

# Season's Greetings

The progress we have made this year is reflected by your loyalty, support and hard work. On behalf of the board of directors of your company, I would like to thank all employees for your personal efforts.

The energy crisis will not impair our desire and ability to continue and improve our progress during 1974.

I would like to join with each member of our board to wish you and your family a Merry Christmas with the hope that the New Year will bring good health and peace of mind.

*Irving T. Tague*  
General Manager



## Fuel crunch forcing 9.7 per cent cut in flights for Jan. 7 schedule

The nationwide fuel crunch will force a 9.7 per cent reduction in systemwide departures in the new Jan. 7 flight schedule.

On that day, weekly departures will be reduced to 2,767 from 3,065 operated in the Dec. 15 schedule. The reduction is the first for Hughes Airwest since the start of the federal fuel allocation program.

"We do not know at this time if our allocation for the Jan. 7 schedule will change," said **Irving T. Tague**, general manager. The U.S. government is expected to reveal new guide lines for fuel allocations this month.

"We have launched an aggressive program urging government leaders in many cities we serve and in Washington, D.C. to assist in preventing any further fuel reduction," Tague said.

Tague said the Jan. 7 schedule is based on a policy that is designed to inconvenience the least number of people in the company's system.

"Segments with very high load factors most likely will remain untouched while segments with too few passengers will be cut back to within our legal certificate obligation," he said.

The Jan. 7 schedule also will cut weekly aircraft hours 12.2 per cent. Weekly aircraft miles flown will be 11.9 per cent less and available seat miles will drop 9.41

per cent.

The reduction figures that were released to the nation's press were slightly higher. The change is due to re-adjustments made in the Dec. 15 schedule after they were released.

In addition, some 100 employees will be furloughed as a result of the over-all reduction. This amount is less than 3 per cent of the total work force of 3,450.

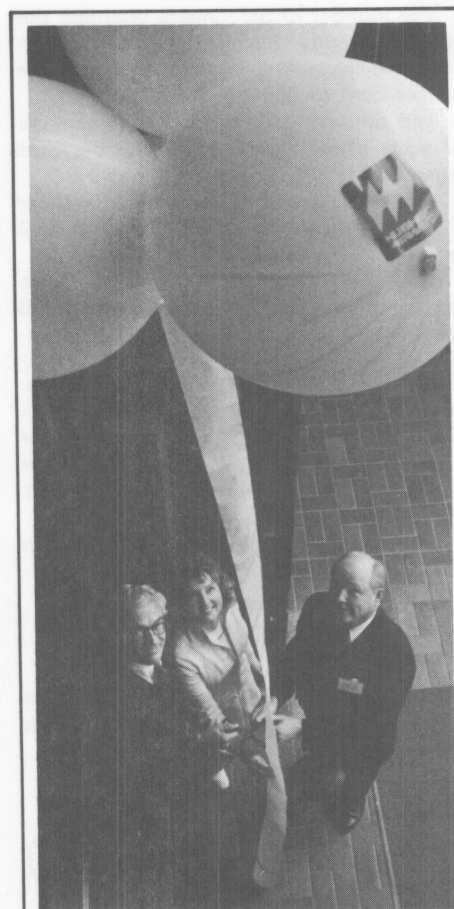
"It is a regrettable situation forced by the fuel shortage," Tague said. "All employees have done an outstanding job during 1973."

Tague said the company is making every reasonable effort to save jobs even though flight schedules have been reduced by nearly 10 per cent.

"A great deal will depend on our revenues that will reflect on how all employees treat our passengers and the extra service we provide to them."

The holiday season schedule will be maintained during peak travel periods until after New Year's Day to accommodate nearly 300,000 advance-booked passengers.

Normal cutback of scheduled flights during the low-travel periods of the holiday season will be increased to conserve fuel. Peak periods will be supported by extra sections on heavy traffic segments.



**VERTICAL RIBBON CUTTING** — The world's first vertical ribbon cutting, symbolic of skyward flight, dedicated Hughes Airwest's new \$6.2-million international headquarters in San Mateo last month. General manager Irving T. Tague (left), stewardess Crystal Schemainski and Richard J. O'Melia, newly appointed member of the Civil Aeronautics Board, cut the ribbon held aloft by three balloons representing the U.S., Canada and Mexico. The new complex is the first corporate headquarters to be built for a scheduled airline in the West in nearly a decade. (See story on page 3.)

## Traffic gains sharply during best November in company's history

Hughes Airwest experienced the best November in its history and the third best month of 1973.

