



# On The Move

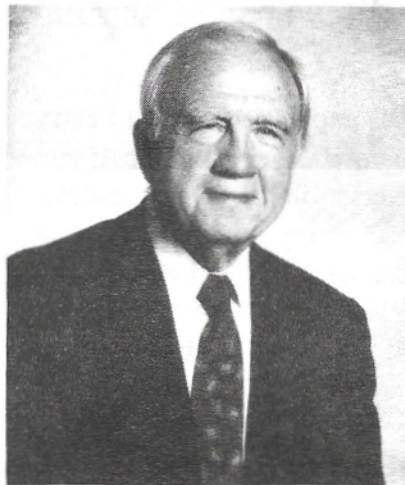
A Publication produced especially  
for employees and friends of  
Mesaba Aviation, Inc.

November, 1993 Issue  
Volume 6, No. 5

Schedule Reduction Questions & Answers	Celebrity Spotted in Lexington	System Performance	Employee Information "20/20" (Recap)	Overcoming the Urge to Splurge	Customer Letters	Holiday News (Recap)
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## TWINS OWNER INVESTS IN COMPANY

Carl R. Pohlad, a Minneapolis banker and investor, has recently purchased nearly 1.4 million (14%) of AirTran's outstanding common stock at a value of \$7.25 per share, or approximately \$10 million. The transaction was announced in late September and closed on October 18. Among his many investments, Mr. Pohlad is the owner of the Minnesota Twins franchise.



In a letter to shareholders regarding the transaction, Rob Swenson said that AirTran's board of directors felt the transaction will significantly benefit AirTran and Mesaba. He said "We (AirTran) will be in a better position to grow if our base of equity capital is adequate. We have tried to maintain substantial liquidity for two primary reasons: 1) to see us through difficult times, and 2) to give the company flexibility if and when favorable acquisition or territorial expansion opportunities present themselves."

The stock that Mr. Pohlad purchased is considered "restricted" stock and it cannot be sold into the public market for at least eighteen months, without further restriction by Airtran.

Mr. Pohlad has had many years of airline experience, most recently serving as Chairman of the Board of Directors of Continental Airlines. Rob Swenson said, "His knowledge of, reputation and contacts in the airline industry will benefit AirTran."

## SEPTEMBER TRAFFIC

Mesaba reported flying 25.3 million revenue passenger miles (RPMs) in September, a 7% increase from 23.6 million in the same month last year (one RPM equals one passenger flown one mile). Mesaba carried 123,000 passengers during the current month, compared to 112,000 in September 1992.

Mesaba's passenger load factor this September was 45.1%, down from 50.9% in the same month a year ago. Last year's high load factor partly resulted from the industry's half-priced ticket promotions. This September's traffic continued to be affected by the economy and the impact of this summer's delayed revenue payments from Northwest Airlines.

*Traffic...continued  
on page 8*

# POINT OF INTEREST

## RECENT SCHEDULE REDUCTIONS RESULT FROM LOWER THAN EXPECTED TRAFFIC

*In a series of recent schedule changes taking place in November and December, Mesaba has realigned its schedule systemwide. Philip Swenson, Sr. Vice President of Marketing/Planning explains the company's plans.*

**Question: In November and December, Mesaba has initiated a rather substantial schedule change. How many changes are being made, and why?**

**Answer:** It's no secret that traffic has not been as strong for us as we had planned over the summer months. During the past three months, even though we had 20% more seats on our system compared to 1992, the number of passengers we carried was only up slightly. That had the effect of lowering our load factor to 46.8% from 59.6% last year, having a major impact on our financial results for the second quarter (it should be noted that last summer's load factor was unusually high due to the 2 for 1 ticket sale). Our earnings this summer, compared to last summer were down significantly-- putting pressure on us to perform well during our typically slower winter months.

So, in an effort to increase our load factor, we analyzed our overall schedule and realigned capacity from markets where we felt there has been and would



continue to be unused capacity in the coming winter months.

