

700 attend dedication of first 727

More than 700 employees and friends of Hughes Airwest from throughout the system participated in the dedication and roll-out of our first Advanced 727-200 trijet at Boeing facilities near Seattle on May 27.

The event was reportedly as well attended (some said "better attended") as Boeing's roll-out of its first 747 in 1968.

Highlight of the ceremony was unveiling of the aircraft's name, *Spirit of Gamma*, by Nadine Henley, a member of our board of directors.

Before signaling for drawing of curtains to reveal the name, Henley said:

"The record-breaking feats across the country by Howard Hughes occurred 40 years ago . . . Since then, the world of supersonics and space flight has become commonplace. Hughes spacecraft devices have landed on the moon. They have traveled across cosmos, past Jupiter.

"There were many obstacles that faced Howard Hughes when he flew the Gamma in 1936—obstacles that would have discouraged many men lacking his determination and his dedication to aeronautical excellence.

"In memory of this man, whose vision and imagination knew no limits, I am proud to dedicate the Hughes Airwest flagship as the *Spirit of Gamma*."

Henley was introduced by Irving T. Tague, general manager, who said it was "an important and proud day for Hughes Airwest. We have been waiting for it for a long time . . .

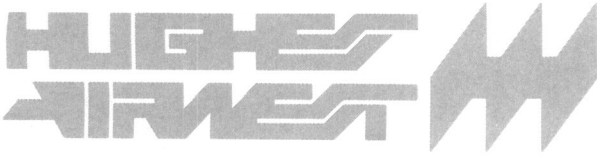
"Today we are a large corporation and sometimes we are criticized for being big. But our bigness is the result of service. In our company, growth is the key to success.

"It is an evolutionary process, not only in the traveling habits of our customers and business techniques, but also in the equipment we use to meet those needs . . ."

Tague said that six years of "steady improvement (Continued on pages 4 and 5)



Employees and friends watch as the name of our first new flagship is unveiled. (More photos inside)



Vol. 8, No. 5 Hughes Air Corp. June 1976

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40 new pilots ready for July schedule, fleet expansion; fourteen employees' sons train

Forty first officers are being added to our flight crew ranks as a result of the company's first new-pilot training since 1968.

Training began in mid-March and is continuing into July for some of the group, which includes 14 relatives of employees and 10 trainees who held previous positions with the company.

The additional pilots are needed to support our July 1 schedule expansion and the addition of three DC-9-30s and one -10 to scheduled service at that time.

Nineteen of the first officers received DC-9 training and 21 received F-27 instruction.

One of the classes included sons of eight employees, seven of them captains (see photo). The seven captains' sons (with father's name in parentheses) are:

Kirk Alldredge (son of the late Don Alldredge; Kirk's brother, Don, is a Las Vegas first officer); Dan Buskirk (Joe, Seattle; Dan's brother, Dave, is San Francisco East Bay sales account executive); Thomas Flickinger (Tom, San Francisco, retired); Kenneth Hughes (Bill, regional flight director, San Francisco); Brad Jones (Herb, retired); Robert Manning (Bob, Phoenix); and John Surbridge (Jack, San Francisco).

The eighth son in that class was Rich Anderson, whose father is Stan Anderson, assistant district maintenance manager, Los Angeles.

Other relatives of employees in the group of 40 are: George Archambault, husband of Janet, San Francisco flight attendant; Edwin Dudley, husband of Lois, Las Vegas flight attendant, and brother-in-law of Jack Brasher, Las Vegas regional flight director; Stan Ferguson, son of Les, Phoenix line check captain; Brian Hollingsworth, son of Keith, San Francisco captain; Scott Lungren, nephew of Ed, Seattle regional flight director; and Jack Raitheil, son of Bud, Phoenix captain.

