



January 3, 1984

2002 AIRPORT ROAD
GRAND RAPIDS, MN 55744

218/326-6657

TO: ALL FELLOW EMPLOYEES
FROM: ROBERT D. SWENSON
PRESIDENT & CHIEF EXECUTIVE OFFICER

HAPPY NEW YEAR TO YOU!

Since my last newsletter we have all been very busy with the Holidays, with new startups and record temperature levels since the 1890's. It's hard on all of us when the temperatures dip as cold as they did for that period of time.

We took quick action to accommodate our aircraft left in cold storage or outside a few weeks ago and continual work is being done to make us one of the best cold weather operators in the States. Engine heaters, engine covers, cabin heaters, hangars and warm clothing are all necessary in these efforts. For those of you working outside needing additional clothing, please contact the Uniform Department for availability of cold weather clothing. From the comments I've heard, our station people that use our cold weather clothing think highly of it.

Although our on-time reliability record for December is probably not going to be used as an example for future work, I want you to know that under the circumstances, we did a good job. With flights out of Chicago, Texas and the country backed up as much as six hours on a normal basis, our backlog of one to three hours at times was admirable at -35° . Since the weather has moderated somewhat, our schedule has resumed normal on-time reliability. We must continue now maintaining our normal record of reliability and performance.

I want to touch briefly once again upon our need to fly and operate year around, including holiday periods. First of all, it is standard procedure for all airlines throughout the country, second of all, some of the holiday traffic levels can be excellent and third, although we do back off of some service on certain holidays, I catch alot of pressure. During the past three weeks, I have defended our service reductions on certain holidays to one mayor, a U.S. Senator, one state Senator, an airport manager or two, the Civil Aeronautics Board in Washington and one of their offices in Texas. We're doing the best we can, but when it comes to operating a schedule during holiday periods, we must all understand that it goes with the airline industry. Since most all of us worked at some time or other during the recent Holidays, I want you to know it's appreciated.

We are currently conducting 6-month evaluations during this period of time for many of our employee groups, if you have any questions, please contact your supervisor of myself.

Also, based upon constructive comments received, scheduling is working upon the additional ground time necessary for the Fort Dodge stop and a change will be forthcoming.

We have had some problems with ground transportation from Burlington Northern in Minneapolis to the terminal and have met with their personnel and discussed constructive changes. I understand that we will now be coordinating a schedule with Burlington Northern and also begin to utilize our van at the gate. Please contact

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Rich Lawrence in Minneapolis with any suggestions or questions and help us coordinate the use of these services. Additionally, in Minneapolis, we are constantly working upon quicker hangar service for aircraft movements from Burlington Northern and are constantly trying to get better terminal and ramp space.

As you probably know, we incurred some aircraft elevator damage last week at Gate 73 when one of the parked 99's was being loaded without a tail stand on it. Corrective action has been taken and is being followed up on to prevent this type of problem from occurring in the future. One of the difficulties we must continually work with is space and lighting problems on the ramp at Minneapolis, especially during winter time operations. This week I will be writing the Metropolitan Airport Commission requesting lighting in front of the Western hangar. Additionally, once the cold winter time operations hit, we have had some employees quit with no notice and this makes it tough for everyone involved, at -35° , we quickly find out who our veteran employees are.

On January 4th, we are beginning low K fares in the Mankato, Fairmont and Worthington markets, the fares are \$30.00, \$39.00 and \$48.00 respectively. These fares will be capacity controlled and are an effort on our part to stimulate additional traffic.

We are anticipating an open house in the City of Pierre within 60 days, now that we are serving the city on a reliable basis. From conversations with the Mayor and the Chamber, all is well and they want to work with us in promoting the service there with an open house. We are looking forward to doing just that!

Just as huge amounts of time were spent by Dave, Phil and I prior to our going public last Spring, so is the time being spent on aircraft and operator analysis for our larger equipment program. Although it may not be noticeable at times, hundreds of hours have been spent and a great many trips requiring detailed analysis have been made by several of us, principally Duane Lundgren and Philip Swenson.

We have received an extension of time on our de Havilland contract to January 31, 1984 and are nearing a completion on our larger equipment selection and timetable. Investing such large amounts of our shareholders' money requires the detailed research and analysis that we are doing. I am excited about this project and will let you know when such commitments and timetables are established.

We had some excellent turnouts for the Christmas parties and a great time, that is, with certain disclaimers for the jokes and people with too much deicer fluids.

At the Christmas party in Grand Rapids we presented the founder of Mesaba Aviation, Inc., Gordie Newstrom, with a very nice plaque which read,

"In appreciation for your contribution
to the growth of aviation
through the development of Mesaba Aviation
and the Grand Rapids Itasca County Airport."



Gordie founded Mesaba in 1944 and pioneered alot of aviation in Northern Minnesota. In 1971, he sold his interest in Mesaba to, Halvorson's of Duluth, the world's largest Christmas tree company and he continued to manage the company for them for a few years. He has been the Airport Manager in Grand Rapids for many years and was instrumental in the Grand Rapids Airport Development Project. Although the company has changed corporate identities over the years, as our company enters into its 40th year of providing flight transportation services under the name Mesaba, it's great to know that Gordie has always given us his support. It was, in fact, while in Devils Lake as a guest speaker for the Rotary this past year, that he discussed Mesaba with members of the community and played a part in the beginning of that route award.

Well, passengerwise, we set individual station records and an overall boarding record on the system in December. Unofficially, we carried 6,626 passengers in the month and I know we set some station records. In Huron, for instance, Jackie Dubois, Duane Fay and Debra Peck set boarding records by flight, by week and for the month. There are other records to report and they will be reported as the figures are finalized. December's boardings are great to have after the weather problems which affected passenger boardings in November.

We're off to a New Year, one that will be busy, productive and offer some exciting challenges and changes.

It takes all of us working together to beat the competition, let's do it!

Best regards,

Robert D. Swenson
President & Chief Executive Officer