

HUGHES AIR WEST

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HUGHES AIR CORP.

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COURTESY MONTH — Willa Woods, a secretary in the sales department, demonstrates proper telephone procedure during courtesy month at Hughes Air West. Posters in the background offer employees handy telephone courtesy reminders. All employees are eligible for the \$100 courtesy award. Nominations should be submitted to Wayne Wiggins, director of personnel, by Aug. 27.

Total New Company Image Revealed

Hughes Air West is planning a total change of image as part of a major marketing program for 1972.

The first phase of the company's "new look" was revealed Aug. 17 to hostesses based in Las Vegas. Similar meetings are being planned for employees and their families only in Seattle, San Francisco, and Phoenix within the next six weeks.

Public exposure of the new image also is being planned.

The marketing program includes new corporate colors, new uniforms for all

personnel, a new mark (insignia), and a new logo (type style) for the company's name. These were developed after more than one year's research. The name of the company will not change.

The new company colors will be Sundance Yellow and Pacific Blue, a combination which relates closely to the western areas served by Hughes Air West.

The Las Vegas hostesses previewed their new uniforms, described as "classic simplicity" in style. Sundance Yellow was

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Eight Receive Suggestion Cash

Eight employees were awarded a total of \$473.40 during July for suggestions made to the company's suggestion award program.

They are:

Jack Landers, chief customer service agent at Phoenix, \$125.

Firmin Van Gaveren, mechanic at Phoenix maintenance, \$100.

Frank Walker, customer service agent at Ephrata, \$75.

Ted Kaphan, chief customer service agent at San Jose, \$44.20.

Burt Pederson, customer service agent at San Francisco, \$44.20.

Frank Townsend, customer service agent at Tucson, \$35.

Darrel Aherin, customer service agent at Lewiston, \$25.

Arnold Oberhosler, ramp agent at San Francisco, \$25.

Identical awards were made to Pederson and Kaphan after both made virtually the same suggestion. They asked the company to consider replacing lost or damaged flight valet bags and golf bag covers with the company's own version of the two articles. The men said the replacement from company stock would reduce the expense of having the passenger buy the article from an outside vendor and then having the bill sent in for reimbursement. An annual savings of \$884 was anticipated from the suggestion.

Aherin's \$25 award was based on his suggestion that the company explore entering into an extensive air freight agreement with the International Harvester Co. If an agreement is reached, the suggestion will receive further evaluation for a possible subsequent award.

Townsend suggested clergy discount cards be sold over ticket counters rather than through the general office. He said the company could lose revenue from clergymen purchasing discount cards

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Route Authority Sought From CAB

Hughes Air West is seeking authority to provide nonstop air service between San Francisco International and Orange County airports, a route that is the second busiest in the country without competitive service.

The route is currently served by Air California, an intra-state carrier.

In its application to the Civil Aeronautics Board, the company pointed out that Air California has failed to provide adequate air service for Orange County, the fastest growing metropolitan area in the country.

Hughes Air West stated that it can provide superior service for interline connecting passengers through San Francisco, a major gateway to the Pacific Northwest.

The airline told the CAB that nonstop service to San Francisco will provide passengers with connecting flights to 23 cities throughout the Northwest within the Hughes Air West system.

The regional carrier projects passenger traffic between the two areas will reach 509,000 during fiscal 1973, compared with 274,617 recorded in fiscal 1970.

Hughes Air West now serves Orange County Airport at Santa Ana with single-plane service to Las Vegas, Phoenix, Reno, Salt Lake City, San Diego, Tucson, and Twin Falls as well as other cities.

Amendment To Allow Turn-around Flights

The Civil Aeronautics Board has amended Hughes Air West's certificate to allow non-stop turn-around service between four Pacific Northwest cities.

The CAB action made permanent a temporary exemption that allowed flights between Boise, Portland, Salt Lake City and Seattle.

Without the exemption, flights operating non-stop between Portland and Salt Lake City, for example, would have to continue on to a point beyond the destination city. Flights may now operate non-stop between any of the two points with an immediate return flight authorized.



Richard A. Fitzgerald

Route Development Sr. Director Named

Richard A. Fitzgerald, a 30-year veteran of the air transportation industry, has been named senior director of route development for Hughes Air West, it was announced by Irving Tague, general manager.

He will be based at San Mateo, where he will report directly to Tague.

Fitzgerald, 58, has been senior vice president, general counsel, secretary and a director of Frontier Airlines, Inc. since 1966 and before that vice president-legal.

He served as Washington, D.C. vice president for Seaboard World Airways (1961-62); assistant general counsel-international affairs for the Air Transport Association (1961); and Washington, D.C. vice president for National Airlines, Inc. (1955-61). From 1941 to 1955 he practiced aviation law in Washington, D.C.

Fitzgerald received a bachelor's degree in pre-law from Western Michigan University, Kalamazoo, in 1936 and a doctor of law degree from George Washington University Law School, Washington, D.C., in 1940. He served in the U.S. Navy from 1943 to 1945.

He is a member of the bar of the District of Columbia and the U.S. Supreme Court and a member of the American Society of Corporate Secretaries.

ID Badges To Be Worn Systemwide

New ID badges will soon "instantly identify" Hughes Air West employees.

The company is initiating a new identification system because the present company ID card is inadequate for appropriate identification purposes. A number of airports that Hughes Air West serves soon will be requiring ID badges to be visible at all times.

The new badge is very simple.

It will contain the employee's photograph in color, his name and payroll number. It will have black letters on a white background with a colored border on the bottom to indicate the department: green for maintenance and engineering, blue for flight personnel, red for station operations, light blue for marketing, white for accounting and management information services and yellow for executive staff and corporate services.

The badge will have a removable clip so it can be used as a wallet ID card. However, all employees except hostesses, pilots and customer service personnel, will be required to wear the badge when on company or airport property.

