

MESABA ON THE MOVE

A MONTHLY PUBLICATION PRODUCED ESPECIALLY FOR EMPLOYEES AND FRIENDS OF MESABA AVIATION, INC.

JANUARY 1989 * VOL 2 * NO. 10

Mesaba Goes East...to Detroit

New Service Caps Six Months of Work

Mesaba began seeing the results of results of six months of work and planning when it began its expansion to the Detroit hub on December 10, 1988 with service to the cities of Cleveland, Dayton, Akron/Canton, Ohio and Erie, Pennsylvania. All of the airline's service originally was with the carrier's fleet of Metro III aircraft.

New service was also started on January 8 to Traverse City, Flint and Pellston, Michigan.

On February 22, Mesaba will begin service to Marquette and Houghton, Michigan, and Toledo, Ohio. In all, Mesaba will be serving 33 cities in ten states when its expansion to the Detroit hub is completed.

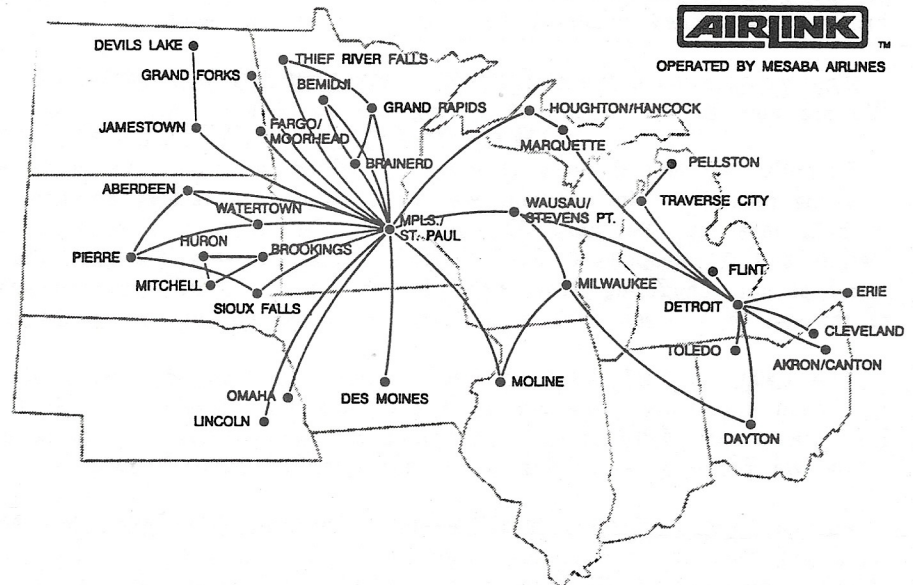
Robert D. Swenson, President of Mesaba, was pleased with the carrier's transition to the Detroit hub. "We believe that our start-up in Detroit was very successful. We have been working on this project since July 1988 and we feel that efforts by many, many of our people are reflected in our smooth transition to these new markets."

DETROIT, Continued
Last Page

NORTHWEST

AIRLINK™

OPERATED BY MESABA AIRLINES



This route map shows Mesaba's expanded route system after February 22, 1989. As Northwest Airlink, Mesaba will be serving 33 airports in ten states.

Ho...Ho...Ho!

Who said that Santa only came for the young children? It looks like a whole bunch of people found Santa for this picture taken at this year's annual Christmas Party. Look for a story and additional pictures from the annual employee event on Page 4 of this newsletter.

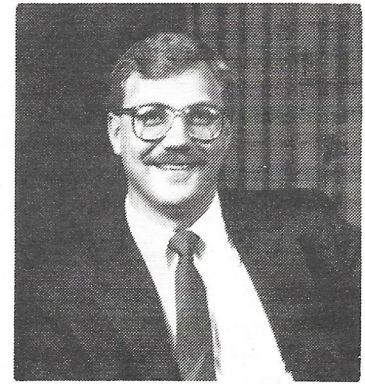


Letter From The President

Dear Employees:

I want to start by saying that we are extremely pleased and grateful to our mechanics and related employees who gave us their support during the recent IAM union election. I have always felt that all of our employees should be able to retain the ability to deal directly with management on issues that concern them. Our employee's support during this past election means a lot both to me and to our whole Company. Thank you.

On the issue of operations, as many of you know, we are less than satisfied with our recent schedule reliability. I want you to know that we are aware of the problems we are experiencing and that we are working very hard to bring our scheduled reliability back up to acceptable levels.



The main reason for our difficulties these past few months has centered around F-27 aircraft delivery delays. We are now in the process of solving this problem.

