at least one Airbus A340-200 configured in VIP format. Decorated in more subdued—but just as sumptuous—cream and gold tones, this aircraft features many of the same amenities as the sultan's 747, such as a shower in the master bathroom and gold sinks. Tableware includes custom Baccarat crystal highball glasses with sterling silver bases that detach for polishing when the crystal is washed

Saudi Prince Al-Waleed bin Talal, who is the founder and CEO of the Riyadh-based Kingdom Holding Company, travels in a Boeing 747-400 that cost approximately \$220 million to acquire and refurbish. Purchased in 2003, the former airliner once accommodated more than 400 passengers; now it includes two spacious bedrooms, a dining table for 14, several lounge areas, and a separate seating area for 50 associates. The master bath features a shower and gold-plated sinks.

A cream-and-gold throne dominates the 747's main lounge area, which is stylishly decorated with thick carpet, curved tables, plush sofas, and gold trim. Since YouTube videos show

An auxiliary 3,000-gallon fuel system, adding 1,500 nautical miles of range, was a key upgrade to the Sultan of Johor of Malaysia's 737-800 BBJ, which was delivered in early 2016. Painted in gold and blue livery, the airplane's bespoke interior by Edese Doret Industrial Designs of New York features gold trim with lapis lazuli inlay throughout the cabin to match the Sultan's crest, which is displayed in the aircraft entranceway and adorned with precious gems. A gold-plated sink and fixtures adorn the galley, which incorporates a full-size dishwasher.

A Sikorsky S-76B VIP helicopter—also bearing an Edese Doret interior using the same gold and lapis lazuli inlay motif—accompanied the BBJ delivery.

All the President's Jets

While President Donald Trump now uses the fleet of Boeing 747/757 VIP aircraft designated Air Force One whenever he's on board, he still maintains his private fleet, which includes a Boeing 757 and Cessna Citation X that are used by members of his family and the Trump Organization.

A video posted by the company in 2011 provides a look at the 757, which Trump purchased used from Microsoft cofounder Paul Allen in 2010 and then refurbished. Upgrades include 24-karat gold-plated accessories such as seat belts, reclining controls, light fixtures, and armrest trim; audiovisual entertainment consoles at each sleeper seat; and a dining area with plush seats and gold-trimmed table.

The main lounge features a 57-inch Sky Theater system, with more than 1,000 movies and 2,500 music CDs that can be accessed throughout the cabin from wireless touchscreen controllers. The guest area—furnished in cream fabrics, dark red wood panels, and

You can dine in style in this elegantly appointed BBJ 1 cabin, a product of Winch Design.



tive exterior livery, which resembles a masked bandit. Upgraded with precious metals and expensive woods, Bandit features a dining hall for 30 people, a full kitchen, a boardroom, multiple master bedrooms, multiple bathrooms with showers, and an anti-ballistic defense system similar to that of Air Force One.

King-size Cabins

While such amenities convey luxury, so does simply having the space of a jumbo jet to transport only a few people. By this measure, the most opulent of all private aircraft would have to be an Airbus A380 superjumbo jet, which normally carries about 50 more passengers than the venerable 747. Airbus executives confirm that no one owns a VVIP A380 yet, but one may be flying soon: worldwide completion center Jet Aviation announced in May 2018 that it had been hired to develop a VVIP A380 interior for Sparfell & Partners, which had listed two used A380-800s for sale and "ready for head-of-state reconfiguration."

Next on the list would be the Boeing 777-300ER, which has the widest cabin of any twin-engine aircraft at 19 feet, followed closely by the Airbus A350 and the Boeing 787 Dreamliner. There are a few of each of these in private hands, although information on who owns them is closely held. One privately owned 777 reportedly contains five bedrooms and six lavatories. A privately owned A350 completed by Lufthansa Tecknik includes a family flex area in the front of the aircraft where walls can be opened and closed, and a workout area and spa with steam bath in the aft cabin.