A photographer began taking pictures in Phoenix on July 26. Employees will be photographed in Las Vegas, Los Angeles, San Francisco, Seattle and Portland.

"We urge all employees to cooperate with the new badge program and the requirement that the badge be prominently displayed while at work," Art Brennan, staff vice president-industrial relations, said.

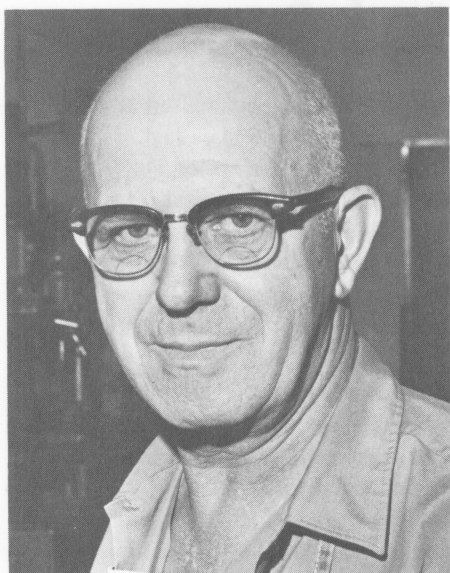
Jet Fleet Addition

A new DC-9-30 aircraft has joined the Hughes Air West fleet.

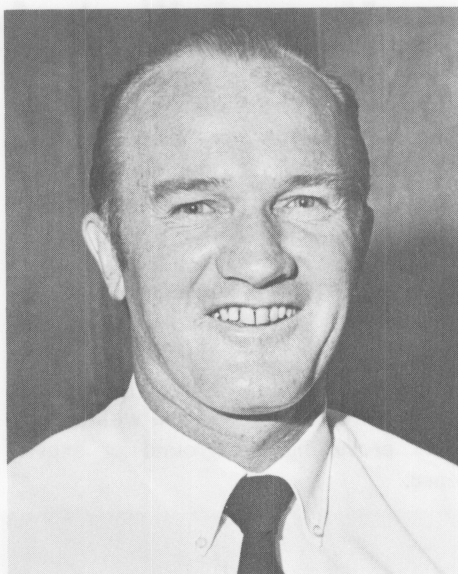
The aircraft, designated N9346, was obtained in a long-term lease from Purdue Airlines of Indiana. It has about 2,300 flight hours logged, making it one of the lowest flight-time aircraft in the fleet.

It is different from other Hughes Air West jets in two respects: an extra fuel tank was added, giving it additional flying range; and it does not have a ventral stair door in the tail.

The airline's fleet now consists of 16 DC-9-30s; 4 DC-9-10s and 25 F-27s.



Leo Christensen



Fritz Krebs

Krebs, Christensen Are Outstanding Employees

Fritz Krebs, chief agent at Sacramento, and Leo Christensen, a mechanic at the Phoenix maintenance base, have been chosen the airline's outstanding employees for June.

Both received \$250 and became eligible for the employee of the year award.

The employee of the year will be chosen during August from the monthly winners since the program began in August, 1970.

The annual winner will be announced Oct. 8 at a banquet. The winner will receive \$500, a week's paid time off and vacation passes for two anywhere in the world.

Krebs joined the company in 1958 as a station agent. He has since served as assistant station manager at Monterey, station manager at Reno and in his present position.

Christensen joined the company in 1955 at San Francisco. He has served in various maintenance positions as a mechanic.

Portland (Yawn) Takes Station Honors; Yakima, Pullman, Olympia Share Title

Portland maintenance and station personnel captured the class A on-time performance trophy for the fifth consecutive month.

In June, only 15 out of 676 flights were delayed at the station — a percentage of 97.8.

Yakima retained the class B trophy with an on-time operation of 99.5 per cent. Out of 370 flights, 368 were operated on time. This is the third consecutive win for Yakima.

Pullman wrapped up its second perfect month in a row in the class C grouping with all 283 flights handled on time. This is the third win in five months for the station. In May, Pullman's 294 flights were operated without a controllable delay.

A controllable delay includes time lost because of aircraft servicing, cargo and passenger boarding, catering and oversales. Gate congestion, passenger connections, air traffic control and weather do not count against the station's record.

Olympia claimed the class D trophy by operating 100 per cent on time during the second quarter. The station handled 129 flights. Nine other class D stations had perfect scores. They were Tacoma, Apple Valley, Santa Rosa, Great Falls, Roseburg, Ontario, Lake Tahoe, La Paz and Puerto Vallarta.

The trophy was presented to Olympia because it handled the greatest number of flights. The class D trophy is presented quarterly because of the small number of flights handled.

Company Serves 8 of Top 20 Regional Cities

Hughes Air West flew to eight of the top 20 cities in the nation that are served by regional airlines last year — more than any other regional carrier.

The cities were ranked in order by passengers enplaned per aircraft departure in a recent study by Flight Magazine.

Santa Ana was ranked first with 43.4 enplanements per departure, Reno was

second with 39.0 and Las Vegas took sixth place with 33.1. Slots 11, 12, 13 and 14 were filled by Phoenix, 30.6; Burbank, 30.4; Seattle, 29.4; and Monterey, 29.3. Calgary was 19th with 28.4

Santa Ana enplaned 98,102 passengers in 1970 to rank sixth among the 50 leading cities served exclusively by regional carriers. The station boarded 81,161 passengers in 1969.

Three Are Promoted To Senior Director

Three persons have been named senior departmental directors at Hughes Air West.

They are Terry Ashton, William Schafer and Kip Wharton.

Ashton, 36, has been promoted from director-planning to senior director-planning. He is based in San Mateo and will report directly to Irving Tague, general manager. Ashton joined the airline in 1967.