Recently, we took delivery of one F-27 which we now have in service within the next 10 days to enhance schedule reliability. In addition, we are scheduled to receive additional F-27s in February which will allow us to both meet our February 22 schedule in Detroit as well as make spare F-27 time available on both our Detroit and Minneapolis/St. Paul systems. We are very optimistic that the delivery of these aircraft will ease many of our scheduling difficulties. By the end of April, we anticipate that we will be operating a total fleet of thirteen to fourteen F-27 aircraft, of which eleven will be placed into scheduled service.

The delay of F-27 deliveries has furthered the need for us to utilize all of the Metro capacity possible as we began operations. We are on a plan that was developed in July that called for nearly equal numbers of F-27 crews and Metro crews to be hired and trained together. Since many of our F-27s are still in the work shops, we presently are flying all of our qualified Metro crews.

Further, during October and November, twelve Metro pilots left Mesaba to join major carriers, leaving us with less flexibility to schedule Metro crews on our system. With fewer crews available and delivery delays affecting some Metro III training, our schedule reliability has not been what we desire. However, we are in the final stages of completing a Metro training course which will give us 14 additional Metro pilots by the end of January. Those new personnel along with a new class beginning January 30, should ensure that we have an appropriate number of qualified crews for the Spring and Summer months. In addition to those developments, we have taken delivery of our seventh new Metro III which allows us to operate twelve scheduled Metro lines with fourteen aircraft.

We want you to know that all of these developments should help us get back to our normal level of schedule reliability. Clearly, it has been difficult for many of you during this period and we are grateful to you for your efforts and support during this time. It is especially appreciated given the fact that we are experiencing the first real cold winter that we have had in three years.

Throughout all of this time period, we have not nor will we compromise on training or any other operational aspects as they relate to safety. Although aircraft delivery problems have caused us some schedule reductions and some cancelled flights in the short term, everyone has done a wonderful job in assuring that Mesaba is ready for this expansion.

We will be implementing our expanded summer schedule by June 1, 1989, thus completing our detailed plan that was developed in July of 1988. Over the period of one year, we will have implemented a plan that will cause our company to double in size. This phase-in of service is proceeding quite smoothly and we are very pleased with our progress on the Detroit system. We look forward to bringing you continued good news on our expansion. It remains our objective to be one of the very best regional airlines in America.

Thank you for your support.

Robert D. Swenson

AirTran News

Northwest Converts Debentures Into Stock

In October, Northwest Aircraft, Inc. converted its entire outstanding principal balance of convertible debentures into 531,543 common shares of AirTran stock at \$3.96.

The debentures were issued to Northwest in 1985 by Mesaba in exchange for financial assistance to purchase an F27 and related spare parts. With the conversion, Northwest becomes AirTran's single largest shareholder with an approximate 16% ownership position.

Robert D. Swenson, President of AirTran and Mesaba, said, "We are pleased to have Northwest Aircraft as our single largest shareholder. This conversion indicates the commitment of NWA, Inc. to the success of our Northwest Airlink relationship. The conversion of the debenture strengthens Mesaba's financial position and will benefit us as we expand into Detroit and Milwaukee."

Northwest Aircraft, Inc. is a wholly-owned subsidiary of Northwest Airlines.

Mesaba On The Move is published monthly by the Marketing and Public Relations Department. The department accepts for publication, written stories related to Mesaba and its operations and employees. Send all information to: Mesaba On The Move - 7501 26th Avenue South - Minneapolis, MN 55450.

All material for publication should be submitted by the 15th of each month.

See the New Hangar in Photo and Story in February

The February issue of **Mesaba On The Move** will feature a story and photos on the company's new maintenance and general office facility in Minneapolis/St. Paul Airport. The facility, which was completed in November, 1988, features nearly 80,000 square feet of hangar, shops and office space.

Don't miss it!

Mesaba Secures Additional Aircraft For Detroit Expansion

Mesaba has secured sixteen additional aircraft which will be used to expand airline services to the Detroit hub. The airline has secured nine Fokker F27 aircraft and seven Metro III aircraft to add to its current fleet of six Fokkers and seven Metros.

The nine F27s, which will all be delivered in 1989, are being secured from carriers in several countries around the globe. Six of the aircraft were obtained from European carriers and three from an airline operating in Australia.

Mesaba's additional new MILIs have been delivered from San Antonio-based Fairchild Aircraft, Inc.

All of the aircraft are being leased by Mesaba from Northwest Aircraft, Inc., a wholly-owned subsidiary of NWA, Inc.