Miles flown by fare-paying passengers jumped nearly 22 per cent over November, 1972—109,525,000, compared with 89,876,800.

Other categories also showed sharp increases.

The number of passengers boarding the airline's flights throughout the Western U.S., Mexico and Canada rose more than 15 per cent to 291,000 from 252,700.

The average load factor (the percentage of seats filled) increased to 52.8 per cent from 46.8.

Passenger density (the average number of passengers flying per mile) rose to 42.2 from 37.5.

The number of available seat miles logged by the carrier increased nearly 8 per cent to 207,356,500 from 192,087,100.

Cargo ton miles (one ton of cargo traveling one mile) decreased 1.2 percent to 639,000 from 646,900, while total tons of cargo boarded at the airline's 66 airport stations dropped 1.8 per cent from 1,701 to 1,733.

Systemwide on-time average dipped to 70.4 per cent from 85.1.

### About your company

Hughes Airwest's longest international nonstop segment is 974 miles between Phoenix and Puerto Vallarta, Mexico.

## TRAFFIC SCOREBOARD

	Nov., '73	Nov., '72	% Change
PAX	291,007	252,782	+15.1
RPM	109.5 mil.	89.9 mil.	+21.9
ASM	207.3 mil.	192.0 mil.	+ 7.9
Load Factor	52.8%	46.8%	
PAX density	42.2	37.5	+12.5
Cargo ton miles	639,070	646,905	- 1.2
Cargo tons brd.	1,701	1,733	- 1.8
On-time	70.4%	85.1%	

	Year-to-Date		
	1973	1972*	% Change
PAX	3.0 mil.	2.3 mil.	+34.2
RPM	1.1 bil.	792.5 mil.	+44.2
ASM	2.2 bil.	1.7 bil.	+33.6
Load Factor	51.0%	47.3%	
PAX density	40.9	38.6	+ 6.0
Cargo ton miles	7.0 mil.	5.2 mil.	+34.5
Cargo tons brd.	18,683	14,304	+30.6
On-time	84.8%	85.6%	

\*All 1972 year-to-date data is the result of a severely restricted flight schedule caused by a 3½-month strike.

## WINE WINS WINGS

### Surveyed passengers prefer tasters in sky

Wine tastings in the sky are more popular than food.

That's the opinion of passengers recently surveyed by Hughes Airwest, the originator of airborne wine tastings.

In fact, the popularity of its International Wine Taster jets so surprised the airline's executives that they decided to serve quality wines from eight more countries.

They also more than tripled the number of daily wine taster flights from 8 to 26 throughout the West.

The expanded "wine list"—it now contains 44 different labels from 21 wineries in 12 nations—would be the envy of any gourmet restaurant in the world.

There are notable wines from such famous cellars as Argentina's Trumpeter; France's Rothschild, Ginestet and Louis Jadot; Spain's Duff Gordon; and Germany's Stiegenberger—labels that get more than casual attention from connoisseurs around the globe.

Wines from cellars in Australia, Italy, Japan, Portugal and the United States also are included.

There is the most expensive wine in Greece; the largest selling wine in Hun-

gary and Mexico; and a premium German wine made by a family process unchanged in more than 200 years.

There also is the largest selling sherry in the world (including England); the only Muscadet served aboard the world's largest oceanliner; and one of the oldest (and scarcest) Cabernet Sauvignons.

Some 60 per cent of the airline's midday snacks and evening dinner meals have been eliminated in favor of the more popular wine tastings, said **Russ Fields**, manager of passenger services.

The wine tastings will be served to passengers on selected Sundance flights between the following cities:

Boise to Portland; Eugene to San Francisco; Eureka to Los Angeles; Fresno to Las Vegas, Las Vegas to Spokane, Salt Lake City, Boise and Reno; Los Angeles to Tucson and Twin Falls; Phoenix to San Jose; and Reno to Las Vegas.

Also Salt Lake City to Phoenix, Las Vegas and Spokane; San Diego to Las Vegas; San Francisco to Eugene; San Jose to Las Vegas and Phoenix; Santa Ana to Eureka; Spokane to Salt Lake City; and Tucson to Los Angeles and La Paz.

## Proving flight makes first landing at Guaymas

The first Sundance aircraft landed at Guaymas, Mexico early this month on a proving flight from Phoenix and Tucson—less than two weeks before the start of scheduled passenger service on Dec. 15.



