

December 2016

Dear Clients and Friends:

For Christmas 2017, here's a gift idea for "the person who has everything." I'll go out on a limb and say they absolutely, positively don't have one of these.



That's right, a flying car. I'm letting you in on this a year in advance, so you can start putting quarters in the piggy bank. No price has been announced, but the world's first aero-auto is expected to sell for somewhere north of \$300,000.

The Slovakian manufacturer, AeroMobil, has been flying prototypes since 2014. This vehicle takes just a few seconds to transform from a car to a plane, or the other way around. The technology is largely a composite of the existing mechanics used in automobiles and planes. It runs on regular gas, and when the wings fold up, you can drive and park it like any other car. You'll need a big parking space, because it's a few feet longer than a standard-size automobile. And oh, I almost forgot. You have to find an open space 650 feet long for taking off, and 160 feet for landing.

Small details like that mean nothing to an adult male. Speaking for men in general, we're pretty sure we could get that baby up in the air, and back down again. The AeroMobil 3.0 prototype, known as the Flying Roadster, seats two people, the pilot and a passenger. If you don't see the propeller right away, look again. It's in the back, making this a

“pusher plane.” Top speeds are 99 mph on the road, and 124 mph in the air. You can fly 435 miles before running out of gas (not recommended). That means starting from San Diego, you could be in Las Vegas in two hours, with no pit stops.

Will flying cars ever be practical for the average American? The first problem is the price tag. Production costs will drop over the first five years, and competition will squeeze profit margins. It’s possible that ten years from now, the cost will be comparable to a high-end luxury car. That’s still enough to keep most people out of the market, so price will remain a big question mark.

To operate a flying car, it’s not clear what you’d need in addition to a regular driver’s license. It might only be a sport pilot’s license, which requires fifteen hours of flight training from an instructor, and five hours of solo flight. Not really too difficult.

However, keep in mind that with a regular car, everyone drives on the road. Once we have flying cars, thousands of teenagers could be anywhere in the sky. What would that do to insurance premiums?

Assuming we clear those hurdles, in order for flying cars to ever be commonplace, we’d need new infrastructure on the ground.



By adding grass strips next to existing highways, a vehicle could take off and land, easily getting in or out of regular traffic. This raises a catch-22. There would have to be enough flying cars to justify the cost of new infrastructure, but people aren’t going to buy these high-end vehicles until there’s a convenient way to get up and down.

Three years ago, Popular Science published an article titled, “A Short History of the Flying Car -- Because Seriously, What’s the Hold Up?” They added this note: “In July

of 1924, famed fighter pilot, racecar driver, and automotive designer Eddie Rickenbacker wrote the first story about flying cars in Popular Science. The headline read ‘Flying Autos in 20 Years.’ Since then, readers have waited patiently -- for generations. We’ve learned not to make promises, but in the next two years a few functioning, legal flying cars are set to reach the market or enter development. Call it a revolution. Call it about time. Just don’t call it science fiction.”



Flying cars may not be science fiction anymore. But we’re still nowhere close to the model the Jetsons owned back in the 1960’s.

Regards,

Chuck

Charles M. Shackelford