The first of nine additional Fokker F27 aircraft began arriving in early January. This aircraft was obtained from a Danish carrier and awaits to be put in service shortly.

X-Mas Parties Draw Plenty

Mesaba's annual Christmas functions have always provided a very fun event for company employees, and this year was no exception. On Saturday, December 17th, Mesaba held its annual Children's Party and **Minneapolis/St. Paul** System Hangar Party. Both events were very successful.

At the 1:00P.M. children's party, Santa was present to hand out presents to all the good little boys and girls of Mesaba employees. As it turned out, all the children must have been good because everyone received a gift. Milk and cookies were also served.

At the evening hangar party, nearly 450 employees and friends enjoyed an evening of visiting, eating and dancing. The meal was catered and dancing was provided by Mesaba employee John Williamson, who is a partner in a Twin Cities-based disk jockey company.

In **Detroit**, Mesaba hosted a reception on the afternoon of December 18th. A number of officers and managers from Mesaba's general office attended the function. Approximately thirty-five persons from the new Detroit System attended.

All of the Christmas events were ones to remember.



MESABA SKI NIGHT

3rd Annual Employee Outing



Join your friends and co-workers for a night of downhill skiing and fun at Buck Hill on Tuesday, February 28. Bring a spouse, friend, or family member. This annual employee event is sure to bring a spark to your winter.

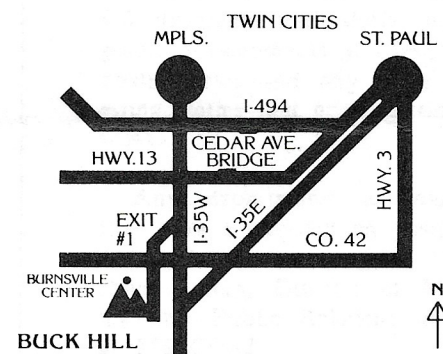
Time: Buck Hill Ski Area
Tuesday, February 28
6:00 - 10:00P - Ski/Socialize
See map for directions

Cost: \$8.00 Lift ticket
\$6.00 Rental equipment
\$3.00 Lesson (optional)

Food: Dinner and Refreshments
provided FREE by the Company

RSVP: Make your reservation for this Ski Night by calling the Marketing and P.R. Department MSPGOXJ 1-612-726-5151 and ask for Charlean Sabo x353.

ID: Bring your Mesaba I.D. to qualify for reduced rates.



Christmas Ticket Winners

The following persons won passes at the annual Christmas Party. Passes were sent out in the Comat system to all winners. Listed below are the ticket winners:

Northwest - Worldwide	Rick Morstellor
Northwest - Worldwide	Martin Lewandowski
Northwest - Domestic	Mark Austrum
Northwest - Domestic	Bob Formanack
Air Midwest	Daniel Espesth
America West	Denny Ofstedahl
Bemidji Air	Joe Wondra
Big Sky Air	Tim Hanson
Big Sky Air	Paul Montgomery
Big Sky Air	Glenda LaJoie
Braniff	Patrick Wheeler
MidContinent	Bernadette Odhin
Brockway	Barbara Tesdale
Comair	Debra Luke
Britt	Mary Jane Weydert
Continental	David Klett
Crown Airways	Elwood Pederson
Delta	Linda McClynn
Era Aviation	Christie Gardiner
Express Air I	Kaye Oberstar
Express Air I	Mark Miller
GP-Express	Dana Lee
Horizon Air	Chuck Howe
Horizon Air	Grant Barber
Iceland Air	Doug Fulton
Mall Airways	Frank Burns
Mark Air	Kami Kelso
Mesaba	Rick Perkons
Mesaba	Robert Klis
Mesaba	Jim Peden
Mesaba	Sandra Weber
Mesaba	Jennifer Kasten
Mesaba	Diane Stoffel
Mesaba	Scott Orf
Mesaba	Rodney Samvelt
Mesaba	Todd Linmeyer
Mesaba	Henning Christie
Metro Airlines	Virgil Thomas
Midstate	Lee Thies
NY Helicopter	Mike Majer
NY Helicopter	Brian Hopper
Precision Airlines	Anthony Dudek
Simmons Air	Wayne Butor
Skywest	Charlean Sabo
Skywest	Linda Reiney
Southwest Air	Tom Chites
Aspen Airways	Brenda Rief
U.S. Air	Nancy Gardner
Wings West	Tom Schneider

"News Launch" is Weekly News Article.

Mesaba employees can stay abreast of corporate developments, airline results and employee changes by reading "News Launch," a weekly news column written and distributed via the PARS computer system by Mesaba's Public Relations Department.

