

On The Move

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



Mesaba

February 1990 Issue
Volume 3 • No. 2

Company Receives Preliminary Approval to Build in Detroit

Officials from the company announced on January 11th that Mesaba has been given preliminary approval to construct a maintenance hangar at Detroit Metropolitan Airport. That approval was given by the Wayne County Commission, the governing body which runs the airport.

Mesaba plans to begin building the facility as early as this spring and intends to complete the project by November, 1990. The hangar plans call for 45,000 square foot of aircraft hangar and related maintenance shops and offices. The new hangar will be Mesaba's fourth maintenance facility joining the list of current hangars in the Twin Cities, Central Wisconsin and Grand Rapids, Minnesota. The Detroit facility will be second in size only to Mesaba's 79,000 square foot Twin Cities maintenance facility which holds the company's corporate offices.

While the cost of the project has yet to be determined, Mesaba has applied for financing in the amount of \$4.5 million from the Wayne County Commission.

Robert D. Swenson, President of Mesaba, said at a press conference at the Detroit Airport, "Our decision to invest in a major facility here (Detroit) reflects our long-term commitment to growth and service at this airport, the state of Michigan and this region."

Mesaba began service at the Detroit Metropolitan Airport in December, 1988 and has steadily added service

ever since. Currently, the airline serves twelve regional airports from Detroit and in December, 1989, enplaned over 15,600 passengers at the hub airport (the company enplaned 17,800 passengers at Minneapolis/St. Paul International Airport during the month).

Mesaba's decision to build at Metro was met with positive reactions by

Wayne County officials. Wayne County Executive, Ed McNamara, said he was pleased with Mesaba's plans. He said, "Mesaba shares our vision of continued economic growth and prosperity here in Wayne County."

The company currently employs 300 persons at its Detroit base.



Mesaba President Robert Swenson (left) announced plans for the new Detroit hangar with Wayne County Executive Edward McNamara.

Agents Receive "Service" Training

Mesaba's Customer Service Department has developed a service training program designed to help airline agents learn and apply better service techniques when dealing with passengers and customers.

The new training program, called "The Art of Giving Service" emphasizes the importance of the customer and gives Mesaba's agents many helpful ideas to make the interaction

with passengers and customers more "meaningful."

Chris VanDenHeuvel, Mesaba Manager of Customer Service Training and the developer of the program, says the program should be very beneficial. He said, "We want our agents to at least be given the tools to provide a very personal, meaningful service."

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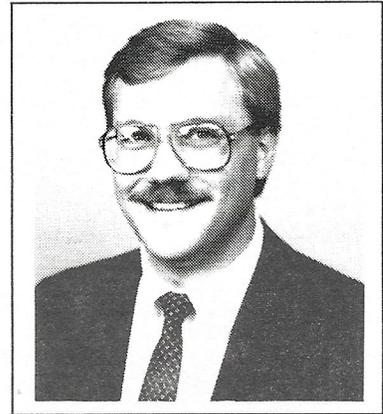
Executive Letter

February 1990

Dear Employees:

Here are a few items to bring you up to date with things occurring at Mesaba.

We are continuing to make progress on our new Detroit hangar project. We expect to receive bids from selected contractors in late February and make a decision very shortly after that as to who will construct the facility. Pending any unforeseen snags, we look to begin building the facility in April.



Due to time constraints in getting another F27 line ready by May 15th, we have decided not to acquire a sixteenth F27 at this time, but rather operate our summer schedule with our current fleet of fifteen F27s. Further, as our operating costs have increased, it has become increasingly important to make efficient use of the fleet. To that end, we have consciously decided to schedule our F27 fleet with one spare aircraft during the summer giving us one more spare F27 than we had last year. With the warmer weather months ahead of us and the establishment of the CWA maintenance base, we hope to get all scheduled F27 maintenance done during overnights at maintenance facilities. We are still uncertain as to whether or not any additional Metro IIIs will be secured for the summer season. We may operate with one spare Metro this summer as well, giving us 15 Metro aircraft to schedule for flying.

We continued to make improvements in our reliability last month. In January, we experienced an overall completion rate of 93.5 percent and 76.5 percent on-time performance. Excluding weather cancellations and delays, we had a 96.7 percent completion rate and 87.9 percent on-time performance. As comparable as these figures may be to other cold weather regional carriers, they are not yet acceptable to us. It remains my goal to have us operate, excluding weather, at a 98 percent completion and 90 percent on-time performance rate. As we continue to make progress in this area, we thank you for your help.

