

## Hailing the Air Taxi

It's been trumpeted for years, but now it's finally here. What you need to know about the coming revolution in business travel.

BY SAHELI S.R. DATTA



**L**IKE MORE THAN 260 MILLION OTHER AMERICANS, Bill Sims lives within 30 minutes of a municipal airport that's too small for major airlines to serve. So when the human resources consultant makes one of his regular trips from his home in central South Carolina to Greensboro, N.C., his choices are four hours of lost productivity while driving the full 190 miles or a couple of short-hop commuter flights with a layover in between. "Driving tires me out, and I can't get any work done," Sims gripes. "I'd pay more for an option that gets me out of traffic and helps me avoid connecting flights."




Good news, road warriors: That option is on final approach to a regional airport near you. This summer the Federal Aviation Administration is expected to approve the first of a new breed of airplanes known as "very light jets," or VLJs, ushering in the long-awaited era of the air taxi. Smaller, cheaper to operate, and more fuel-efficient than any commercial aircraft now in the skies, these microjets promise to revolutionize air travel in the coming decades, allowing business travelers to bypass the parking and security hassles of

major airports for a fraction of the price of owning a partial share in a Gulfstream. General Aero, a business-travel consulting firm, estimates that some 4,000 air taxis will be ferrying business travelers between small regional airports across the country by 2016. Says General Aero president Jack Olcott, "Air taxis are going to change the way business is done in this country."

The first VLJ taxis are set to take off soon after the FAA approves the Eclipse 500, a lightweight three-passenger plane made by Eclipse Aviation of Albuquerque, N.M. Linear Air, a Lexington, Mass., company that already operates an air taxi service using eight-seat Cessna Grand Caravans, expects to have four Eclipse jets serving the Northeast by December. With 30 VLJs on order, the company will expand to Los Angeles, San Francisco, and Washington, D.C., within the next year. To hail a ride, a traveler simply types in a desired itinerary at [www.linearair.com](http://www.linearair.com) and receives a price quote within 24 hours. Much as with earthbound taxis, rates are per-plane, not per-passenger, and are based on the trip's distance and time flown. And they figure to be competitive: Despite the

# Sky Cabs

The first air taxis are taking flight, and these three start-ups aim to rule the skies.

COMPANY	LAUNCH	PRICING	MARKETS TO BE SERVED
	August 2004*	\$1,200-\$1,450 per hour flown	Northeast, Los Angeles, San Francisco, and Washington, D.C.
	November 2006	\$200 annual fee; \$1 to \$3 per mile flown	Southeast
	Early 2009	\$1,500-\$3,000 per hour flown	Northeast

\*Very light jets will go into service in November. Sources: Listed companies

Caravan's higher operating costs, Linear recently flew four consultants for Dow Corning from Bedford, Mass., to Elmira, N.Y., for \$2,900—roughly the price of four full-fare tickets on a commercial flight. But the real payoff for the foursome was the time saved. The non-stop flight took 90 minutes, about a fourth of what it would have taken with the obligatory layover in Philadelphia.

DayJet, based in Delray Beach, Fla., will take a different approach when it begins air taxi service throughout the Southeast later this year. Instead of chartering entire planes, customers will pay a \$200 annual membership fee that lets them request a seat as little as four hours in advance. DayJet's computers will constantly monitor customer requests to determine demand for given routes. Travelers whose schedules are flexible—and thus can help DayJet fill its planes—will get discounted rates. Ed Iacobucci, DayJet's founder and CEO, estimates that the cost of a typical 300-mile trip on a full Eclipse will top out at \$900, or \$3 per mile.

Still, for all the talk of convenience, air taxis have their drawbacks. For one thing, most regional airports don't have car rental services or good public transportation. Plus, the Eclipses that Linear and DayJet plan to fly don't have enclosed lavatories, so travelers

will have to balance their high-altitude hydration needs with, um, more pressing concerns. This issue, in fact, is precisely how a third startup plans to seize market share when it begins flying air taxis in the Northeast in 2009. Pogo, based in Stratford, Conn., was co-founded by Don Burr, the former CEO of People's Express, and his son Cameron. Now run by former American Airlines CEO Robert Crandall, Pogo has a business model similar to Linear's, but it hopes to fly one of two VLJs awaiting future FAA approval: the Spectrum 33 or the Embraer Phenom 100—slightly bigger planes with space for fully enclosed bathrooms. Pogo's presumptive advantage? More favorable reception among female travelers, who make up nearly 50 percent of the market. "Survey after survey has shown that women won't get on a plane without a lavatory," says Cameron Burr.

Whether that will be enough of a differentiator to offset the head starts enjoyed by Linear and DayJet remains to be seen. But if there are enough people like Sims willing to trade a little more money for greatly reduced travel times, there should be plenty of room in the skies. ■

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