**GUAYMAS CREW**—This trio was the crew aboard the first Hughes Airwest aircraft to land at Guaymas, the company's fifth and newest Mexican destination. They are (from left) pilot Dick Tribe, stewardess Phyllis Mireles and first officer Austin Bates.

Aboard the F-27 propjet were 17 company representatives and 10 newsmen from the two Arizona cities.

Purpose of the flight was to prove to officials from the FAA and the Mexican CAB, who were aboard, that the company could fly the route within established safety and operational guidelines.

**Shelby Tuttle**, staff vice president of flight operations, led an operations team of pilots, dispatchers and regional flight managers. Several qualifying takeoffs and landings were conducted during the four-hour stay at the Guaymas airport.

Crew members on the proving flight were **Dick Tribe**, pilot; **Austin Bates**, first officer; and stewardess **Phyllis Mireles**.

## FINANCIAL RESULTS

	Nov., '73*	Nov., '72*
Operating revenue	\$ 12,284	\$ 9,594
Operating expense	9,662	9,411
Operating earnings	2,622	183
Non-operating earnings	59	351
Net earnings	2,606	534

	Year-to-Date	
	1973	1972
Operating revenue	\$118,027	\$86,978
Operating expense	111,393	84,434
Operating earnings	6,634	2,544
Non-operating earnings (loss)	(2,113)	(1,155)
Net earnings	4,446	1,389

\*All data in thousands

## Headquarters dedication, open house, art showing attract a crowd of 700

A crowd of more than 700 came to Hughes Airwest's new international headquarters in San Mateo Nov. 27 for a vertical ribbon-cutting dedication, open house and an evening art show.

Richard J. O'Melia, newest member of the Civil Aeronautics Board, was welcomed as the honored guest by general manager Irving T. Tague.

Civic leaders from the San Francisco Bay Area were hosted at a luncheon in the new board room honoring O'Melia.

Following the dedication, visitors toured the two buildings, where corporate and departmental displays were prominently exhibited.

The art, placed throughout the headquarters complex, featured works by the three artists who won last spring's art contest in Guadalajara, Mexico, co-sponsored by the airline and the Jalisco Department of Fine Arts.

Refreshments consisted of international wines and cheeses, which are served aboard the airline's International Wine Taster jets.

## TRANSITION

WELCOME ABOARD — Eric Chow and John Hassler, crew schedulers, San Francisco. Karon Altman, Dorothy Queenan, David Locke and Dorothy Brownback, statistical analysts, San Francisco. John Rancken, administrator of taxes, San Francisco. Frank Carrasco, press operator, San Francisco. Jane Del Rosario and Erkis Yaus, clerk typists, San Francisco. Gordon Odom, press operator, San Francisco. Verna Bain, Kay Hamme and Diane Perchonock, reservation agents, San Francisco. Arnold Marbry, mail clerk, San Francisco. Dinorah Flores and Eddy Obuchi, junior accounting clerks, San Francisco. Eugene McKenney, cameraman, San Francisco. Jose Bacallo, intermediate accountant, San Francisco. Terrence Larson, cleaner, Los Angeles. Robert Warren, cleaner, San Francisco. Carlton Bolin and Junior Monk, technicians, Los Angeles. Victor Remeneski, technician, Phoenix. Margaret Gayan, cleaner, San Francisco.

PROMOTIONS—Ken Libby, to manager current schedules, San Francisco. FiFi Alvarez, to secretary, San Francisco. Kathleen Jones, to senior crew scheduler, San Francisco. Richard Schluter, to station agent, San Francisco. Lolus Westbrooks, to station agent, Oakland. Doris Ford, to reservation agent, San Francisco. Walt

## Hughes Airwest signs management aid pact with Liberian airline; 4 employes selected

Hughes Airwest has signed a management assistance contract with Liberia National Airlines (LNA).

It establishes Liberia as the fourth foreign country having aviation assistance agreements with Hughes Airwest—the only U.S. regional carrier with such overseas diversification programs.

The pact also calls for the sale of two 40-passenger, F-27 propjets to the government-owned Liberian airline.

In effect, Hughes Airwest will be assisting in the establishment of a new scheduled regional carrier complete with a new corporate logo, identifying mark and name—"Air Liberia".

The airline has chosen to retain the Sundance Yellow color on the two F-27s and to paint their other aircraft the same color as well.

The three-year management program will be under the direction of Dick Queenan, senior director of special projects, who negotiated the contract in Liberia earlier this month.

Four employes have been selected to manage the program. They are:

—Capt. Jack Furrer, currently regional flight manager in San Francisco, who will serve as general manager of Air Liberia.