Best wishes for a safe and successful month.

Robert D. Swenson
President and Chairman

A handwritten signature in black ink, appearing to read "R. D. Swenson". The signature is written in a cursive style with a large, sweeping initial "R".

Company News

AirTran Reports 3rd Quarter Earnings

AirTran Corporation, parent company of Mesaba, reported earnings of \$341,000 or 8 cents per share for the third quarter ended December 31, 1989. Those figures compared to earnings of \$293 or 8 cents per share for the same quarter last year.

Earnings for the nine months ended December 31, 1989 were \$2,668,000 or 65 cents per share compared to net income of \$1,441,000 or 41 cents per share for the same period a year ago.

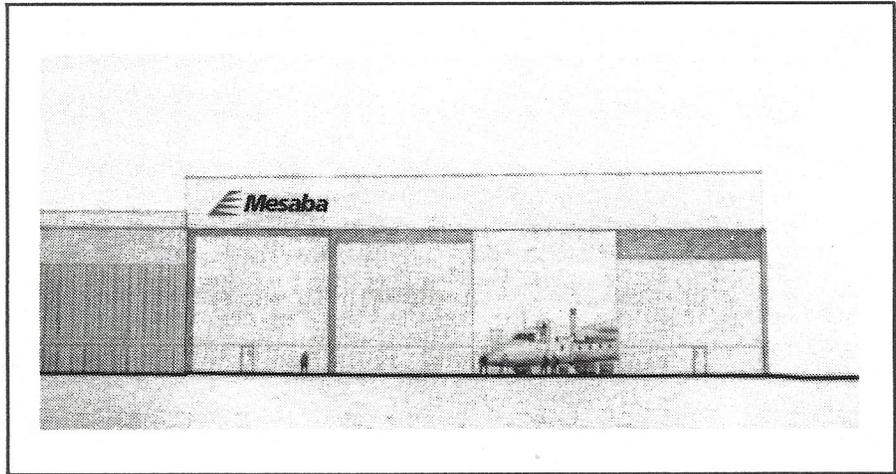
Operating revenues totaled \$18,405 for the quarter, an increase of 132 percent from \$7,916,000 in the third quarter of last year. For the nine months ended December 31, 1989, operating revenues increased 116 percent to 52,510,000, compared to \$24,337,000 for the same quarter last year.

Revenue passenger miles increased 97 percent to 43.6 million for the current quarter compared to 22.1 million during last year's third quarter. Available seat miles for the quarter rose 100 percent to 84.5 million from 42.3 million flown last year. The Minneapolis-based carrier's third quarter system-wide load factor was 51.5 percent,

Mesaba On The Move is published monthly by the Marketing and Public Relations department for employees and friends of Mesaba Aviation and AirTran Corporation. The newsletter accepts for publication stories, articles, tid-bits and other information related to the company's employees and business.

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Subscription rate is \$7.00/year.



Mesaba's new Detroit facility will include 45,000 square foot of maintenance and related shop space. The company plans to begin construction in April.

down from 52.4 percent reported last year.

Mesaba's President Robert D. Swenson, said the quarter's figures were lower than anticipated due to record-setting cold temperatures in December which adversely affected the carrier's operations during the busy holiday travel period.

MSP Airport Construction May Move Mesaba

Mesaba may be moving its Minneapolis/St. Paul Operation from the Gold Concourse to the Green Concourse as early as April because of an airport construction project slated to be done on one runway this summer.

The MSP airport plans to begin a reconstruction project in April on runway 11L which will consist of replacing over 4,000 feet of runway and taxiways. The construction on the runway, which is scheduled to be worked on from April to August, will not close the runway. However, during the stages of construction, the runway will be considerably shorter and may only be used by small jets and turboprop aircraft. Thus the reason for Mesaba's move.

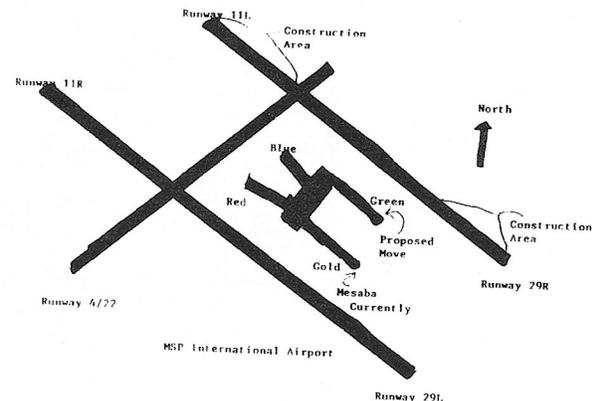
In an effort to avoid long taxi and other delays during the construction

project, Mesaba intends to move its operation closer to the runway under repair, which it will use almost exclusively this summer, along with other regional carriers. Being located on the green concourse will make it easier and more efficient for the airline to taxi to the runway.

