

# JET-SET *Confidential*

After a recessionary dip, private air travel is flying high again. To watch the comings and goings at Teterboro Airport, outside Manhattan, is to witness the evolution of wealth in America and to understand the ultimate luxury: time itself. **By Frank DiGiacomo**

**T**he lobby of Jet Aviation at Teterboro Airport in New Jersey is a tasteful oasis of soothing beige hues and flattering lighting, with a high glass ceiling, well-spaced armchairs and sofas and a baby grand player piano. Ostensibly, it is a posh waiting room for travelers catching private planes out of Jet, one of five FBOs—shorthand for fixed-base operators—that fly, charter and, in some cases, hangar and maintain jets at one of the busiest strictly private airports in the world. And yet very little waiting takes place there. On a recent visit to Jet's facilities, I spotted approximately

a dozen people hanging out in the soaring space, which comfortably seats 50. As a number of Teterboro fliers and workers explain, those who wait are almost inevitably pilots and guests of the "principal," private-flight parlance for a jet owner or the big dog who has chartered one. Guests have arrived early in observance of a key rule of private-flight etiquette: Be there 30 minutes before the principal or risk being left behind to—gasp—fly commercial out of Newark International.

After years of relative discretion, if not outright repentance, following the recession and the ensuing Occupy Wall Street rage, the one percent are wagging their wings again, buoyed by a stock market

that made record gains in 2013. Nowhere is that more apparent than on the tarmac at Teterboro. Barring treacherous weather or a special event such as the last Super Bowl, which was played a swift 11-minute drive from the airport at MetLife Stadium, the billionaires and mere millionaires who own private jets do not wait. Take IAC chairman Barry Diller. On the afternoon that I visited Jet, the billionaire pulled up in a Toyota Prius to the lobby's entry, where he was greeted by one of the FBO's earpiece-wearing doormen. Diller left the still-running car to the attendant, proceeded into the FBO to greet the captain of his flight, then headed to Jet's ramp to board one of the two planes a staffer says he hangs there. His guests, who included *Vogue* editor Hamish Bowles, were already on board. There were no TSA checkpoints to endure, no snaking Starbucks lines to avoid and no bearded hipsters dozing on backpacks to impede his progress. Curbside to cruising altitude took place in a matter of minutes.

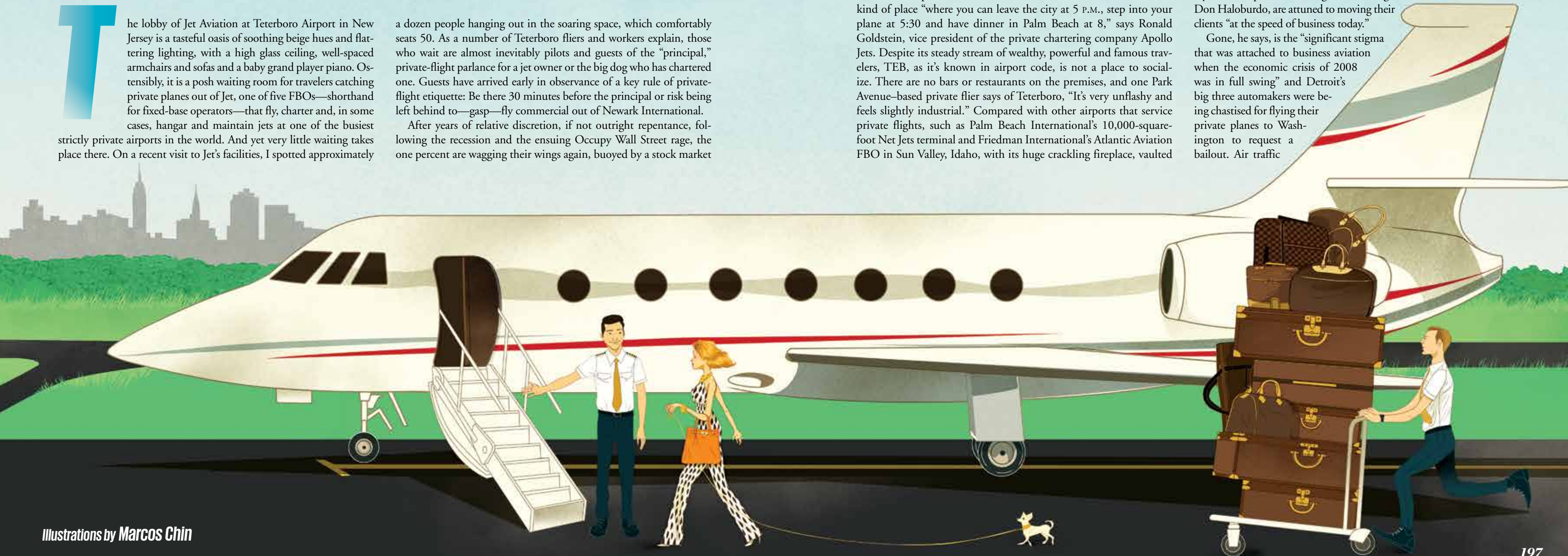
Just a half-hour drive from Midtown Manhattan or an eight-minute helicopter ride from the East or West Side, Teterboro is the kind of place "where you can leave the city at 5 P.M., step into your plane at 5:30 and have dinner in Palm Beach at 8," says Ronald Goldstein, vice president of the private chartering company Apollo Jets. Despite its steady stream of wealthy, powerful and famous travelers, TEB, as it's known in airport code, is not a place to socialize. There are no bars or restaurants on the premises, and one Park Avenue-based private flier says of Teterboro, "It's very unflashy and feels slightly industrial." Compared with other airports that service private flights, such as Palm Beach International's 10,000-square-foot Net Jets terminal and Friedman International's Atlantic Aviation FBO in Sun Valley, Idaho, with its huge crackling fireplace, vaulted