—Charles (Skip) Clemens, intermediate cities sales manager, who will be responsible, as commercial manager, for all marketing and commercial activities for the "new" airline.

—Fred Smith, economic control manager, who, as technical manager, will coordinate and control Air Liberia's entire technical program.

—Archie Matteson, Phoenix maintenance instructor, who, as assistant tech-

nical manager, will conduct training for maintenance personnel to help them achieve airframe and powerplant licenses.

The four are scheduled to report Jan. '1 to Liberia's capital city of Monrovia, where the airline is based.

The two F-27s will be delivered next month to Liberia by company flight crews via a ferry route south to Brazil then across the South Atlantic.

Two LNA pilots and two mechanics currently are undergoing training in Phoenix.

The contract was signed by general manager Irving T. Tague; William E. Dennis Jr., Liberia's minister of commerce, industry and transportation and chairman of LNA's board of directors; and Stephen A. Tolbert, Liberia's finance minister.

LNA currently operates two DC-3s and eight small twin-engined aircraft throughout Liberia.

Its goal is to develop a modern air transportation system providing scheduled passenger and cargo service between cities in Liberia, including Monrovia, and destinations in neighboring countries along the west coast of Africa.

Queenan said the company was selected because of its expertise in regional airline economics, its experience in serving small airports throughout the Western U.S. and its successful management ventures in the other three foreign countries.

Hughes Airwest is providing technical maintenance assistance to Union of Burma Airways, Royal Nepal Airlines and Toa Domestic Airlines (TDA) of Japan.

The program with LNA, however, will be the first contract involving marketing and operational expertise as well as maintenance assistance.

### \$420 YULE 'BONUS'

## Technician wins year's largest suggestion award

Joe Cafiero, a Phoenix maintenance technician, received a \$420 cash Christmas "bonus" as his award for contributing to the employe suggestion program.

It is the largest individual suggestion award made this year.

Cafiero's suggestion involved the design

Steckline, to district sales manager-A, Tucson. Harold Westmoreland, to supervisor computer operations, Phoenix. Lane Fouts, to account executive, Seattle. Marilyn Schneider, to assistant manager inflight service, Phoenix. Gary Ahmann, to manager programming, Phoenix. Steven Templeton, to manager telephone sales Phoenix.

and construction of galley fixtures, on his own time, to speed up and improve the manufacture of parts.

Three other maintenance technicians in Phoenix also received awards.

Bob Gentry won \$75 in cash for suggesting a better method of repairing the nose cowl anti-ice tube on a DC-9.

Hugh Hawthorne was awarded \$50 in cash for recommending a new method of repair for the DC-9 lavatory fluid pump.

Al Hawkins received a \$25 U.S. Savings Bond for a suggestion for installing gussets on DC-9 forward airstair handrails.

In San Francisco, station agent Jim Orton received a \$25 U.S. Savings Bond for suggesting a new self-teaching training aid.

## SERVICE ANNIVERSARIES

These employees celebrate service anniversaries during December.

### FIFTEEN YEARS

PHOENIX—John Yates, first officer; Carl Brechbill, lead technician; Joe Smith, director avionics & overhaul; Lloyd Brady, supervisor avionics maintenance. LOS ANGELES—Joan Gagel, chief reservation agent. SAN FRANCISCO—Patti Reynolds, manager central seat control; Margaret Phillips, ticket agent; Robert Brandia, manager station procedures; John Biga, quality control technician; Frank Pack, cleaner. SALT LAKE CITY—Michael Aland, chief station agent. SPOKANE—Earl Downing, station agent. CRESCENT CITY—Ermin Bear, station manager. PORTLAND—Henry Schmitt, technician.

### FIVE YEARS

SEATTLE—Merilyn Rudy, reservation agent. LOS ANGELES—Michael Calvin, reservation agent; Donald Lovett, station agent; William Blagdon, technician. SAN FRANCISCO—Denise Doyle, reservation agent; Carol Siekierski, executive secretary; John Yuan and Mitchell Underwood, station agents; Linda Homer, clerk typist; Kenneth Rorabaugh, technician; Faye Minto, secretary; Patricia Smith, Glenda Lujan, Judith Lozada and Carol King, intermediate accounting clerks; Kathleen Hick, flight attendant. PHOENIX—Etta Buford, reservation agent; Norman Rekowski, station agent; Robert Mitchell, Dennis Soucy, Harry Saunders, Donald Shirie, William Bates, David Duering, Donald Maddock, James Pointer and Fred Aragaki, technicians; Paul Aguilar, computer operator. SAN JOSE—Hugh Schneider, station agent. OAKLAND—Rob Eisenhour, station agent. BURBANK—Steven Lonas, station agent. MONTEREY—Ben Honorof, station agent. LAS VEGAS—Michael Taylor, ticket agent; Theodore Ortiz, technician; Emilio Ordonez, quality control technician; Phyllis Mireles and Patsy Scott, flight attendants. SANTA ANA—Gerald Griffith, district sales manager.