Aircraft completions firm Greenpoint Technologies has

lavatories.

A 2011 article in BJT sister publication NBAA Convention News describes an Edese Doret 787-900 BBJ interior that uses nonshedding and non-allergenic ferns to create "living walls" in the stateroom, passageway, bathroom, and lounge. An irrigation system supplies food and water to the plants, while a series of blockable mirrors channel sunlight from cabin windows.

London-based Winch Design, which has designed VVIP interiors for narrow- and widebody private aircraft, created a cabin scheme for an unnamed private client's BBJ delivered in 2016. Featured as "Peacock" on the firm's website, it employs heavy linens, classic mohair, and glove-soft leather to capture a "living room" ambience. According to Winch marketing manager Joe Clarke, Peacock introduced "quality micro-perforated fabrics and panels with considerable soundproofing properties" to lower ambient noise. "We also used exotic shell materials from the East; hand-stitched motifs on seats, valance panels, and carpets; and mother-of-pearl accessories throughout," Clarke adds.

The cabin includes a 64-inch television (reportedly the largest in a certified aircraft's interior), a custom-made blue glass wash basin, and a mirror-faced TV built into the marble vanity area. The aircraft features forward and aft lounges, a bar area, an office, master bedroom and bathroom, a forward entrance hallway, and a BJT guest bathroom.

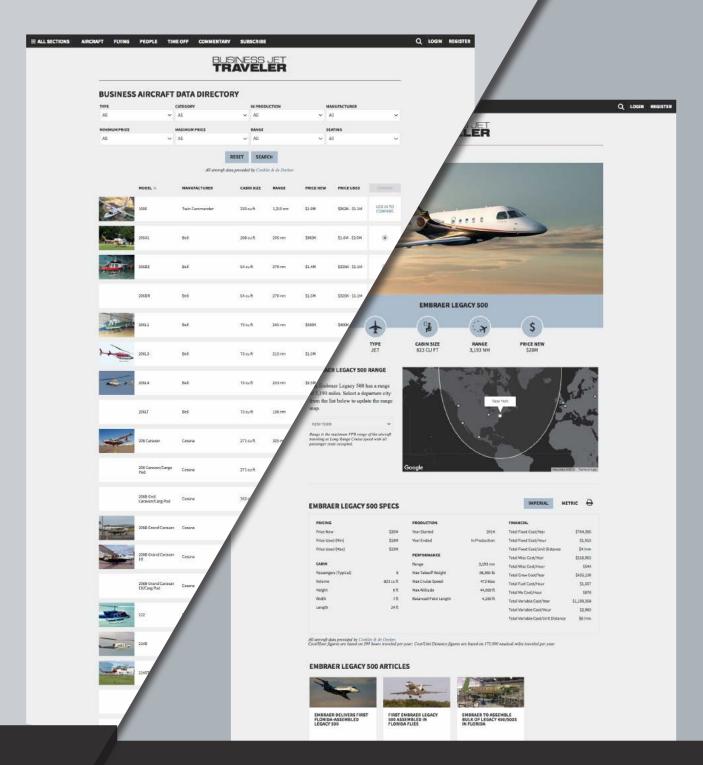
Kim Rosenlof

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Greenpoint **Technologies** designed this dining and lounge area in a VVIP 787-8

BJT AIRCRAFT DIRECTORY

A data-packed, photo-rich guide to every major business jet, turboprop, and helicopter.



Paradise by the Sea

The world's best beaches offer impossibly white sand, deep-blue waters, jaw-dropping views, and enough peace and quiet to help you unwind and recharge.

by Helen Anne Travis

What draws you to the beach? Maybe it's the lullaby of the waves or the vastness of the ocean. Or maybe it's just that the ambiance—or absence of Wi-Fi prompts you to leave your laptop home and relax. Whatever it is, we're here to help you find the best shoreline for your next vacation. From the coast of Greece to the rose-colored sands of Anguilla, here are some of the world's finest beaches.

