



for the third year running, and offered clients a Derby Day breakfast hosted by Sentient brand ambassador chef Bobby Flay, and even opened its aircraft for non-cardholders to travel to and from Louisville for the race.

Wheels Up, which offers membership access to its fleet of King Air 350i turboprops and Citation Excel/XLS+ jets, is among the more active of the on-the-ground benefits providers. Three years after backing a Triple Crown winner American Pharoah, this year Wheels Up went all in with Justify for the Preakness, as the horse and jockey Mike Smith wore the company's colors as the sole brand logo on its final victory in the Triple Crown.

JetSmarter has acquired five Gulfstream GIV-SPs for a branded fleet, operated by JetEdge, to "provide improved travel for passengers while providing solutions for aircraft owners," the company said. The refurbished Gulfstreams feature upgraded interiors, 4G Wi-Fi capability, and enhanced catering options. JetSmarter plans to add 30 aircraft over the next year, and will consider adding other models to the branded fleet. To attract aircraft, JetSmarter covers maintenance and operational costs, and provides owners an hourly return and offers them a JetSmarter membership plan offering discounts and perks.

While the change in ownership is XOJet's headline story, Stewart, who remains chairman and CEO, said he's most proud of the success of the "big shift" to its three-tiered Access Solutions subscription model launched in July 2017. "Charter historically is a transactional business. You pay for the flight. And to tell our clients we needed to charge a nominal [recurring fee] was a bold statement, a test of our brand and service structure," he said. In the second quarter, the program was "on the doorstep of 1,000 dues-paying members," about 80 percent of them in the mid-tier Preferred Access plan, the rest split between the entry Select and top tier Elite programs.

XOJet's fleet of Citation Xs and Challenger 300s now claims 31 percent of the super-mid charter business, and this year the company again reported recordbreaking overall revenue increases, with charter brokerage contributing a growing percentage to the total, and added seven luxury purveyors to its partnership portfolio.

Yet XOJet bucked the big-growth/smaller-fleet trend with 3 percent gains in hours compared with 4.9 percent fleet growth. But

International charter

After turning a corner last year, the European charter market has continued to see improvement this year, online charter-market platform Avinode, reported. "We're in a great period for growth in Europe," said Oliver King, Avinode's managing director. Market preference for lighter aircraft remains "very stable" following a shift from midsize aircraft a few years ago (from mid-size), while large-cabin jets see little activity. Light aircraft are also the entry point for new charter customers, King noted.

Meanwhile, prices have remained stable along key trunk routes, such as Luton-Nice, indicating competition is tempering pricing pressure created by increased demand. Avinode spends considerable time analyzing data searching for trends and sees "people with disposable wealth participating more in charter."

Charter demand in the Asia Pacific (APAC) region is strong, and providers "are accommodating it in all ways possible," said Jeffrey Lowe, managing director of

Hong Kong consultancy Asian Sky Group (ASG). In the last two years, APAC's turbine charter fleet has grown 5 percent, to 311 jets, ASG reported, representing some 26 percent of the total regional business jet tally. The figure represents 84 airframe adds and 69 removals during the period. Mainland China had the largest fleet expansion with a 40 percent increase from 2016, while the Philippines followed with 30 percent fleet growth.

Avinode reported this year system requests for arrivals into Asian airports rose by 43 percent on an annual basis (from 78,269 to 111,964), with the greatest increase coming from the U.S. and Russia, rising 72.4 and 41.4 percent, respectively.

Requests through Avinode's system for departures from Asia increased 53 percent, while those to the U.S. and Russia increased 80 and 84.5 percent. Thailand retained the #1 APAC destination and requests increased 64.6 percent and China took the #2 spot from India. ■

it still far surpasses all leading operators in fleet utilization, wringing 1,087 hours per aircraft in the fleet, almost double the figure for the second-most-utilized Travel Management Company (TMC), whose owned and operated fleet averaged 581 hours per airframe. Former XOJet co-owner TPG owns TMC and has no plans to sell, TMC CEO Phil Dobyk said.

Beneath the headlines of its corporate expansion, VistaJet reported reaching "a critical mass" of 72 jets in its all-Bombardier Global/Challenger fleet, ensuring "guaranteed availability to customers around the world," said Ron Silverman, president, VistaJet U.S. As for whether the forthcoming Global 7500 will join that fleet, Silverman noted Flohr has a delivery position for a new jet, and VistaJet "will make the decision" on the addition late next year or in early 2020.

Through the first half of the year, VistaJet's revenue and flight hours both grew 27 percent, said Silverman; North America "spearheaded the expansion," accounting for one quarter of total hours flown.

VistaJet also launched its Adventures in the Sky program, for passengers one to 16 years old—and their parents—which

"turns a VistaJet cabin into a playroom or a party," said Silverman, hosted by a children's entertainer. The program was sparked by the company's research showing one in four flights in 2017 had children onboard. The program "engages their creativity, and they're also interacting with people," said Silverman.

Surf Air, originator of the one-price, all-you-can-fly subscription access model, encountered turbulence during the past year. In June the company terminated its year-old agreement with Encompass Aviation, which had assumed operation of Surf Air's Pilatus PC-12 fleet. (During the year, Encompass went from a little over 2,600 flight hours to more than 13,000, ranking it number 14 among U.S. operators.) Encompass then sued Surf Air in Federal District Court, alleging, among other claims, non-payment of more than \$3.1 million owed the operator. In a countersuit Surf Air accused Encompass of inept operations and shoddy maintenance. Surf Air currently reports a schedule of 120 round-trip flights per week, operated by Advanced Air, in its California-based scheduled route network. ■