**Q: How will the new schedule affect our traffic?**

**A:** We expect to be able to carry as many passengers in most markets as in prior years, but do so with fewer empty seats on our flights.

**Q: Hasn't part of the problem been that some promotional fares have not been available in Mesaba cities?**

**A:** To some degree, yes. During recent discount promotions, some of Mesaba's cities have not been provided with discounted fares compared to those offered on Northwest's system. We disagree with Northwest's change in policy and discussions with Northwest are underway regarding this issue. In the most recent fall promotion, most of our cities were included in the discounted program.

**Q: It appears that some cities are not as affected by the new scheduling as others. How are aircraft allocated to specific cities?**

**A:** Our new schedule may seem peculiar at first glance since some of our traditional cities are receiving all Metro service and some newer cities will receive new or additional Dash 8 aircraft service. In some of our new Detroit markets, where Northwest and Mesaba believe additional traffic can be generated through Detroit, we are adding Dash 8 service. We have gone through a market-by-market analysis to determine the type of aircraft and the frequency which should be operated. In every single case, we will be closely watching passenger loads so that extra capacity can be added when necessary.

**Q: So some cities that have had larger aircraft will receive all Metro aircraft?**

**A:** Yes. Cities like Brainerd, Bemidji, Muskegon, Toledo and Akron will actually now be served with all Metros. That isn't all bad, however. In Bemidji and Brainerd's case, we have added additional frequencies and more non-stop service so that we think traffic could actually be stimulated. Again, we believe that many of these changes are

*See Schedule...  
page 3*

## WHAT A DAY-O IN LEXINGTON

Lexington had the privilege of serving Harry Bellefonte and his staff when leaving Lexington, Kentucky in September after a sell out concert at the University of Kentucky. Dixie Curruthers, Manager of the Lexington Station, is shown with Mr. Bellefonte as he boarded the Mesaba Flight #3387 for Detroit. He was traveling to Paris, France for a concert. Three other staff members were also on the Mesaba flight out of Lexington.



*Thanks to Ken in Lexington for providing us with the article and picture.*

## MESABA GOES TO WASHINGTON D.C.

(Recap article)

Effective November 1, Mesaba will inaugurate service to the nation's Capital. Flying from Detroit, our airline will operate one daily round-trip Dash 8 flight to Washington Dulle Airport. Mesaba's service will complement four daily jet flights operated by Northwest. In addition to being the 49th airport served by Mesaba, Washington D.C. represents the eastern most point on our route map.

### Mesaba Serves Six Other State Capitals.

- \*Pierre, SD
- \*St. Paul, MN
- \*Des Moines, IA
- \*Lincoln, NE
- \*Lansing, MI
- \*Columbus, OH

*Schedule... continued from page 2*

interim changes. Our capacity will be increased next summer when our peak traffic season begins.

**Q: How have the new schedules been received by the local communities?**

**A:** Our station personnel have done a great job in providing feedback about the new schedules and we encourage them to continue doing so. Although we will not be able to make every change that our stations want, their candid feedback is important. Jeff Jones, Director of Market Planning, is working hard to ensure that necessary capacity changes are made as traffic demands. In addition, our sales and community relations team is meeting with local city officials

to ensure that our new schedule is understood.

**Q: Will Mesaba begin service to any new cities soon?**

**A:** We will be re-entering South Bend, Indiana on December 1. Other than that, I don't honestly know. Since we have additional Dash 8 capacity in our system, we expect that Northwest may ask us to add service to some of their markets or consider new markets. Many times that decision is made as Northwest looks at their own system. We believe that we will add service to some new cities in 1994.

