

around Piedmont

On December 15, our fleet will include 63 737-200s, 10 737-300s, 20 F28-1000s, two F28-4000s, and 34 727-200s. The F28-4000s are scheduled for delivery on December 9 and December 15. A third F28-4000 will be delivered in February, and we have orders for five more. These aircraft seat 75 passengers compared to 65 in the F28-1000s.

Chuck Hathaway has been named station manager for Buffalo (BUF) where we will begin service December 15. Hathaway began working for Piedmont in 1973 as an agent at ISO. He transferred to ORD in 1975, to PIT in 1978, and to PHL in 1981 where he was a supervisor. In 1982 Hathaway was promoted to customer service manager at DCA.

A new flight attendant crew base will open at CLT January 15. Jack Doyle, base manager at ILM, will also be in charge of this base where 50 flight attendants will initially be stationed. Doyle joined Piedmont in 1956 as a purser and has been base manager at ILM since 1965.

With the addition of CLT, we will have flight attendant crew bases at eight locations: GSO, ATL, DCA, ORF, ROA, ILM, and MIA.

Marco Lucioni, a senior business major from Areguita, Peru, has been awarded the T. H. Davis Scholarship at the Undergraduate School of Business and Accountancy at Wake Forest University.

Lucioni was chosen because of his superior performance and outstanding leadership qualities. He is currently on a tennis scholarship at Wake Forest and is ranked among the top players in South America. He is interested in a career in corporate or investment banking when he graduates next spring.

The T. H. Davis Scholarship was established in 1983 by Piedmont employees to honor Davis, Piedmont's founder, who retired that spring. Davis is on the Board of Trustees at Wake Forest. The first recipient of the scholarship was Walter F. Hoffman who graduated last May.

The scholarship is awarded each

year to a senior student in the Undergraduate School of Business and Accountancy.

On December 15

number of departures: 997
miles flown daily: 363,526
ASMs (available seat miles): 45,708,787
number of aircraft in fleet: 129
number of block hours flown daily: 1,128
average aircraft hop: 364.6 miles



Oehmann

Sharan Oehmann, baggage service representative at DCA, has been very active as a member of the Washington National Airport Local Baggage Committee for the past seven years. To recognize her many contributions, the committee recently presented her with a special plaque which reads: "In grateful appreciation for your interest and productive efforts as a member of the Washington National Airport Local Baggage Committee."

Management changes have taken place at four of our five reservations centers. The new manager of Reservations-INT is John Elrod. Gary Blackburn is now manager of Reservations-MCO. Carolyn Matthews, manager of Reservations-DAY, and Tom Ellington, manager of Reservations-BNA. Phyllis Hutchins, former manager of the Winston-Salem center, is now manager-telephone sales development at Madison Park.

around the industry

***Airlines are beginning to line up at the Department of Transportation for merger and takeover approvals. PI is one of three in line waiting for a merger to be approved. Carl Icahn filed earlier this year for takeover approval for TWA, and in October, PE applied to the DOT to purchase Frontier for \$300 million. PE says Frontier will continue to operate as a separate airline but the discount carrier is already advertising a Denver hub plus combined routes and discount fares.

The advantage of mergers? Besides the obvious advantage of enhanced shareholder stock prices, takeovers and mergers come complete with precious gate space, aircraft and bilateral route rights. With the purchase of Frontier, PE automatically gets space at 35 gates at Denver's Stapleton Airport and a wide array of western routes. Airline analysts agree, too, that airlines must achieve a "critical mass" to compete with industry giants like UA and AA.

***Another common activity of airlines in the eighties is developing agreements with commuter carriers. USAir was first to start such an arrangement over 15 years ago with Allegheny Air. In such agreements the larger airline shares its identification code, reservations services and advertising with the commuter and schedules are coordinated.

Primary benefits — generating new traffic for each carrier and strengthening the larger carrier's identity in certain markets. Negatives, according to industry experts: some smaller airlines may rush too quickly into an arrangement in a "me-too" attitude without sufficient planning in all aspects of the agreement. Also, commuters may face a loss of identity in some markets. However, statistics show that commuter traffic is markedly increased after such agreements.

