The industry is climbing

Charter activity is up worldwide, according to data and anecdotal reports, and appears to be gathering momentum. In the U.S., charter is leading a domestic business aviation resurgence, registering a 10-percent increase in the number of flights (543,449 compared with 493,431) and 12.7-percent boost in flight hours (765,196 compared with 679,018) in the first half of this year compared with the same period last year, lifting the overall gain in business aviation activity 3.9 percent. Part 135 activity grew five of the first six months, and more hours (119,696) were flown in the slowest month this year (February) than in any of the first six months of last year, according to the
There are a lot of options for ways people can access private aircraft, and the Part 135 operators and brokerage community have done a really good job of marketing their products,” said Joe Moeggenberg, Argus president, CEO and founder, adding, “the number of inquiries we’re getting from people who have never used private airplanes before is on the uptick.”

In June online charter marketplace platform Avinode reported handling a record 500,000 trip quote requests worldwide for the month, a milestone shattered in July with 624,000 requests, representing a YoY increase of almost 50 percent. “There is an optimism back in the industry,” said Per Marthinsson, Avinode co-founder and executive v-p Americas.

Likewise, the second-quarter report of JSSI’s Business Aviation Index, which tracks 2,000 business aircraft worldwide, including the fleets of major charter operators VistaJet, Delta Private Jets and Executive AirShare, is also “up significantly,” said Neil Book, JSSI president and CEO.

Plenty of upside remains. “We’re not seeing any slowing down,” said Moeggenberg, and the activity level “is nowhere close to 2007 and 2008,” added Marthinsson, referring to the busy years before the big recession.

**U.S. CHARTER MARKET**

Domestic operators are building the utilization of their charter fleets by double digits. The top 25 Part 135 operators expanded their charter fleets an average of 5.4 percent in the first half of this year from last year (to 1,045 from 991). Meanwhile, flight activity jumped 15.8 percent, to 476,988 hours this year from 412,005 hours in the first half of last year. Thus, the average aircraft from the Top 25 charter fleets flew 456.5 hours in this year’s first half compared with 416.2 hours...
in the same period last year.

Executive Jet Management (EJM), number two on the Argus Top 25 list this year with 51,782 charter hours on 137 managed aircraft, was among the double-digit growth achievers, said Ty Dubay, senior v-p, charter sales and customer experience. Dubay reports owners are flying more than previously, “However, it has not reduced their appetite for charter [revenue]. Instead, it has triggered the need for more management of the flight department—staffing, maintenance and inspection downtime—to support the higher total flight volume.” On the sales side, EJM has hired a new national v-p of charter sales, responsible for all inside sales offices (Teterboro, Columbus, Cincinnati and Chicago), a new central region outside sales v-p, and is “actively interviewing” for an outside sales v-p for the NYC metro area.

Solairus Aviation (number seven on the Argus Top 25 Part 135 operators list) of Petaluma, Calif., with 50 of 120 managed aircraft on its charter certificate, has also seen owners’ appetite for charter revenue grow over the past year, and has stepped up fleet utilization accordingly, said Paul Class, senior v-p, charter sales. “We recognize that Part 135 operations are important to 25 to 30 percent of our owners, so we take Part 135 and third-party charter seriously.” In the past year, the company’s charter operations business has benefitted from fleet additions of super-midsize and large-cabin aircraft in Florida, Oklahoma and Chicago as well as Southern California. Solairus offers customized block charter arrangements but has no card or other plan offering.

With the addition of airplanes in the last annum, Jet Linx Aviation (number six on the Top 25 list) passed the 100 managed aircraft milestone this year. A 20-percent rise in revenue hours in the past year reflects the added lift. “If they flew 250 [charter] hours last year, they more than likely flew 250 hours [so far]
this year,” Jamie Walker, president and CEO, said of the fleet’s aircraft. Ninety percent of the fleet is on the charter certificate and serves the company’s charter access programs. The Executive and Club programs, with 1,300 members, charge a one-time fee of $17,500 and $12,500 respectively, providing access to the fleet at fixed hourly rates. Rates range from $3,500 per hour (round trip) on a light jet card to $8,500 per hour (one way) on a heavy jet.

Elliott Aviation, noted for its MRO services, is trying to build its charter fleet. “We desperately need more airplanes,” said Brian Hahn, Elliott’s v-p for flight services, who’s brought seven aboard—two added to Elliott’s certificate—since he joined the company early this year. “We field more calls for charter than we can handle,” Hahn said.

