

around the industry

During 1986 eight major airlines announced mergers, nine major carriers began buyouts of regionals, and 12 carriers filed for bankruptcy, ceased operations or both. The major mergers proposed in 1986 included Northwest/Republic, Trans World/Ozark, Continental/Eastern, Alaska/Jet America, Delta/Western, Continental/People Express, American/AirCal, and USAir/PSA. Among the buyouts were People Express' purchases of Provincetown-Boston (PBI) and Britt Airways; Pan Am's purchase of Ransome; Texas Air's purchase of Rocky Mountain; USAir's purchase of Suburban; Delta's purchase of Atlantic Southeast and Comair; Presidential's purchase of Key; and Piedmont's purchase of Jetstream International. Airlines that filed for bankruptcy and/or discontinued service in 1986 included Overseas, Airlift, Imperial, Southern Express, Pacific Coast, Arrow, Air Hawaii, Sun West, Alaska Aeronautical, Frontier, and Transamerica.

TWA now offers travel-related items for sale on its widebody transcontinental and Hawaii flights. Flight attendants run the "Boutiques" through a sales incentive program.

Presidential, which Continental paid approximately \$13 million for its midfield facility at Dulles, will become a Continental Express carrier at Dulles, effective March 1.

United has announced plans to resume service to Chicago Midway in April. Flights will operate from Midway to airline's hubs at Denver, Los Angeles, San Francisco, and Washington Dulles.

Delta will replace Eastern as the official airline of Walt Disney World, effective July 1. Delta plans to add more flights to MCO and expand its facilities there.

The U.S. and Peru have agreed to resume direct air service between the two countries. Service may begin June 12.

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PI recommended by DOT Counsel

London flights is both strong and increases competition between the two countries. Bolstering our proposal is our existing hub in Charlotte and our plans to originate and terminate the London flights in Tampa, both of which would "improve service to London for more passengers" than our competitor within the state.

"Because the Piedmont/Charlotte proposal withstands all such scrutiny, the policy of maximizing the number of carriers in the U.S.-London market makes it the clear choice," the Counsel said.

Piedmont and the other interested parties filed final arguments summarizing their cases in early February, and a decision by Judge Kane is expected by March 3. Following that decision, a senior DOT official will review the decision and either affirm it or change it. All parties have asked that the senior DOT official's decision be made by April 1.

That decision is then submitted to President Ronald Reagan. The President is empowered to disapprove the decision, but only upon foreign policy or national defense grounds. That decision must come within 60 days. A presidential disapproval is extremely rare. Normally, the President notifies DOT before the 60-day period has expired that the decision will not be disapproved, and the decision becomes final.

"If Piedmont receives a timely final decision in our favor, then the first Piedmont flight to London would lift-off from Charlotte in June, and our company would enter a new era as a transatlantic carrier," Dick James, vice president-planning, said.



Chairman Bill Howard (left) gave The Honorable Donald D. Engen, administrator for the FAA, a tour of Piedmont recently including "flights" on both our 737-200 and 737-300 simulators at the T.H. Davis Training Center. Admiral Engen—along with Tony Broderick, associate administrator for aviation standards, Garland Castleberry, regional director of the southern region, and Dr. Frank Austen, federal air surgeon—were briefed on our plans for 1987 including maintenance programs,

introduction of the 767, and our financial picture. In addition, our progress testing collision avoidance and wind-shear detection/alerting systems was reviewed.

"We showed Admiral Engen that while Piedmont has experienced unparalleled growth, we have not compromised on quality," Gordon Bethune, senior vice president-operations, said. "It's a real compliment to Piedmont that he spent a day with us. Visits such as this are very rare."

PI wins for financial management

Piedmont received top honors for its 1986 financial management from *Air Transport World*, the magazine of world airline management. In bestowing the 1986 Financial Management Award to Piedmont, the magazine's January issue calls us "one of the classic success stories of deregulation."

The issue cites our strong growth with consistent profits since the airline industry was deregulated in 1978. Improvements to our debt-equity ratio, our new investment-grade credit ratings, and our "cagey financing" that has

lowered our cost of borrowing were among the reasons given for naming Piedmont the recipient.

"The award is one of the highest honors we have received," Howard Mackinnon, senior vice president-finance, said.

"We are one of just three airlines to have earned a profit each year since deregulation. This award is evidence of our ability to grow while maintaining a strong balance sheet, and is further evidence of the hard work by each of our 20,000 employees."

James P. Woolsey, editor of

Air Transport World, said the award is voted on each year by the editorial staff. "Naming Piedmont was one of our easiest selections," Woolsey said. "Their ability to expand and do what they've done in deregulation while simultaneously keeping their financial house in order is impressive."

The award was presented to Mackinnon in January at an awards luncheon in New York City. Two years ago, *Air Transport World* also named Piedmont "1984 Airline of the Year."

Howard named CEO of the year by alma mater

Bill Howard, Piedmont's chairman, president, and chief executive officer, has been named 1987 CEO of the Year by George Washington University's School of Government and Business Administration.

The award was presented to Howard following his keynote address this month at the CEO of the Year Luncheon.

Howard is the fifth person and the first alumnus of GWU to be named CEO of the year. Previous recipients include William McGowan of MCI, William Anderson of NCR, Robert Gray of Gray & Co., and Lewis Lehr of 3M.

Howard graduated from GWU, which is in Washington, D.C., in 1953 and earned a law degree from the school in 1956. GWU presented him with its Alumni Achievement Award for 1984.

Chairman Bill Howard has been named one of the top chief executive officers in the airline industry by *The Wall Street Transcript*. Howard received the Silver Award from the publication for "devising a meaningful strategy for industry conditions following deregulation."

Other comments include: "Management is widely-praised for its ability to seize opportunities, while nimbly side-stepping overt competition with industry giants. Howard has a well-articulated strategy, and one which is executed with consistent results. . . The company has one of the best earnings records in the entire industry, and Howard has really been the architect behind the whole thing. . . They don't sit back and let everybody else steal their advantage. . . Piedmont has an enviable position because they have a strong balance sheet, very low costs and a monopoly-type situation in their hubs. They thereby control the gates and slots. . . Piedmont is in as good a shape as anybody in this industry."

on
February 15

number of departures: 1,247
miles flown daily: 432,265
ASMs (available seat miles): 52,475,281
number of aircraft in fleet: 162
average aircraft hop: 346.6
number of airports served: 87
daily block time flown: 1,444 hours, 37 minutes
next schedule change: March 15