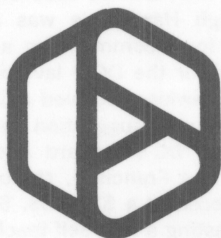
## OBITUARIES

Joyce Bonyai, sister of Marian Wilson, sales secretary, Seattle, Nov. 24.

EXPO '74.

Official

Airline



## STATUS REPORT:

# Company's F-27 propjet fleet dwindling

Hughes Airwest's fleet of 40-passenger F-27 propjets is fast dwindling.

It numbered 33 at the time of the takeover by the Hughes management in April, 1970, and included three leased aircraft and nine Dart 6s (smaller-engined F-27s) from the old West Coast Airlines fleet.

The nine Dart 6s subsequently were sold as follows: five to Ward International Aircraft, Inc. of Dallas; two to Air Manila in the Philippines; and two to Southeast Airlines of Miami in a transaction that included the transfer of a larger-engined Dart 7 to Hughes Airwest.

The F-27 fleet then stood at 25. It was reduced to 22 with the return of the three leased aircraft.

Ken Owens, manager of surplus sales with the responsibility for disposing of the

F-27 fleet, said 14 of the 22 propjets recently have been sold.

Here's a breakdown of those sales:

Union de Transports Aeriens (UTA) of France, 8; North Canada Air Ltd. (NORCANAIR), 3; Trans-Provincial Airlines Ltd. of Canada, 1; and Air Liberia, 2.

Of the 14 sold, however, only three have been delivered: two to NORCANAIR and one to Trans-Provincial.

Five aircraft already sold are scheduled for delivery to their new owners by the end of March: the two to Air Liberia and the first three to UTA.

Sale of the remaining eight F-27s is planned by mid-1975, Owens said, when Hughes Airwest hopes to achieve its goal of becoming an all-jet airline.

## Several programs welcome foreigners

More than 100,000 foreign visitors to the United States this year saw the West aboard Hughes Airwest.

They came from such places as Europe, the Far East, Latin America and Canada. And many spoke only their native tongues; often a bewildering experience when traveling abroad.

In an effort to assist these foreign travelers, Hughes Airwest has established several systemwide programs. Many are unique either to the industry or to regional airlines. All are designed to make foreigners aboard Sundance flights feel more welcome.

Here are a few of the things the company is doing:

—Increasing the bilingual ranks of its flight attendants. In addition to English, many speak Spanish, German, Italian and

other languages reflecting foreign family backgrounds.

—Providing aircraft emergency seat pocket cards written in Japanese and Spanish, as well as English.

—Welcoming passengers aboard all transborder Mexico flights with cabin announcements in Spanish and English.

—Imprinting travel destination messages on full-color systemwide route maps in six languages: English, Spanish, Japanese, German, French and Italian.

—Providing Mexican Tourist Cards, required for travel into that country, at 19 airport ticket counters and seven city ticket offices throughout the West.

—Providing a Spanish language course for flight attendants in Las Vegas to further increase the number of Spanish-speaking flight attendants.

—Operating "Spanish Desks" at the four reservations centers in San Francisco, Los Angeles, Phoenix and Seattle to assist passengers booked on flights to and from Mexico.

—Requiring that newly hired ticket counter personnel speak fluent Spanish to further bolster the number of bilingual ticket counter agents throughout the system.

## Thanksgiving traffic shatters all records

Passenger traffic during the Thanksgiving holiday shattered all previous records.

Nearly 50,000 persons flew with the airline during the long weekend, which began Nov. 22. Over-all, this reflected a 13.3 per cent increase, compared with the same period a year ago.

Traffic jumped 22.4 per cent on Thanksgiving Day. The heavies traveled day was Sunday (Nov. 25) when we carried nearly 14,000 passengers, the highest single day ever recorded in our history.

Our advance 30-day reservations through the Christmas holidays are 30 per cent higher than a year ago.



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