A Des Moines-based Citation Excel is the next addition, and will bring the fleet total to 15, six available for charter. Elliott has also “overhauled our scheduling and quoting process, and added some schedulers and sales people on the charter side,” and “reset the foundation for continued growth,” Hahn said. Elliott offers a deposit-based block charter program, which covers brokered charter as needed.

FROM OPERATOR TO BROKER
Traditionally charter operators have focused on using their own fleets, quietly passing charter requests they couldn’t accommodate to a close-knit circle of fellow operators. Now some have developed their brokerage arms into potent revenue sources in their own right. Priester Aviation has put “a strong emphasis” on its brokerage, now
accounting for 30 percent of the Wheeling, Ill.-based company’s charter revenue. “We’ve been building a relationship strong enough with our customer service that clients want to go with us” for arranging charter even when no appropriate aircraft from its own fleet is available, said Gary Gennari, senior v-p of retail charter sales.

Membership program Wheels Up established a Flight Desk brokerage arm in the spring last year and CEO-founder Kenny Dichter calls it “one of our fastest growing initiatives,” saying, “We’ll exit 2017 with a $50 million run rate on that business.”

It’s the same at membership program JetSuite, where charter brokerage “is probably the fastest growing, year-over-year” part of the business, said Cameron Gowans, v-p, sales and marketing. “SuiteKey members who like the JetSuite experience don’t necessarily go outside JetSuite, and ask us to find an airplane for them” when an aircraft from JetSuite’s fleet of light jets isn’t suitable.

XOJet has also gone big on brokerage. Brad Stewart, president and CEO, calls the results “Fantastic. Through the middle of the year, we’ve done about $100 million annualized in brokerage business, versus between $200 and $250 million on fleet revenue. Three, four, five years ago we were an operator only, somebody brokerages put clients on. Now people are coming to us to manage their private aviation needs even when XOJet isn’t the fleet operator.”

Yet the operator/broker street is two-way. Charter broker Horizon Air Group of Dallas acquired Houston-based charter management company Starbase Jet in June—now rebranded as Horizon Jet Management—and is now a charter operator, as well as broker. Horizon founder and CEO Luis Barros and partners Randall Mize and Rob Rosenberg previously worked at Starbase, which had 10 aircraft under management at the time of acquisition. The charter fleet consists of a Legacy 600, Citation XLS and XLS+, Challenger 601 and CJ4. The company signed its first new management agreement, a Learjet 45XR based in Oklahoma City. Charter revenue will be split 85-15 with owners, “every penny that comes in because of that tail,” says Borros. “This is the only way to do it and not lose our sanity.”

### Top U.S. Part 135 Operators in 2017

<table>
<thead>
<tr>
<th>Rank</th>
<th>Operator Name</th>
<th>2017 Hours</th>
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EAST MEETS WEST

Two major charter operators have established trans-continental connections this year: Gama Aviation Signature expanding from its East Coast U.S. HQ to a West Coast presence with the acquisition of Landmark Aviation’s charter/management business; and Van Nuys, Calif.-HQ’d Clay Lacy Aviation getting a foothold on the East Coast with its purchase of Key Air in Oxford, Conn. The rebranding of both Landmark and Key Air are complete.

“Now we’re right across the board, East Coast to West Coast, we’ve got all major hubs covered,” said Tracy Cassalas, director, charter services at Gama Aviation Signature, number one on the Argus Top 25 Part 135 Operators list. (Gama Aviation Signature, based in Shelton, Conn., is 20-percent owned by UK parent company Gama Aviation.) The Landmark purchase closed January 1. Gama, which operates the Wheels Up fleet, offers customized block-hour agreements but has no plans to create its own membership program. Meanwhile, July and August, traditionally slow charter months, have seen “a huge uptick in midsize jet activity,” Cassalas said.

At Clay Lacy Aviation (number 12 on the Top 25), the last of the former Key Air fleet was boarded to its certificate in June. “We’re really excited about having a presence on the East Coast,” said Veriar Jenkins-Collins, v-p of charter, managed aircraft services. “It’s been a dream of Clay Lacy Aviation.”

Meanwhile Jet Aviation (number 11 on the Top 25 list) has solidified its transcon footprint since last year’s purchase of large-cabin operator Avjet, “giving us brick and mortar” on the West Coast, said Don Haloburdo, v-p and general manager, Flight Services. Jet Aviation, which formerly had only an office at Van Nuys, also won the RFP at that airport to build a new FBO, slated for completion by next June, joining facilities at Burbank, Calif; Washington/Dulles; and the Teterboro, N.J. U.S. headquarters. In addition to ad hoc charter, Jet Aviation offers the Privileged Travel Card prepaid card with one-way pricing.

