

Private Jet CEO sees huge business opportunity at SMO

Kate Cagle, Santa Monica Daily Press | JAN 25, 2017



Despite the City's intensifying legal fight to evict airline operators and effectively shut down Santa Monica Airport, Alex Wilcox sees SMO as the perfect stop for his new private jet business.

"We see huge market opportunity," said the CEO of JetsuiteX, the commercial jet service which will start taking off out of SMO Feb. 6. "There's thousands and thousands of people who live in Santa Monica who fly regularly across the region. We can vastly improve their lives by providing a high-speed plane to the places they go."

Wilcox anticipated turbulence when he launched the new destination for his commercial jet service, which is an offshoot of a charter jet business that's operated at SMO since 2009. The Santa Monica City Council has passed a resolution to close the airport by July 1, 2018. The City is using multiple tactics to close SMO including transforming hanger space into office space and removing 73 aircraft tie-downs on the eastern side of the airport in order to turn the area into a 20-acre park.

But the City's major tactic is through the courts and they are watching this new airline service closely. JetSuite X will operate at the airport through fix-based operator Atlantic Aviation, which provides services like fueling, maintenance, rentals and parking for a variety of jet services across the country. Back in September, the City served Atlantic Aviation with a 30-day eviction notice and terminated their agreement to sell fuel. The FAA stepped in and filed a cease-and-desist order to keep them open.

To compound the problem for JetSuite X, on Jan. 12, the City's airport director denied their application for a Commercial Operations Permit, citing incomplete paperwork. In a letter addressed to Wilcox, the airport director says the airline must assess their impact on community noise, traffic and the environment. Wilcox says the first JetSuiteX plane will take off on Feb. 6, despite City and community opposition.

"If they attempt to operate without all the necessary permits we will use all legal means available to us including a restraining order to stop them," Mayor Ted Winterer said. "I hope they come to their senses."

Winterer plans to attend a rally to protest the FAA and JetSuiteX on Saturday, Feb. 4 at the airport. Several anti-airport groups who say the jets create pollution in the nearby densely populated neighborhood organized the protest.

But to Wilcox, commercial service is an answer to a major complaint against SMO: that jet services cater to the "one percent" while the flight path is a nuisance to the average Santa Monica who flies out of LAX. JetSuiteX uses Embraer E135s, lightweight, 30-seat jets for the new service from Santa Monica to Carlsbad, San Jose and Las Vegas. JetsuiteX advertises prices similar to commercial fares¹ with a shorter drive for Santa Monicans and no TSA hassle.²

"With JetSuite X you can show up 15 minutes before and still make (your flight) without breaking a sweat," Wilcox said, adding their target traveler for the San Jose flights are middle age businessmen making day trips to the Bay Area. "It's the difference of whether you can have breakfast and dinner with your kids or not."

To Wilcox, closing the Santa Monica is the equivalent of shutting down a freeway on-ramp. The Federal government regulates the skies and the City has no business restricting access by shutting down the airport in his view. It's an argument the courts will eventually decide unless there's intervention by Congress.

With 500 tickets already sold to travelers with Santa Monica zip codes, Wilcox believes the airport has the broader support of the public.³

"We've already sold more tickets to people from Santa Monica than there are anti-airport activists," Wilcox said.

Both the airlines and the City contend they are moving forward with public support. In 2014, more than 15,000 Santa Monicans voted to pass Measure LC, the ballot measure that prohibited new development on airport land without voter approval (with an exception for a park) and affirmed the City Council's authority to close all or part of SMO.

¹ aiR footnote: Airfares do NOT look comparable to airlines serving Burbank or LAX, not even close. And flight choices (departures per day) are far higher at these commercial airports ... compared with JetSuiteX's one daily departure on only two or four days per week.

² aiR footnote: How long will this continue, where paying passengers can board a 30-passenger jet loaded with fuel, with no security check? Does this scenario present an opportunity for the terrorism that we aim to stop with TSA at our commercial airports? If Santa Monica can load 30-passenger jets without TSA, what other airports should be allowed to exempt passengers from screening, on smaller aircraft?

³ aiR footnote: This does not look like a lot of support, after 50-days of sales with discounts to residents. 500 tickets nearly fills 17 flights. Either most flights will go out lightly loaded (and losing money), or after a couple weeks the novelty will be done and flights will be near empty.

If the availability of a more affordable, commercial jet service at Santa Monica sways public opinion toward keeping the airport open, it may be too late. The City is already entrenched in a legal battle with the FAA and two airline operators. Once that first JetSuiteX plane takes off, Wilcox may find himself the latest target in the City's growing list of litigants.

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