The First Modern Merger
Republic was the post-Deregulation pioneer for airline consolidation
--by Scott Norris

As the U.S. government began to implement its grand experiment of stepping away from regulating where and when airlines, trucking companies, and railroads could operate in the late 1970s, air carrier executives pointedly disagreed on how the industry was about to evolve and what steps were needed to survive.

From this distance we can see three general strategies the established jet carriers used:
  • Measured, conservative route expansion
    For instance, at first Northwest opened service to Europe before adding any significant mileage in the U.S.; Southwest carefully added only nearby markets; and American concentrated on its O'Hare and Dallas/Ft. Worth hubs.
  • Vigorous, often undisciplined route expansion
    Braniff is the textbook case of asking for and flying any route it could get, but also remember Piedmont's Dayton and Baltimore hubs, and Allegheny's wild growth.
  • Merging with another carrier
    North Central + Southern was the first, but Pan Am was desperate to find any carrier to provide feed, regardless of price. And Frank Lorenzo at Texas International used acquisitions as his core growth tactic.

North Central's management believed organic growth would be expensive (new aircraft, stations, and personnel), time-consuming, and risky (in that other carriers might capture market share first). Plus, NC executives wanted to stay in charge, so selling the company was out. Frank Hulse and Southern's shareholders saw acquisition as their only realistic option, so the deal was done.

The 1979 Merger: to page 8
Flight Plan

From the Executive Director

The Northwest Airlines History Center operates on a January to December fiscal year, and each year we submit an IRS form that tells the public what and how we did in the year just ended. 2018 represented a high water mark for the NWAHC as we looked back at one calendar year's operation in the Crowne Plaza Aire Hotel. Financially we are in the black, more importantly, we saw how two key groups — members/visitors and volunteers — made 2018 our most successful year.

Members and visitors were important to the overall success of 2018. You, members who support the work of the NWAHC by your dues and donations, represent one type. Your financial support is THE most important revenue source that keeps the museum open to the public. Without your support there would be no museum; without you there would be no opportunity for the visitors — people who walk into the museum. Some of them sought us out, some just walked in; regardless, their presence (and any contributions) also helped keep the museum open.

The second group critical to the success of 2018 was, is, and are the volunteers. It can’t be said often enough, that without the dedication of our wonderful volunteers there would be no museum. The museum cannot survive without the people who support our mission, but without the volunteers, there would be nowhere for anyone to go and nothing for anyone to see. The museum hosted a luncheon on May 6th for the volunteers in appreciation of the hours and work they put in last year. We are grateful for them.

In 2018 the museum was open 207 days and had 1,922 visitors. Our 40 volunteers contributed 4,423 hours. Fourteen students from the archive program at the University of St. Catherine contributed an additional 350 hours of academic volunteer hours. These are numbers worthy of applause and high-fives. Thank you to all, you make a difference.

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Have items you’d be interested in donating to the NWAHC?
Please contact Bruce at bruce.kitt@northwestairlineshistory.org with details of your items, photos if possible, and how we can reach you.

Welcome to Amazon smile

Now, shopping on Amazon helps the NWAHC! 0.5% of every sale is contributed when you shop via this link: smile.amazon.com/ch/41-2020975
Finally, I am excited to announce that the museum has partnered with the University of St. Thomas as an academically approved learning museum. St. Thomas has an undergraduate and a graduate level program in Museum Studies, focused on museum operations. In our case, we have already identified areas such as displays, artifact descriptions, and layout that would benefit from fresh ideas and fresh eyes. We will have several students initiate this new partnership as summer interns with the full partnership kicking off in the fall.

We are doing everything we can to make visits informative and enjoyable and show you what the NWAHC is capable doing. It will be interesting to see what 2019 brings. Thank you for your on-going support. CAVU.

Preflight Briefing

From the Editor

With this issue I’ll have completed a full year at the helm of REFLECTIONS, and in that time I’ve learned two valuable lessons: One, the community of current and former airline staff, enthusiasts, and journalists is welcoming, generous, and more than happy to bring newcomers into their fold. You’ll read in this issue’s feature article an abundance of quotes from Republic staff sharing their stories with me. And two, planning these issues well ahead is absolutely necessary!

