

Flight Times



Service Makes a Major Difference

Regional airlines are the fastest-growing segment in commercial aviation. Every day, regional airlines fly 150,000 passengers on 12,500 flights to 780 destinations. This year nearly 60 million passengers will fly with regional airlines. But few travelers realize what a major role regional airlines have in today's air transportation network.

In focus group studies, researchers asked travelers and travel professionals what they knew about regional airlines. The answer was a unanimous "not much." But these groups are not merely uninformed, they are misinformed. What travelers think they know about our industry is wrong—based on misconceptions drawn from the media and other sources.

This article is the third installment in a four-part series from the PLANE SENSE:

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Winter Operations

The leaves are changing and there is a nip in the air which is a clear sign that Mesaba will begin winter operations before too long. A lot of planning and work goes into the development of a winter operations plan. This year Mesaba Airlines has a lot of issues to deal with including more aircraft, larger aircraft, a larger hub operation and the first winter of RJ85 jet operations. All of these factors were considered when the winter operations plan was developed by the Customer Service and Flight Operations Department.

This year's plan called for significant capital expenditures to support the increased operation. Mesaba Airlines invested in additional deicers for Detroit raising the total complement to three Simon Deicers and three Stinar Deicing units. An increase of one Simon unit is valued at \$170,000. In Minneapolis the plan called for increased capabilities including four Simon Deicers, an increase of three Simon trucks valued at \$510,000. Additionally the airline upgraded eight outstations' deicing equipment valued at \$120,000. The stations receiving upgraded equipment include RHI, STC, PIR, PIA, RFD, ALO, EAU, and ATY. The airline also purchased a new unit to support the Aspen operation, a \$70,000 investment.

The winter operations plan will continue the "Clean Aircraft Concept" which calls for a tactical visual check and inspection of the entire aircraft to determine that all critical surface areas are free of contaminants and deiced as necessary if any portion of the aircraft is

deiced. The airline is also standardizing experience requirements for deicing personnel. The minimum experience level for deicing/anti-icing trainers is two years of documented deicing/anti-icing experience. Designated deicing coordinators will be scheduled at each station whenever conditions warrant. The deicing coordinator must ensure that Mesaba's FAA approved ground deicing/anti-icing program has been distributed to and implemented by all local personnel. They will also be required to provide general oversight and quality control of the deicing/anti-icing process of Mesaba aircraft during each event.

At both the Detroit and Minneapolis hubs the airline will increase the usage of remote deicing locations which will reduce vehicle traffic around aircraft and damage exposure, shorten taxi time to runway after fluid application, allow for better schedule planning based on deicing capability and free up available parking spots for subsequent arriving flights.

The customer service department is exploring future deicing enhancements such as the application of Type IV fluid on the Avro RJ85, replacing touch tactile tests with use of graphite rods (which will enhance separation of equipment and aircraft). Additionally the airline is exploring fluid recovery and re-use of re-captured fluid, as well as some high tech programs that include the use of Infra-red visual units. The winter operations plan is an integral part of the continued successful Mesaba operation during our demanding winter months.

Most Modern Planes In The Sky

While regional aircraft vary in size with seating for 19 to 70 passengers—our aircraft are as “big” on technology and performance as any jumbo jet. Whether turboprop or turbojet, the vast majority of our aircraft are powered by jet technology. In fact, our airplanes are among the most modern aircraft in the sky.

One look at the propellers on regional turboprops tells a lot of travelers that our planes are outdated and unsafe. The “propeller” myth is deeply ingrained in the public’s perception of regional airlines. It is a false belief that damages the industry’s image. As an employee for a regional airline, you can help debunk the myth with the truth.

The truth is, our safety record matches that of the major airlines. The engines on our turboprop aircraft are jet engines. And, overall, our modern fleet is seven years younger than the fleets of the major airlines.

This final article in the four-part series from the PLANE SENSE: *Regional Airlines Assurance Campaign* provides information you can use to enhance the image of regional airlines. PLANE SENSE is a communications program developed by the Regional Airline Association to help you share the facts about our industry with passengers, travel professionals and others.