ceilings and mounted buck, "Teterboro is so unglamorous," she says. "The amenities are pretty much limited to a tray of Otis Spunkmeyer cookies and a machine that produces already stale popcorn."

Teterboro is built for speed, not status. Those who revel in exhibiting their wealth can do so on board. The perks of private flight are indeed plentiful: The service is bespoke, the food and drink can reach the culinary heights of a four-star restaurant and the planes are sleek and comfortable. Gulfstream's G550 and G650, for instance, are built to reduce jet lag via a 100 percent fresh-air-cycling system and a lower cruising-altitude cabin pressure.

The ultimate luxury of private flight, though, is invisible. For corporate titans, hedge fund managers and celebrities who prefer to control most aspects of their lives, the leave-when-you-want, wait-for-no-one culture of private jetting is the closest they can get to putting a leash around the irreversible march of time. Time is money at Teterboro—both for the fliers and the operators—and FBOs such as Jet Aviation, says its vice president and general manager Don Haloburdo, are attuned to moving their clients "at the speed of business today."

Gone, he says, is the "significant stigma that was attached to business aviation when the economic crisis of 2008 was in full swing" and Detroit's big three automakers were being chastised for flying their private planes to Washington to request a bailout. Air traffic



at Teterboro fell 15 percent in 2009, and lagged in 2010 as well. But thanks to initiatives like the ongoing “No Plane No Gain” campaign rolled out in 2009 by the National Business Aviation Association—backed by Berkshire Hathaway CEO (and Net Jets owner) Warren Buffett and DuPont chief Ellen Kullman, among others—“that’s pretty much over,” says Haloburdo.

And the numbers back him up. According to the most recent air-traffic data released by the Port Authority of New York and New Jersey, which owns and operates Teterboro, 152,049 private flights took off or landed at the airport in the first nine months of 2013. That represents a 4 percent increase over traffic for 2012, but growth for the year should be even higher given that traffic was up almost 15 percent from September 2012 to September 2013 and the end-of-the-year holidays are some of the biggest travel times at TEB.

Teterboro may not be the prettiest airport in the New York metropolitan area, but it is the oldest. Flights began in earnest in 1919, two years after Walter C. Teter purchased the land on which it sits.

**W**hen I ask Haloburdo what distinguishes private fliers who own a plane from those who charter, he says, “Ninety-nine out of a hundred times it’s net worth. People who charter airplanes generally don’t have the wherewithal to own a \$30 million to \$50 million asset.” He further explains: “If you’re going to go out and buy yourself a \$70 million airplane, you’re not going to be worth \$200 million—you’re probably making \$200 million a year.”

Haloburdo says the operating budgets of his company’s clients range from \$1.5 million to \$3 million annually, which, when you exclude hangar rent, maintenance costs and tips for your crew and the line man who fuels your plane, runs about \$1,800 to \$4,500 per hour flown. Some owners defray the costs by chartering their planes to nonowners, who pay \$2,500 to \$7,500 an hour for the privilege.

pride themselves on going the extra mile for clients accustomed to the most rarefied levels of service and instant gratification.

The core priority of that service is getting the jet owner, who’s at the top of the private-flight food chain, in and out of the airport as effortlessly as possible. Jet Aviation, which is owned by General Dynamics (also the parent company of Gulfstream), goes so far as to employ more than a dozen doormen to cater to a clientele that includes Ralph Lauren, Third Point LLC hedge fund manager Daniel S. Loeb and Bill Cosby, according to one staffer. The doormen are led by a man familiar with the wants and needs of his affluent customers, Duane Hogan, who used to be a residential concierge at the Mandarin Oriental Hotel on Columbus Circle in Manhattan.