HIGH FINANCE

In a move to keep graduating heavy charter users in the fold while adding lift to the fleet, a mini movement among charter operators offering financing programs for customer aircraft acquisitions has gained traction.

Jet Linx has partnered with Global Jet Capital to create the just launched Sign & Fly operating lease,
for aircraft already crewed and on the Jet Linx operating certificate. A Citation XLS is available. “We already have a number of clients pursuing the opportunity with our help and global capital,” said Jamie Walker, Jet Linx president.

Wing Aviation has established an in-house finance department, using it to bring a PC-12, King Air 200, Citation Excel and Phenom 300 into the charter fleet, simultaneously reducing the fleet’s age and expanding its diversity. “Our goal was to have one of every class,” said president David Riddle.

Priester Aviation introduced a purchase/management/charter program last year to capitalize on low preowned aircraft prices and high charter demand, offering high-time charter customers the option of going to whole ownership with a turnkey charter revenue program in place. Recent fleet additions include a midsize and two supermidsize jets acquired by charter clients through the program and “the charter revenue component was absolutely a part of the decision process,” said Gary Gennari, senior v-p of retail charter sales, adding that “more of those purchase deals are in the pipeline.”

**CARD PROGRAMS**

Membership programs and shared shuttle flights may have stolen their “hot product” status, but jet cards remain a popular cabin access route for many charter customers for stand-alone or supplemental lift, and providers report activity in line with overall charter activity.

Sentient Jet, based in Braintree, Mass., is on track to sell $250 million in jet cards this year and is seeing 15 percent YoY growth in sales, said president and CEO Andrew Collins. Sentient Jet offers 25-hour jet cards for light, midsize, supermidsize and heavy aircraft, all in either Preferred or Select age ranges, starting at $124,825, with a one-year lock on hourly rates and 15-percent discounts for qualifying travel. Collins says the company is poised “to go well beyond the light and midsize cards and move up to supermidsize and large-cabin” cards, beginning “in the back half of the year.”
Sentient also built on its Kentucky Derby relationship as official aviation partner, hosting a breakfast prepared by its first official brand ambassador, chef Bobby Flay, enjoyed by 100 clients and prospects.

NetJets launched the NetJets Elite Card, offering 25 hours of light jet lift on a Citation Encore/Encore+ or Excel/XLS, and guaranteed availability within 24 hours. The “all-inclusive pricing” is “the most seamless way to join NetJets,” the company said. The Elite Card complements NetJets’s 10-hour Marquis Jet Card, which provides access to the same aircraft. Like the Marquis Card, the Elite can be used on the NetJets Europe fleet at set inter-program exchange rates. An analysis by jetcards.org (see sidebar) finds the Elite card overall cost lower at the expense of premium charges for peak-day use and longer call-out time in comparison to Marquis.

Delta Air Lines subsidiary Delta Private Jets of Erlanger, Ky., offers both the Delta Private Jet card and ad hoc charter aboard its fleet of 70 Wi-Fi-equipped light to large-cabin jets. In July DPJ named Gary Hammes, formerly COO at Virgin Australia, president. No DPJ representatives were available to discuss activity and the company declined to provide updates about its programs or plans.

**NEW OFFERINGS**

Bowing to customer requests, Priester Aviation has introduced Centerline, a (currently) Chicago-centric one-way offering providing guaranteed lift for category aircraft at a set hourly rate, against a $100,000 deposit. Depending on the reception in the Chicago area, the company might expand Centerline to other Priester base locations such as Dallas and New York.

Hearing similar demand, Houston’s Wing Aviation will inaugurate a card program to augment its block charter agreements. “A lot of folks want A to B: ‘Leave me there and pick me up.’ They don’t want to hear about additional charges. We’re having to adjust to that,” said president David Riddle. The card program—terms undisclosed—available to current block program customers is “in beta test,” Riddle said. Initial roll-out is planned by year-end, and if it’s well received the offering will be expanded.

Meanwhile, Malta-based VistaJet, known for its block-hour access program, which represents the bulk of its sales, introduced VistaJet Direct last month, an empty-leg phone app. A fee of $10,000 per year enables charter customers to see the location and availability of fleet aircraft and provides booking priority. “It’s a great opportunity to fill [utilization] gaps in our fleet,” said COO Ian Moore. Aggressively marketing these empty legs is especially important as VistaJet eliminated repositioning fees for its program members earlier this year.