State-of-the-Art Technology

The new generation of turbo propeller and jet aircraft are the most technically advanced, safest and comfortable aircraft ever built.

The Federal Aviation Administration requires all commercial aircraft to be equipped with safety equipment. If you compared the equipment on regional aircraft with the safety systems used by the major airlines, you would find the same technology at work. This equipment includes Ground Proximity Warning Systems (GPWS), Traffic Alert and Collision Avoidance Systems (TCAS), weather radar and in-flight de-icing equipment.

The Ground Proximity Warning



System assists the pilot during all phases of flight, particularly during the descent and approach to an airport. GPWS continuously analyzes a number of factors to avoid any potential problem. If danger is identified, the system activates a warning to alert the pilot to the situation and may indicate corrective action.

The Traffic Alert and Collision Avoidance System (TCAS) senses and alerts the pilot to the flight path of any aircraft that could pose a traffic conflict. And all aircraft, whether equipped with seats for ten or 500 passengers, must have weather radar to provide information to the pilots so that severe weather can be avoided.

On-Board Comfort

While travelers appreciate regional airlines’ frequent flights to hundreds of destinations—they often expect trade-offs in comfort. That expectation may have held some truth 20 years ago, but today it is no longer valid.

Today’s regional aircraft offer many of the same cabin amenities as larger jets including lavatories, overhead bins, in-flight service, reduced noise and stand-up headroom. For passenger safety and comfort, flight attendants are assigned to flights on aircraft with

seating for 20 or more passengers.

These days, regional airlines are on a par with the major airlines in nearly every way—including advanced technology, safety and comfort. Our success in meeting travelers’ needs has made the regional airline industry the fastest-growing segment in commercial aviation. The reality is that regional airlines are a vital, reliable part of the nation’s air transportation network. By sharing these facts, you will be helping ensure that our image reflects the reality.

The Power Behind Our Propellers: Jet Engines

- Some people mistakenly believe our aircraft are less sophisticated than jetliners. In fact, jet engines power every plane in our fleet.
- Depending on the type of aircraft, our jet engines power a propeller you can see (turboprop) or a fan you cannot see (turbofan).
- For regional airlines, turboprops provide a real advantage: they are more efficient for flying shorter distances. By comparison, larger jets are better suited for long-distance flights.

Customer Care

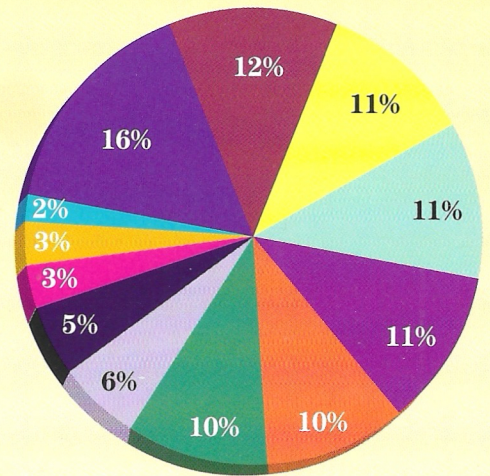
Mesaba Airlines customer relations department operates under the name "Customer Care Department." This designation is quite appropriate since this small department of two responds to the service failures that occur. The Customer Care department is staffed by Jon Wentzel and Adam Wilenstky each of who handle approximately 100 complaints a month. The department investigates each complaint to confirm what actually happened and help determine the cause of the complaint. Once this is completed the Customer Care representatives work with the passenger to resolve the issue. This can be in the form of a Travel Credit Voucher (TCV), payment of out of pocket expenses, as well other various forms of consideration. Some of the time, passengers just want to voice their displeasure and John and Adam lend an empathetic ear.

