

## Industry notes

# Makeup of industry may be changed by mergers

The directors of North Central Airlines and Southern Airways have approved their earlier announced agreement in principle for a merger. The merger still is subject to approval by each company's stockholders and lenders and concurrence of the Civil Aeronautics Board. North Central serves 17 states and two Canadian provinces. Southern serves 19 states and Grand Cayman in the Caribbean. The common points of the two carriers' route systems include New York, Atlanta, Detroit, Cleveland, Chicago, Milwaukee, Minneapolis-St. Paul and Denver.

Texas International, which in mid-July completed acquisition of a 9.2 per cent interest in National Airlines, has filed with the Board for approval to control the trunk airline. The Texas-based local service carrier said it is placing its current and future holdings in National in a voting trust. TXI also plans to continue buying shares of National, pending CAB approval, but does not intend to acquire more than 25 per cent of National's outstanding shares without the Board's approval of its application for control.

Continental and Western Airlines have announced the completion of a seven-month merger feasibility study and that their top executives are negotiating terms for a possible merger. If an agreement is reached and approved, the new company would become the nation's seventh largest airline with routes extending from Mexico to Hawaii and Alaska and from Chicago to Tokyo.

Recently, security analysts have been citing the long-term effects of deregulation as the reason for renewed interest in airline consolidations.

Another merger possibility involves Pan Am and an as-yet unnamed carrier. News reports have said sources at the CAB say that Pan Am has let it be known in the industry and at the Board that it (Pan Am) is seeking a merger partner. So far, there have been no takers.

Aloha Airlines, a Hawaiian-based local service carrier, was recently purchased by International Air Services, Inc. An anti-trust official at the Department of Justice said that agency viewed the Aloha purchase as a simple change of ownership. IASCO is a West Coast U. S. aircraft servicing company with large contracts with Japan Airlines.

## Boeing starts on new jets

On the strength of United Airline's large order for 767s, the Boeing Company will launch the program into full-scale development and production.

United ordered 30 of the new 767 twinjets valued at \$1.2 billion. At the same time, United announced orders for 30 727-200 trijets, making the package the largest single transaction in commercial aviation history. The total value of the order is more than \$1.6 billion.

Deliveries of the new 197-passenger 767, a twin-aisle airliner in the tradition established

by the 747, are scheduled to begin in mid-1982. The planes will be powered by two Pratt & Whitney engines, JT9D-7R, each rated at 44,300 pounds maximum thrust.

The wide-body 767 will be the first entirely new aircraft introduced by a U.S. maker since the L-1011 and the DC-10 in 1968.

Boeing says it sees a world-wide market for about 1,500 airliners in the Model 767 category by 1990. Boeing President E. H. Boullion forecast more 767s will be sold over the long term than any other airliner series in the company's history. The 727, with orders for 1,554, currently ranks as the best-selling transport in world history.

The 767 will be assembled at Boeing's Everett, Washington facility. The first rollout is expected in 1981.

## Lowest of the low

From mid-June to mid-July, Pan American World Airways offered the lowest scheduled transatlantic fare in history — \$149 for a stand-by, roundtrip from Boston to Amsterdam. A one-way ticket sold for \$99. A total success with bargain-seeking travelers, the flights operated at virtually 100 percent load factors for the special promotion.

The absolute lowest airfare ever appeared in mid-June when Texas International offered a special \$1.00 fare to introduce its new service between Kansas City and Dallas-Ft. Worth. The dollar tickets were for standby passengers on the airline's four daily flights during the first four days TXI served the new route. They reported no empty seats!

## Texas may get Concorde

The CAB has given tentative approval for Braniff International to fly the supersonic Concorde between Washington and Dallas-Ft. Worth, starting in October.

The Board's action was in response to a Braniff request to interchange with Air France and British Airways flights that now terminate at Washington's Dulles International Airport. Under the plan, Braniff would lease the Concorde from the British and French for the Washington-Texas segment of each flight, with Braniff crews doing the flying on the domestic route. Total time for flights from Dallas-Ft. Worth to London or Paris would be 7 hours, including the stopover at Dulles.