The door staff recently came to the aid of Lady Gaga when the pop star flew out of TEB in the fall after promoting her *Artpop* album in New York. A staffer says the cape she was wearing became snagged on the stairwell banister of the chartered Gulfstream she was boarding. After disentangling her, doormen then had to stow

wear. The CEO’s waist, shirt and shoe sizes were noted, as was his “very specific request” for a type of shoe, and a staffer was dispatched to a nearby Sports Authority. “When he walked off the plane, we handed him a bag that contained everything he wanted,” she says.

Another lure of private flight is that pets of all sizes are permitted to accompany their Masters of the Universe on board. “True luxury is being able to fly with your pets comfortably beside you in the cabin,” says Stephanie Brooke Friedman, the CEO of charter company Magic Jet Group, who last August arranged for a yellow lab named Teddy to fly solo from New York’s Westchester County Airport—a sleepier alternative to TEB—to Lexington, Kentucky, on a King Air 90 turboprop jet.

Since pilots have the ears of the CEOs they fly, which can translate to more business, they are also pampered at TEB. Meridian offers a comfortable screening room for the pilots to watch movies during their downtime, and Jet operates a tricked-out gym for them to de-stress (except on the day that a VIP flier requested to use it



(The Port Authority acquired the airport in 1949.) More than a thousand people work at the airport—compared with 67 who actually live in Teterboro, according to the latest U.S. census—and its recent history is a case study in the evolution of wealth in America.

At the offices of Meridian aviation, a family-owned FBO that has operated at Teterboro (under different names) since 1946, CEO Kenneth Forester says that at the beginning of the 1980s, the airport was primarily used by single-engine piston Cessnas and other small planes piloted mostly by recreational fliers. He estimates that there were 500 such aircraft at the airport and 50 to 60 corporate jets as the Reagan years began. But as the Learjets and Gulfstream 2s and 3s moved in, the small planes moved out to airports west of Teterboro. Today, Forester says, there are, at most, 200 jets hangared at Teterboro, 23 of which are based at Meridian. The total number of small planes at the FBO now, per Forester: four.

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right up to one of two customs offices located at the airport, a far cry from the serpentine rope line at New York’s J.F.K. airport.

Given the outlay required by their clients, the FBOs that service Teterboro are 24-7 operations set up to maximize the efficiency of the dollars spent as well as the enjoyment of the flight itself. They

In both cases, these private fliers are banking on saving hours or even days of productive time not spent standing in TSA screening lines, making or missing connections to small airports near their factories and stores, or rescheduling flights due to weather or mechanical difficulties. In-flight time also becomes more productive because the passengers are able to work in quiet comfort. WiFi has quickly become essential, although Haloburdo says there are still some holdouts who prefer being unreachable when they’re in the air. International flights that land at Teterboro pull

her extra baggage safely in the passenger compartment. Not surprisingly for a performer who changed her costume four times during her performance of “Applause” at the MTV Video Music Awards, her luggage had completely filled the aircraft’s cargo hold.

On the plane, it’s all about the details. FBOs such as Jet and Meridian arrange for the food—Rudy’s Inflight Catering, which offers Dijon-and-herb-encrusted tuna and Dom Perignon, is a favorite—and deal with the dirty laundry and dishware that comes off their clients’ planes. Meridian also maintains lockers bearing jet tail numbers that are stocked with the plane owners’ favorite snacks, wines and toiletries. “Most of the CEOs and CFOs who fly with us have an executive assistant who sets all this up in advance,” says Betsy Wines, who’s the head of customer service at Meridian. “Our job is to make sure it’s all carried out. If there are problems, the principal is never aware of them.”

**S**ometimes the requests are last-minute and have nothing to do with the flight, requiring the FBOs to function as ad hoc concierges. Wines recalls the time a pilot for one chief executive en route to TEB radioed to explain that the boss had plans to play tennis in New York but forgot his athletic

exclusively and the company blacked out the facility’s windows and restricted access). Both FBOs offer snooze rooms and computer stations where pilots can catnap or take care of business while they wait for their passengers to return from a business meeting. They also maintain conference rooms for those corporate titans who want to save the time of venturing into the city. Haloburdo says that a number of sports deals have been signed in Jet’s conference room, where an athlete will fly in, sign a contract and fly out.

There are even higher levels of luxury to be reached. Jet, for instance, operates workshops in Basel, Switzerland, and St. Louis, Missouri, that design and build luxurious interiors for private jets. During my visit, Jet director of marketing and online services Michael Arnone pulls out a laptop to show me photos of a private 737—there are even larger ones—designed for a Saudi businessman that includes a skylight, a handmade inlaid-wood re-creation of the owner’s family crest, a shower and three hierarchical traveling compartments. Where you sit “is based on where the travelers rank in the company or family,” he says. Since Teterboro places a 100,000-pound limit on the planes that traverse its runways, the 737 couldn’t land or take off there, but Arnone says with a smile that he wants me to see that in the world of private aviation, “There’s always another step up.” ♦