Mesaba Airlines continues to improve its operation in every way; this evidenced by the continued drop in complaints per 10,000 passengers boarded. The Customer Care department worked with the MIS department to develop a new computer program that allows the customer care representative to input specific information on the passenger's

claim during the phone call instead of taking notes and then transferring them to a computer. This helps passengers feel like someone is taking control of the problem and that they care about the service failure they experienced. The response time for complaints has dropped sharply in the last three months; currently the department is responding within seven days from the time the complaint occurs. The quick response of the department helps reduce the frustration of the passenger and generally lowers the cost of the claim.

The new system also allows the department to generate useful reports for department heads to review and focus their staff at correcting potential problem areas. Here are charts that offer useful insight in areas where further improvement is needed. The pie chart at right displays complaints by type and breaks down the type of complaint into 12 types. Additional tracking is done for each of our hubs. In the coming months the Customer Care department will be working with the two hub managers and the training department to develop ways to reduce complaints further. This will include visits to each of the hubs and viewing daily operations.

Complaints by Type

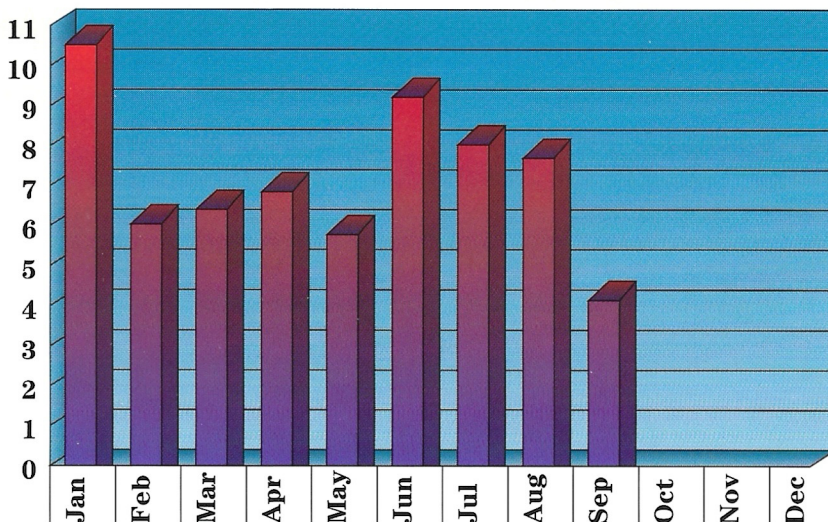


- Other
- Mechanical
- Delay in Delivery
- Weather
- Customer Service
- Baggage Damage
- Misconnection
- Crew Scheduling
- Oversold-Overgross
- Injury
- Inflight
- 10 Minute Rule

Recently the airline was visited by a U.S. Department of Transportation representative in the Consumer Protection Division. The representative conducted an audit of our operation and how we handle customer complaints. The visit was planned for four days, however, he left after just one day, thoroughly impressed by our customer care program. Additionally, he stated that the division had received less than five complaints in a one-month period which did not allow us to even show up on their charts. This confirms that we are running a better airline, but there is still room to improve. The airline is still below goal in some of our performance criteria. The graph at left shows the calendar year-to-date numbers through September 1997.

Mesaba Airlines Customer Care department plays an important role in the overall product we offer our customers by resolving issues that arise when we as an airline do not live up to our passengers' expectations.

**Mesaba Airlines
Complaints Per 10K Boarded—1997**



Another **Comic** Christmas

Mesaba Airlines will continue a tradition it started last year at the company Christmas party on Saturday December 13, 1997 at the Marriott City Center in downtown Minneapolis. Last years event was an unqualified success with over 400 associates joining in the fun, food and dancing. As in the past the airline is rotating the Christmas party between hubs, and this party is sure to be larger and as memorable as last years. The festivities will begin at 6:30pm with hors d'oeuvres and complimentary beer & wine. Of course there will be soft drinks and a cash bar as well. The menu will feature food stations offering a variety of delectable foods.