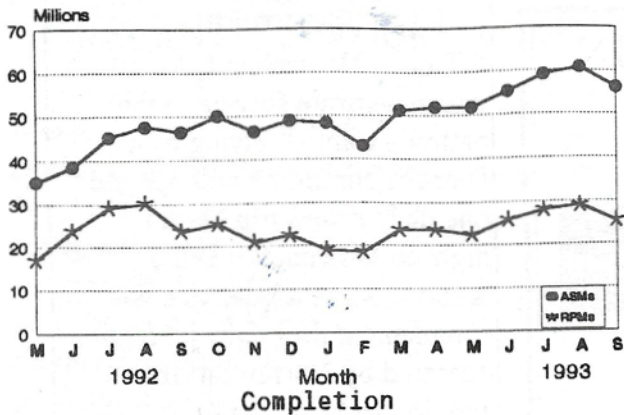
**Q: Early this year, Mesaba submitted a bid for the South Dakota Essential Air Service route which includes Huron,**

**Brookings and Mitchell. What is the status of that bid?**

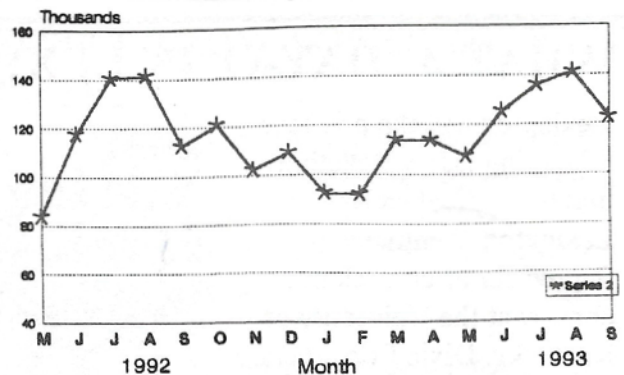
**A:** With our recent schedule change, we have withdrawn our bid to serve those communities. We did have an interest in resuming service to the South Dakota route system; however, we have decided that now is not the right time to be pursuing that service with all of the other changes we are making.

# System Performance

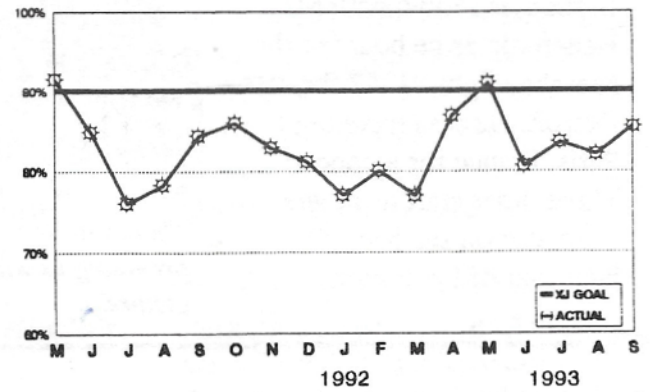
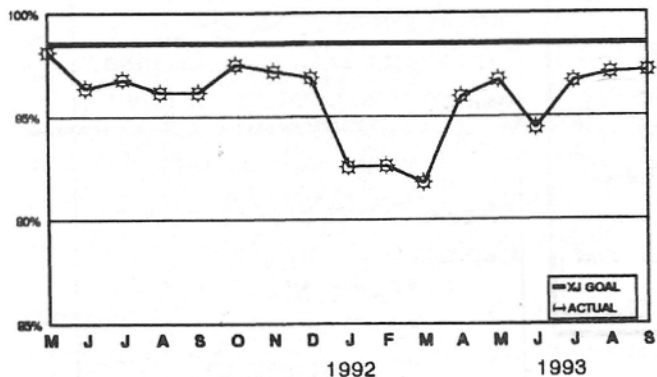
ASM / RPM



Passenger Enplanements



On Time Performance



Excludes Weather & ATC. Goal is 98.5%.

Excludes Weather & ATC. Goal is 90%.

AirTran Corporation, parent company of Mesaba reported earnings of \$978,000 or 12 cents per share for the quarter ended September 30, 1993 compared to net income of \$3,808,000 or 41 cents per share for the same quarter last year.

Earnings for the six months ended September 30, 1993 were \$2,136,000 or 25 cents per share, compared to \$5,042,000 or 55 cents per share for the same period one year ago.