Mesaba's customer service department is currently evaluating the move and making plans and arrangements for the transition. Though it is not final, plans now call for Mesaba to use gates 75-78 on the green concourse, gates currently in use by Northwest and America West.

Though the company's move to the green concourse is scheduled to be a

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Mesaba's Detroit Service is Now ... More M e s a b a

Anyone who has visited Mesaba's Detroit operation recently has noticed a new look...a Mesaba look.

Effective October and November of last year, Mesaba took over from Northwest the counter and ramp functions at the G Concourse where Mesaba operates at Detroit. On October 21st, the company took over the passenger handling (counter) duties. On December 2nd, the ramp and ground responsibilities were assigned. The look is new. The work is not. And the transition has gone very smoothly.

"It's easier when we control the work ourselves," said Steve Hanifl, Mesaba's Manager at Detroit. "With that control, we can do things our way which often results in things running more smoothly."

Mesaba's transition has gone smoothly.

When Mesaba begin service at Detroit in December 1988, Northwest began to handle the regional airline's counter and ramp operations. Since then, Mesaba's operation has grown and now the company has the whole G concourse to itself (with the exception of Drummond Air, which provides service to Northern Michigan). The larger and separate operation finally justified the company's own work force. A move which, when com-



Passengers depart from a Mesaba aircraft at the Detroit airport. Company employees look on.

pleted, will add ninety-eight persons to the payroll.

The transition from Northwest to Mesaba at Detroit was considerably more complicated than at first glance. There is the hiring, the training, the orientation and finally making it work. To help with the start-up, customer service employees from the company's Minneapolis and other city operations spent many weeks in Detroit assisting with the new system and employees.

"It was a fantastic support system," said Hanifl of the assistance that Detroit received from other stations around the system. Indeed, some persons that helped with the start-up stayed in Detroit up until a few days for Christmas.

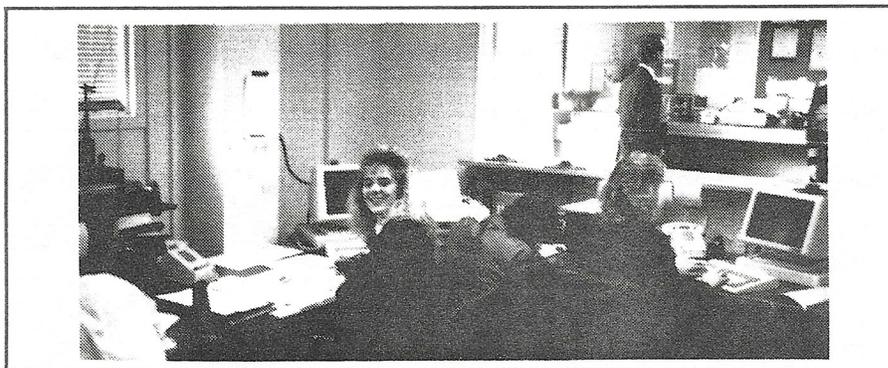
"It was a fantastic support system."

Hanifl said, "The best thing about having help was that new employees could be informed about a problem immediately, and not have to wait. The immediate follow through is invaluable."

Hanifl also said that the training that the new employees received was very helpful. He gives a lot of credit to the customer service training department saying, "The learning curve of our new personnel has been very short."

Newly-hired employees spend thirteen days in the classroom, spending five days learning ramp procedures and eight days on counter procedures. In addition, the training department held weekly 4 hour meetings during the start-up at Detroit to discuss problems and questions that arose during the previous day's activities. All of that helped make the transition easier.

At Detroit, where Mesaba currently has thirty-seven daily departures and ten aircraft at one time on the ground during the one o'clock bank, Mesaba's customer service department stays busy working the company's operations.



Operations personnel at Mesaba's Detroit hub work to keep the flow of information going.

Q & A

Employee Benefits

This is the first of a two part series on benefits available to Mesaba employees.