So, to that end, I’d like to ask you, the reader, for your recollections long or short for these upcoming stories in the next two years:

- Memphis Airport - what did you find endearing, confusing, frustrating, or fabulous about working or transiting through there?
- The KLM/Northwest DC-10 joint livery - who do we know who helped coordinate between Amsterdam and Minneapolis, design or paint this aircraft?
- Tokyo Narita Airport - with Delta’s routes being transferred to Haneda in 2020, we’ll want to celebrate the 42 years we called NRT our home in Asia.
- Northwest’s 50th anniversary of 747 service, and 40th anniversary of the MSP-London nonstop link - what were those early days like?

As a member of Generation X, my early #avgeek memories were of Convair and DC-9 flights on North Central, Southern, and Frontier, and being blasted by jetwash as I stood at the fence of the Hot Springs, AR airport in rapt attention. But the first awareness I had of airlines as a "business" was in hearing the announcement of the NC-SO merger, and feeling regret, even at age 8, of not being able to fly with them again. I watched the merger and progress, pain and rebirth of Republic as I grew into my teenage years, and again felt regret at not having the opportunity to work with them. Today, though, it brings me joy to share these stories and finally be part of the family.

Cross-check and prepare for departure. –Scott

VISITING THE MUSEUM

Current schedule:
Wednesday - Thursday 11 am - 6 pm
Friday-Saturday 11 am - 5 pm
Closed Sunday-Tuesday, and major holidays.

Admission is FREE
(Special events may incur a charge.)

Directions:
FROM MSP INTERNATIONAL AIRPORT:
Use the Metro Blue Line light rail from either
Terminal 1 or Terminal 2. Take the southbound
train (towards the Mall of America) and exit at the
American Boulevard station, which is the stop
immediately beyond Terminal 2. The Crowne
Plaza Aire Hotel is immediately east, across the
street from the station. Trains run every 10
minutes and fares are $2.50 peak / $2.00 off-
peak. A ticket is good for 2.5 hours of unlimited
travel, so depending on the length of your visit to
the museum, a separate return ticket may not be
necessary.

FROM THE TWIN CITIES METRO AREA:
Head toward MSP International Airport.
From I-494, get off at the 34th Ave. S. exit (second
exit east of Hwy 77/Cedar)
Go south on 34th Ave. S. for one block to
American Blvd.
Turn left onto American Blvd.
Crowne Plaza Aire Hotel is on your right. Free
parking is available on the top two floors of the
hotel's ramp.

The museum is on the third floor, across from the
Fitness Center.

ANNUAL MEMBERSHIP

$30 level - receives the REFLECTIONS digital
edition early access via email

$35 level - receives the REFLECTIONS print
edition via U.S. Postal Service. (Be sure to give us
your email address if you’d also like the early
online access.)
Compass Readings

Irwin Jacobs, noted corporate raider who had targeted several airlines, dead at 77

Starting in his father’s burlap bag business, Minneapolis businessman Jacobs grew an empire of closeout-merchandise companies and started the predecessor to shopping channel QVC. For much of the 1980s he controlled most of the country’s recreational boating industry, and made takeover attempts against Disney, Pabst Brewing, Dole Pineapple, and RCA. He also owned a stake in the Minnesota Vikings in this period. Fortune Magazine described Jacobs’ career as “how to succeed by failing - or, how to make a fortune through thwarted takeovers.”

In early 1980 Jacobs purchased just over 1 million shares in Republic Airlines, about 5% of the company’s stock. But with the downturn in the market, he would sell that stock back to Republic for use in its ESOP effort, and take a $900,000 loss. He went in with his friend and frequent business partner Carl Pohlad (an early investor in Texas Air and friend of Frank Lorenzo) on an early 1989 bid to acquire Northwest, which lost to Al Checchi’s offer - he made money off the stock increase in the bidding war, but later was quoted as saying “Northwest is a Rock of Gibraltar in the industry, and I think this town is going to be hurt and hurt badly if Northwest is taken over. People might be surprised to hear me say that, but not all takeovers are good and not all of them are bad.”

