

# Start-up looks for work for Continental Embraers

By Ian Goold / February 2006

Houston-based ExpressJet Holdings has taken a \$700,000, 49-percent share in JetX Aviation, a new regional start-up that plans to operate as ExpressJet Europe and possibly use some of the Embraer ERJ 135/145s scheduled for release by Continental Airlines starting next January. Continental has said it will not require 69 of the 274 regional jets now flown by ExpressJet.

JetX Aviation, many of whose principals were involved with former Irish regional carrier Jetmagic, plans to introduce capacity-purchase agreement (CPA) operations to Europe. CPA operations, which typically involve major carriers buying "lift" from lower-cost suppliers, are not well known on the Continent, where capacity is more often obtained through lease arrangements covering provision of aircraft, crew, maintenance and insurance.

JetX Aviation managing director Jochen Schnadt, former COO at Jetmagic, told **AIN**, "We are a regional [airline]; that's what we're good at and we have lots to offer. Europe has been ready [for CPA] ever since deregulation and [the advent of] pan-European airspace."

The company believes it can adapt and evolve CPA operations starting next year. Asked how easy it would be to find a customer when he has no aircraft, flight crew or air operator's license (AOC), Schnadt said JetX Aviation has access to aircraft at short notice because some Embraer jets now flying Continental Express services will become available and "ExpressJet has first call on them."

Schnadt said that ExpressJet maintains good relations with lessor General Electric Commercial Aviation Services and that initially a high proportion of aircraft could be taken on operating leases. Alternatively, he said he would be happy to follow the Continental arrangement under which the CPA customer subleases the aircraft.

Equally, he sees no problem in obtaining flight crews, though there would not be the same flexibility to use U.S. pilots, since they would need European licenses, work permits and right of abode. Also, Jetmagic pilots could be available.

With regard to obtaining an AOC, Schnadt said there's the possibility of acquiring an existing European airline to provide an operational platform. "We have identified a number and are talking to them," he said. ■