The 10 new pilots having previous experience with



These eight sons of employees received pilot training together in Phoenix (see story). They are (from left) Rich Anderson, Bob Manning, John Surbridge, Dan Buskirk, Ken Hughes, Tom Flickinger, Brad Jones and Kirk Alldredge.

the company are: John Brunton, ground flight instructor, Phoenix; Chris Costemalle, operations vice president of our recently-completed project in Liberia; Jim Frantz, flight records and crew scheduling manager, San Mateo; Rich Merrell, chief crew scheduler, Las Vegas; Stephen Monaco, station agent, San Francisco; Richard Mott, aircraft router, San Mateo; James Orton, station agent, San Francisco; William Ramsey, crew scheduler, Las Vegas; Roger Smith, station agent, San Jose; and Bill Sundin, flight operations systems standards specialist, San Mateo.

The other 16 new first officers (those not related to other employees and who did not previously work for the company) have been listed in the *Transition* column of this publication as they were hired.

The 40 new pilots were selected for training following review of about 3,300 applications, according to George Locke, flight operations acting staff vice president.

727 training

Flight crew training will begin this summer for crews for the three 727-200s which will be in service by the end of the year.

Sixty pilots (20 three-man crews of captains, first officers and second officers) will be instructed in five classes of four crews each, including check and training pilots.

The final class will complete instruction in November. Training will be conducted by Boeing in the Seattle area.

IN MEMORIAM

Debbie Davis, 22, flight attendant, Las Vegas, in a motorcycle accident, June 8. She joined the company in July 1974.

Sybil I. Boaz, mother of Becky Boaz, flight attendant, Phoenix, April 26.

Mrs. Ring, mother of Hans Ring, ticket agent, Las Vegas, May 16.

Mrs. L. A. Dobson, mother of Waldo Dobson, technician, Portland, May 16.

Charles O. Lefebvre, father of Paul Lefebvre, captain, Phoenix, May 27.

Ida L. Moller, mother of Fred Moller, assistant district maintenance manager, San Francisco, June 9.

Milton M. Shumway, father of Jan Keltner, corporate records administrator, San Francisco, June 15.

May boardings jump 8.3%; RPM's, 7.4%

RPMs up 10.8% in first five months, boardings increase 9.7%

Our passenger boardings jumped 8.3 per cent and revenue passenger miles (RPMs) gained 7.4 per cent last month, compared with May 1975.

Boardings totaled 319,823 versus 295,350, while

TRAFFIC SCOREBOARD

	May '76	May '75	% Change
Passengers	319,823	295,350	+ 8.3
Revenue pass. miles	123.8 mil.	115.3 mil.	+ 7.4
Available seat miles	237.7 mil.	230.6 mil.	+ 3.1
Load factor	52.1%	50.0%	+ 6.0
Passenger density	45.9	43.3	+ 6.0
Average trip miles	387.1	390.3	- 0.8
Charter departures	88	N/A	
seats sold	7,725	N/A	
miles flown	38,007	N/A	
Cargo ton miles	761,373	719,337	+ 5.8
Cargo tons boarded	1,822	1,723	+ 5.7
On-time	91.9%	92.1%	
Year-to-date			
Passengers	1,601,521	1,460,242	+ 9.7
Revenue pass. miles	668.0 mil.	602.7 mil.	+10.8
Available seat miles	1,218 bil.	1,164 bil.	+ 4.6
Load factor	54.8%	51.8%	+ 6.9
Passenger density	48.2	45.1	+ 6.9
Average trip miles	417.1	412.8	+ 1.0
Charter departures	250	N/A	
seats sold	22,625	N/A	
miles flown	163,734	N/A	
Cargo ton miles	3.59 mil.	3.43 mil.	+ 4.6
Cargo tons boarded	8,632	8,397	+ 2.8
On-time	85.2%	83.9%	

RPMs rose to 123,798,800 from 115,284,200.

Density (the average number of passengers flying per mile) increased 6 per cent to 45.9 from 43.3, while the average load factor (the percentage of seats filled) advanced to 52.1 from 50 per cent.

The systemwide on-time average totaled 91.9 per cent, down slightly from 92.1 per cent.

Available seat miles climbed 3.1 per cent to 237,666,800 from 230,568,000.

Cargo ton miles increased 5.8 per cent to 761,373 from 719,337, while the tons of cargo boarded advanced 5.7 per cent to 1,822 from 1,723.

