around the industry

Following is a chart showing the financial results for the first quarter of 1988 for major carriers:

airline	yield (cents)	net profit	revenues
American	11.53	$ 68.4 million	$ 1.9 billion
Delta	13.56	$ 56.1 million	$ 1.7 billion
Northwest	11.91	($ 43.5 million)	$ 1.2 billion
PSA	16.08	($ 18.5 million)	$171 million
Pan Am	10.31	($ 83.3 million)	$900 million
Piedmont	*16.58*	*$ 12.2 million*	*$571 million*
Southwest	10.98	$168,000	$178.6 million
Texas Air	N/A	($124.3 million)	$ 2.1 billion
TWA	11.02	($ 52.5 million)	$920.2 million
United	10.80	$ 27.9 million	$ 2.1 billion
USAir	14.27	($ 2.3 million)	$493 million

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The City of Atlanta, owner and operator of Hartsfield Atlanta International Airport, has been awarded $24 million in federal funds for fiscal year 1988 under the new Airport and Airway Safety and Capacity Expansion Act of 1987. The new legislation authorizes a five-year funding program for airport-related projects, including noise compatibility programs. The funds awarded Atlanta represent the largest received by the airport in the 12-year history of its noise mitigation program.

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Boeing reported first quarter sales of $3.6 billion and net earnings of $136 million for the first quarter of 1988. For the first quarter of 1987, Boeing had sales totaling $3.8 billion and earnings of $118 million.

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Northwest, which has firm orders for 25 A320s, has made deposits of $17.2 million on its options to purchase 75 more of these aircraft from 1992 through 1995.

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Sunworld International, a Las Vegas-based airline, has filed for Chapter 11 reorganization.

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TWA will pay $25,000 to the Department of Transportation's Office of Aviation Enforcement and Proceedings to settle charges that the airline engaged in an unfair and deceptive practice in advertising promotions and fares together where the terms of the promotions and those of the fares did not match.

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By this time next year, the Smithsonian Air and Space Museum will have a new gallery exhibition on the computer's role in the growth of air and space flight.

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United has begun service from its hub at Washington Dulles to both Atlanta and Manchester, NH, and will inaugurate nonstop service to Dallas, Louisville, Syracuse, and Seattle on June 10, and Burlington, VT, Houston, and Indianapolis on July 1. Also on June 10, United will reintroduce jet service to Philadelphia. Service will also be expanded to Boston, Los Angeles, Miami, New Orleans, and Orlando. By July 1, United plans to offer 91 daily departures to 36 destinations at Dulles. The airline has suspended daily Dulles-Nassau service.

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Delta will begin Atlanta-Shannon-Dublin service on June 2.

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American plans a major expansion of its San Juan hub this summer. On June 5, the carrier will begin service to Orlando, Tampa (via Orlando), and Port of Spain, and on June 20, add Caracas. With the new flights, American and its American Eagle commuters will offer 94 daily flights to 36 points. The airline also plans to begin building a $6.25 million reservations office in San Juan this summer which will open by spring 1989. The facility will replace American's existing reservations office and be staffed with about 150 people.

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As part of a continuing program to downsize overall operations, Eastern will reduce its daily departures at Atlanta from 311 to 282 effective June 1.

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America West's automated laser baggage system has become fully operational at the carrier's Phoenix hub at Sky Harbor Airport. The new system uses lasers to separate luggage by "reading" special barcoded baggage tags. The $2.5 million laser system can handle more than 150 bags per minute, according to America West, and will reduce operational costs, improve customer service, and provide faster, more reliable baggage handling.

USAir reports 1st quarter results

USAir Group reported operating income of $4.1 million and a net loss of $18.8 million for the first quarter of 1988 on operating revenues of $1.2 billion. This produced a primary loss per share of $.43 on 43,238,000 shares. In 1987, the company reported first quarter operating profit of $28.6 million and net income of $23.5 million on operating revenues of $465.0 million. This produced earnings per share of $.80 on 31,891,000 shares.

The decrease in operating income occurred at both USAir and Pacific Southwest Airlines (PSA). At USAir, an increased breakeven load factor resulted from a combination of yield pressures and an increase in the cost per available seat mile, substantially due to increased fuel prices. At PSA, the decrease is attributed primarily to a decline in traffic.

Edwin I. Colodny, Chairman of the Board and President, said, "The loss occurred during the January-February period and the company's profitability resumed in March. Although first quarter results are disappointing, we are already seeing yield improvements at USAir and will implement new schedule changes in May and June to improve service in the former PSA markets. New services include nonstop flights from Pittsburgh and Indianapolis to Las Vegas, and between Cleveland, Los Angeles and San Francisco to begin May 2. In June, new nonstop service will begin between Pittsburgh and Seattle."