Schafer is senior director-marketing. He is based in San Mateo and will report to Russell Stephenson, vice president-marketing. Schafer, 47, joined the company in 1970 as director-marketing.

Wharton, a 14-year veteran of the airline, has advanced from director-stations to senior director-stations. He will continue to report to Ed Altman, vice president-operations. Wharton, 40, is based at the San Francisco International Airport.

Switch-over Complete; Manual Work Assured Success

Switching over from our outdated equipment to a high-speed, entirely different and completely automated computer system took much more than just plugging the new equipment into the wall.

But we did it — and in record time.

“As a matter of fact,” Arch Miller, director of reservations and passenger systems said, “we’ve had the most successful computer switch-over of any airline.”

How?

One of the main reasons for the success of the switch-over, Miller said, was a series of manuals produced and written by Gil Roman, manager of reservations training in San Francisco.

Roman started work on the manuals in October, 1970, after spending a week observing the same computer system at Ozark Airlines reservations in Peoria, Ill.

He did this before our computer equipment was installed and without any data processing background or experience.

“We’re now checking out the manuals with the machinery,” he said.

He had a tall stack of ten manuals to work with. The volumes were packed with codes, specifications, numbers and large technical words. His task was to boil them down from data processing language into understandable terminology.

A team of Hughes Air West reservations and stations experts went around the company to find out what the new computer could do for each department.

Based on this determination of the company’s needs, Roman wrote seven different manuals: a P & R manual for the reservations department, a station agents’ manual, a central reservations control manual, a pre and post (departure) manual for gate personnel, a flight control manual, a message switching manual used for teletype messages and a supervisory manual.

These manuals were in the hands of airline personnel four weeks before training began on the new computer system.

Frank Carter, the account representative for Mutual Computer Services, a Continental Airlines subsidiary that leased us the entire system, was the man that trained our people to use the equipment. “I was impressed,” he said, “at the way your people were prepared. They caught on very quickly and were able to ask intelligent questions.”

It took Carter 50 hours to train our personnel, compared with the usual five weeks required to train employes of other airlines using the same system.

That could mean Hughes Air West’s workers are five times better learners. Roman likes to think so.



BOOK BURNER — Gil Roman is not a book burner, but he did condense the material contained in the books and manuals on his left into the manuals on his right. His work with the instruction manuals helped the company have an easy transition into the new computer reservation network.

Airlines Agree To Cut Capacity

An agreement that would cut the total number of passenger seats between four transcontinental markets has been signed by American, Trans World and United Airlines.

The agreement calls for a combined average reduction of 29 per cent in the number of seats available between New York/Newark-Los Angeles, New York/Newark-San Francisco, Chicago-San Francisco and Washington/Baltimore-Los An-

ges.

The cuts would be effective Oct. 1, or 45 days after Civil Aeronautics Board approval, CAB earlier agreed in principal to the cuts.

Spokesmen for the three carriers said the cuts would produce a year around load factor (percentage of seats filled) of 52 per cent. Service to the satellite airports — Oakland, San Jose and Ontario — would not be affected by the agreement.

HUGHES AIR WEST

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Managers Appointed For Mexican Points

Two Hughes Air West newcomers have been named station managers at Mazatlan and Guadalajara.

They are **Juan Reyes** and **Antonio Alvarez**.

Reyes, 32, is station manager at Mazatlan. He has been with Mexicana Airlines for seven years, most recently serving as station manager at Monterrey, Mexico.

He joined Hughes Air West in July, replacing **Julio Laguna** who is now district sales manager for Guadalajara.

Reyes is married and has one child.

Antonio Alvarez, 30, occupies the post of Guadalajara station manager. He joined Aeronaves de Mexico in 1965 as an airport agent. He most recently served as district sales and service manager for the Mexican airline.

Alvarez is the first full-time station manager for Guadalajara. Laguna was acting station manager in addition to his sales duties.

Alvarez is married and has three children.

Increased Boardings Boost Stations' Class

Increased boardings have resulted in the reclassification of two stations in the Hughes Air West system.

Both Salt Lake City and Eugene stations have moved up a class.

Salt Lake City advanced from class B to class A. The station's monthly boardings averaged 10,936 during the period July 1, 1970 through June 30, 1971, **Blaine Barney**, station manager, said.

Eugene, formerly a class C station, moved to class B status. It boarded an average of 3,210 passengers per month last year under the direction of **Ed LeShane**, station manager.

Station classification is based on the total number of average monthly boardings. Class A stations board over 10,000 passengers monthly. Class B stations handle between 3,001 and 10,000 boardings. Class C designates those stations with an average monthly boardings of 1,000 to 3,000 and stations accommodating up to 999 passengers are designated class D.



RESERVATION WINNERS — Charlotte Peters (center foreground), manager of the San Francisco reservation office, holds the performance award plaque and gives the victory sign along with some San Francisco reservation agents. They were the best on the system for July.

San Francisco Res Office Takes Honors

The San Francisco office is the winner of July's reservations department competition.

The office averaged 18.6 calls an hour totaling 112,254 calls for the month, with a three per cent lost call rate. Ticket-by-mail revenue was \$31,222.

Agent productivity was higher in San Francisco than in any other office. It handled more calls with less overtime and

sick leave.

The reservations offices are judged on the basis of over-all performance, reduced overtime and low sick leave, said **Don Ohler**, assistant director of reservations.

San Francisco took the revolving plaque from Seattle office, which won the competition last month. The office winning the plaque the most times in a year will keep it permanently.

Extensive Charter Agreement Reached

An extensive winter charter program will be operated with a Hughes Air West DC-9-30 jet by Vanguard Travel Unlimited, Inc. of Minneapolis.

The service is scheduled to begin Jan. 1, according to an agreement between the two companies.