Mesaba said the reduction in earnings for the quarter reflects lower than anticipated traffic demand along with increased fleet capacity. The Company said capacity will be reduced in the second half of fiscal 1994 due to the ongoing phase-out of Mesaba's fleet of 48-seat Fokker F27's. Reduction of overall capacity along with improvements in the Company's cost structure will contribute to AirTran's profitability for the full year, the company reported.

Financial Summary	3 Months Ended September 30		6 Months Ended September 30	
	1993	1992	1993	1992
Operating revenues	\$33,046	\$34,746	\$65,166	\$61,152
Operating income	1,797	6,977	3,899	9,292
Net income	978	3,808	2,136	5,042
Net income per share				
primary	\$ .12	\$ .42	\$ .25	\$ .55
fully diluted	.12	.41	.25	.55
Weighted average				
primary	8,412	9,148	8,455	9,101
fully diluted	8,412	9,249	8,455	9,151
<b>Operating Statistics</b>				
Revenue passengers carried	399,677	394,515	745,790	676,243
Available seat miles (000)	175,926	139,365	335,054	248,117
Revenue passenger miles (000)	82,300	83,006	154,215	139,977
Load factor	46.8%	59.6%	46.0%	56.4%
Yield per revenue passenger mile	\$ .402	\$ .414	\$ .417	\$ .432
Operating costs per available seat mile	\$ .177	\$ .199	\$ .182	\$ .208

# EMPLOYEE INFORMATION

## Congratulations to the following Mesaba employees

### New Hires:

September, 1993

Joanne Johnoff.....FA MSP  
Linda Ruzowski.....FA MSP  
Jacquelyn DeWalt.....FA MSP  
Tara Johnson.....FA MSP  
Lisa Kochanski.....FA MSP

and October, 1993

Scott Shields.....CSA LAF  
(temporary)

### Birth Announcements:

**Richard Anderson** and his wife on the birth of their daughter Kacie.

**Lonnie Crabtree** and his wife on the birth of their son Jason.

**Lowell Henry Jr.** and his wife on the birth of their son Lowell III.

**Stuart Moyer** and his wife on the birth of their son Adam.

**Mark Sullivan** and his wife on the birth of their daughter Marlee.

**Karim Barrada** and his wife on the birth of their son Tarik.

### Marriage Announcements:

**Mark Burling** on his marriage to Ruth.

**Sherry DiCisso (Chatterson)** on her marriage to Samuel.

**Lonnie Crabtree** on his marriage to Anastasia.

**Richard A. Johnson** on his marriage to Cheryl.

**Dieter Krumpelmann** on his marriage to Jennifer.

**Scott Lang** on his marriage to Deborah.

## Cost Saving Ideas Listed

(Recap article)

Earlier this year, Mesaba introduced "20/20," an employee suggestion program designed to give employees an opportunity to present cost saving ideas to management. Over 400 suggestions were received through the program and the top 20 ideas were rewarded with \$1,000 each. Since some ideas were submitted by several persons, eighty employees in total shared the \$20,000 which was distributed in October.

Mesaba is currently forming employee task forces to review and implement the top twenty and other ideas so that the cost reductions associated in each idea may be realized.

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**Marc Nichols** on his marriage to Adriana.

**Dennis Rues** on his marriage to Betty.

**Jeffrey Staashelm** on his marriage to Cheryl.

**Barbara Phillips (Teasdale)** on her marriage to David.

**Peggy Groebe (Anderson)** on her marriage to Steve.

**Jason Banh** on his marriage to Amy.

**Charles Kern** on his marriage to Johna.

**James Luke** on his marriage to Patricia.

**Sandra (Manning) and James Nolan** on their marriage.

**Joleen Macioch (Sobaski)** on her marriage to Steve.

The top 20 ideas are listed again here:

\*Implement a single engine procedure to reduce fuel costs.

\*Reduce uniform costs by reviewing current uniform policy, including garments, vendors and distribution procedures.

\*Discontinue or reduce the pre-package inflight snack.

\*Use a mat in the aircraft entrance to keep the carpets clean.

\*Extend the hours on fuel nozzle changes.