"News Launch" is entered into the PARS system every Tuesday morning and is accessible to all employees, stations and departments with access to a computer system by looking under G/ALK/02. The news column is also posted on all bulletin boards in departments where a computer is not available.

Usually, News Launch contains 4-6 different short stories on corporate developments at Mesaba, industry news and any other interesting stories that occur during the week.

Any departments or managers that have a question on posting or comments are encourage to contact Doug Fulton, Director of Marketing and Public Relations at x351 at MSPGOXJ

December Traffic Increases

Mesaba carried 37,516 passengers in December, a 23% increase over 30,511 passengers carried during the same month one year ago.

Load factor during the month was 53.6%, compared to a load factor of 51.8% last December.

Employee News

Promotions

John Benson promoted to Maintenance Supervisor

Hal Cochrane promoted to Manager Charter Flight Operations

Fran Einarson promoted to SA227 Assistant Chief Pilot - MSP

Mitch Hagan promoted to SA227 Chief Pilot

Brian Hopper promoted to F27 Chief Pilot

Pete Johnson promoted to SA227 Assistant Chief Pilot - DTW

Peter Kinzle promoted to Director of Maintenance Quality Control

Glenda LaJoie promoted to Customer Service Manager in Brookings, South Dakota

Martin Lewandowski promoted to Customer Service Manager in Lincoln, Nebraska

Jan Noles promoted to Assistant Chief Pilot

Brian Olwin promoted to Chief Inspector - Minneapolis

Ann Romera promoted to Manager of Inflight Training

Karen Schroedermier promoted to Customer Service Manager in Mitchell, South Dakota

Valerie Shiltz promoted to Administrative Assistant of Flight Operations

Lee Thies hired as Manager of Grand Rapids Aviation Center

Sherri Willman promoted to Manager of Crew Scheduling

Sherron Winter promoted to Inflight Service Trainer

Victoria Young promoted to Manager of Inflight Services in Detroit

New Managers

Vicky Drastes hired as Customer Service Supervisor - DTW

Terri Dupre hired as junior Staff Accountant

Kathy Gephart hired as Customer Service Manager in Toledo

Scott Holt hired as Customer Service Manager in Traverse City

Linda Macklin hired as Customer Service Manager in Erie

Dennis Ofstadahl hired as Director of Stations

Loren Miller hired as Senior Staff Accountant

Bob Peterson hired as Director of Maintenance

Robert Radke hired as Supervisor of Ground Service Equipment - DTW

Anthony Shaker hired as Customer Service Manager in Flint

Virgil Thomas hired as Stores Supervisor - DTW

Ron Tutor hired as Customer Service Supervisor - DTW

Jeffrey Jones hired as Director of Market Planning

Don Winnie hired as Director of Line Services

Steve Hanifl hired as Customer Service Manager of Detroit hub

On the Move

Chris VanDenHeuvel to Manager of Customer Service Training

Buck Rogers to Regional Stations Manager - Western Region

Brad Osborn to Regional Stations Manager - Eastern Region

Carl Millican to Director of Technical Services

Mike DeBusk from Customer Service Manager Mitchell to Akron/Canton

John Kunkel from Customer Service Manager Lincoln to Central Wisconsin

Beginning again next month, all new employees will be listed on this page of the newsletter

Aircraft Mechanics and Related Employees Defeat IAM

Mesaba's aircraft mechanics and related employees, in a recent union election, have overwhelmingly chosen not to be represented by the International Association of Machinists. The results of the election, which were released January 4 by the National Mediation Board, showed that of sixty eight mechanics and related employees eligible to vote in the election, only nine cast their vote in favor of representation.

Mesaba President Robert D. Swenson said, "We are extremely pleased about the results of the election and grateful to our employees for their support. We have always maintained that our employees should have the right and ability to work directly with management on issues that concern them and not through an outside third party. We have a tremendous group of employees here at Mesaba and we intend to continue working together with everyone to make this company a great one!"



1988 At A Glance

1988 was a busy year. This feature recaps some of the eventful things which occurred over the past 12 months:

JANUARY

Mesaba reports 3rd quarter earnings of \$272,000 compared to previous year's figures of \$132,000.

Airline takes delivery of sixth Fokker F27 (#60AN) which is to be used on Mesaba's current system as well as to accommodate increasing levels of group charter service.

FEBRUARY

Jack S. Olbrych is elected to Mesaba's Board of Directors. Mr. Olbrych is a Vice President with State Street Bank and Trust in Boston, Mass.