Bluefields Beach

Bluefields, Jamaica

Located in the western corner of Jamaica amid the laid-back countryside of Westmoreland Parish, Bluefields Beach offers a delightful alternative to the crowded seashore of Montego Bay. This pristine place—tucked into the foot of the Bluefields Mountains in one of Jamaica's oldest settled areas—once served as the playground of pirates. Today, it's all yours.

Follow the stone staircase down the cliffside to find the white-sand shores dotted with pebbles and palm trees. A portion of the beach is open to the public, and while it's more secluded than Montego Bay, it's still a frequent destination for locals on

Praia do Porto Santo Vila Baleira, Portugal Bluefields Beach Bluefields, Jamaica

weekends and holidays. For the most tranquil experience, consider escaping to the private coastline of the Bluefields Bay Villas resort, a popular destination for celebrities and politicians. In addition to its own beach, the resort offers boat and snorkeling charters as well as stand-up paddleboarding lessons and zip-lining excursions in the nearby forests.

When you need a break from the sun, consider a massage or facial at the resort's seaside spa or a rum tasting at the Appleton Estate, about an hour inland. The beach is also close to the 18-hole, par-72 Negril Hills Golf Club, which borders the Great Morass wetlands. (Forget about retrieving any balls that fall into the water. They belong to the crocodiles now.)

Closest airport: Sangster International

Grace Bay Beach

Providenciales, Turks and Caicos

Grace Bay, the premiere beach of the Turks and Caicos islands, boasts a three-mile-long water-front that's protected from the whitecaps of the Atlantic Ocean by a barrier reef. That means calm waters and excellent snorkeling opportunities. You can arrange for private charters to take you to the reef (just a mile offshore) as well as to nearby sites where you can snorkel with dolphins, sea turtles, and eagle rays. The entire coastline earns praise for its smooth white sand and waters that are so clean and clear you won't even see a speck of seaweed.

Along Grace Bay, you'll find plenty of opportunities to try your hand at windsurfing or parasailing, but for an only-in-Providenciales experience, consider a tour with Provo Ponies. After following the winding trails down to the sea, you and your horse can trot through the shallow waters of the ocean and explore the beach's inlets and trails. Afterward, enjoy a drink at the Gansevoort Turks + Caicos resort's Pink Bar. Its rotating menu of pink drinks—including rosés, blush champagnes, and the Passion (a mix of gin, ginger, and fresh raspberry jam)—offers excellent options for toasting the sunset.

Closest airport: Providenciales International

Praia do Porto Santo

Vila Baleira, Portugal

This tiny Portuguese island, 340 miles off the coast of Morocco, has attracted everyone from Christopher Columbus to invading Moorish pirates to, today, Madeirans who cruise over to enjoy the six miles of beaches that stretch along its southern coast. The shoreline here is delightfully free of high rises and crowds. Instead, the mineral-rich yellow sand is surrounded by cliffs and dotted with the occasional umbrellas of a beachside cafe.

While there are places to see in downtown—including the Christopher Columbus House Museum, where the explorer stayed during his time on the island—much of the appeal of this island is its relative remoteness. The 16th century main square features a few boutiques as well as a handful of restaurants serving bacalao (dried cod) and wines made from the grapes growing near the shore. There's also a par 72, 18-hole golf course stretching across the island that offers excellent views of its beaches and basalt cliffs. Spend an afternoon putting around the rocky crags and lakes that stud the course before enjoying a dinner of local mussels and shrimp in the golf course's restaurant.

Closest airport: Porto Santo

Kama'ole Beach

Kihei, Maui, Hawaii

Kama'ole Beach Park is actually three beaches, which are separated by rocky ridges. Nicknamed Kam I, Kam II, and Kam III, these beaches stretch for a mile and a half along Maui's western and southwestern coast (the sunny and dry sides of the island) and offer fantastic views of the neighboring Kaho'olawe and Lanai islands, as well as the gorgeous Maui sunset. Kam I offers some of the area's best snorkeling, while Kam III is the best for boogie boarding. Kam II, meanwhile, features a long, sandy coastline. Enjoy the view from the 60-footwide lanai of the Penthouse Maui, a 2,824-squarefoot luxury beachfront vacation condo. When you tire of dolphin- and whale-watching, head to the Shops at Wailea, Maui's most popular spot for shopping and dining.

