

Brown retires and Ross is promoted to Senior V. P.

To get an early start on his fishing, to catch up with a lot of reading and to do some traveling, Senior Vice President C. Gordon Brown, Jr. elected to take early retirement.

His plans were announced the latter part of December by President T. H. Davis who said "Mr. Brown has played a major and leading role in the progress of our Company for 26 years. His outstanding ability will be sorely missed. We have accepted his resignation, effective January 1, 1974, with deep regret."

Although Brown will no longer be involved with the day to day operation of the Company he will continue to serve on the Board of Directors.

Brown's responsibilities covered the sales and traffic areas of Piedmont's operation.

He joined Piedmont in 1947 after six years with Eastern Air Lines.

A native of Silex, Missouri, Brown grew up in



Gordon Brown

Tampa, Florida. He graduated from the University of Florida in 1937. While in college he was a member of the Kappa Alpha Order.

When Brown joined Eastern in 1941 he was a sales agent. He later became their assistant to the regional manager in Atlanta.

During the early days of Piedmont's airline division Brown assisted in the organization of stations and personnel and in the Company's sales and advertising programs.

Brown was named Assistant Vice President in 1956. He was promoted to Vice President and Assistant to the President in 1957. In April 1958 he was elected to the Board of Directors. He was promoted to Senior Vice President in 1968.

Along with traffic and sales Brown was also in charge of route development and route proceedings before the Civil Aeronautics Board in Piedmont's behalf.

Brown is a member of the National Aviation Club, the Winston-Salem Chamber of Commerce, the Winston-Salem Rotary Club and Forsyth Country Club.

He has been active in numerous airline industry organizations. He is a past president of the Air Traffic Conference and a former member of the board of directors of the Airline Tariff Publishers, Inc.

He has three sons and two grandchildren. He and his wife Frances live at 2824 Loch Drive in Winston-Salem.

Ken Ross has been promoted to Senior Vice President. Formerly Vice President — Traffic, he will assume the responsibilities for the traffic and sales programs previously under Brown's direction.

A native of Nashville, North Carolina, Ross has been with Piedmont since 1948. He attended the University of North Carolina and Aeronautical University in Chicago, Illinois. His first aviation job was with Trans World Airlines and he later worked for Eastern and American Overseas Airlines.

Three years after coming to Piedmont as station manager at Raleigh-Durham, Ross was promoted to Assistant Superintendent of Stations and transferred to the home office in

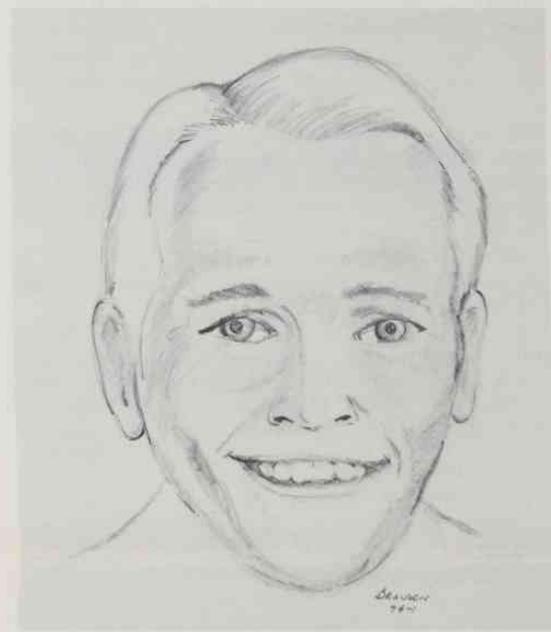
Winston-Salem. He was named Superintendent of Stations in 1957 and became General Traffic Manager in 1966. Ross was promoted to Assistant Vice President in 1968. He became Vice President — Traffic in 1971.

Ross is married to the former Hiawatha Watts of Canton, North Carolina. They have two daughters and live on Grandview Club Road in Pfafftown.

Included in President Davis' announcement of Ross's promotion were the following changes: Bob Kadlec, promoted to Assistant Vice President - Research; Don Shanks named Assistant Vice President - Customer Services; and Ed Best, Assistant Vice President - Station Administration.

Kadlec now reports to Executive Vice President W. M. Magruder. Shanks and Best report to Ross.

Details of these and other changes are on page two.



Ken Ross



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Anniversary year ends with traffic increases

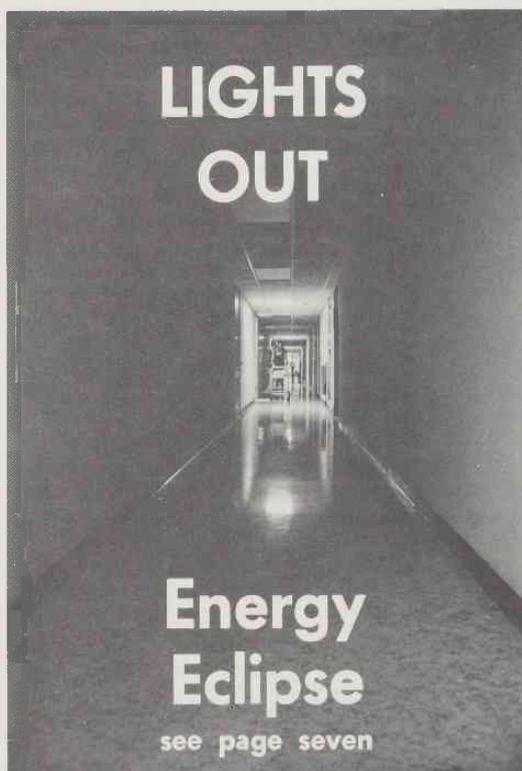
The airline division closed out its 25th anniversary year with substantial increases in traffic.

The number of passengers flying the Pace-maker routes in 1973 increased 11.39 per cent over a year earlier. Boardings totaled 3,525,694 for the 12 months.

Revenue passenger miles were up 13.36 per cent over 1972 to 994,352,735. This, with 1,987,613,329 available seat miles produced a load factor of 50.03 per cent for the year 1973. The increase in available seat miles was 13.44 per cent over 1972's total.

The statistics for December were 262,053 passengers boarded. Revenue passenger miles for the month were 82,446,962. The available seat miles totaled 159,908,655. The passenger load factor was 51.56 per cent for December.

The financial figures for 1973 are on page five.



Increased subsidy rate set by Board

The Civil Aeronautics Board has adopted a new subsidy class rate (Class Rate VII) for Piedmont and the seven other regional carriers.

The new rate is effective July 1, 1973 at an approximate annual level of \$69.5 million. The carriers have been receiving payments since July under a temporary rate.

A comparison of the subsidy components of the Class Rate VII with Class Rate VI indicates a reduction in break-even need of \$1.9 million; an increase in return and federal taxes of \$3.1 million and \$7.7 million respectively and an increase in ineligible services profit offset of \$4.8 million.

The breakdown by carrier of the anticipated \$69.5 million annual net payments under the rate formula beginning July 1, 1973, is: Allegheny Airlines, \$3,358,000; Frontier Airlines, \$12,753,000; Hughes Airwest, \$10,563,000; North Central Airlines, \$11,119,000; Ozark Airlines, \$8,156,000; Piedmont Aviation, \$8,244,000; Southern Airways, \$7,357,000, and Texas International Airlines, \$7,940,000.

Under the previous rate Piedmont had received \$7,284,000.