

BEACH CITIES/PENINSULA: AES plant offers a powerful display of skills in RB./A5

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Business Monday

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KIM HAGGERTY ZYLUS/DAILY BREEZE

Michael Napoliello, left, and Jason Moskowitz run a service that cuts into what Napoliello calls the "country club mentality" of private jet travel. When clients call their brokerage, SkyBridge Private Air, they solicit bids and pass along the lowest, adding a small fee.

OFF TO A flying START

South Bay entrepreneurs'
service cuts the costs
of private-jet travel

By Peter Sanders
DAILY BREEZE

While the exorbitant costs of private jet travel won't fall with the arrival of SkyBridge Private Air, founders Jason Moskowitz and Michael Napoliello Jr. hope their brokerage service will draw customers who can afford the luxury but have never taken a flight.

It's the latest entrepreneurial venture for the longtime friends and business partners who first met in homeroom as high school juniors in Westfield, N.J.

After success in businesses as diverse as event marketing and promotions, contemporary art sales and, most recently, a capital fund that focuses on real estate development, they tackled private jet travel. Their frustration with commercial flight delays and hassles with private jet travel spurred them to develop SkyBridge.

Sitting in an airy loft overlooking the floor space at the duo's Hermosa Beach art gallery, Gallery C, Napoliello talks with enthusiasm about jets.

The Hermosa Beach resident knows that traveling by private jet has a past

steeped in mystery, money, power and celebrity. But he and Moskowitz, both 40, are convinced the alternatives available are underserving, maybe purposely, a key segment of consumers.

"For so long, the private air travel industry had this country club mentality," Napoliello said. "It's like you can't play golf unless you join; same thing with flying."

In years when the economy soared, companies began selling memberships and the equivalent of time-share ownership, called fractional ownerships, to

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TRAVEL: Brokerage service focuses on reasonably priced private jet usage

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anyone willing to spend the money.

Today's fractional ownership giants include Ohio-based Flight Options and Warren Buffett's New Jersey-based venture, NetJets. Depending on the type of plane you "purchase" from the company, initial buy-in prices vary and the share of the aircraft you buy also determines the number of yearly hours you get to use your jet. The initial investment is minimally in the hundreds of thousands of dollars, and although you "own" a portion of the plane, you also pay for each flight, at a fixed cost per hour, and an annual maintenance fee.

Napolietto says SkyBridge offers the same service as companies like NetJets without the massive investment up front or the maintenance fees and other hidden charges — reasons that keep thousands from flying privately.

Clients call SkyBridge and propose an itinerary. One of the company's agents then solicits bids from hundreds of charter jet operators who either have an aircraft in the area or one that can be sent at the appropriate time. After building in a small fee, SkyBridge presents the lowest bid directly to the customer.

It seems straightforward, and Napolietto says that's the appeal to wary travelers.

"People should be able to travel in luxury and efficiently for less money than they have been paying in an industry that does things because of tradition," he said. What distinguishes them from other longtime charter flight brokers, he says, is the level of personal service and amenities including ground transportation, personal security and concierge services, and easier scheduling than the large membership companies offer.

But Napolietto and others agree that comparing the two business types is tricky. "A NetJets model takes a capital investment and a maintenance fee to operate your airplane," said Daniel Burkhardt, director of regional programs for the National Business Aviation Association, an industry trade group. "A brokerage business, I have no investment, so I call up, check out prices and they provide me with an entire package. If they do a good job, I'll come back."

Most surprising, said Moskowitz, is not only the volume of customer inquiries, so far about 2,000 per week, but about 20 percent of their business comes from travelers already participating in fractional-ownership programs. "We're finding many people who aren't

Business Watch

- **Name:** SkyBridge Private Air
- **Location:** Hermosa Beach
- **Founded:** 2003
- **Owners:** Jason Moskowitz and Michael Napolietto Jr.
- **Services/products:** Charter brokerage service for domestic and global private air travel
- **Annual revenues:** \$23 million (projected)
- **Employees:** 6
- **Key customers:** business and leisure travelers who need private aircraft without paying extra fees
- **Information:** 888-SKY-0001; www.skybridgeprivateair.com

happy with the programs they are already locked into, or want to use their limited flight hours in ways that aren't compatible with the airplane availability that these large companies claim to have."

And while Napolietto says that SkyBridge tries to tap an underserved market, he concedes that compared with commercial airlines, his company is not offering comparable values.

"With the exception of taking a whole family full-fare first class to Paris, you will still pay much less flying commercially," Napolietto said. A one-way trip from L.A. to Las Vegas is about \$4,900 and a round-trip excursion on a 13-passenger Gulfstream IV from L.A. to New York costs \$35,000. Napolietto points out the prices are per trip, not per person, so 13 passengers on the Gulfstream would cost about \$2,700 per person roundtrip.

Reached by telephone in New Jersey, NetJets Executive Vice President Kevin Russell said it was important to remember that private travel is not simply a commodity product and that consumers should be cautious when looking into the idea.

"Choosing a private aviation option, especially if it's fractional ownership, should be viewed as the second or third most important investment of your entire life," Russell said. "I can think of at least 30 questions you should ask."



Jason Moskowitz, left, of Palos Verdes Estates and Michael Napolietto of Hermosa Beach launched SkyBridge Private Air in July. "People should be able to travel in luxury and efficiently for less money than they have been paying in an industry that does things because of tradition," Napolietto says.

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At the top of his list were safety and maintenance concerns, which he says companies such as NetJets excel at because they are large industry leaders.

But Napolietto and Moskowitz sharply dismiss that suggestion. "If anything, the smaller charter operators we use are more concerned about safety and maintenance than the large-fleet companies," Moskowitz said. "Their livelihood may depend on how they operate one or two planes. Plus, there is an added level of safety since both the operator and SkyBridge are looking over their shoulder in addition to the FAA."

Moskowitz said large companies realize there is an unfulfilled need, but are able to overlook the individual business traveler and luxury traveler because once they have sold an ownership and

locked you into a contract, there is little incentive to satisfy you.

With a staff of six, operating from Hermosa Beach and Wichita, Kan., SkyBridge has been busy booking flights since August. The company kicked off a national advertising campaign this month and expects to see more interest from people who always thought private jets were out of reach.

"What makes us good entrepreneurs is that we zig when others zag," Napolietto said.

To emphasize, Moskowitz added, "We didn't start out as a mom and pop company, but as a sophisticated national operation that's out to build an industry and service a growing need. We wouldn't be here unless customers told us there was a need."