## Specially for sleepyheads

In August, Japan Air Lines introduced beds for a limited number of first-class passengers on transpacific routes. The same luxury will be offered on JAL's polar routes between Europe and Japan starting in October.

The company said its Sky Sleeper Service is not yet available on every international flight

because the conversion of its 747 fleet won't be finished until March, 1979. Five beds are being installed on each plane. There is an additional charge for the service which also requires special reservations.

## Hat passed to pay for fuel

In late 1973 and early 1974, few airline people would have been surprised to see an airline captain taking up a collection to pay for fuel. There were, in fact, cartoons suggesting the possibility. But the fuel crisis passed and we didn't hear of it actually happening.

Recently, however, an airline captain on a Paris-Lima flight had to literally pass the hat among his passengers when airport authorities in the Azores refused to refuel his plane on credit.

The incident took place in mid-July when a Boeing 707 belonging to the Societe Antillaise de Tourisme et de Transport was forced to refuel in Portugal's Atlantic archipelago after encountering strong head winds. The refueling cost \$4,000 but airport officials, who had not heard of the charter company, insisted the captain pay cash in dollars. Since the crew had only Swiss francs, the captain raised the money from passengers carrying dollars. The tourist company repaid the passengers in Swiss francs.

In light of the current problems of the dollar in Europe, the passengers may have made money.

## We had industry's best on-time record

According to the Aviation Daily's on-time performance report for the first quarter of this year, Piedmont had the highest percentage of on-time flights of any of the local service carriers. There were 78.14 percent of our flights on time. The second-place carrier, Hughes Airwest, had 75.20 percent. North Central ranked third with 69.18 percent of its flights on time during January, February and March.

## Airlines applaud anti-hijacking

The U. S. scheduled airlines have applauded the anti-hijacking agreement reached by the U.S. and six other nations at the recent economic summit in Bonn, West Germany.

The agreement requires the seven nations to suspend air service to any country that shelters or fails to extradite hijackers. In addition to the U. S., it was signed by the United Kingdom, France, Italy, Japan, Canada and West Germany.

## Position improves some

Piedmont's position in the CAB's consumer complaint report improved slightly in May over the sad showings in April and March. In May, Piedmont ranked 8th in the industry (in April, the Company was listed in 14th place). Among the regional carriers, the Company moved up from 7th in April to 5th in May.

Letters to the Board are categorized according to problems involving delays, reservations, baggage, fares, refunds, cargo, customer treatment and charters. The majority of letters in May were about fares.

## Piedmont offers new service

Not only a new but a different kind of service is being offered by Piedmont these days. Staff Vice President Robert F. Wigmore has formed PACE. The acronym stands for Piedmont Aviation Consulting Enterprises. PACE provides air transportation and management consulting services.

Wigmore says, "PACE will utilize the talents of Piedmont personnel from many areas of the Company's operations. So far, we've completed one project for a foreign carrier and are currently involved with another. We are also participating in a study for the State of North Carolina."

PACE is offering, initially, research analysis in various fields of aviation, and feasibility studies in a number of areas, for example, aircraft selection.

## Assistant V.-P. Bob Kadlec dies

Assistant Vice President-Route Development Robert W. Kadlec died June 27, 1978 at the Fred Hutchinson Cancer Research Center in Seattle,



Robert W. Kadlec  
assistant vice president  
route development

Washington.

Kadlec had leukemia and had undergone a bone marrow transplant from his brother shortly before he died.

A native of Chicago, Kadlec joined Piedmont as director of research. He was responsible for the Company's route development program. A graduate of Northwestern University, Kadlec also attended City College of New York. He served in the Air Force and was with American Airlines for seven years prior to joining Piedmont in 1962. He was named assistant vice president in 1973.

Kadlec is survived by his wife, Elaine Roth Kadlec; three sons, Robert, Jr., Charles and Keith; his parents, Mr. and Mrs. Frank Kadlec of Florida; and a brother, Frank, Jr., also of Florida.

To help defray expenses incurred by the Kadlecs during his illness, a Bob Kadlec Fund was started by co-workers and friends. It currently totals about \$1,600.