**DRAWING A WINNING JET CARD**

Trying to compare jet cards through their myriad differences—call-out times, peak days, surcharges, minimum age of unaccompanied children—Doug Gollan came to a conclusion: “Wow, this is complicated!” That insight led him to launch PrivateJetCardComparisons.com this April. The site compares 100 cards by 65 variables such as round-trip discounts, CPI adjustments, service areas and safety audit standards.

Card providers pay no fee for the listings. Basic access to the site and its spreadsheets is free to registrants, though Gollan reserves the right to market their contact information. A $250 annual subscription provides access to more comprehensive data; subscribers’ contact information is not shared. Gollan plans to add 30 to 40 more cards next year. He said he’s been “pleasantly surprised” at the number of paid subscribers (600 now). “If you’re really serious about buying a jet card, $250 is a smart investment,” he said.
International market builds

**EUROPE**

Austrian Citation Mustang charter operator GlobeAir reported that first-quarter activity jumped by almost one third, with average utilization of 157 hours per aircraft for a 31-percent increase YoY. The surge was “mainly driven by C-suite executives who understand the opportunity cost gained in saving time through efficient travel,” according to Mauro De Rosa, chief marketing and sales officer. GlobeAir acquired two new jets, bringing its fleet to 16, the world’s largest Mustang fleet, according to the company.

Geneva-based Global Jet has recently added a Global Express XRS, a new Legacy 450, a new G650 and an ACJ Elite 318 to its charter fleet. The last is the company's fourth ACJ available for charter of eight under management, said Bjorn Naberhuis, v-p of business development. The company will open a brokerage in Spain, where charter business is expanding, joining its current network of 12 offices.

Prague-based Time Air, operator of Europe’s largest Nextant fleet, has launched the Greytscale aircraft management program, which provides “a significant charter revenue component,” said Vaclav Stransky, director of aircraft management. (“All the airplanes are the same: white interior, gray exterior, so they can be swapped and we don’t have any hiccup in operation,” Stransky said of the Greytscale name.) Time Air replaced King Airs and Citation Mustangs with Nextants after first operating the remanufactured jets in 2012. “We came to the conclusion that for the mission we’ve been serving, it was the best for the money,” Stransky said. Time Air’s five managed Nextant 400XT/XTis each generate about 500 revenue hours per year. “We are able to guarantee to the owner that the only thing he’s going to pay for is fuel; the operational cost will be covered by charter.”

This summer the European market got a boost from Middle Eastern customers and lift. Oliver Hewson, Gama Aviation’s commercial manager in Sharjah, United Arab Emirates (UAE), noted that the early arrival of Ramadan this year led many Middle Eastern aircraft owners and charter customers to
spend the summer in Europe, making the Continent the charter nexus for the majority of the company’s clients. Gama’s UAE charter fleet offers a Legacy 600, two Learjet 60s (executive and air ambulance configurations) and a newly added Global Express.

Meanwhile, with the uptick in charter, the Baltic Air Charter Association has requested an “urgent review” from EASA of regulations governing flight cost-sharing apps, such as Skyüber, Wingly and FlightClub, concerned they could contribute to illegal air charter. The FAA has not approved such apps, but some app makers have filed suit to have the agency’s prohibition reviewed.

**ASIA**

The Asian charter market “is holding up: it’s not explosive, or double digit, but it’s healthy and continues to improve,” said Jeffrey Lowe, general manager of Hong Kong-based consultancy Asian Sky Group (ASG). Twenty percent of ASG’s business comes from charter brokering. “To get a half decent margin” in a highly competitive charter market, ASG is packaging bespoke tours, handling all ground transport, hotels and special-event access arrangements. The offering kicked off last year with a deluxe tour for 10 friends aboard a Falcon 7X, and itineraries this summer included an excursion to East Africa for the Great Migration with a side trip to Europe for shopping and dining.

ASG also handled charter arrangements for the UK’s Manchester United soccer club on its tour of China last summer, using an ACJ330, BBJ and two G550s—often at different times—to transport the 150-person contingent.

ASG also publishes regional reports on business aviation, and released its first charter report last year. An updated version is anticipated in next year’s second quarter.

Malta based VistaJet “had a good strong first half in Asia and India,” CCO Ian Moore reported, while China has become one of the company’s fastest growing markets. The first six months of this year saw a 12-percent YoY gain in passenger departures and 14 percent more passengers arriving. In response, VistaJet launched a Chinese website and the WeChat booking service this year.