Closest airport: Kahului

Shoal Bay East

Shoal Bay Village, Anguilla

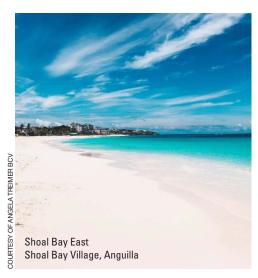
Of Anguilla's 33 white-sand beaches, the two-mile Shoal Bay Beach, on the island's East End, is the one that earns the most plaudits. And for good reasons. First, there's the scenery, which features



pinkish-white sand, striking blue waters, and palm trees. Also, Shoal Bay East is one of the island's quieter and more exclusive beaches. Head to the West End for lively fish shacks and bars, but return to Shoal Bay East when you want to get back to nature.

Another option if you're after peace and quiet is a visit to the Zemi Thai House Spa, home to the island's only hammam. Inspired by the traditions of the native Taino people, the spa offers experiences like the two-hour Zemi Sun Ritual, which starts with a sea-salt massage and ends with a scalp acupressure session. If you're seeking a more active retreat, play a round at the nearby CuisinArt Golf Resort. This 7,063-yard championship course winds through saltwater lagoons and forests of sea grape trees while offering spectacular views of the water. No matter how you spend your day, finish it with a dinner of fresh mahi and mussels at the nearby Madeariman Bar & Restaurant.

Closest airport: Cayton International



Panormos Beach

Mykonos, Greece

Located next to the harbor Blo and considered one of the most beautiful locations in all of Greece, Panormos Beach in Mykonos is popular with European celebrities and models. They don't come just for the DJs and dance floors of the Principote Beach Club or the modern take on traditional Grecian cuisine at luxury spots like Kensho Psarou, a restaurant and resort with its own helipad. Many arrive to enjoy the simple pleasure of sitting on the beach's golden shores while savoring views of Panormos Bay and the surrounding hillsides studded with whitewashed homes.

While Panormos appeals to high-end clientele, this beachside community maintains a delightfully bohemian vibe. Just duck into any of the crochet-ceilinged beach bars to enjoy the laid-back atmosphere. But come early. By late morning, people are almost always queued up for a lunch of sea bass and feta at Kiki's Taverna. Same for the nearby Reeza restaurant, which offers cooking lessons in a dining room overlooking the Aegean Sea. To fully explore the surrounding Panormos Bay and the smaller islands of nearby Cyclades, consider chartering a yacht from Mykonos Sailing.

Closest airport: Mykonos Island International

Bean Point Beach

Anna Maria, Florida

Thanks to strict local building regulations, the three cities that make up the seven-mile strip of Anna Maria Island have managed to strike a perfect balance between modern amenities and Old





Florida charm. Limited access via a single bridge from the mainland also helps keep the shorelines of Bean Point, the most exclusive of the island's beaches, and all of Anna Maria Island as unspoiled as possible. Here, the sand is as white as it is powdery soft, with wide beaches offering plenty of space to spread out and enjoy the sun. There are also many wildlife preserves to explore. At the Robinson Preserve, just a 15-minute drive from the island, you can hike, paddleboard, and kayak through more than 600 acres of wetlands.

Dining options abound, especially for seafood lovers. The Beach Bistro in Holmes Beach, near the northern edge of the island, has been rated as

having the best food on the Gulf Coast by Zagat; and the Sandbar restaurant is one of the only places on Anna Maria where you can eat freshly caught grouper with your feet in the sand. If you'd prefer to catch your own dinner, contact Galati Charters, which offers full-day fishing tours.

