

SHORT HOPS ready for takeoff

AMERICA'S air-travel system works great—if you happen to live in a large metro area and want to fly to another one. In most such markets, nonstop flights are plentiful and

fares are reasonable, thanks to competition among big national airlines. But direct flights between small cities in the same region? Forget it. If there's scheduled service at all, it's very pricey. And you'll often be shuttled to a congested metro hub, where you face a lengthy wait for the next leg—or risk missing a tight connection.

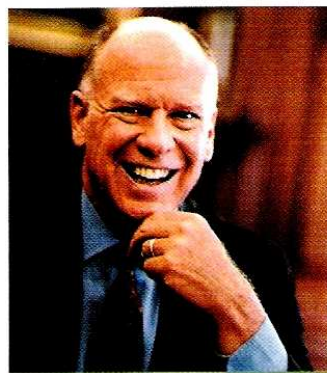
After you add up the time getting to and from the airport, parking, checking in early, going through security and making a connection through a hub, you could probably make most trips of 200 or so miles faster in your own car, door to door, with lower cost and less stress.

On-demand service. While America's 31 major hub airports choke on soaring passenger volume, a few thousand other airports—in small cities and on the fringes of big ones—have plenty of capacity. Now there's an innovation on the horizon with the potential to revolutionize regional air travel. It's called on-demand air service.

Picture an air taxi that you'll order for a specific flight, individually priced for your itinerary. You'll meet it at a small airport near your home. Unlike the typical charter flight today, you won't have to rent the whole plane and fill the seats with friends or business associates. Your fare will be somewhat higher than a comparable scheduled-flight fare—that is, if one were available—but you'll get there much faster.

You will fly on a new kind of aircraft—a quiet, fuel-efficient “personal jet,” carrying two pilots and four to six passengers, traveling at over 400 miles per hour. The first of these very light jets (VLJs) will hit the market this year, from U.S. start-ups Eclipse Aviation and Adam Aircraft. Cessna is also developing a VLJ, and Brazil's Embraer plans to bring out its four-passenger plane in 2008.

Air-taxi companies—the now-operating Linear Air and



MY POINT OF VIEW
by Knight Kiplinger

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start-ups DayJet and Pogo Jet—intend to acquire fleets of several hundred VLJs over the next several years, as on-demand air travel catches on and aircraft makers ramp up production. Air-taxi companies will probably start by focusing their service in one or more compact, highly populous regions—for example, Linear and Pogo in the Northeast, DayJet in the Southeast. To make a profit they must keep their planes in the air and their few seats full, rapidly picking up and delivering passengers on flights of 200 to 500 miles, averaging an hour each.

They will shun crowded hubs such as O'Hare, LAX, Dulles, Hartsfield, LaGuardia and Logan. Linear Air is already using Hanscom Field, in Bedford, Mass., a suburb of Boston, and Teterboro (N.J.) Airport, five miles west of Manhattan.

The initial target customer isn't the typical personal traveler. Rather, the core market for the new air taxis will be the thousands of middle managers and professionals—sales execs, consultants, CPAs and attorneys—who travel extensively within their home region. Florida-based DayJet is aiming squarely at this market. It believes this traveler will readily pay 30% to 50% more than a full coach fare in exchange for getting more business done on each travel day and saving the cost of an overnight hotel stay.

On the horizon. In a few years, as on-demand service reaches into every region, affluent leisure travelers are likely to become air-taxi customers, too, for the same reasons—saving time and hassle.

DayJet's corporate slogan, “It's About Time,” is more than a clever play on words. It succinctly states the reason that personal jets and air taxis have a bright future in America—and eventually the world. **K**