A Vanguard official said the flight will

operate from various mid-West cities to popular winter vacation spots, including Las Vegas and Acapulco.

Walt Kupper, manager of charter sales for Hughes Air West, said the pact is a significant step forward for the airline's aircraft charter program.

Ten New Hostesses Begin Flight Duties

Ten new hostesses are flying the line after graduating July 16 from the Hughes Air West Training Center at Phoenix.

Guest speaker was **Fran Hamlin**, supervisor of hostesses at Las Vegas.

Each new hostess was presented with a single red rose at the beginning of the ceremony. After introduction of the instructors and a few speeches, the graduates were given their diplomas by **Bill Todd** of Hughes Productions. Miss Hamlin then presented the girls with their hostess wings.

The ceremony ended with a cake and coffee reception for the hostesses and their families and friends.

The new hostesses based at Las Vegas

are **Valerie Gobble**, **Cheryl Karpinski**, **Barbara Summey**, and **Paula Tigati**. Seattle-based hostesses are **Dorothy Lee**, **Aleta Pagnini** and **Jacqueline Parsons**. **Christina Fortus** and **Martha Lothridge** are based at San Francisco, and **Carol McGreevy** is based at Phoenix.

Miss Tigati was honored as the graduate with the highest grade-point average in the class — 97.5 per cent.

"Since January, 100 hostesses have been trained and we expect another 35 to complete training by the end of the year," **Del Brown**, manager of hostess training, said.

Hughes Air West employs 420 hostesses throughout its system.

New Cafeteria Completed at Phoenix

The Phoenix maintenance and training base has new cafeteria facilities.

The cafeteria is now equipped with a charbroiler, grill and French frier that for the first time permits the preparation of full course, hot meals for visitors and more than 900 company employes based in Phoenix.

Before the remodeling, only soup, cold sandwiches and one hot entree were available.

The cafeteria has a complete new menu, featuring a full bacon and egg breakfast and hot meals for lunch. The hot full course meals include items such as roast beef, spaghetti, beef stroganoff and hamburgers. The new prices range

from 40 cents for a hamburger to 70 cents for a roast beef lunch.

In addition to the cooking equipment, the maintenance department has installed new vending machines. These machines supply soft drinks, candy, assorted chips and cigarettes.

Joe Oliver, assistant to the staff vice president of maintenance, said, "the new facilities mean employes will no longer have to leave the base for a good meal."

The cafeteria is operated by Interstate United Catering Service and is open from 6 A.M. to 4 P.M. The facility is available for group functions and is expandable by converting the adjoining training room into a banquet hall.

Non-revenue Passengers Must List

All non-revenue passengers traveling on positive or non-positive space are required to list themselves at least three hours before their intended flight.

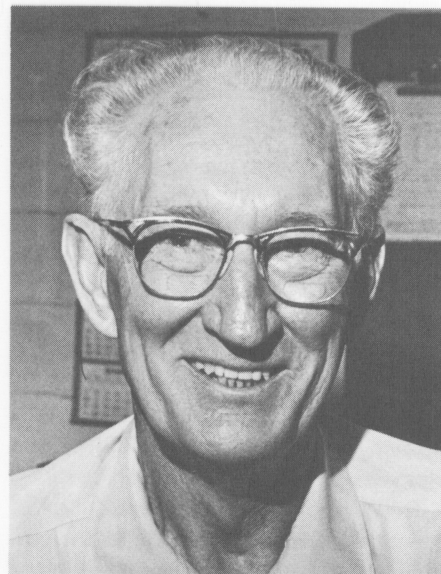
Early listing will help guarantee a sufficient number of meals are boarded.

At the beginning of each flight the hostess will have a list of NRSA (non-revenue space available) passengers. Those not listed correctly will be added to the list at the check-in counter. This list will allow the hostess to determine which

non-revenue passengers may not get a meal in case of a shortage.

The new reservation system makes it possible for NRSA's to list to their final destination and return.

"Full cooperation by all employes in listing themselves will enable us to provide the highest quality of in-flight service to our non-revenue guests as well as our fare-paying passengers," **Don Ohler**, assistant director-reservations, said.



Harry Barnes

Harry Barnes Retires

Harry Barnes, the company's senior employe, is a popular guy — but he doesn't talk very much.

When word got out that he'll retire Aug. 31 after 30 years with the company, phone calls and letters poured in from fellow employes requesting that a story be written in this publication about the event.

This is the way the interview went:

"Mr. Barnes, what has been your most memorable experience with the airline industry in the past 30 years?"

"There hasn't been one."

"Of all the aircraft you've worked on, which is your favorite?"

"None. They're kinda getting under my skin."

"What do you plan to do after retirement?"

"Don't know — haven't thought about it."

And that's the way it went.

But with more prodding, Barnes said he and his wife, **Opal**, have bought a 40-year-old house in Healdsburg on the Russian River north of Santa Rosa, Calif., and they plan to spend their time fixing it up.

Barnes is supervisor of the wheel and brake shop in Phoenix. He started as a mechanic in 1941 with Southwest Airways, which later became Pacific Airlines. In 1947 he was transferred to San Francisco and in 1968 returned to Phoenix.

Test Your Knowledge of The Airline Industry

Running an airline is a complicated business. So complicated, in fact, that it is one of the most misunderstood industries in the world.

For example: What happens to the tax money collected from the sale of airline tickets?

Who owns the airports around the nation?

How does an airline become eligible for subsidy?

Not many persons outside the airline industry know the answers to these questions and, surprisingly, few inside know them either.

Subsidy is one of the important, and yet misunderstood, subjects in the airline industry. A special article, prepared especially for Hughes Air West by the staff of the Civil Aeronautics Board, appears on page 9 of this issue.

Airports and the people who direct the air operations in and out of them are two more little understood factors.