Closest airport: Sarasota International. 💵

Helen Anne Travis

(htravis@bjtonline.com), a former reporter for the *Tampa Bay Times*, is a Florida-based freelance writer who has contributed to CNN's website and to publications such as the *Guardian* and the *Globe* and *Mail*.



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Singing propellers' praises

Even today, they offer some advantages over jet engines.

by Mark Phelps

nlike many of us who suffer from chronic gotta-fly disease, most people under age 75 envision a jet when someone says "plane." For most of them, a business jet is a "small plane." I guess some vaguely know there are also really small planes that aren't jets. But many seem to think that any airplane with a propeller must be left over from World War II.

Contrary to popular understanding, propellers offer some inherent advantages over jets, even today. Their big fan-like blades generate far more thrust from a standing start, enabling takeoff from much shorter runways than a jet needs. That's especially true for propellers that allow pilots to control the angle at which the blades cut into the air. Similar to the gears of a bicycle, they can be set to a "fine" pitch (like a fine-thread screw) for takeoff and climb, and "coarse" for cruise. A jet takes a while to spool up to speed, though it gets up and goes much faster once it does.

Combining a propeller with a turbine engine—a turboprop—offers much of the reliability of a jet plus the short-field performance of a propeller. Though improvement in piston engines has mostly matured out, turbine engines continue to be refined with new materials and configurations, so turboprops are getting faster, quieter, and more fuel efficient.

Today's lighter and stronger composite blade materials and computer-based design have enabled manufacturers to reduce weight and tweak the aerodynamic shape of propellers. The latest composite swept-tip "scimitar" props eke out maximum thrust and efficiency, especially at higher speeds, while placing less demand on the engine. They also look really badass.

Scimitar tips address one of the biggest challenges in propeller design. As the propeller slices through still air at great speed, the tips generate lots of micro-turbulence. That creates annoying noise and energy-sapping drag, which the shape of the scimitar tips minimize, similarly to the way winglets reduce drag at the ends of wings.



with larger fans and ever-higher bypass ratios are edging closer and closer to essentially being tur-boprops with multiple blades taking on the role of the prop blades

of the prop blades.

Another reason turboprops are getting better is that they are getting easier to fly. Where the pilot used to be responsible for monitoring engine and propeller settings, computers now perform those duties; and they do so with far greater precision than is possible with old-style controls. Just as today's cars' software manages engine settings and transmission performance, modern turboprops have software that maximizes performance and efficiency. The pilot need only push a "power"

So, if your mission takes you to a smaller airport, or you want to carry more people and luggage than a small jet can carry, don't turn up your nose at a turboprop. After all, even though a jet can get you there faster, that may not matter if "there" is a big airport that's a two-hour drive from where you really want to go.

lever into a series of preselected detents, leaving

more time and awareness for other flying chores.

While twin-engine turboprops remain a staple, the most dramatic developmental strides have come in single-engine models. Pilatus's PC-12, Daher's TBM series, and Piper's M600 compete in a crowded market. And it's about to get even tighter with the entry of Textron Aviation's Denali, expected to make its first flight early this year. But recent changes to European rules have enlarged this market segment by enabling single-engine aircraft to be used for charter operations there.

nterestingly, the configuration of jet engines is morphing closer and closer to turboprops. The "fan" of a jet turbofan consists of the large-diameter series of blades you can see when you look inside the front cowling (cover) of a Boeing or Airbus jet engine. The percentage of air that passes through the fan, as opposed to entering the engine's combustion chamber, is known as the "bypass ratio." The fan is essentially a big propeller surrounded by the cowling and generating most of the overall forward thrust.

Older jet engines had almost no bypass ratio. They were like blowtorches that got all their thrust from the exit of jet blast from the high-pressure combustion section. Over the years, manufacturers have learned that the higher the bypass ratio, the more efficient and quiet the jet engine. So, while they're still classified as jets, turbofans





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