Carl Pohlad in the early 1990s had become the major investor in Mesaba and was the force behind their branching into AirTran. His shares were under Genmar Holdings, whose chairman was - Irwin Jacobs. And one last connection: Jacobs had acquired snowmobile maker Arctic Enterprises in 1977 from Rob Swenson’s father - giving the Rob and his family the funds they needed to acquire ... Mesaba Airlines.

Irwin Jacobs and his wife of 57 years had both been suffering from long-term health problems, and Alexandra was reportedly starting to slide into dementia. Authorities found the couple dead in their bed on April 10, with the cause ruled as murder-suicide.

Eglin AFB / Ft. Walton Beach / Destin plans big terminal growth

Southern was granted routes to the Panhandle communities of Panama City and Valparaiso/Eglin AFB in 1957 with service via Columbus, GA and Dothan, AL, extending west to terminate at New Orleans. SO brought its DC-9-10 jets to VPS in 1967, and the next year started its “Atlanta bypass” route linking the Panhandle to Washington-Dulles and New York-LaGuardia via Columbus, GA. Southern was the only carrier serving the airport up to 1977, and the airport also served as one of SO’s crew bases.

Republic continued ATL nonstops from VPS through the first half of the 1980s, but as Delta and Eastern sent high-frequency commuter services south, RC and then NW retrenched on the route to Memphis, with up to four daily flights. Delta ceased the VPS-MEM link when they closed the Memphis hub, but are still the largest full-service carrier to the airport with 7 daily mainline jets to ATL, using 3 jetbridge-equipped gates.

 Allegiant made the airport its Panhandle focus city in 2016 and committed to significant expansion - maxing out its three gates and spurring the local airport commission to announce in February 2019 construction of additional gates and head-house space in the main terminal, and a new concourse dedicated to low-fare carriers. Construction in the main terminal will start this year; no estimate was given for the new concourse timeline.

Traffic at VPS has doubled in the past five years, so in addition to gate space, parking ramps and expanded road access will also be built.
Convairs to the Rescue

One of the first orders of business for the merged company was resolving the issues brought on by the introduction of Swearingen Metroliners in 1978. Passengers used to the full-sized cabin of the 40-passenger Martin 404 were shocked at the cramped 19-seat Metro that had little space for baggage.

Southern's strategy wasn't necessarily wrong - a station only serving a handful of passengers couldn't justify mainline equipment - but the aircraft themselves were seriously compromised. "We had no idea of the degree of the problem with the Metroliner engines," said Red Wallace, VP-Flight Operations. Robert Rubens from the pilots' union was more blunt: "airborne garbage." In fall 1979, nearly all Metros were pulled off the line for repairs, with short routes covered by buses and longer routes covered by ad-hoc Convair 580 substitutions.

Southern had exacerbated their problems by intensely scheduling the eight aircraft in the fleet. The pre-merger map of SWM service covered 108 daily departures, including 5 from Athens to ATL and 6 nonstops from Anniston to ATL. Five of the eight aircraft would overnight in Atlanta, so first flights of the day were early-morning departures to small towns (often with no passengers).

As the winter of 1979-80 began, Republic gave up hope of trying to fix the fleet's engines and put the aircraft up for sale. Convairs were stationed at Memphis and Atlanta at first by deadheading from the northern system, but from April 1980 a daily Omaha-Kansas City-Memphis bridge route allowed six (and a half) 580s to cover 82 departures.
December 1, 1980

Atlanta, probably 1981, via Jorge Barreras.
The Convair map was at its widest in December 1980, but those six-and-a-half airframes were only covering 77 daily departures. The Moultrie-Valdosta route went from an out-and-back arrangement to a loop, cutting flying time even further. Frequencies to Athens and Gadsden were only 2 per day; Jackson, MS was down to just 1 daily flight. From 1981 onward, stations like Tupelo, Greenwood, Anniston, and both Jacksons would be gradually cut.

As more stations were either cut or converted to jet service, and routes like Memphis-Meridian were cut, Convairs were gradually pulled back North, and by mid-1984 when Muscle Shoals, Tuscaloosa, and Albany, GA were cut, the 580s departed ATL and MEM for the last time, but just in time to see the new livery.

EXTRA --> visit our blog for the complete flight itinerary breakdown for the three maps featured in this article!