Colodny noted that all of the new westbound services will continue on to other West Coast cities, the first examples of "link flying" between the eastern and western portions of the new USAir route network.

Included in the consolidated results are the operations of USAir, PSA, Piedmont Aviation (Piedmont), four wholly-owned commuter subsidiaries, and a leasing and servicing subsidiary. PSA was acquired May 29, 1987, and was merged into USAir on April 9, 1988. The Piedmont acquisition was completed on November 5, 1987.

The acquisition of PSA and Piedmont were accounted for as purchases. Because of purchase accounting changes, the results reported for Piedmont and PSA are not directly comparable with those reported for periods prior to acquisition.

USAir

USAir reported an operating loss of $1.2 million and a net loss of $2.3 million on operating revenues of $493.0 million for the first quarter of 1988. This compares with operating income of $28.1 million and net income of $18.9 million on operating revenues of $450.0 million for 1987. Revenue passenger miles (RPMs) increased by 12 percent, on an available seat mile (ASM) increase of 13 percent. USAir's 1988 first quarter results were adversely affected by a 1 percent decline in yield from 14.42 cents in 1987 to 14.27 cents in 1988. At the same time, cost per ASM increased 4 percent from 8.78 cents in 1987 to 9.13 cents in 1988. About half of the ASM cost increase resulted from a 16 percent increase in the average cost per gallon of fuel.

Piedmont Aviation

Piedmont reported operating income at $26.5 million and net income of $12.2 million operating revenues of $571.0 million for the first quarter of 1988. Contributing to Piedmont's first quarter results was an increase in its mainline yield, which rose from 15.39 cents last year to 16.58 cents this year. Average passenger journey increased from 446 miles to 473 miles. In addition, Piedmont's RPMs and ASMs increased 15 and 16 percent, respectively.

Pacific Southwest Airlines

PSA reported an operating loss of $21.0 million and a net loss of $18.5 million on operating revenues of $171.0 million for the first quarter of 1988. PSA's financial results for the quarter were adversely affected by passenger boardings that were 11 percent lower than the previous year's quarter, only partially offset by an 8 percent reduction in PSA capacity. Increased industry capacity within several intra-state California markets significantly affected PSA load factors.

USAir joins Covia Partnership

USAir announced that it has agreed to become a participant through a wholly-owned subsidiary in a new joint venture called Covia Partnership to own and operate the Apollo computer reservations system.

Along with USAir, partners in the new system will be Covia Corporation, which is owned by United Airlines, and subsidiaries of four major international carriers: Alitalia, British Airways, KLM Royal Dutch Airlines, and Swissair.

"This joint venture gives USAir significant ownership in Apollo, one of the premier computer reservations systems in the world," said Randall Malin, USAir's executive vice president-marketing. "It also represents the fulfillment of a longstanding USAir objective of becoming part of a major travel distribution system.

"USAir will work in cooperation with its new partners as part of our commitment to provide the highest quality flight information and reservations service possible to the travel agency community and to our customers."

USAir will invest $113 million for an 11.3 percent share of ownership in the Covia Partnership. United Airlines will continue to own 100 percent of Covia Corporation which will retain a half interest in the joint venture and be the managing general partner.

The new Covia Partnership will operate the Apollo system and United's internal reservations system and telecommunications network and will provide associated data processing services. The partnership will own the Apollo software, databases and computer center, which is located in Denver, CO.

The agreement is subject to review by the U.S. Department of Transportation and will be finalized as soon as practicable.

on June 1

number of departures: **1,383**
miles flown daily: **522,856**
ASMs: **63,200,573**
number of aircraft in fleet: **189**
average aircraft hop: **378.1 miles**
daily block time flown: **1,731 hours 40 minutes**

next schedule change: **August 1**

INT to be location for credit, collections

USAir announced that it will relocate its credit and collections department from Washington, DC, to Winston-Salem, NC.

Timing of the relocation, which will involve about 50 positions, has not yet been determined. The department will be located at Piedmont facilities at Madison Park, where the revenue accounting office for the combined airline has already been established.

As previously announced, USAir has moved a total of 120 positions from its revenue accounting department to Winston-Salem and will relocate the balance, or about 250 jobs, in phases with the final sections moving when Piedmont Airlines is merged into USAir in early 1989. The next phase of the relocation involves approximately 40 positions in the agency sales and audit sections, which will be moved by late June.

Also announced earlier were plans to move about 50 jobs from the USAir Management Information Services Division in Fairfax County, VA, to Winston-Salem over the next three years.