For the most part, airports are operated by governmental bodies — county, city, state or federal groups.

At Los Angeles, for example, Los Angeles International and Ontario International Airports are under the jurisdiction of an independent city agency. In other rare instances, airports are privately owned, such as Hollywood Burbank airport.

A recent national survey revealed that more than half the general public believes the nation's air traffic controllers work for the airlines or airports instead of the Federal Aviation Administration.

Confusion also exists about the number of aircraft using the airways.

About one-third the non-flying public and less than half those who had taken at least one flying trip in the past three years knew that there are more than 130,000 private aircraft in the U.S.

The same group vastly over-estimated the number of commercial aircraft at more than 150,000. The total fleet of scheduled aircraft is 2,500 planes.

Money to run airports comes from many sources.

Concessions — such as car rental agencies, restaurants and shops — pay a great

portion of the operating costs. Airlines, through lease of space and by a large measure through landing fees, pay the bulk of airport operating costs. The remainder is usually made up from local tax money.

This year Hughes Air West will pay more than \$3.9 million for landing fees and facility lease agreements systemwide.

Polluting the air is another serious area of misunderstanding by the traveling and non-traveling public. The fact is, airliners contribute less than one-per cent of the total pollutants in the air today. Airlines are working hard to make that amount even less.

For complete information on what the industry is doing, the Air Transport Association distributes a booklet entitled, "How the Airlines are Reducing Jet Pollution." Copies are free by writing the ATA at 1000 Connecticut Ave., Washington, D.C. 20036.

Here is your chance to test your knowledge of the airline industry and Hughes Air West.

No grades will be given and there are no prizes for answering all questions correctly. If you get 13 or more right, that is excellent; 10-12, very good; 7-9, average; 5-7 poor, and below that, you haven't been paying attention.

1. The U.S. scheduled airlines' fleet consists of how many planes?
(a) 2,500 (b) 25,000
(c) 50,000 (d) 100,000
2. The number of pieces of luggage carried by the airlines last year was around:
(a) 25 million (b) 50 million
(c) 100 million (d) 200 million
3. About one-half of all adults in the U.S. have flown on airlines. True or False?
4. Jets make less air pollution than the propeller planes they replaced. True or False?
5. An airline's fares and the routes it flies are regulated by the government. True or False?
6. The airline employe's average salary is closer to:

(a) \$8,000 (b) \$12,000
(c) \$15,000

7. The jet engines of the new 747 jumbo jets are quieter and less smoky than older jets. True or False?
8. The average airlines fare paid by a passenger today, when compared to the fare 10 years ago, is:
(a) higher (b) lower
(c) about the same
9. The purpose of the eight per cent federal ticket tax on domestic airline tickets, and the \$3 tax on international flights is to help pay for:
(a) airport improvements (b) operation and improvement of the air traffic control system (c) both
10. Air traffic controllers work for the airlines. True or False?
11. During 1969, Air West Inc. had a loss of \$20.8 million. Following the acquisition of Air West by the Hughes Air Corp. a considerable financial improvement occurred. How much money did Hughes Air West lose in 1970?
(a) 15.6 million (b) \$5.5 million
(c) \$10.1 million (d) none
12. How many aircraft make up the Hughes Air West fleet?
(a) 35 (b) 75 (c) 45 (d) 65
13. How many airports does Hughes Air West serve?
(a) 101 (b) 72 (c) 85 (d) 61
14. Hughes Air West had the highest on-time average in the airline industry last year. What was it?
(a) 85% (b) 70% (c) 81% (d) 90%
15. How many passenger boardings did Hughes Air West record last year?
(a) 4 million (b) 2.9 million
(c) 2.5 million (d) 3.3 million

Answers:

1. (a); 2. (d); 3. True (48 per cent according to a recent Gallup survey.) 4. True (Jet engines produce less than half as much pollution by weight as piston engines); 5. True; 6. (b); 7. True (747's are quieter on approach and take-off and have engines which are virtually smoke-free); 8. (b); 9. (c); 10. False (They are government employes); 11. (c); 12. (c); 13. (b); 14. (a); 15. (b)



ANY QUESTIONS? — San Mateo-based employes had their chance to fire questions at top management during the executive forum, July 22. More than 100 employes participated in the question-answer session held in the accounting department. The

panel of executives was comprised of Irving Tague, general manager; Ed Altman, vice president-operations; Bill Schafer, senior director-marketing; Terry Ashton, senior director-planning; Bill Levings, director-industrial relations.

Company Seeks Ski Jet Authority

The first non-stop ski jet service between the San Francisco Bay area and Sun Valley, Idaho, will be offered in December by Hughes Air West if the plan is approved by the Civil Aeronautics Board.

The airline told the board, in its formal application, that the Sun Valley flights will provide the first service of its kind for the skiing public. At present, the nearest non-stop destination to Sun Valley from San Francisco is Boise, which still leaves a five-hour bus ride to the ski area.

Hughes Air West proposes to serve Sun Valley through the Twin Falls County airport, only 1½ hours away by bus.

The ski jet service will operate on Saturdays only during the ski season, allowing skiers to take advantage of week-long

ski vacation packages offered by Sun Valley area hotels.

"Sun Valley is becoming increasingly popular with Northern California skiers," Bill Schafer, senior director of marketing for the airline, said. "We hope to make it easier for them to get there."

Bill Hicks Elected To Chamber Board

Bill Hicks, station manager at Redding, has been elected to the board of directors of the Greater Redding Chamber of Commerce.

Hicks, 47, has been with Hughes Air West since 1960.