Gama Aviation has seen its fortunes in Hong Kong rise in the aftermath of the 2015 joint venture with the Hutchinson Group and now has three Global 5000s and a G550 for charter. But operating charter or other bizav flights remains challenging as the Hong Kong airport authority fine-tunes a restrictive landing slot access system, said Sergio Oliveira e Silva, general manager in Gama’s Hong Kong office. This has led some aircraft owners in Hong Kong to use charter, turning the logistics of getting a jet in and out of the airport to a third-party provider, Oliveira e Silva said.

A struggle over international charter firm Zetta Jet has emerged, with current management filing for Chapter 11 bankruptcy restructuring in the U.S., while former management—but also still majority shareholders—say they have obtained an injunction in Singapore against that effort. Despite the bankruptcy filing, Zetta Jet plans to continue normal business operations.

Separately, Zetta Jet filed a lawsuit in the district court against Geoffery Cassidy, the former managing director. “The debt restructuring was necessitated by the company’s recent discovery that its former managing director, Geoffrey [sic] Cassidy, had misappropriated funds from the company and committed other fraudulent activities,” the company alleged in a statement. The board terminated Cassidy and installed Michael Maher as interim CEO and agreed to move forward on bankruptcy proceedings.

Meanwhile, Cassidy noted that he and another director, Li Qi, own a combined 64 percent share of Zetta Jet and that the bankruptcy filing “was done by the CEO, without the authority of the majority shareholders.” The majority shareholders, he claimed, obtained an injunction from the Singapore High Court against company directors James Seagrim and Stephen Matthew Walter and Zetta Jet itself “to stop them, whether by themselves or through their agents, solicitors or special counsel, from carrying out any further steps in or relating to the Chapter 11 filings, until trial or further order.”
Customers embrace online charter model

Trip requests—that is, requests for a price quote sent from a broker to an operator, the foundation of Avinode’s online charter marketplace—were up 112 percent YoY in the U.S. in this year’s first half. That’s a reflection of changing broker-operator interactions as well as stronger charter demand, said Per Marthinsson, Avinode co-founder and executive v-p Americas. Avinode is “getting a bigger share of wallet in terms of the way [brokers] resource” lift, as they rely less on direct telephone contact with operators. Marthinsson added that brokers’ usual contacts might not have available lift because of the demand for charter, adding to the reliance on web-based sourcing. (Unique trip requests, a more reliable gauge of charter demand, climbed 41 percent this year compared with last.) One-third of operators respond within 45 minutes, “three to four times as high in the past,” said Marthinsson. “We’ve come to the tipping point where they realize the value of responding quickly.”

Charter operator Air Hamburg reported at the annual Avinode Academy gathering this year that it received 680 requests in a single day, and quoted them all within 20 minutes of receipt via an automated Avinode quoting tool.
Paynode, a product Avinode bills as the “Paypal of air charter,” launched last year, is now available in Mexico, and European roll-out is on the way. The big news is Paynode’s forthcoming bank wire transfer payment capability. Credit card payments, which Paynode is now limited to, represent only 10 percent of charter transactions, Marthinsson said, as bank wires are less expensive.

In the past year Avinode has also improved its Trip Management product and pages, and created a new search interface that’s “twice as fast” and allows real-time filtering of search results. Such efforts help keep Avinode the dominant platform, with few real would-be challengers.

But you don’t call your flagship product “Rock Star”—even as a working title—without having grand ambitions, as with the relaunch of FOS, the widely used flight operations management tool, as a digital platform. Here the Rock Star name serves double duty as an anagrammatic allusion to Rockwell Collins and Stellar, who’ve teamed to engineer the transformation. “The tools that operators use were all written before the internet,” said Paul Touw, Stellar’s CEO and chairman. “We’re rewriting the functionality of FOS into a cloud-based system.”

Stellar introduced the in-development charter market platform at NBAA 2015, then last year partnered with Rockwell Collins to integrate its vision of a charter portal akin to a Kayak or Travelocity with the operations software used by the operators of some 6,000 registered business aircraft. The two companies are together investing about $50 million in the upgrade, Touw said. FOS handles flight planning, scheduling, customer relationship management, quoting and many other flight department functions. Some key modules will be released next year to all FOS customers, with upgrades and transitions continuing into 2020. The upgraded FOS will be “roughly in the same price range” as subscribers currently pay, Touw said.

