

8. (con't.)

Let's all keep in mind that we are doing our passengers a favor when we sell them on the idea of visiting MRH this year.

9. PRESENT STATUS OF RECENT COURT DECISION -

We have not sent you any further information regarding the Court decision since our first teletype message, principally because there was nothing to report other than the fact that the C.A.B. and our attorneys have been working on the matter trying to come up with an iron-clad answer.

The first official step now has been taken. The C.A.B., of course, is the respondent in this suit, and since that is the case their move was first. They have asked the Court of Appeals to withhold issuance of a mandate (an order putting into effect their decision) for thirty days from April 21st so that they will have plenty of time to properly prepare their appeal to the Supreme Court, and so that operations can continue uninterrupted. This is indeed encouraging news and we are glad to know the Board is so vitally interested in seeing their decision up-held that they are willing to go all the way to the Supreme Court.

Meanwhile, we will ourselves petition the Supreme Court along with the C.A.B. After acceptance of appeal by this Court it will take, in our opinion, a minimum of six months for a final decision to be issued. The minute the C.A.B. petitions the Supreme Court that automatically stops the issuance of any mandate by the lower court.

Another step which has been taken by the Company is the filing of a new application with the C.A.B. for a new Certificate covering the routes as they are now operated. This is in accordance with the intent of the decision of the Court of Appeals, in our opinion, wherein they remand the original decision back to the C.A.B. for action "not inconsistent with" the Court's decision. In other words, we will request the C.A.B. to set early hearing on this application. All interested parties will be permitted to participate in this hearing. However,

we are confident that on the basis of our previous and future operation there will be no question that Piedmont is more fit, willing and able to operate these routes and no question over the fact that we applied for the routes. A decision by the C.A.B. in this case in our favor would then be in the public interest and in complete accordance with the requirements of the Court. In all probability our new application will have been through all procedural steps prior to a final decision of the Supreme Court so that operations may continue on an uninterrupted basis.

We know all of you are vitally interested in the status of affairs and we shall keep you advised of future developments. In the meantime, it is highly important that we out-strip every other new carrier in every respect; number of passengers carried, load factor, mail carried, express and freight carried, and in every other way.

Undoubtedly some passengers from time to time will ask you what this thing is all about or what effect it will have. Simply tell them it is another procedural step to the final answer to the argument between State Airlines and the C.A.B. which has been going on for two years, and that operations are expected to continue uninterrupted, as at present, or on a more expanded basis.

The final outcome doesn't concern us too much. The interim period will, however, require a lot of work and time that could otherwise be used more productively by some of us, and I know that we can depend on those of you out in the field to back us 100% by continuing the excellent job you are now doing.