Photo Feature: Republic's transitional liveries
The North Central and Southern legacy color schemes were both timelessly classic: quick decal applications did the job to display the new corporate name until aircraft could cycle through the paint shop:

Famed aviation photographer Jon Proctor has graciously given the NWAHC access to his historic archive, and we can't wait to explore it with you! Here is Convair 580 N969N at Chicago O'Hare on June 30, 1980.
Another Jon Proctor shot at O’Hare from June 1980 showing ex-Eastern DC-9-14 N8906E taxiing in, with the “Southern” letters showing through the hastily-painted topcoat. There were no white Herman logos ever applied to the dark blue tailfin during transition (though it would have looked sharp!)

Bob Beach (via Airliners.net) posted this March 1982 shot of N963N at Detroit, still in its pre-merger North Central test stripes. One of the first set of DC-9-30s delivered to NC, it would proudly wear all the standard liveries up to the “Bowling Shoe” before retirement.

Aerolcarus’ catalog is a great tool for aviation researchers. In this shot from LaGuardia Airport in May 1982 (CC 2.0 license) we can see that two years into the merger, much repainting still needed to take place.
But there was no playbook for airline mergers in this new era - the last merger of any large carriers was the Delta + Northeast deal of 1972, and among regionals, the 1968 West Coast + Pacific + Bonanza combination into Air West disappointingly did not resolve any of its progenitors’ operational or market issues. Republic would have to improvise as it went along.

The strategy that Hal Carr and Bernard Sweet laid out for investors, the press, and staff was straightforward: use the northern and southern networks to concentrate traffic onto “bridge routes” between the systems that would capitalize on traditional north-south seasonal flows, then add links to key eastern and western markets to create a national carrier. Overhead costs would be lower as only one set of executives were needed, while line staffing could be maintained, as there was no system overlap and only a handful of common stations. A common fleet type in the DC-9, with standardized JT8D engines, would allow for supply and maintenance efficiencies, while common flight deck and galley configurations would allow efficient training and aircraft utilization. Longer stage lengths from the “bridge routes” would also increase utilization, and those routes would help reduce transfer payments to the major carriers for connecting passengers and freight that could now be carried end-to-end on Republic’s own metal.

In retrospect, North Central + Southern would be viewed as one of the least contentious mergers the industry would experience. But this was not immediately evident, and if one relied on coverage from just the New York Times and the Minneapolis Tribune, one might have gotten the impression the whole enterprise was about to fail. There were, in fact, three key issues Republic had to overcome in its first year:
1. While pilots at both North Central and Southern were represented by the ALPA (Air Line Pilots' Association), combining the seniority lists was anything but easy. Southern's pilots had gone on strike in 1960, seeking a raise and work rule changes. Per David H. Stringer, "ALPA threatened to shut down all air traffic in the Southeast if the company did not comply, but this was a hollow threat. Instead, Frank Hulse hired strike-breaking, non-union pilots until he had rebuilt the workforce. The striking pilots withdrew their demands, but Hulse refused to hire them back. The whole mess was not resolved until 1962, when the government stepped in and pressured Southern to take back the striking pilots." Southern pilots wanted those 28 months they were on strike to count toward seniority, but North Central pilots were not at all interested. This held up integration of the fleets and prevented "bridge routes" from quickly being established - see the maps above that describe the slow pace of Southern's flights north from Memphis and North Central's flight from Detroit to Atlanta. The pilots went to arbitration in January 1980 - but this should have been an avoidable situation.

2. Not enough due diligence was conducted on the Southern fleet. In addition to the Metroliner situation, FAA-mandated aft pressure bulkhead inspections on DC-9s (following an Air Canada accident) found cracks on every one of Southern's jets, while only two North Central jets had cracks. Affected planes were taken out of service for a week for repairs and new leases were sought to retire some of the older jets. This too delayed the "bridge route" strategy.

3. Republic's corporate culture was essentially that of North Central - 5 of 7 senior VP positions were held by NC executives. Per the Times, the defection rate of [Southern] middle-management was more than 50%. They quoted J.R. Price, SO VP-Properties, who did not join Republic: "North Central didn't make any strong overtures toward wooing us into the fold. It was a kind of cold and distant thing."

