

Picking the best payback



Fractional companies typically apologize for problems by offering extra flight time, but you might be better off asking for other concessions.

Fractional companies pride themselves on providing excellent service and, usually, they do. However, there are occasions when service falls short, most commonly when a flight is delayed.

When the holdup lasts more than an hour and isn't due to an event outside the provider's control, the standard management agreement generally grants you additional flight time equal to the length of the wait. That seems reasonable and so most owners don't negotiate the point.

In many cases, however, additional flight time offers little or no benefit. That's because owners frequently don't use all their flight hours. And remember, you have to pay the hourly rate for that "free" flight time when you use it, as well as fuel surcharges, excise taxes and more. So it's not really free. There may be other concessions that could save you money or provide you with greater benefit. Here are a few you might ask for:

Short-leg waiver. As I noted in my last column, you can lose a significant amount

of your allotted hours if you take a lot of short trips, because you're billed a minimum of one hour for each flight. So, a 30-minute flight from New York to Washington, D.C., costs you a full hour of flight time. A short-leg waiver enables you to have that flight billed at its actual time (plus 12 minutes for takeoff and taxiing), resulting in a significant cost saving. Make sure, though, that the provider will let you apply the waiver to a flight of your choosing so that you can get the most value from it.

Ferry-fee waiver. If you fly outside the provider's prime service area (generally the contiguous U.S. plus 200 nm), you're charged a fee to ferry the aircraft back to that prime service area. A waiver of this fee for a flight may be of more use to you than additional flying time.

Guaranteed peak-day travel. Like many owners, you may want to fly on one of the 10 or so peak travel days, which include President's Day weekend and the days surrounding Thanksgiving and Christmas. But on these days, the provider doesn't guarantee availability of the aircraft. It's frustrating to be told that you can't fly when you want to. A guarantee that you can fly on that particular

peak travel day will ease your mind and your travel plans.

Guaranteed upgrade. Generally, upgrades to larger aircraft are on an as-available basis and you have to wait until right before your trip to find out if the provider will grant your request. (This applies to downgrades as well.) So if you're planning to take a big group on a vacation or to a family function, you may be stuck at the last minute without the aircraft you need. Surely, you'd rather have the peace of mind of knowing you've got that upgrade than a few minutes of extra flight time.

Simultaneous use. Unless you have a large share, you're probably not entitled to use more than one aircraft on the same day for noncontiguous flights. Thus, you may not be able to fly family in from various locations or have business associates fly different trips on the same day. The benefit of being able to take such trips on a particular day will make your share significantly more valuable to you.

When you negotiate with your provider, whether to contract for service or remedy a problem, consider benefits that will truly add to the value and enjoyment of your investment. More flight time may be the best way to go, but as you can see, several other possibilities deserve consideration. □

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