

## around Piedmont

On the October 1 schedule, Piedmont will serve 74 airports (99 cities) in 26 states and the District of Columbia. Henson, the Piedmont Regional Airline, will serve 14 airports (23 cities) in eight states, and the Piedmont Commuter System, five airports (five cities) in three states.

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Our fleet, on October 1, will include 63 737-200s, six 737-300s, 19 F28-1000s, and 34 727-200s. Four more 737-300s, one more F28-1000, and two F28-4000s are scheduled for delivery this year.

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Key personnel from Britt Airways and Jetstream International Airlines will be in Winston-Salem the week of October 14 for a five-day station training program. These airlines will join the Piedmont Commuter System November 1. Similar station training programs have been conducted for Sunbird and Henson employees.

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Piedmont opened a new city ticket office in Baltimore in July. The office is located in the Blaustein Building in the Inner Harbor area of downtown Baltimore. Carla Kindle and Linda Beaulieu work at the new facility. Piedmont now has 18 city ticket offices (CTOs) around the system.

This fall, four more CTOs are scheduled to open. Raleigh, Durham, and Dayton will soon have city ticket offices, and we will open a second one in Boston in October.

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Transavia of Holland is the first customer to sign up for training on the new 737-300 simulator at the T.H. Davis Training Center in Winston-Salem. The airline, with its own personnel, will use the state-of-the-art simulator January through April to train 45 crews.

In addition, Boeing plans to send customers to us as we have contract time available.

Jewel Gentry is manager of our contract training services.

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Don Dockery has been named city sales manager for the Tallahassee area. Dockery joined Piedmont in 1982 as a part-time agent at RDU. He became a sales trainee in 1983 and, most recently, has been a sales representative at Dayton.

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### On October 1

number of departures: 974  
miles flown daily: 351,500  
ASMs (available seat miles):  
43,764,944  
number of aircraft  
in fleet: 122  
number of block hours  
flown daily: 1,089  
average aircraft hop:  
360.9 miles

Representatives from North Carolina Governor Jim Martin's security detail were trained in August as to the safety features of commercial aircraft. Hank Vestal, an instructor in our Ground Training Department, INT, was in charge of the program.

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Piedmont is adding 30 more feet of ticket counter at ORF which will give us space for a total of 18 work positions at this airport.

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At EWR both the lower and upper levels are being redesigned for better use of space, and our ticket counter area has been expanded. We now have nine gates at this airport, and in January, a new loading bridge will be installed at Gate 22 with capability of two additional bridges in the future.

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### Traffic Stats

#### August

passengers boarded	1,626,704	+24.9%
revenue passenger miles (RPMs)	738.3 million	+30.0%
available seat miles (ASMs)*	1.3 billion	+24.0%
load factor	56.92%	+2.61 points

\*new record for a single month

#### First Eight Months

passengers boarded	11,969,516	+28.1%
revenue passenger miles (RPMs)	5.4 billion	+33.3%
available seat miles (ASMs)	9.4 billion	+23.2%
load factor	57.76%	+4.35 points

### Cargo Stats (ton miles)

#### August

U.S. Mail	1,574,423	-15.1%
Air Freight	1,822,360	+20.3%
Air Express	51,313	+9.5%
TOTAL	3,448,096	+1.0%

#### First Eight Months

U.S. Mail	12,313,777	-5.8%
Air Freight	13,551,533	+22.8%
Air Express	454,880	+27.7%
TOTAL	26,320,190	+7.6%

## around the industry

Fines and changes are the results of drug discoveries on two airlines. Customs officials fined Eastern \$1.37 million after 1,722 lbs. of cocaine were found on two Eastern 727s in Miami that had come from Columbia, South America. The drugs, with a street value of \$430 million, were found in an area beyond the aircrafts' baggage sections. EA temporarily suspended service from Barranquilla, Columbia.

An Air Jamaica 727 was seized and an \$18,000 fine imposed by customs when 45 lbs. of marijuana were found in unticketed baggage. Later, an agreement was signed by customs, the Jamaican government and the airline to help curb drug smuggling. Changes implemented — airframe mechanics will assist customs officials in aircraft searches as a regular landing procedure, more canine units will be used at Jamaica's airports, plus narcotics awareness training will be implemented for flight crews and ground personnel.