Yet, these issues also gave Republic the gift of time to allow both cultures to learn how to weave themselves together. Staff who were there shared these quotes:

**Suzanne Balzer:** One reason the two groups came together much easier than those yet to come, was neither side kept their corporate name. There was not the sense of need to "protect" what is "mine."

Mockup of the first employee newsletter, at the NWAHC Archive.

**Dean Kuhne:** I represented ground service personnel from Atlanta. The Southern team that was assembled to represent reservations and clerical were rookies at negotiating. We were outgunned by a team of seasoned negotiators from North Central from day one. It was intimidating. North Central was union we weren't. We had part time employees, NC did not. In ATL, at the time, we were working NC flights to DTW and MSP. We did not interact with them except during flight times. The Southern employees thought NC people were cold and not overly friendly. They had their rules; we had ours. During seniority negotiations the Southern team learned a lot and got an earful from our own group of employees. A lot of misinformation and rumors flowed out daily. I got phone calls at home very late at night asking questions and leveling threats. It was a firestorm, to put it mildly. I had to go from city to city on our system to put out fires.

It eventually all worked out. The Southern employees were satisfied to be included into the union family. NC employees became much friendlier and our non-union shop had to learn how the benefits and restrictions that belonging to a union would affect them.
Mary Ellen Quigley: I was a safety rep for DTW and went to a Joint Safety meeting with the Company in MSP. Prior to the meeting starting, Gloria McCullar, our Safety Chair, made sure the NC & SO FAs were all sitting beside each other, not on separate sides of the table. When management came in & saw us all sitting together, I wish you could have seen the looks on their faces. We all worked together from Day One and made some great strides.

Judith Buchanan Brant: I was part of the Reservations team in 79 that went down to ATL to assist with the transfer to NC’s Escort computer system. My memory was that Southern was glad we were not Delta. However we were from the North and culturally different. It took a little while but I feel, as a union person at the time, we learned to respect each other. It was difficult for Southern employees to move when offices closed. I already went through that (with the MIKE center closure) and understood. We loved the new management team as a result of Republic. The merger of all airlines created an acceptance of different cultures.

Jack Van Der Wege: While my new boss from Southern was expected to move to MSP, he never did. No other member of SO staff was merged into my small group in flight operations covering flight performance data for takeoff and landing charts.

John Pat McFarland: As always, the merger of the pilot seniority list was dicey and protracted. When they finally lowered the fence (allowed North Central pilots to fly Southern airplanes and vice versa, things began to settle down and I never experienced any animosity from any southern station personnel...everyone was pretty friendly. I was pretty junior back then and I had several Navy pilot friends who had been hired by Southern...we all got along well and didn’t really dwell on the seniority issues. All but one was hired after me but ended up senior to me...oh well! I’d agree also the name change helped everyone across the hump.

Diane Johnson: I was at a meeting when the merger was discussed with management answering as many questions as they could without a lot of success. I was so very proud of a female flight attendant standing up at that meeting and saying “How many of us really don’t like each other in this merger and is it really more of a company/employee problem and we really as flight attendants work together and have the same management problems? After that, the trips with merged crews were reciprocating in kindness towards each other, and we had more in common with each other than we thought. At that meeting, a lot of issues were resolved and I only wish more meetings later with other mergers would have resulted in the same feelings!

Greg Harris: As passenger service in DTW at that time I can recall no big problems. Shortly after the announcement myself and a couple of agents went over to the Southern counter (located in the then south terminal, NC was in the north terminal) and introduced ourselves as we didn’t have much interaction with them prior to the merger. We ended up picking up a couple of their gals and they were all a big help in jetway training. I can not recall any big problems between agents or management; one of their managers that stand out to me was Tom Harris (no relation), great guy. I am also thankful to still be in touch with many of them and to call them friends.

With a little bit of time to learn how to work together, and space for each side to keep its pre-existing work communities intact, the company was starting to gel into a unified team. Bigger challenges would lie ahead, but that’s a story for next year...
The Roach Coach
by JP DesCamp

During the 1979 merger combining both North Central and Southern Airways to form Republic Airlines, a number of regrettable and sometimes unforgettable operational occurrences happened. One persistent problem was roach infested DC-9’s. Those pesky bugs found comfy homes in the nooks and crannies of galleys, baggage compartments and worst of all, the insulation sheets between the aircraft skins and interiors. The company hired professional exterminators and placed numerous roach traps on the 9’s – but to no avail.