Year-to-date

Revenue passenger miles gained 10.8 per cent and passenger boardings rose 9.7 per cent during the first five months of 1976, compared with the same year-ago period.

RPMs totaled 668,037,300, up from 602,721,700, while boardings advanced to 1,601,521 from 1,460,242.

Density climbed 6.9 per cent to 48.2 passengers from 45.1, while the average load factor advanced to 54.8 per cent from 51.8.

The on-time average rose to 85.2 per cent from 83.9.

Available seat miles were increased 4.6 per cent to 1,218,101,800 from 1,164,275,000.

Cargo ton miles gained 4.6 per cent to 3,588,700 from 3,430,300, while the tons of cargo boarded increased 2.8 per cent to 8,632 from 8,397.

TRANSITION

WELCOME ABOARD

Patricia Moreland, intermediate accountant, San Francisco. Francis Pasek, engineering technician, Phoenix. Elaine Hugoboom, analyst I, marketing planning, San Francisco. James Kinamon, cleaner, Santa Ana. Kenneth Den Dulk, Edward Neal, John Cook, Ronnie Stevens, Robert Gomicler, Richard Zweig, Richard Schwenker, Thomas Lee, Edwin Dudley, Ralph Ambrose, Glenn Lungren, Mary Bush, Larry Kline, Stanley Ferguson, Jack Raitheil and Brian Hollingsworth, first officers, Phoenix. Linda Langlume, clerk typist, purchasing, San Francisco. Sherri Anderson, secretary, field sales, Seattle. Richard Snyder, crew scheduler, Las Vegas. Thomas Tinsley, aircraft router, San Francisco.

PROMOTIONS

Kenneth Moroney to sales representative, Tucson. Billie Workman to analyst, production control, Phoenix. Julia Schuster to flight attendant assistant manager, Phoenix. Annell Spencer to senior clerk, personnel, San Francisco. Robert Thomas to chief station agent, Klamath Falls. Joyce South to loan officer, credit union, Phoenix.

RETIREMENTS

Roland Woolsey, lead avionics technician, Phoenix, after 25½ years with the company. He joined the company (West Coast) as a radio mechanic in Seattle. He was named radio crew chief there in 1957, transferred to Phoenix in 1968 and named lead mechanic in 1969.

Merlyn Bou, switchboard operator, San Francisco, after 15 years. She joined the company (Pacific) in San Francisco.

SERVICE ANNIVERSARIES

THIRTY YEARS

SAN FRANCISCO—Floyd Long, quality control technician. Clyde Parker, dispatcher.

TWENTY-FIVE YEARS

LAS VEGAS—Daniel Murphy, captain. SEATTLE—Leo Olbu, captain.

TWENTY YEARS

LAS VEGAS—Joseph Bell, cleaner. Donald Worley, captain.

FIFTEEN YEARS

SAN FRANCISCO—Arvid Herigstad, reserve dispatcher. Jane Boge, senior accounting clerk.

TEN YEARS

PHOENIX—Gary Hackbart and Charles McCurry, first of-

ficers. Peter Hess, captain. Coleen Bevacqua, flight attendant. Arthur Griffin, James Marsh and William Lewis, lead cleaners. Helene Schulte, clerk typist, maintenance training. Richard Lemons, avionics technician. Mary Nelson, secretary, public affairs. Edward Dever, stock clerk. M. K. Williams, station manager. Stanley Blum, Paul May and Richard Mohr, station agents. SAN FRANCISCO—Sylvia Townley, flight attendant. Billie Johnson, supply supervisor. Richard Bartole, station agent. Susan Ogle, Darby Howard and Delia Childs, telephone sales agents. LOS ANGELES—Cynthia Atkinson, ground hostess. SAN JOSE—Lloyd Costello, station agent. SEATTLE—Richard Steele, ticket agent. Edith Jensen, telephone sales agent. LAS VEGAS—Marie Shoemaker, chief telephone sales agent.