Mesaba hosts 2nd annual Employee Ski Outing at Buck Hill. Again, for the 2nd year in a row, no injuries are reported.

MARCH

Mesaba officially carries one millionth passenger on its system. A system-wide promotion is put in place.

An employee service pin program is introduced at the company and a banquet is held for five and ten year employees.

APRIL

Ground is broken on new maintenance and office facility. Minnesota Governor Rudy Perpich proclaims it "Mesaba Aviation Day."

Mesaba's flights along with Northwest, go smokeless.

MAY

Company reports record annual earnings of \$1,549,000.

PARS computer system officially goes on line at stations and computer reservations centers.

JUNE

Mesaba's Board of Directors proposes to reorganize Company into a holding company structure to be called "AirTran Corporation."

Annual Employee Picnic is held in Lakeville. The Marketing Team captures the annual volleyball team title from the Maintenance team.

JULY

An employee suggestion program is started at the company where all employees can voice concerns and make suggestions on operations.

Mesaba carries a monthly record of passengers - 37,140. That marked a 4% increase over 35,691 flown the previous year.

AUGUST

Mesaba is tentatively selected by Northwest to begin providing Airlink services at the Detroit hub, following AMR's decision to purchase Simmons Airlines.

Shareholders of Mesaba, at annual meeting, approve formation of holding company to be called AirTran Corporation. All shares of Mesaba Aviation are converted to shares of AirTran, which will be traded on the National Market System as ATCC.

SEPTEMBER

Mesaba announces that it has secured five F-27s for the Detroit expansion. The aircraft will be leased from Northwest Aircraft, Inc., a subsidiary of NWA.

The Company begins a leadership training program for most managers. 48 managers complete the first series of 4-day courses which are designed to make better and more effective managers.

OCTOBER

Mesaba announces that it plans to acquire an additional seven MILL aircraft for expansion to the Detroit hub.

The two carriers, Northwest and Mesaba, announce specific details on the transition of Airlink service at Detroit. Mesaba's initial schedule will include flights and service to several cities beginning in December, 1988.

Northwest converts outstanding principal balance of convertible debenture issued by Mesaba in 1985. Issuance makes Northwest single largest shareholder of Mesaba.

NOVEMBER

Mesaba announces plans to acquire an additional four F-27s for Detroit services. This brings number of F-27s in the airlines's fleet to fifteen.

DECEMBER

With the retirement of Northwest's fleet of Convair 580s, Mesaba replaces Northwest service between Central Wisconsin Airport and Minneapolis/St. Paul with five daily round-trip flights. In addition, Mesaba replaces Northwest between Central Wisconsin and Milwaukee with two daily flights.

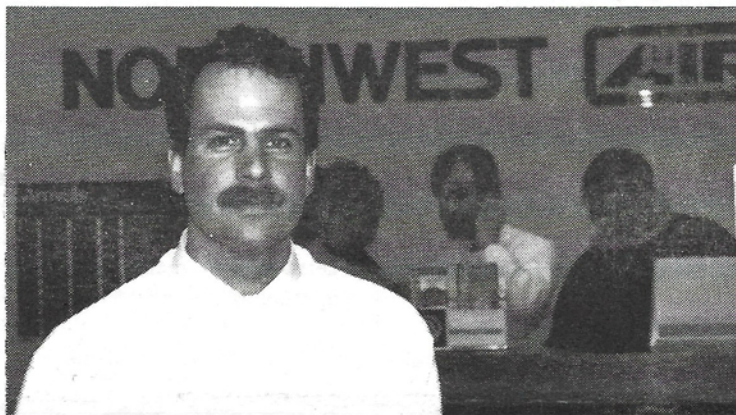
Mesaba begins service to Detroit hub, starting to feed the cities: Cleveland, Akron/Canton, Dayton and Erie.

DETROIT, Continued

Mesaba employees will staff all new stations with the exception of Cleveland, Dayton, Milwaukee and Detroit, where existing Northwest personnel will coordinate service. In addition, to accommodate the new system, Mesaba will have Detroit-based Maintenance, Flight, Inflight, Ground Service and Parts employees.

All in all, the service to Detroit will have a significant impact on Mesaba's overall size. When the airline's service is fully operational on the Detroit system, enplanements on the entire system should approximately be doubled what they were before the expansion.

Photos: First Day Service in Traverse City · Top: Gusty winds and cold weather made the first day of service in TVC more interesting. Below: TVC Station Manager, Scott Holt, in front of Northwest Airlink counter.



MESABA ON THE MOVE

Mesaba Aviation, Inc.
6201 34th Avenue South
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