Asked if Avinode is complementary or a competitor, Touw said, “I don’t know. We like the Avinode guys a lot. We hope there’s some way to partner with them.”

Avinode has several hundred FOS clients, and interfaces with 30 scheduling platforms, and Stellar “would be welcome to interface with us,” said Marthinsson.

Four UK-based platforms—PrivateFly, Returnjet, Stratajet and Victor—aiming to be Avinode alternatives continue to enhance their services in pursuit of the holy grail of real-time quoting and click-to-buy booking and the largest share of traffic in an expanding but highly competitive digital marketplace. At Victor, YoY online requests are up 120 percent, average value of trips booked is up 40 percent, and the highest-value trip this year was $553,000, founder and CEO Clive Jackson said, while the company “is aiming to join the $100 million table [in bookings] over the next 12 months.”

At Returnjet, online inquiries from January through July grew “400 percent,” now ranging from 3,000 to 5,000 per week, said aviation director Steve Westlake, noting that the company has added live instant quoting and payment capability. The highest-value trip booked this year is $820,000. Online traffic growth comes in part from younger brokers who have grown up with the internet and, thanks to sites such as Facebook, LinkedIn, YouTube and search engines such as Google, don’t believe in the subscription model,” Westlake said. Returnjet derives revenue from online advertising and sales of enhanced versions of its quoting services.

PrivateFly performed 1.5 million flight searches in the last year and enjoyed 51 percent YoY sales growth, with average spend per flight up 39 percent in the second quarter, said founder and CEO Adam Twidell. The fastest time from inquiry to takeoff in the last year was 29 hours, 57 minutes. In the U.S., half of flights were booked via mobile.
device, and 44 percent on desktop. U.S. business “grew 88 percent YoY, and we anticipate it being 50 percent of our sales by 2020,” said Twidell. Average customer age is 39, and average number of passengers per flight is 4.6.

Stratajet, which launched a U.S. platform a year ago, is “focused on Europe” for the moment, founder and CEO Jonny Nicol said. Bookings are up 86 percent YoY and “hitting our internal targets and our high expectations,” he said.

PILOT SHORTAGE

A crew shortage is affecting air charter. “Everybody’s talking about this pilot shortage,” said Argus president Joe Moeggenberg. “The situation is becoming very real and it is going to have an impact on the Part 135 industry.”

The shortage is “all across the spectrum,” said Jet Aviation’s Don Haloburdo. “We’re seeing the challenge we have hiring quality individuals for every aircraft added to the fleet, whether on the charter side or the Part 91 side.” Where it previously took 30 days to find and hire a qualified flight crew, “it’s taking 60 or 90, or even more time,” he said.

“Airplanes getting delivered into the business aviation market are designed to go from New York to Beijing, LA to Tokyo,” Haloburdo added. “The owner is going to take delivery and on the first trip is going to Singapore. Finding crewmembers who have the level of experience to accomplish those trips, that’s not an easy bill to fill.”

Salaries and job expectations are rising, with “a much stronger focus on ‘What’s the quality of life I can expect out of this,’” and “a lot more choosiness” among pilots, Haloburdo said. “It’s driving salaries up significantly, but that’s not doing anything to fix the problem. It’s just making it expensive for owners.”

This pain is likely to spread. “The salary and benefits that well qualified pilots can now command is on the uptick, and at some point that’s going to have to be passed on to the consumer,” said Moeggenberg. “Charter rates have got to go up.”

“As an industry we’re not doing anything,” said Haloburdo. “This needs a 20-year solution to get the number of pilots the aviation industry is going to require, and there isn’t a good solution out there.”

Operators are finding, or will have to find, ways to adapt. Contour Aviation, the former Corporate Flight Management, has developed “our own in-house farm system” that can take an employee from ground handler to charter pilot, said CEO Matt Chaifetz. Contour helps employees obtain the required ratings, starts them “in the right seat of a Jetstream, and in a few hundred hours moves them to captain of a Jetstream, then into an Embraer” as they gain experience. One of the company’s Learjet pilots started her career in ground ops, as did a Challenger 605 pilot.

Based in Smyrna, Tenn., Contour has also raised pilot salaries, with most “making 20 percent more than they were two years ago,” and is “investing a lot in our culture: quarterly conference calls with different pilot groups to talk about what’s going on in the company,” said Chaifetz, “an open forum for everyone to ask questions.”

This year Contour moved into new 13,000-sq-ft headquarters with adjoining hangars, and opened an FBO in Cleveland, Tenn. —J.W.