

# Innovative Private Aviation Options



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In 1986, when Richard Santulli created NetJets, it was considered revolutionary. NetJets opened up private aviation to a new segment of customers. Flexjet followed in 1995. The pool of potential private aircraft users was made even greater with the advent of Marquis Jet in 2001. Now more than 15 years after the launch of Marquis Jet, there are over 200 jet card products, private aviation membership programs, co-ownership and fractional programs in existence.

The private aviation market, particularly the charter market, remains fragmented. Because of the fragmentation, many consumers find there is not just one solution that fulfills all of their private aviation needs. More than ever, we are seeing consumers use several solutions to meet their range of private aviation needs. Many of my clients own a whole aircraft and supplement their ownership with a membership program, fractional share and/or utilize the charter market. Often each category is sourced with a different provider, which adds unwanted complexity and inefficiencies to scheduling and tracking the multiple private aviation providers.

We have seen some consolidation in recent years. OneSky, LLC, part of Directional Aviation Capital, has acquired Flight Options, Flexjet, Sentient Jet and most recently PrivateFly. PrivateFly is a digital booking service for private jet charters and the company plans to use

PrivateFly along with its current digital on-demand charter broker, Skyjet.

Further recent consolidation was announced with Vista Global acquiring XOJET, an on demand business aviation company in North America with 43 aircraft.



Vista Global will position XOJET as its entry level product into private aviation. Vista Global is attempting to eliminate the need to use multiple private aviation providers by offering a variety of products.

While most agree that further consolidation is needed, there is also a need to leverage technology. Arranging charter is often a manual process, with paper charter request forms for each charter segment and without an efficient payment system. The private jet charter market is not searchable on one software platform, mostly due to the number of Part 135 operators who haven't yet found a system to consolidate all of their data, thus customers have to search multiple sources to evaluate their options. There are many companies working towards digitalizing the charter market, but until there is more consolidation of current, up to date data, inefficiencies will persist.

In addition to consolidation of fragmented private aviation solutions and the implementation of new technologies to create efficiencies and grow the market,

we will also see new product offerings continuing to emerge. Recently I attended revolution.aero, a conference organized by Corporate Jet Investors. This two day conference highlighted the vision of the future of aviation. Billions of dollars have already

been invested this year in new aviation solutions. While many have likely heard of Uber Elevate, an urban aerial ridesharing solution currently in development, there are hundreds of other aviation solutions, software programs and aircraft currently in development. The solutions in development are focusing not only on urban mobility, but also the transportation of goods, including important medical needs like the movement of organs and blood. Within the next several years many new solutions, software programs and aircraft will be developed that could significantly change the way we use air transportation on a daily basis. ■

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