



The Boeing YC-14

from the front office

(Continued from page six)

Q. Do we have plans to improve our benefits?

A. Our policy has always been to improve benefits, as well as dividends, equipment, wages and salaries, when the Company's economic conditions permit. The economic and long-term welfare of our employees is of equal importance to the services rendered to our customers. In general, our benefits are equal to those of the airline industry at large. The details of our various plans are readily available upon query of the Employee Relations Office.

Q. Why does the Company participate in mutual aid? (This is the airline industry plan whereby if a strike occurs, other participants in the mutual aid program provide financial assistance to the struck airline.)

A. Just as we provide medical benefits as insurance against unforeseen illnesses, and just as we provide hull insurance against unforeseen damage to our fleet, we want to provide our Company with industrial insurance against an unforeseen labor dispute that could be terminal for the Company. No company can profit from mutual aid. It enables us to merely survive to the extent that when the dispute is settled we can rapidly and efficiently get our workforce back on the payroll and serving our customers.

On plans

Q. Are we planning a merger?

A. No merger is now under consideration. The Company's Board of Directors and management remain alert to the prospect that some

beneficial merger opportunity may arise. We are not concerned with a merger just for the sake of becoming a bigger company, but if some opportunity should arise which indicates an opportunity to improve services to the public and which would be beneficial to our stockholders, and employees such opportunity would be considered.

Q. Can we expect new routes in the near future?

A. Regulatory efforts in Washington, point toward some activity in this area. We will make every effort to be ready for opportunities logical for our system. Our major route plans are aimed at strengthening our current system and reducing our seasonality impacts. Meanwhile, we hope for early action on our Richmond-New York route take-over from National and a prompt hearing on the Louisville-Chicago route swap with Eastern.

Q. What happens to Piedmont if the U. S. Government deregulates the airlines?

A. There is no way anyone can tell what would happen in the event of deregulation. Under such conditions, it would be a case of the "survival of the fittest" and it is imperative that we remain strong enough to meet the test of more severe competition.

It is possible that our service to some non-profitable points would need to be slowed down or stopped, and that we focus our full attention on those routes which are self-supporting.

We do not, however, anticipate any such drastic action as complete deregulation. The wiser heads in Washington do not want a revolution in air travel. Regulatory reform is the more likely course, opening new opportunities and challenges for Piedmont.

I'd like to make a few observations about how our system works in the United States with special emphasis on the regional airlines. Each year, at year end, we need some excess revenue, commonly called profit. To accomplish this takes a good effort by a dedicated team. The nature of the local airline is to use this profit to pay for new equipment, new aircraft, our bills, dividends to our stockholders for the use of their money, and to provide improved wages and benefits for all of our deserving employees. Usually all the funds derived from our profit are expended during the year as they are earned. These are invested in the growth of our Company. Anyone evaluating our Company on a cash-flow basis might call it a "non-profit system." This condition is not alarming, however, since almost every publicly owned industry in the United States goes through the same process. We are hoping to make at least a small profit in 1975 whereas a reasonable rate of return on our investment would be at least \$5,000,000. Almost all the revenues we have generated during the year have been used to pay for our salaries and benefits and for all the other operating expenses. None is left for the purchase of equipment or other projects. If another jet is purchased next spring, if inventories of both the Airline and General

Aviation Divisions are increased to accommodate anticipated growth, and if new stations and facilities such as at Myrtle Beach Air Force Base and the new terminals at Nashville and Atlanta, are built, we will have to borrow the money for such projects on the high-interest market.

In closing, let me say that I am eternally grateful to all of you for what you have done to help overcome the very serious problems confronting us at the beginning of the year. You can all be proud of the minor miracle you have accomplished in weathering an \$11,000,000 increase in fuel costs, an \$8,000,000 increase in payroll costs and other big cost increases.

I believe we have properly "trimmed our sails". There is no fat on our bones by any means.

I am confident 1976 can be one of the best years in our history—but it won't just happen. It will require the same diligence and devotion to duty you have displayed in 1975. With that and a constant effort to abide by the Golden Rule we can make it a reality.

T. H. Davis

Newest of the new planes

(Continued from page six)

The Boeing AMST prototype, designated the YC-14, is also a high wing design. It has two General Electric CF6-50 turbofan engines, each developing 50,000 pound of thrust. They are mounted above and forward on the wing.

The YC-14 employs a concept called upper surface blowing, using the thrust from the aircraft's engines to blow air over the wings and flaps, creating additional lift.

In commercial use each plane could have seating capacity for 150 passengers.

Status of route cases

Transfers

Eastern-Piedmont transfer. Agreement filed with CAB. Service proposal to be presented at hearing following Board action, includes Chicago-Louisville nonstop for Piedmont.

National-Piedmont transfer. Second petition for reconsideration filed; awaiting Board action. Includes New York-Richmond nonstop for Piedmont.

Other transfers are being considered.

Applications / expansions

Greenville/Spartanburg-New York/Washington. Piedmont proposal filed. Awaiting Board hearing; includes New York and Washington-Greenville/Spartanburg nonstop for Piedmont.

Louisville-Washington. Application filed. Waiting for Board to institute procedural steps.

Asheville-New York one-stop. Application and supporting documentation filed for processing under "show cause" procedures. No opposition at this point. Awaiting Board order proposing changing our present two-stop restriction.

Chicago-Charlotte nonstop. Application filed with the CAB.

Baltimore-Norfolk nonstop. Piedmont has withdrawn its application.

Greensboro/High Point-Washington nonstop. Application filed with the CAB.

Other applications are being considered for filing at an appropriate time.

Applications / contractions

Hot Springs seasonal service. Application and supporting documentation filed for processing under "show cause" procedures. No opposition. Awaiting Board order.

Goldsboro-Kinston consolidation. Board order issued effective November 5 consolidating Goldsboro and Kinston as Kinston-Goldsboro-Greenville.