\*Implement pre-pull boxes for parts assigned to specific aircraft to reduce AOG time.

\*Eliminate unnecessary movement of aircraft to/from gate and hangar.

\*Reduce hotel costs by bidding contracts and cancelling reservations if not needed.

\*Utilize part-time employees instead of contracting from temporary agencies.

\*Better utilization of the CWA hangar, DTW hangar and space at the General Office to reduce rental space for storage and training.

\*Reduce in-flight waste by capping beverages for next segment.

\*Preserve cargo floor lining in Metro III aircraft by covering with used cabin carpet.

\*Have crews report to Gate 15 instead of General Offices to save shuttle costs and office space.

\*Reduce bag delivery charges by having employees deliver bags.

\*Reduce overtime by scheduling more hours for part-time employees.

See "20/20"  
....page 7

## SAVING: Overcoming The Urge to Splurge

Are you setting aside enough savings each month to meet your future financial needs? For most of us, the answer is "no". According to government statistics, the personal savings rate is less than 5% of income, or roughly half of what experts say it should be for the average family. Fortunately, there are steps you can take to easily raise your savings level.

### **Start Small**

At the end of each day, set aside your pocket change and deposit it monthly into a savings account. You might be surprised at how fast it adds up. By setting aside one dollar a day or \$30.00 a month, at 4% compound monthly interest, you'll have \$4,410.00 in 10 years.

### **Set Realistic Goals**

Your first goal should be to set aside three to six months living expenses for emergencies. Once you've saved that much you can focus on other goals.

To develop the discipline of saving, you need to experience a number of successes early on so that one positive experience reinforces the others. Pick short-term, easily achievable goals; ones that will give you a great deal of personal satisfaction. For example, your goal might be a new CD player, a new set of golf clubs, a new recliner chair, or a trip someplace using your Airline and Hotel discounts.

Next, determine what those goals will cost and give yourself a deadline for achieving them. Determine how much you need to save each month to succeed. *Caution: limit the number of goals you set, or the strain of achieving them can be self-defeating.*

Once you've achieved those goals, start thinking long-term. A long-range goal might be a new home, a new car or a great vacation. Following the same process of determining the cost of your goal and breaking it down into monthly amounts that must be saved. But, because your goal is long-term, it helps to have mileposts along the way when you can celebrate your progress.

### **Don't Delay**

The sooner you start to save, the faster your savings will multiply as compound interest pays interest on the interest you've earned. For example, let's say you save \$50.00 a month at 4% interest for 40 years. Your total deposit is \$24,000.00, but your account will have grown to \$58,355.00.

If you wait just one year to start saving, your total deposit over the 39 year period will be \$23,400.00, or just \$600.00 less. But your account will only have grown to \$55,480.00. That one year delay cost you \$2,875 in compound interest.

### **Pay Yourself First**

Use Direct Deposit to make saving automatic. It's easier to save money that you never actually had. With Direct Deposit, you're paying yourself each month just like you pay rent and utility bills. Also, if you pay off a loan on a major purchase, continue to make the monthly payments, but make them to yourself.

### **Take Advantage Of Company Savings Plan**

*Mesaba offers a 401(k) plan for tax-deferred retirement savings. For those employees age 21, have worked for one continuous year, and have worked 1000 hours, the next enrollment date for the 401(k) is January 1, 1994.*

You may also take advantage of payroll deduct Series EE Savings Bonds through Twin City Co-Ops Federal Credit Union in MSP or Federal Credit Union in DTW.

### **HMMM.....**

Many Years ago, a large American shoe manufacturer sent two sales reps out to different parts of the Australian outback to see if they could drum up some business among the Aborigines. Some time later, the company received telegrams from both agents.

The first one said, "No business here. Natives don't wear shoes."

The second one said, "Great opportunity here- natives don't wear shoes!"

