



CHARTER AIR SCARE

Crashes, liability increases could cut demand

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The rich and powerful could be getting spooked over the safety of their private jet travel following two mystery crashes of elite jets.

In one air tragedy, former President Bush escaped certain death when he didn't board a Gulfstream private jet that crashed in Houston prior to a South American flight.

In a fiery crash at a Colorado ski resort during the weekend, NBC's sports chief Dick Ebersol miraculously escaped his doomed private Challenger 601 along with one of his sons. Another son and the flight crew perished.

The crashes are the latest in a series of shocking incidents that have killed a handful of leading executives in recent years, each time stunning a privileged traveling class.

Despite the incidents, private aviation catering to the elite has enjoyed a favorable record of safety, and has been raking in sales since the 9/11 terrorist attacks.

Gulfstream, whose \$40 million-plus flying corporate suites are among the most prized private jets, says it's had only four crashes around the world in 20 years, including the downed craft involving Bush's travel plan.

"Our clients aren't worried about this," said one source at the aircraft firm, owned by General Dynamics.

But others in the private jet industry are concerned that turbulence might evolve over other broad

High price

The crash of a jet carrying Dick Ebersol and his sons has put the spotlight on the safety of charter jets. The cost of various one-way flight options from N.Y. to L.A.:

Challenger 601 charter jet:	\$19,900
Gulfstream III private jet:	\$57,180
Commercial flight, 1st class:	\$2,243.60
Commercial flight, economy class:	\$147.60



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safety issues, such as crowded skies, weather issues and overstressed flight controllers.

A downturn in the business-jet market would be a devastating blow. The General Aviation Manufacturers Association said 392 planes were delivered through Sept. 30 — a 10.4 percent increase from 2003.

Stocks of major business-jet makers are also at record highs.

Hitting new highs yesterday were: Gulfstream parent General Dynamics, up 12 cents to \$108.35 for a gain of 20 percent this year; and Raytheon, parent of Hawker business jets, up one cent to \$39.86, for a gain of 33 percent this year.

Textron, maker of Cessna aircraft, hit a new high on Friday, and closed yesterday at \$73, off 14 cents and up 28 percent for the year.

But Bombardier, maker of the Challenger like the one that crashed in Colorado, hit a new low yesterday of \$2.37 before closing at \$2.40, off 10 cents. For the year, it's down 56 percent,

due largely to an overbuilding of business jets.

Risks of crashes on private flights are typically more than 30 times higher than on commercial airline flights, says federal data.

The National Transportation Safety Board said that in 2002-2003, a total 37 private planes crashed in fatal accidents flying a total of 2.9 million hours. In contrast, commercial airplanes suffered just two fatal crashes in a much longer period of time in the air, 34.1 million flight hours.

"The commercial airlines have deep pockets and huge liability, so safety is their biggest concern," says a commercial-airline captain and a consultant in corporate-aviation safety.

In the private-aviation crowd, there are also sharp contrasts in safety records. The companies that serve corporate customers with leases and shares of sleek jets say they have safety records better than or equal to that of commercial carriers.

The bulk of accidents occur among cheaper leasing and charter outfits, which are squeezed by high fuel and wind up scrimping on maintenance, say some safety experts.

"These private charter companies are struggling with high fuel costs and increased competition," said one safety consultant.

"They don't have the resources to manage risk and are driven by the bottom line, often sacrificing safety. A charter is statistically more accident-prone. One squirt of the de-icing machine and a charter company will incur \$2,000 in fees — a financial loss for the trip."