Scoreboard

HUGHES AIR WEST TRAFFIC

JULY

	July '71	July '70	% Change
PAX	248,261	265,768	- 6.6
RPM	80.6mil	81.1mil	- .7
Load Factor	46.3	46.8	- 1.1
Cargo Ton Miles	686,144	544,723	+ 26
Cargo Ton Brd.	1,767	1,505	+ 17.4
On-time	85.0	84.8	
PAX Density	35.0	33.3	+ 5.1

YEAR TO DATE

	1971	1970	% Change
PAX	1.64mil	1.63mil	+ .4
RPM	533mil	500mil	+ 6.5
Load Factor	46.0	43.7	+ 5.3
Cargo Ton Miles	4.1mil	3.3mil	+ 24.2
Cargo Ton Brd.	12,071	10,008	+ 20.6
On-time	85.0	85.9	
PAX Density	33.9	30.2	12.3

Subsidy: Where It Comes From And Why

When Dr. Samuel Pierpont Langley achieved success in getting a 26-pound steam-propelled, unmanned model airplane aloft for 90 seconds in 1896, he received a \$50,000 grant from the Federal Government. With this subsidy he built the "Aerodrome" which failed to fly on two successive occasions in 1903. Nine days after Dr. Langley's final disappointment, the Wright Brothers successfully flew their craft a distance of 120 feet in 12 seconds. Dr. Langley's experiment and grant plus the Wright Brothers' non-stop flight were not only the birth of aviation here in America but also the birth of Government subsidy to develop and promote air transportation.

Airline economic survival in the 1920's depended primarily on mail contracts. Cargo and passenger traffic was minimal. Some airlines, in fact, bought no planes until their mail contracts were awarded. In other instances, cancellation of a mail contract spelled airline failure.

Subsidy in the 70's that is paid to the nine local service carriers and four Alaskan airlines, is analogous to the early mail contract and Dr. Langley's grant. The legal basis for subsidy is found in the mail provisions of the legislative acts that created the Civil Aeronautics Board. Just as mail contracts did earlier, subsidy now helps support service to communities where traffic would not economically support air service, and promotes this type of service. In the early days of aviation, the mail contract was paid to assure that mail would be delivered to cities throughout the United States. Today, subsidy is paid to assure air transportation availability to communities which are part of the air transportation system but which are unable to sustain the service through traffic.

The CAB prescribes the service rate of pay for the carriage of mail and the Postal Service pays it. Subsidy payments are determined and paid by the CAB.

The process to acquire the money for subsidy begins with reviewing the traffic and financial reports submitted monthly by the airlines. The board determines the statutory need of each airline for subsidy. These determinations are then presented as budget recommendations to the Office of Management and Budget under the President's Executive Office. Eventually a subsidy recommendation becomes part of the President's annual budget request to Congress. This recommendation is then reviewed by the Committees on Appropriations of both the House and the Senate. However, subsidy amounts once declared payable by the Board are binding legal obligations of the government and are payable as such.

The evolution of the major share of subsidy payments that are made to the local service carriers (Alaskan carriers are not included in this payment format) to its present rate form goes back to 1961. In the years 1961 to 1966, the formula included a "profit-sharing" element. If an airline's annual profit including subsidy exceeded a prescribed fair return on its investment, its subsidy payments for the year under review were proportionately reduced.

From 1967 to 1970 a new basis for qualifying payment, the

revenue growth adjustment, was in effect. The subsidy decreased as revenues increased, and vice versa.

The current subsidy formula has been in effect since Aug. 1, 1970. Several points distinguish it from its predecessors:

Where the previous two rates contained profit-sharing or revenue growth sharing features, the current formula does not contain their features but the payment is made on a schedule which identifies subsidy at a point or between points and provides more subsidy for smaller communities served.

There is no provision for rate distinction between aircraft type utilized. In the past this was in effect. Now smaller planes can be used without a reduction in subsidy — an economic incentive.

This year's proposed subsidy estimate increased for the first time since 1963. This reflects the CAB's recognition of the current economic situation resulting from inflationary increases in operating costs and added costs of equipment and working capital, which more than offset increased revenues, over the past few years.

The formula rate consists of many elements for computation. Payments are computed for services between eligible pairs of cities to a maximum of two round trips per day. Cities are classed according to the number of passenger enplanements in a base year. They are classed "A" to "E"; "A" being major points with high traffic generation which receives the lowest subsidy payments. "E" communities are marginal points which receive the highest subsidy support. Approximately 465 communities are considered subsidy-eligible. Other payment factors related to subsidy eligibility are departures, station days and miles flown.

Standard revenue requirements are deducted from these factors. The net result is increased or decreased by a "subsidy need adjustment percentage" which varies for each carrier. The need adjustment is keyed to the results on average costs and revenues as related to each carrier's actual economic need. This gives a recognition to individual carrier variations due to the percentage of services performed in eligible operations, different cost levels, varying revenue yields and traffic practices.

In summary, subsidy is accrued on a daily basis but paid monthly by the Civil Aeronautics Board to the airlines that qualify. All certified airlines, excluding supplemental carriers, that are authorized to carry mail are eligible for subsidy, but only 13 carriers now receive subsidy.

Although the carriers receive the money, smaller communities are the direct beneficiaries because of the operations of the subsidized carriers. It is provided, so that these marginal markets that are part of the air transportation system will have air transportation available for commercial and other purposes until a time when traffic makes the carriers economically self-sustaining. Subsidy is awarded legally according to provisions in the Federal Aviation Act of 1958. Finally, it is awarded as an assistance to continue the air service available throughout the United States.

Hostess Wins Safety Award

Jeanne Koreltz, a Las Vegas-based Hughes Air West hostess, was named winner of the Air Line Pilots Association (ALPA) Stewards and Stewardess Division Safety Award for 1971.

Miss Koreltz was chosen for the award because of her involvement in aviation safety programs.

She worked with the Aviation Safety engineering and research division of Flight Safety Foundation in Phoenix from 1961 to 1966.