***PeopleExpress is starting their own in-flight magazine in January called PeopleExpressions. While some changes make the carrier resemble typical carriers, the main difference is pointed out in their new ad campaign theme — "Our biggest conviction, no restrictions."

***Washington, D.C. is the scene of the latest fare war. Presidential Airways, a new carrier formed by two former PE employees, began operation out of Dulles to five Eastern cities on Oct. 10. The rates are discount but unlike PE, baggage and meal service is included. In reply, PI, USAir, PE and New York Air matched fares to and from those cities — even if for some carriers it meant slashing prices on flights to BWI and DCA. Plus: normally conservative USAir made all seats on all flights unrestricted two weeks before Presidential even began operation; PE introduced service to MIA from IAD for \$49 with no restrictions and New York Air introduced service to two Presidential destinations it hadn't served before.

***As part of a rapid growth plan that is projected to ultimately lower company costs, AA exercised options on ten more MD-80 jetliners. The original order was placed with McDonnell Douglas in the spring of 1984. AA claims it is the largest single order of aircraft in commercial aviation history. Counting the latest acquisition, AA will have leased or purchased 110 MD-80's and if all options are exercised, the carrier's fleet would include a total of 200 MD-80 jetliners by October 1991. Purchase prices weren't disclosed but analysts estimate the value of the entire order at more than \$3 billion.

***The sale of Pan Am's Pacific routes to United is waiting for federal approval. Northwest Orient moved quickly to protect its 122 trans-Pacific routes (that accounted for 42.9% of its earnings last year) by ordering \$2 billion worth of jets from Boeing, tripling its fleet. The order was the biggest in NW's 59-year history, and included ten 747-400's — the world's longest-range widebody jet, with a digital two-man cockpit and the ability to fly 8,000 miles nonstop.

***A trend to draw from domestic routes in order to feed overseas routes may be in the cards for a number of major U.S. airlines. Delta is expanding its European destinations, hoping to make ATL the South's gateway to Europe. DL already flies from ATL to London, Paris, & Frankfurt. Starting next spring, DL plans to fly to Munich and Stuttgart in West Germany and Shannon Airport on Ireland's west coast.

***Next year the travel industry will encourage consumers to "Discover America! The Vacation Sensation." Such promotional campaigns are designed to beef up domestic travel. They must be working. The U.S. Travel Data Center reports that domestic air traffic was up 13% in the first half of 1985. Other facts released by the center for the same period — vacation travel was up 8%; business trips increased by one-third; travel abroad advanced 5%; foreign arrivals in the U.S. rose 4%.

***More doors are being opened for travel in the walled country of China during the next three years. China's national airline plans to buy 30 jumbo jets in the next three years and launch new routes to at least eight countries. CAAC already flies to 21 countries and as a result of the Republic's new open-door policies, existing services will also be expanded in Europe, Japan, Hong Kong and the U.S.

Traffic Statistics

October		
passengers boarded	1,545,550	+ 23.9%
revenue passenger miles (RPMs)	680.4 million	+ 28.8%
available seat miles (ASMs)	1.3 billion*	+ 26.4%
load factor	51.40%	+ .96 points

*new monthly record

First 10 Months		
passengers boarded	14,840,981	+ 26.8%
revenue passenger miles (RPMs)	6.7 billion	+ 32.1%
available seat miles (ASMs)	11.98 billion	+ 23.6%
load factor	56.00%	+ 3.61 points

Cargo Statistics (ton miles)

October		
U.S. Mail	1,817,522	- 5.3%
Air Freight	1,950,956	+ 11.9%
Air Express	65,841	+ 52.7%
TOTAL	3,834,319	+ 3.5%

First 10 Months		
U.S. Mail	15,697,333	- 6.3%
Air Freight	17,186,600	+ 20.3%
Air Express	569,149	+ 27.4%
TOTAL	33,453,082	+ 6.2%



Piedmont opened a new city ticket office recently in the Blaustein Building in the Inner Harbor area of downtown Baltimore. On hand for the ribbon-cutting ceremony are (l to r) Marty Martinez,

district sales manager, BWI; Baltimore Mayor W. D. Schaefer; Carla Kindle, CTO agent; and Tom Jameson and John Ferry, both BWI sales representatives.