Last year, Christmas Party attendees were treated to some great comedy when Jeff Altman took the stage and this year, associates can expect to laugh when Jay Johnson takes the stage. Jay Johnson is recognized as one of the best ventriloquists in the world, however, most people recognize Jay from his sidekick. In fact, Jay is asked frequently Where's Bob? As he travels through airports or just walking down the street. It is an obvious question to the millions of people who know Jay from television. In the four years Jay played the schizophrenic role of "Chuck and Bob" on the classic television comedy Soap, Jay was seen without Bob no more than two minutes. After 30 years of performing and perfecting his

talents, Jay Johnson has truly become a one man duet.

Jay started performing at 11 years old when he discovered his natural ability to make a cousin's doll come to life and began a career using his imagination. His acute dyslexia disappeared in this world of imagery where he was able to find self-esteem and compete. In high school he produced and starred in his own local television show sponsored by a car dealership. This led to summers performing in theme park shows at Six Flags over Texas, Six Flags over Georgia and Astroworld. In the mid 70's Jay moved to Los Angeles to pursue his ideas for television. To

date he has done over 30 national commercials, hosted three comedy specials, produced and performed in two network television specials, two HBO specials, hundreds of guest appearances on variety shows and starred in four television series (Soap was in production for four years and still runs in syndication all over the world).

However, nothing he has done on television can compare to the thrill of seeing Jay perform live as thousands of comedy club audiences will tell you. His particular talents are best suited for live and spontaneous interchanges. His quick wit and unbelievable technique are pure

magic when witnessed first hand.

Jay's performance is sure to be a memorable one and get everyone rolling in the aisle.

After Jay's performance, Miguel the same DJ that entertained at last years party as well as at the Spectrum Awards banquet will be playing great dance music well into the night.

Mesaba has secured a great rate at the Marriott City Center (\$59 a night) for associates and their spouses. Don't miss a party that will be unforgettable. Be sure to make hotel reservations by calling the Marriott City Center at 612-349-4000. **Get your tickets early since this party could be a sellout.**

Tickets are only \$15 per person or \$30 a couple. See you there!



Service Makes a Major Difference

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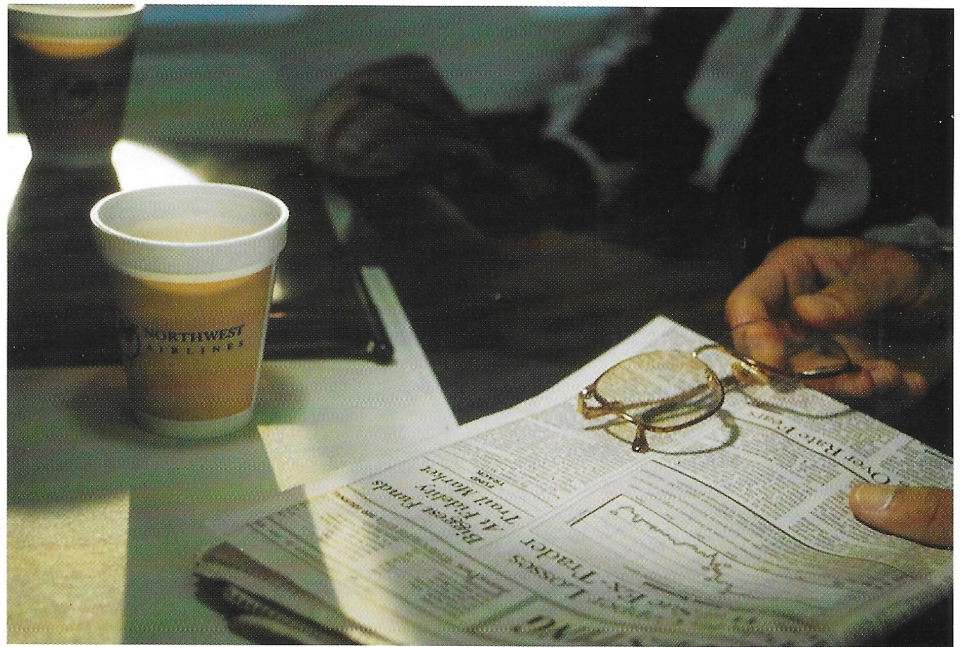
Regional Airlines Assurance Campaign. This information, provided by the Regional Airline Association, can help employees enhance the image of regional airlines. In fact, it is information that you specifically requested.