On one particular trip, I was the lead flight attendant working a trip aboard an ex-Eastern DC-9 Dash 10 from Miami to Panama City, Florida. This aircraft was stripped of all Eastern identity on the exterior, but still had the Eastern interior, first class cabin and double galleys. Apparently, it was forced into service due to immediate schedule expansion and equipment shortage. Our schedule called for a late afternoon departure out of MIA with a full, cold tray meal service for the one-hour and twenty-minute flight via Orlando. About 65 meals were stuffed into every non-standard compartment with no carriers. Our standard meal carriers wouldn’t fit in the Eastern galleys so there were trays stacked on top of more trays.

After a routine departure, my flying buddy, Al and I scurried feverously to distribute the meals and beverages. Al hand carried meals to the back and I began serving, starting at row one. In that era, the first row of seats had “plug-in” style trays that were stowed in a compartment just aft the forward galley. Seated in seat 1-B was a rather large, middle-aged lady. Prior to plugging her tray table into the arm rest, I noted the tray itself seemed to be delaminated from its frame … sort of uneven and lumpy looking. I thought nothing of it and plugged it in. Then, I placed her food tray on the ‘lumpy’ tray table and returned to the galley to gather more meals. A few seconds later I heard an ear shattering scream followed by her arms flailing and food flying everywhere. It seems that when I placed her food tray on that ‘lumpy’ tray table, she was swarmed by hundreds of cockroaches that resided INSIDE the tray table itself. The bad news; everyone freaked out – most of them experiencing panic attacks. The good news; the meal service was suspended on this very short flight. Damage control was instituted which consisted of Al and me stomping on the floor to kill as many cockroaches as possible. The roaches eventually scurried to the safety of the aforementioned nooks and crannies – and that was it. Upon arrival at PKN, the aircraft was grounded and the return flight cancelled. The captain was furious and demanded the station manager call an exterminator immediately. We spent the night there and deadheaded home the following morning.

After that affair, the company truly doubled their effort at exterminating roaches which seemed to breed aboard every DC-9 that spent most their time overnighting at stations south of the Mason-Dixon line. Those muggy and moist over-nights were perfect for cockroach incubation. In spite of herculean efforts to banish those disgusting creatures, they continued to breed like crazy. Nothing worked it seemed. Nothing … until one roach infested ex-Southern DC-9-10 got out of rotation and ended up in Detroit. One particular evening, I signed in for my trip – a late evening departure called an “illegal” for a short overnight, way up north in Sault Saint Marie, (CIU) Michigan. Illegals, as we called them were short, continuous duty trips that departed late in the evening and returned first thing in the morning. Normally, we would be assigned a North Central DC-9-30, but were told by local crew scheduling that all our trips to CIU will be on ex-Southern or ex-Eastern aircraft until further notice. Why? Let me answer with just one word: January. Those damn cockroaches could survive a nuclear attack, BUT they couldn’t survive an overnight in Sault Ste Marie, Michigan in January! The APU was shut down, no interior heat was applied and the aircraft batteries removed. Temperatures would often fall to minus 20 degrees Fahrenheit – and THAT dear reader, did them in. So, the company cancelled most Orkin contracts and began cycling all roach infested aircraft to the northern most stations for overnights. In addition to Sault Ste Marie; Pellston and Marquette, Michigan were the company’s favorite roach-killing overnights. Hence, problem resolved with little or no additional expense. An appreciative nod to Mother Nature from all of us at Republic Airlines was in order. Alas, no more Roach Coaches!
Northwest Airlines History Center, Inc.
Archives and Administration Office
10100 Flying Cloud Dr., Suite A-306
Eden Prairie, MN 55347

Be sure to bring a big enough airplane.

The 2019 Twin Cities Aviation Collectible Sale & Get-Together. Saturday, October 12, 9 am - 4 pm.

At the Best Western Plus Hotel in Bloomington, MN, directly across from the Mall of America. Complimentary shuttle from MSP Airport. Admission of $5 (children under 12 free) supports the NWAHC.

Hotel reservations: (952) 854-8200   Table space: (612) 386-5080 or bill@airlineposters.com