FAA administrator Donald Engen awarded Atlanta Hartsfield's Air Traffic Control Tower with the Air Traffic Facility of the Year award for 1984. The tower, which handled 689,684 aircraft operations in 1984, was voted the number one facility in the nation. The official ceremony was held Aug. 19 and Engen noted that "It is the people, not the equipment, that make the difference."

Mike Derchin, a First Boston airline stock analyst, says we are entering the second, more healthy stage of deregulation — consolidation. PAN AM's current financial situation seems to be falling in line with the theory. After the sale of its Pacific routes to United, Merrill Lynch says that PAN AM could be in "a very strong position in regards to its future." Derchin also notes that Eastern — with its \$5 billion in revenues — could be the next Chrysler as far as economic turnaround goes. The stock expert said that Piedmont, Northwest and USAir aren't glamorous but they're making money. He explained that USAir is a money machine and that Piedmont "has a good handle on their costs, their fares, and their load factors — they're doing everything right."

Other industry turnarounds — formerly bankrupt Braniff Inc. posted earnings of \$1.6 million in 1st quarter of this year and \$13.6 million in 2nd quarter. Main reason — company president, Ron Ridgeway, converted BRANIFF into low-fare, longer-haul carrier. WORLD AIRWAYS announced its July revenue passenger miles were up 23% from last year. CONTINENTAL had a load factor of 62% during first quarter 1985 — the largest positive margin of all major and national carriers during the period.

American has decided to charge an extra \$2.50 to each of its Boston passengers to offset a fuel tax levied by the city this year. The Massachusetts legislature enacted the tax this summer, saying that municipalities with populations over 150,000 could charge a 5% tax on the average annual cost of jet fuel. American estimates that the tax will cost them \$1.2 million a year. If the tax isn't challenged in municipal courts, other airlines may follow suit.

Meanwhile AA expansion goes on: company planners asked DOT for certificate authority to operate scheduled service between DFW and four cities in Spain.

The winner of the dramatic TWA takeover bidding was finally named. While it looked as if Texas Air had the advantage when it agreed to buy TWA for \$793.5 million in mid-June, maverick financier Carl Icahn combined underbidding with labor union negotiations to win control in late August. Besides promising TWA pilots and machinists stock ownership in exchange for wage and benefit reductions, Icahn agreed not to dismantle the company.

Other airlines are "taking stock" of their takeover vulnerability. One result — PEOPLE EXPRESS managers decided to make their airline a subsidiary of the newly formed holding company, People Express, Inc. Meanwhile, at the end of August, PE made a public offering of 1.5 million shares of common stock. Employees still maintain majority control of the stock, but the discount carrier expects to raise \$26 million by public selling — to be used to finance future expansion.

Speaking of expansion — PE inaugurated service in September to New Orleans, St. Louis, and San Diego. And, in order to manage rather than operate its growing computer needs, the discount carrier has contracted out its entire computer network. First Data Resources, a subsidiary of American Express, will handle PE's reservations, marketing flight and ground operations, aircraft scheduling and dispatch.

Ever wonder where most customers buy their tickets? "Aviation Daily" reported that travel agent sales approached \$2.6 billion in July, up 11% over last year. The average commission rate remained at 10%. In 1984, 52.3% of Piedmont's revenue came from travel agent sales.



## Buffalo to be #75

Piedmont will begin service to Buffalo, New York, on the December 15 schedule, linking our newest destination to our BWI hub.

We will offer travelers from the Buffalo area two nonstop, round-trip flights daily to BWI with quick, convenient connections to numerous locations.

"Our new service will benefit both business communities, between which there is much interest, and vacation travelers from the Buffalo area who are flying south, especially into Florida," Bill Howard, president and chief executive officer, said.

"With the addition of Buffalo we are also continuing to increase our presence in the Northeast by building our hub at BWI."

On December 15, we will serve 75 airports around the country. Buffalo will be the tenth destination to which we have begun service this year alone.

Flight 479 will depart BUF at 7:20 a.m., arriving at BWI at 8:15 a.m. Flight 397 will leave BUF at 2:25 p.m., arriving at BWI at 3:20 p.m.

Northbound, Flight 306 will depart BWI at 12:15 p.m. and arrive at BUF at 1:10 p.m. Flight 446 will depart at 8:35 p.m., arriving at BUF at 9:30 p.m.

Buffalo, population 990,000, is the 46th largest metropolitan area in the United States. With the addition of this New York city, we will serve 31 of the top 50 metropolitan areas in the country.