In focus group discussions with employees, your colleagues made it clear: you need the facts to answer questions and concerns. And as the personal link to our passengers—you are the best messenger to pass along the facts about our industry.

Big on Service

Collectively, regional airlines offer more flights than the four largest major airlines. Not only are regional airlines becoming major players in air transportation, the industry's growth is outpacing every other segment. Today, 125 regional airlines—including 30 in Alaska—provide scheduled service throughout North America.

More than 65% of our passengers are business travelers. Regional airlines are expanding business options by making the business world smaller. We provide connections to communities and mid-sized markets where it is economically impossible for the major airlines to serve. Our advantage comes from having the flexibility to match seat capacity to demand. As a result, regional aircraft can efficiently fly frequent flights to more destinations—saving business travelers the time and expense of traveling by car, bus or train. Regional airlines fly to more than 780 destinations in the United States, Canada, the Bahamas and the Caribbean. Of those destinations, two-thirds rely on regional airlines exclusively for air service. Regional airline service spans from outlying areas to major hubs. At large airports such as Los Angeles, Boston, Dallas/Ft. Worth, New York's Kennedy, Atlanta, St. Louis and Minneapolis/St. Paul regional airlines represent between 35 to 50 percent of all commercial flights.



Convenience of Code-Sharing

Travelers booked through major airlines with connections to regional flights account for most of regional airlines' ticket sales. Ninety-five percent of regional airline passengers—whether traveling on business or pleasure—travel on flights coordinated with major airline schedules.

Many regional airlines partner with major airlines in code-sharing alliances to offer travelers the convenience of coordinated service. Over forty regional airlines list their flights in computer reservation systems (CRS) through code-sharing agreements. These regional airlines use a two-letter designator code that makes available one-stop ticketing and check-in as well as passenger participation in most frequent flyer programs.

Bigger and Better

Over the shorter distance that regionals fly, en route times for turboprop aircraft are comparable to

large commercial jets. Most regional flights cover distances of 350 miles or less. But with growing demand for regional airline service, our routes are getting longer—and our planes are getting larger and faster.

Today, most regional passengers fly on aircraft with seating for 20 or more passengers. Over the next five years, as demand continues to increase, larger aircraft with seating for 30 to 50 passengers will become the workhorses of the regional airline fleet. Larger aircraft with seating for 70 passengers also will become more common.