# THEY TOOK TIME TO TELL US

September 10, 1993

The Purpose of this letter is to recognize the outstanding performance of **Thomas E. Rambis**, Customer Service Representative at Central Wisconsin Airport. Mr. Rambis went out of his way to "take care of the customer". I was booking tickets using four frequent flyer coupons, so obviously I fly a great deal of the time. However, I fly even more miles on United Airlines. Because of the service provided by Mr. Rambis and others at Northwest, I will attempt to fly with your company as much as possible.

As a Premier Member with United, they ask that I present one of their employees with a Going the Extra Mile Award Certificate. Well, three of their employees will lose out, because I'm attaching one certificate with each copy of this letter.

Thomas E. Rambis, thank you for your assistance, you set a standard of excellence for your fellow employees.

Sincerely,

Mike Fischer

September 11, 1993

I wish to advise you of the exceptionally fine consideration and service of your employee, Ms. **Theresa Linse**, on Friday, September 3, 1993.

My brother and his older son were to arrive at Detroit Metro at 12:50 p.m., on flight 3334 from Houghton County Airport in Michigan, and their next flight on Northwest to Washington National Airport was to leave at 1:30 p.m. I was to meet them for a short visit and to be assured they had made the connecting flight.

On arrival at the desk where passengers from flight 3334 would arrive, I checked with Ms. Linse regarding arrival time. She saw how obviously anxious I was and promised to keep me advised as to arrival time and when 12:50 p.m. and 1:00 p.m. passed without their arrival, she checked with operations, called the Northwest flight to hold the plane and, when flight 3334 arrived at 1:15 p.m., they hurried and made the Northwest flight, thanks to her efforts.

This was an extremely difficult time for our family as my brother's youngest son was just buried in Houghton, Michigan.

Ms. Linse's efforts to reassure me and calm my fears regarding any interruption of their flight plans were deeply appreciated and knowing you have such a fine and considerate person on your staff certainly warrants recognition.

Sincerely,

John von Bathelder

## Mysterious Mercury

*provided by Brad Baker*

Mercury has fascinated mankind ever since it was discovered nearly 5000 years ago. It's silvery appearance brought on the nickname "Quicksilver". Because of its silvery appearance, scientists made futile attempts to convert it into gold.

Years ago, mercuric nitrate was widely used in the creation of felt for the felt hat industry. This component caused neurological and behavioral changes among the workers in that industry, as well as consumers of felt hats, thus creating the popular term "Mad hatter".

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"20/20" .....continued  
from page 5

- \*Reduce telephone abuse by restricting telephones, assigning calling codes to employees required to make long distance calls and providing call detail for department managers.
- \*Streamline Ground Radio Procedures to reduce costs associated with radio purchasing and repair.
- \*Replace metal hooks on the DH8 cargo nets with velcro to reduce aircraft damage.
- \*Manage security screening checkpoints to ensure proper billing.
- \*Install equipment that turns off heaters when hangar doors are open.

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*Advice is what we ask for when we already know the answer but wish we didn't.*

*---Erica Jong*

# HOLIDAY GOBBLERS PLANNED

(Recap article)

Mesaba will be delivering a Holiday Turkey to each employee during the week of December 15th. Employees in Minneapolis and Detroit may stop by and pick up their turkey personally. Employees at stations will have their Holiday bird delivered by the station manager. Additional information will be forthcoming in News Launch about the schedule for picking up your turkey.

Additionally, Mesaba has announced that, due to the difficult logistics of hosting an all-employee Holiday event in both Minneapolis and Detroit, the company does not plan to organize parties in 1993. Individual employee groups are encouraged to organize their own respective gatherings if they are interested.



**Werewolf Spotted Where?...**  
Dressed in the spirit of the day, MSP Customer Service Agent, Pat Boland ran bags like a dog on Halloween!

*Traffic...continued  
from page 1*

	<u>September 1993</u>	<u>September 1992</u>	<u>Change</u>
Passenger carried:	122,594	112,493	+9.0%
Available seat miles:	56,225,725	46,443,922	+21%
Revenue passenger miles	25,339,030	23,628,911	+7.2%
System-wide load factor:	45.1%	50.9%	-5.8 pts.

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