

## CAB REVERSES MAIL RATE DECISION

In what the Piedmonitor regards as an unfortunate decision, the Civil Aeronautics Board has reversed its decision granting Piedmont the increased mail rate which has been so long sought for and which Piedmont so richly deserves.

Because this decision affects us so deeply, and because the Piedmonitor believes that every employee should be well informed of the progress of the Company, both its advances and its setbacks, we have asked Mr. Davis for a statement of the Company's position on this decision, which is quoted in its entirety below.

"The last issue of the Piedmonitor announced that the CAB had at long last approved Piedmont's new mail rate. The new rate was to provide for the continued operation of the same number of scheduled miles that we are currently operating.

"In a highly unusual and unprecedented move the CAB has now issued a revised order which reduces our annual operations by 530,000 plane miles and arbitrarily lops off about \$180,000 in total mail pay that would have been received under the original mail rate order. This surprising development occurred even in the face of the fact that the CAB Mail Rate Staff (the technical mail rate specialists) after months of review, had approved and recommended the volume of service and the total mail pay proposed in the original order.

"This action, the CAB said, was necessary because of 'sharply increased costs' and that this reflects an increasing dependence on subsidy. In effect, they take the position that, since our costs have gone up, the number of miles flown must be reduced so that the total mail pay can be reduced. We do not agree at all with this position. Our load factors are high enough to take care of the costs of operating the miles the Board has disallowed. In other words, by eliminating these schedules we will at the same time lose the passenger revenue those flights were bringing in and our total mail pay requirements will not be

reduced. The CAB staff agrees with this position.

"It is ironic that the Board readily approves a mail rate of \$.80 per mile over some routes having only 20 percent load factors and on the other hand refuses to pay \$.35 per mile over a route producing 45-50 percent load factors. It is apparently the policy of the Board to eliminate schedules from carriers having high load factors in order to have enough mail pay to continue operations which are producing low load factors without regard to the value of the service being bought by the taxpayers' dollar.

"Specifically, this all means a reduction of about 1,500 miles per day below what we would normally schedule. We regret that we will be unable to provide what we consider adequate service to some of the cities on our system.

"While I am sure you feel as I do, that this move on the part of the CAB is disheartening, we should all buckle down and get those load factors up to the point that there will be no question as to the volume of service we are providing."

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## CAPITAL BUYS NEW FLEET

### GOES ABROAD FOR NEW AIRPLANE

Biggest story to break on the American Aviation scene in many years was Capital Airlines decision to replace their entire fleet with Vickers Viscount four Turbo-prop engine equipment. Originally ordering three with an option on 37 additional airplanes, CAP has placed a firm order for 40 of the sleek ships, with an option on 20 more. CAP President J. H. Carmichael said, "We have looked over the last four years for a suitable aircraft - one we could operate economically and efficiently. We haven't found one in this country. Then we looked at the Viscount. For our operation, the Viscount seemed to be the most desirable."

Capital will base Viscount maintenance in Washington. Present overhaul time on

the Rolls Royce Dart Turboprop engines is set at 750 hours, but Capital expects 100-150 hours before Viscounts are placed in service. American-made accessories (radio instruments, seats, etc.) will be used in the 48-passenger airplane. Ship can be converted to hi-density seating in 30 minutes.

American manufacturers were made grossly unhappy by Capital's decision. Hardest hit was Convair, whose CV-340 is the backbone of domestic carrier's medium haul fleet. Gen. Joseph T. McNarney, Convair President, claims Super Convair is more economical and on most trips, faster than Viscount. "Convair probably has more turboprop experience than any aircraft manufacturer, and we are fully aware of the possibilities of turboprop commercial transportation," McNarney stated. "At the moment, however, our own cost studies and figures presented to the CAB by Braniff and Continental definitely show the piston-powered Convair-Liner to be less expensive to operate than the Turboprop Viscount."

Capital has the distinct advantage of purchasing an airplane which, although new to this country, has been operationally proven over the last several years by various British airlines. At least one qualified Piedmont observer, Captain Bill Robertson, has had the opportunity to observe the Viscount at close hand, and reports its performance startling, and from a passenger viewpoint, the quietest, most comfortable airplane he has ever seen. If the Viscount lives up to CAP's thoroughly documented expectations, it may well be that Capital will have stolen a march on the rest of the U.S. air transport industry.

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A Texan was trying to impress upon a Bostonian the value of the heroes of the Alamo. "I bet you never had anybody so brave around Boston," said the Texan.

Did you ever hear of Paul Revere?" asked the Bostonian.

"Paul Revere?" said the Texan. "Isn't he the guy who ran for help?"

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