In 1966, she joined the staff of Arizona State University's Aeronautics Division in Tempe, assisting in a two-year program to establish an aviation training program and presently serves as Central Safety Chairman for Hughes Air West's hostess group.

A three-year veteran of the airline, Miss Koreltz is the first Hughes Air West hostess to receive this award.



AWARD WINNER — Las Vegas Hostess Jeanne Koreltz received this plaque after being named winner of the 1971

Airline Pilots Association (Steward and Stewardess Division) Safety Award.

'Sales Blitz' Hits Key System Cities

Hughes Air West is conducting a systemwide "sales blitz."

The blitz is a concentrated effort by the sales department to make as many face-to-face sales calls as possible within designated areas during a three-day period. During this time, each major area is saturated by a team of up to 10 salesmen, depending on the geographical size of the sales territory.

A sales kit that includes important fare information, tour brochures, a route map, flight schedule and a profile of the company, is presented with each visit.

In addition to current clients, the salesmen visit professional offices, commercial businesses, travel agencies, other airlines, air cargo forwarders and chambers of commerce.

The effort began in Los Angeles July 6. Since then it has moved into Burbank, Santa Ana, Ontario, Phoenix, Tucson, Oakland, San Francisco area cities, Boise, Salt Lake City, Spokane and Seattle. In all, more than 11,000 individual sales calls were made. Still to come is a blitz of Portland, scheduled for Sept. 7-9.

Eight Receive Suggestion Cash

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from another airline and then using the same cards on Hughes Air West.

Van Gaveren said that by purchasing an adapter for existing equipment, the company could save considerable man-hours in the DC-9 brake overhaul process.

Landers suggested eliminating Form 350-0320-Record of Trip Passes — from the station's department inventory. It was determined that the form was no longer necessary and that it was a waste of time to have agents complete the form for each flight.

Oberhosler designed a cover for the cargo beds of Ford Bronco trucks used by

larger stations. He said the trucks could not be used during rain or snow because they lacked a cover over the bed, necessitating use of a covered baggage cart for work that would not normally require their use.

Walker asked the company to consider a new type on-line baggage transfer tag. His idea was a tag with the destination city and flight number on both sides, allowing agents to see baggage destinations at a glance.

To date, 18 employes have received \$983.40 under the airline's suggestion award program.

Employees Celebrate Service Anniversaries

These employees celebrated service anniversaries during July:

Twenty-Five Years

Phoenix — **L. R. Grace**, lead mechanic.
San Francisco — **N. C. Sparks**, mechanic.
Seattle — **R. C. Cansdale** and **D. G. Smilanich**, captains.

Twenty Years

Las Vegas — **S. S. Nelson**, mechanic.

Fifteen Years

Las Vegas — **Jack Dumire**, assistant district manager of A D M maintenance.
Phoenix — **Ardean Cottingham**, chief station agent; **A. G. Weibel**, assistant district manager, A D M maintenance. Portland — **K. B. Keim**, captain. San Francisco — **J. A. Williams**, check captain. Tucson — **Ray Vaughn**, station manager.

Ten Years

Los Angeles — **R. T. Yatowt**, reservation agent. Phoenix — **S. J. Karas**, hostess; **N. L. Radacy**, reservation agent. Portland — **C. C. Leader**, station agent. San Francisco — **D. M. Clark**, stock clerk; **D. N. Wyatt**, chief station agent; **Charlotte Peters**, reservations manager. Santa Maria — **N. W. Little**, chief station agent.

Construction Halts Twin Falls Service

All Hughes Air West flights through Twin Falls, Idaho, were halted for about six weeks, beginning Aug. 2, due to airport runway construction.

Scheduled flights will resume when the construction project is completed.

Paul Schoaff, Twin Falls station manager, said the flights normally scheduled to operate through the station will continue on to Salt Lake City or Boise, where personnel will assist passengers in obtaining ground transportation to the Twin Falls area.

The construction has completely closed the airport to aircraft requiring runways longer than 3,200 feet, Schoaff said.

Five Years

Fresno — **J. R. Cox, Jr.** and **J. B. Vineyard**, station agents. Klamath Falls — **J. A. Thurman**, station agent. Lancaster — **R. K. Taillon**, station agent. Las Vegas — **J. P. Baggelaar**, chief station manager. Los Angeles — **Donn Anderson**, station trainer; **B. C. Blair**, reservation agent; **J. P. Borcia**, **S. C. Krueger**, **L. C. Walton**, station agents; **R. L. Merkeley**, chief station agent. Monterey — **L. W. Peerenboom**, station agent. Pasco — **C. A. Parisi**, station agent. Phoenix — **M. Bone, Jr.**, **J. F. Johnson**, **A. R. Ladomato**, **P. A. Riggins**, **S. M. Skinner**, **J. A. Smith**, hostesses; **J. C. Bowell**, **K. A. Carmack**, **M. W. Cookman**, **J. G. Hoppe**, **A. G. Masquelier**, **L. M. Nash**, mechanics; **J. W. Kile** and **F. S. Moyer**, reservation agents; **D. B. Hooper** and **R. C. Pattee**, station agents; **J. A. Havick**, buyer; **C. M. Howard**, maintenance scheduler; **B. D. Medland**, assistant manager credit union. Sacramento — **C. H. Bratton**, station agent. San Francisco — **S. A. Card** and **R. J. Odenberg**, hostesses; **R. G. Joachim** and **R. T. Tidrick**, station agents; **Pat Harris**, hostess supervisor; **Larry King**, director of budget and operations; **A. Lomeli**, chief reservation agent; **R. L. Smith**, crew scheduler; **A. M. Taghavian**, teletype operator. Seattle — **S. M. Maughan**, reservation agent.