This first series addresses the following benefits: Health Insurance, Dental Insurance, Retirement Savings Program and the 125 Flexible Benefit Program. Employees with questions about any benefit should contact the Personnel offices in Minneapolis and Detroit.

Health Insurance

Mesaba offers a major medical health insurance plan through Blue Cross/Blue Shield of Minnesota. In November of 1989, the company's plan changed from a single site account to a national account. That means that claims for services provided in states other than Minnesota can be filed with each specific state. If you need assistance after filing your claim, contact the appropriate state's Blue Cross Blue Shield. If that office can not assist you, you can contact Blue Cross Shield of Minnesota at 1-800-382-2000 x5040.

Q: What is the cost of the insurance?

A: The company pays 75 percent and the employee pays 25 percent of the monthly premium. Currently, for single coverage, the employee pays \$18.03/month and the company pays \$54.09/month. For family coverage, the employee pays \$51.87/month and the company pays \$155.63/month.

Q: How about actual coverage, beyond the monthly premium?

A: For single coverage, each employee has a deductible of \$100.00/year. After that, the employee pays 20 percent of all costs up to a maximum of \$500.00/year. After that, the costs are fully covered. For family coverage, the deductible is \$300.00/year. After that, the family pays 20 percent up to a maximum of \$1000.00.

Dental Insurance

Mesaba also offers Dental Insurance with Blue Cross/Blue Shield of Minnesota through Mii Dental. All full-time employees are eligible to enroll the beginning of each calendar quarter (Jan. 1, April 1, July 1, and October 1) after they have had nine months of continuous employment.

The company's plan offers three levels of coverage: Everyone begins receiving Level I benefits when they initially receive coverage. As employees build seniority in the company and in the program, they move into Level II and Level III (with greater coverage). Increases to the next level of benefits occurs on the January 1, following one full year of coverage of the current level of benefits. Please note that Dental I.D. cards are different from Health I.D. cards.

Q: What is the cost of dental coverage?

A: Employees pay only a small percentage of the premium. Currently, single coverage is \$1.32/month. Family coverage is \$4.00/month. And, regular check ups are fully covered, without deduction, under the program.

Retirement Savings Account

Employees are eligible to participate in a 401 Retirement Saving Plan through Minnesota Mutual Life. After one full year of continuous employment, employees can enroll in our 401K Plan. Enrollments occur on each calendar quarter. Employees may choose to contribute up to ten percent of their gross income to this plan. Mesaba then matches 10 percent of the first six percent the employee contributes (if the employee contributes \$10.00, Mesaba will contribute \$1.00). All contributions to the plan are on a pre-tax basis so you automatically avoid paying state or federal income tax on those earned dollars. There are four separate accounts in which to invest: General Account, Stock Account, Bond Account and Money Market Account. Employees currently enrolled in the plan may change their investment options of their existing deposits on April 1 and October 1.

Q: Why should I worry about saving in a 401K program? Does it really make sense at a young age?

A: When you look at the power of accruing interest, the earlier you start the better. Since the money is payroll deductible, it makes it easier to save. Plus, since the company is matching the funds by 10 percent, you have already earned a significant interest on your money before it is invested?

125 Flexible Benefits Plan

Mesaba's full-time employees are also offered the opportunity to participate in a 125 Flexible Benefits Plan. This is where employees may use tax free dollars to pay the employee's portion of medical and/or dental premiums, payment of annual deductible amounts or 20 percent co-insurance, non-covered eye care or dental care expenses, or dependent day care expenses. When using the 125 Reimbursement Plan to pay covered expenses through salary reduction, you will increase your take home pay by having the money placed into an account before taxes are taken out. Employees must re-enroll in this plan each year. Enrollment classes are held annually in the latter part of October. The new plan year begins November 1st and continues through October 31st.

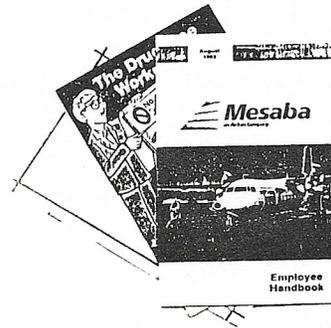
Q: How do I plan for this account?

A: Each year, you decide what you think your medical, dental and day care costs are going to be (include your deductible amounts and total expected dental and medical costs). You then sign up for the program in the fall and each month a certain amount is deducted from your check and deposited in an account. When you have a bill, you simply submit your receipt or bill to your account and you are sent a check. The best thing is that you have saved tax dollars.

