



Piedmont's first 767-200 is starting to take shape! This photo, taken in mid-March, shows the three main sections of the aircraft being attached. The aircraft is being assembled at Boeing's Everett Plant, 30 miles north of Seattle. The building, which contains the final assembly area for both the 767 and 747, is the largest volume building in the world.

"Once all the pieces of an aircraft are made, everything clicks together," John Wheeler, Boeing's manager-public relations, explained. "The entire aircraft, which is in three main sections, is then put together overnight. The roll-out is six to eight weeks later."

This 767-200's roll-out is set for April 18. Next it will be painted in Piedmont's colors, which will take four days, followed by test flights by Boeing. A Piedmont crew will later fly the aircraft on its acceptance flight.

Our first widebody aircraft, N603P, is scheduled for delivery Thursday, May 21. The second one will be delivered June 3 and the third, August 10. The 767-200 will have 210 seats, 25 first-class and 185 coach.

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Piedmont, USAir reach agreement for merger

Piedmont and USAir announced jointly on March 9 plans to create a combined airline that in 1986 would have had sales in excess of \$3.6 billion and would rank among the nation's largest, most profitable air carriers.

USAir's proposal to acquire all outstanding Piedmont stock for \$69 a share in an all-cash transaction has been approved by the Board of Directors of each corporation. If, as expected, it is approved by the Department of Transportation and Piedmont shareholders, it will create the nation's seventh largest airline in terms of available seat miles with more than 36,000 employees, a fleet of more than 300 jet aircraft, and will serve nearly 50 million passengers annually.

Bill Howard, Piedmont's chairman, president, and chief executive officer, in a message to Piedmont employees on March 9, said:

"Remember that, so far, nearly all of the airline mergers have been between a strong and a weak airline, with the result that, in at least some of those mergers, the ultimate results are still very much in doubt. In this case, however, we are putting together two of the strongest and best run airlines in the nation. The result is that our financial success should be assured.

"Both geographically and philosophically we are very similar, and there will emerge oppor-

tunities for us, working together, to become the finest large airline in the nation, bar none. We will need to work to see that the best features of each of the three airlines, Piedmont, USAir, and PSA, are emphasized and that we cooperate with and draw on the strengths of each other."

(USAir had earlier gained approval from DOT to purchase PSA, headquartered in San Diego, California, with a strong network of routes in California and the far West.)

Ed Colodny, USAir's chairman, president, and chief executive officer, in a welcoming message to Piedmont employees the same day, said:

"It is my belief—shared by Bill Howard and the management team at Piedmont—that the USAir/PSA combination with Piedmont will create a strong, healthy system able to battle with the giants and serve an expanding customer base."

He added:

"...it is important that all employees of both USAir and Piedmont Airlines know that it is our intent to offer voluntarily the protection of the Allegheny/Mohawk Labor Protective Provisions (LPP's) at such time as USAir and Piedmont Airlines are merged into one carrier. USAir has already extended this offer to the employees at PSA. In future communications we will be providing more detailed explanations of these LPPs."

Both Howard and Colodny pointed out that Piedmont will continue to operate as a separate airline through the four to six months expected before government approval of the merger is received, and for nine months beyond the approval date as details of the melding of the two companies are planned.

During the interim, Piedmont's operations will continue in place under its existing management.

"Please extend a warm hand of friendship to every USAir employee you see," Howard said in closing. "We will need them and they will need us, and together we will emerge to be the best major airline in the world."



Howard



Colodny

on the inside

- a look at USAir's history
- how PI and AL compare
- Howard at Piedmont's helm

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