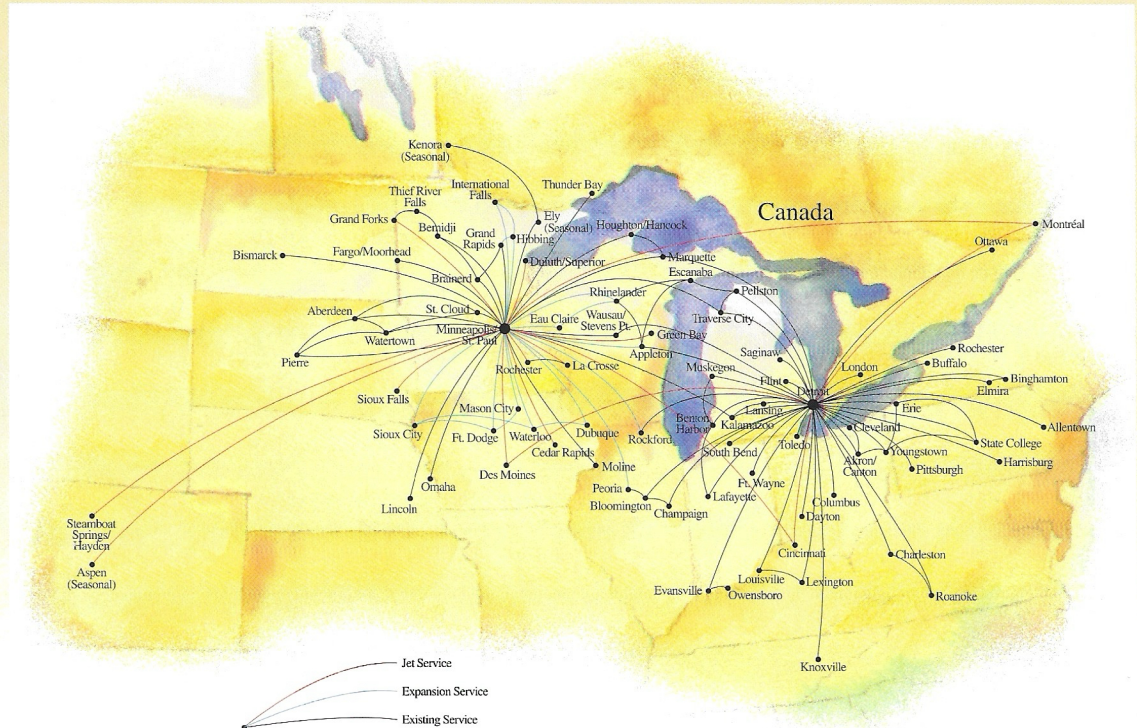
However, even with larger planes being added to the fleet, regional airlines will continue to maintain a fleet with various sizes of aircraft to meet the wide-ranging travel needs of our passengers. Making air transportation easily accessible to travelers, regardless of where they are, is the service that sets regional airlines apart—and it is what we do best. After all, today's regional airlines are taking flight everywhere our passengers want to go.

Continued Growth for Mesaba

Mesaba Airlines is continuing record growth with the ongoing delivery of Saab 340 aircraft as well as Avro RJ85 jet deliveries. The airline's route structure has stretched considerably since August of 1995. The airline has added over 20 cities and stretched its route structure east to Montreal, Canada, and west to Steamboat Springs, Colorado. In August 1995 the airline's average stage length was 218 miles, in December of 1997 the airline's average stage length for the RJ85's will be over 360 miles. The addition of the RJ has allowed us to expand our route structure beyond the capabilities of the turbo-prop operation. However, our Saab 340 fleet still generates the

bulk of the revenue for the airline. By December 1998 the airline will operate 72 Saab 340's, making Mesaba

the second largest Saab operator in the world behind American Eagles combined operation.



Mesaba and Northwest Ink 10-Year Airlink Agreement

Mesaba Airlines and Northwest Airlines recently signed a ten year agreement which calls for Mesaba to operate as a Northwest Airlink affiliate. The contract carries a ten year term with an early termination provision by

either carrier. The agreement continues the same revenue methodology as the prior agreement, whereby Northwest Airlines purchases the ASM's Mesaba produces at a pre-determined rate. Additionally the airline will continue to receive a per passenger enplanement fee.

The new contract varies from the previous agreement in that there will be specific performance requirements that Mesaba will have to operate to. These include completion factor, minimum On-Time reliability, mishandled luggage, and customer complaints. If Mesaba falls below a pre-determined operating goal in each of these performance areas, Mesaba will be assessed financial penalties. Conversely, if Mesaba operates above a pre-determined goal than Mesaba

will be entitled to bonus payments for each of these performance areas.

Another area of the contract that has changed and that will be of great interest to the associate group is the new non-revenue pass agreement. The new agreement offers many improved benefits to Mesaba associates and their families, including lower prices and parental benefits, and should be in place soon.

This agreement forms the basis of our relationship with Northwest. As always we need to continue to work in concert with our partner to offer the best product possible. Continued improvement in communication and cooperation will ensure continued growth in this very productive and profitable relationship.

Flight Times Editor-in-Chief: Warren Wilkinson. For article ideas, contact Warren at 612-725-4915.

Mesaba web address: www.mesaba.com

Confidential Safety Hotline: 1-800-777-6013, ext. 810