Q: What happens if I do not use all of the funds in my account during the year?

A: You want to plan carefully, because if you do not use all of your funds, you automatically lose them (they go back to help cover administrative fees in running the program). However, very few persons have had a problem using all of their set aside funds.

Please contact personnel with any questions regarding any of the above benefits or any Personnel issue. The offices are located in Minneapolis on the first floor of the general offices near the reception area. In Detroit, they are located in the station offices on the Green Concourse.



Employee News

New Employees - January

Full-time

Daniela Severini, Crew Sch., MSP
Eric Hanson, Sales, MSP
Jay More, Stock Clerk, MSP
Everett Holland, Flight Ops, MSP
Duane Franklund, A&P Mec. MSP
David Christopherson, A&P. MSP
Albert Schafer, A&P Mech., MSP
Mike Waltzer, A&P Mech., MSP
Mark Lodermeier, A&P., MSP
Kevin Prestegard, Grooming, MSP
Tina Tronnier, Clerk, MSP
Richard Kohls, Groomer, MSP
Lynn Rapp, Sched., MSP
Rod Carlson, A&P Mech., MSP
William Kendall, A&P Mec, MSP
Mary Jane Bozicevich, Acc, MSP
Dana Stewart, A&P Mech., DTW
Tim Lynaugh, A&P Mech., DTW
Roger Linse, A&P Mech., DTW
Stephen Adams, A&P Mec, DTW
Jeff Betzler, A&P Mech., CWA
Ryan Griggs, CSA, TOL
Thomas Ibach, Flight Ops., DTW
Dean Chapman, Pilot, DTW
Arnold Rosenthal, Pilot, DTW
William Stephens, Pilot, DTW
Claude Runciman, Pilot, DTW
James Page, Pilot, DTW
Craig Rheume, Pilot, DTW
Christopher Shoemaker, Pilot, DTW
Michael Woelfel, Pilot, DTW
Thomas Tangen, Pilot, DTW
James Mader, Pilot, DTW
Richard Johnson, Pilot, DTW

Alan Stump, Pilot, DTW
Robert Wallace, Pilot, DTW
Richard Evans, A&P Mech., DTW
Paul Glaser, A&P Mech., CWA
Bradly Ochs, A&P Mech., DTW

Part-time

Janet Peterson, CSA, MLI
Scott Rud, CSA, TVF
James Bond, CSA, MSP
Paul Teichert, CSA, MSP
Lee Sikkink, CSA, MSP
Kevin Hagen, CSA, MSP
Michall Helberg, CSA, MSP
Linda Ochocki, CSA, MSP
Tim McDonald, CSA, MSP
Jody Salverda, CSA, MSP
Darren Matthews, CSA, MSP
John Pokrzywinski, CSA, MSP
Jon Wentzel, CSA, MSP
Pamela Pulling, CSA, ABR
Alisa Harris, CSA, CWA
Rebecca Patterson, CSA, TOL
Denise Devey, Stock Clerk, DTW
Michael Dietz, CSA, DTW
James Zoltowski, CSA, DTW
Elizabeth McCormick, CSA, DTW
Kathleen Turner, CSA, DTW
Jean Middleton, CSA, DTW
Pat Shad, CSA, DTW
Jason Engler, CSA, TOL
Lisa Bennett, CSA, TOL
Jeff McWain, CSA, FNT
Michael BaUiet, CSA, ERI
Marsha Macosko, CSA, ERI

temporary one, a permanent move is not ruled out. At a recent manager's meeting, Robert Swenson said that the green concourse might allow for more long-term growth because of additional concrete and gate space.

For the time being, however, look for Mesaba in April to be on the green concourse.

Summer Schedules Announced

Mesaba's scheduling department recently announced the company's summer schedule for cities that receive seasonal service increases. The following service levels will be effective June 1, 1990.

Bemidji: 4-F27s, 1-SWM
Brainerd: 5-F27s, 1-SWM
Pellston: 2-F27s, 3-SWMs
Traverse City: 4-F27s, 1-SWM

5 Year Employees

The following employees reached their five year anniversary with Mesaba in January. Congratulations!

James Nolan, Customer Service, Minneapolis
Kay Novodvorsky, Customer Service, Bemidji

Customer Service Award

Jamestown Customer Service Manager **Bill Steinmetz** was awarded the January Customer Service Award by the Jamestown Chamber of Commerce.

WHAT DO YOU KNOW?