Pilots Will Represent Company at Golf Match

Capt. Phil Mickelson and first officer **Bill Lea**, both of Las Vegas, will represent Hughes Air West in the World Airline Golf Championship.

The annual tournament will be played this year at Turnberry, Scotland, in September.

Mickelson and Lea earned the right to represent the company by finishing first and second in a playoff tournament held in Salt Lake City on Aug. 2-3. Players in that tournament were the winners of all employe club sponsored tournaments held around the system within the last year.

It will be Mickelson's third appearance in the world tournament and Lea's first.



ELECTED — **Max Andrus**, Pasco station manager, has been elected a district governor of the Toastmasters International. He will supervise the operations of 16 Toastmasters clubs in his district that covers southeastern Washington and northeastern Oregon.

'Playday' Fare Cuts Proposed

Hughes Air West has proposed a 26 per cent cut in its round-trip ticket cost between cities in California and Nevada to provide special "playday" fares on certain days.

Pending approval by the Civil Aeronautics Board, the standard class fares would be reduced from \$78 to \$58 between San Francisco-Oakland-San Jose and Las Vegas. Also, fares between Los Angeles-Ontario-Burbank-Santa Ana and Las Vegas and between San Francisco-San Jose and Reno would be cut from \$54 to \$50.

The new rates would begin Aug. 29, according to **Stan French**, manager of passenger tariffs.

He said the new "playday" fares would be applicable for travel to Las Vegas and Reno from 4 p.m. on Sundays to midnight on Wednesdays. Westbound rates would be effective on Mondays, Tuesdays and Wednesdays.

On Monday, Sept. 6 after the Labor Day weekend, they would only be effective one way to Las Vegas and Reno.

Q and A Corner

Employees are urged to submit questions to the Editor.

Q. Does the company have any plans on changing the company employe magazine? For a while there was an article highlighting each station on the system. Are there any plans for something like this in the future?

A. There are no plans to change the current editorial emphasis of the employe publication. It will continue to feature general corporate information affecting the company at large as opposed to stories on personalities. When time and space permit, there will be feature stories on departmental functions, stations, and, perhaps, eventually a personalized column.

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Q. When are Mr. Tague and other company officials going to visit system stations and answer questions local employes might have?

A. Mr. Tague has participated in more than 15 meetings throughout the system. Due to his schedule, he cannot participate in such meetings at all stations. However, other executives are currently visiting stations throughout the system for similar meetings. It should be noted that the turnout of employes for these meetings can be rated from fair to very poor when compared to the number based at each station.

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Q. Why wouldn't United Airlines' fleet of Caravelle aircraft be a suitable replacement for some of our F-27 aircraft? The Caravelles are being sold at about \$550,000. They are configured for about 55 passengers. This seems like a good price and configuration for some markets that cannot yet support DC-9-10 trips.

A. It would be presumptuous and in poor taste to openly critique a specific aircraft. Many jets have been investigated and due to many technical reasons, including high operating costs, have been found to be incompatible to the future needs of our system at this time.

It seems the real question is, when will jets replace propjet aircraft. Most F-27 markets are not profitable at this time. To replace them with jets would double operating costs. In turn, this would increase the company's over-all loss.

Where growth has occurred, the company moved in the jet operations such as Twin Falls, El Centro, Lewiston, and Yuma, to name a few. Nevertheless, the evaluation of new jet aircraft will continue.

Company Image Change Revealed

(From Page 1)

the dominating color. The fabric is Burlington Mills' Ponte de Broma, a special dyed pure polyester. Ground hostess uniforms and sketches of uniforms for other personnel were also shown. Hostess uniforms are expected to be ready by January, 1972.

The presentation was made by professional models. As soon as two Air West hostesses are fitted with the new uniforms, similar presentations will be made at other domiciles.

All aircraft also will be given an interior and exterior "new look." The exterior will be Sundance Yellow with the company's new mark on the tail and its

new logo on the forward fuselage sides. Wings will remain silver.

The first DC-9 exterior will be ready by the end of September.

The company's change of image program is under the direction of Mario Armond Zamparelli & Co., a Los Angeles-based graphic and industrial design firm, which specializes in corporate images. Miss Linda Brownridge, a fashion designer, is a consultant to the Zamparelli firm.

Additional information concerning the "new look" for Hughes Air West will be revealed as soon as plans are made final.

Thompson Named Oxnard Manager

Alcyd "Tommy" Thompson is the new station manager at Oxnard, Calif., replacing Nathan Lee who is on an extended medical leave of absence.

Thompson joined the airline in 1948 as a station agent at Oxnard. Since then he has held similar positions at San Luis Obispo, Red Bluff and Chico. He most recently served as station agent at Burbank.

Obituaries

Funeral services for Mrs. Ina Crandall were held in Belmont, Calif. Aug. 12.

Mrs. Crandall died Aug. 9 after suffering a stroke two weeks earlier.

She had been an intermediate clerk in the print shop at San Francisco. She joined the company in 1968. She is survived by two married daughters and a married son.

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Funeral services for Arnie Nord, cameraman in the graphics arts section at San Francisco, were held July 16 in Belmont, Calif.

Nord, 48, died July 13 after a long illness. He had taken medical leave of absence from the company in March of this year.

He joined the company in June, 1969. Part of his duties included production of this publication.

He is survived by his widow and six children.

Employe Association Elects Six Officers

The Hughes Air West Employes Association has elected six members to its board of directors.

They are Joy Hyde, San Francisco; Marilyn Redmond, Phoenix; Herb Steele, Seattle; Pat Moriarty, Los Angeles; Jim Reineccius, Portland; and Vic Sperotto, Las Vegas.

Reineccius was elected chairman of the board; Steele, Vice Chairman; Miss Moriarty, secretary; and Mrs. Hyde, treasurer.