Anything interesting for the newsletter? If you do, send it in and get it published in next month's issue. Department news, station tidbits, employee personal news, births, weddings. Information received by the 15th of each month will be published in the next month's newsletter. Jot down your information and ideas on a piece of paper today and comat to: MSPGOXJ atten: Newsletter. Or telex to: MSPSKXJ.

Manager News

Mark Sullivan, to Manager of Customer Service, Brookings

Some of the following Flight Department promotions have been in affect for some time. They went un-reported in the Newsletter:

Hal Cochrane, to F27 Assistant Chief Pilot, MSP

Will Waldow, to F27 Flight Manager, MSP

Bill Warren, to F27 Flight Manager, MSP

Art Managan, to F27 Flight Manager, DTW

Jeff Legel, to F27 Flight Manager, DTW

Neal Holland, to SA227 Flight Manager, MSP

Layne Johnson, to SA227 Flight Manager, MSP

Daniel Barkley, to SA227 Asst. Chief Pilot, DTW

Thomas Ibach, to SA227 Flight Manager, DTW

Andy Mahan, to SA227 Flight Manager, DTW

Al Jacobson, to Dispatch Supervisor, MSP

Rebecca Hallas, to Dispatch Supervisor, MSP

Kevin Daly, to Dispatch Supervisor, MSP

Jeff Starkman, to Supervisor Crew Scheduling, MSP

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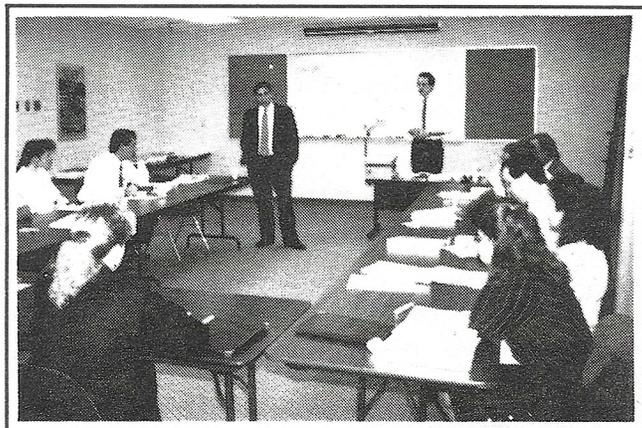
All of the company's customer service agent employees will be attending the day and a half long program. Many of the newly-hired Detroit employees have already gone through the training. Other employees will be going through the program during the next two months.

Mike Wind, Vice President of Customer Service, has long been an advocate of a service-oriented program and helped make this one a reality. "Our people have long been the best in the business when it comes to technical knowledge of loading and turning aircraft and writing tickets. It's now time to give our agents the

'people skills' necessary to refine our service event further," he stated.

During the program, participants spend some time talking about perceptions of service, companies and Mesaba's operations and what affects "perception." Also involved in the training is a series of role play exercises designed to give employees "realistic" passenger interactions.

"The Art of Giving Service" should help Mesaba even increase the quality of its service.



Mike Wind addresses a group of customer service managers attending the service class.

Mesaba Memos

Congratulations to **Bruce Emmer** (CSA, Bemdji) and wife Audrey on January 16th birth of son.

Congratulations to **Doug Henke** (CSA, Thief River Falls) and wife Katie on February 9th birth of daughter.



Company Notes:

* The company's weekly news column "News Launch" may now be found easier in PARS computer system. Weekly recaps may be found under G/ALK/XXJ/NEWS. Special news items may be found under G/ALK/XXJ/SPECIAL.

* In scheduling news, Mesaba recently upgraded its two MSP- GFK SWM flights to F27 flights. The additional SWM time will be used by flight operations for training purposes.

* **NEW SERVICE TO INDIANAPOLIS, INDIANA** - Mesaba will begin service on April 1 between Indianapolis and Milwaukee with two round-trip MIII flights. Both cities will be handled by Northwest employees. Indianapolis is the thirty-fifth city served by Mesaba. The company said additional service could be added later this year.



FIRST CLASS OF THE DECADE - Here is the company's first Customer Service Training Class of the 90's. Pictured from left to right are: (top) **Robert Swenson**, **Chris VanDenHeuvel**, Lana Boehmer, Tom Byer, Becky Patterson, Robin Carroll, Sherry Dahlin and **Mike Wind**. (bottom) Nancy Rasmussen, Janet Peterson, Alisa Harris and Nick Fortunato. Bold reflects company management.

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