FIVE YEARS

SAN FRANCISCO—Jim Price, regional planning manager. Christina Fortus, flight attendant. MAZATLAN—Craig Del Rosario, radio operator/technician. LAS VEGAS—Valerie Gobble and Barbara Summey, flight attendants. PHOENIX—Cheryl Karpinski, flight attendant.

FINANCIAL RESULTS

	May '76*	May '75*
Operating revenue—scheduled	15,552	13,220
—charter	244	N/A
Operating expense—scheduled	15,909	13,849
—charter	198	N/A
Operating earnings (loss)	(311)	(629)
Non-operating earnings (loss)	(92)	(240)
Provision for taxes	(129)	(52)
Net earnings (loss)	(274)	(817)
Year-to-date*		
Operating revenue—scheduled	78,521	66,366
—charter	919	N/A
Operating expense—scheduled	77,826	68,452
—charter	745	N/A
Operating earnings (loss)	869	(2,086)
Non-operating earnings (loss)	(1,021)	(1,323)
Provision for taxes	—	(52)
Net earnings (loss)	(152)	(3,357)

* All data in thousands (add 000).



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'Top Banana in the West'—three themes

The company's new "Top Banana in the West" advertising campaign was launched this month.

Three themes influenced the campaign's development, according to Russell V. Stephenson, marketing vice president:

- The easily identifiable yellow color of our aircraft;
- The fact that we serve more cities in the West than any other airline;
- Superior service by our employees.

"These three facets jived," he said. "We added a little sophisticated humor and arrived at 'Top Banana in the West!'"

Stephenson admits that the campaign might be controversial, including among employees. "But it'll get attention," he said. "And that's the whole idea of advertising—to get attention, provide information and be remembered."

Initially, the new advertising theme will be concentrated in cities most strongly affected by new service in the July 1 schedule change: Salt Lake City, the Los Angeles/Orange County area, San Diego, Seattle, Portland, Spokane and Reno.

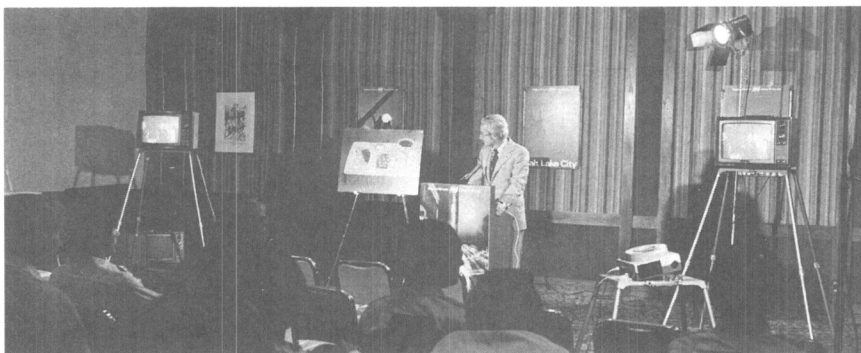
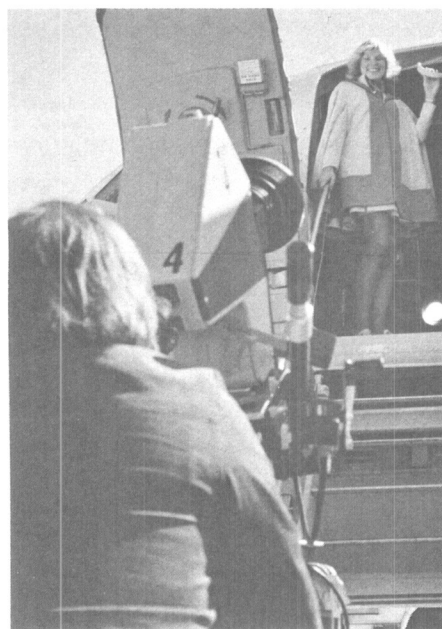
Television commercials with the same theme and featuring employees will be aired in Los Angeles, Salt Lake City, Seattle and Portland.

Advertisements also have been placed in off-line media in British Columbia and Montana, promoting connections in Seattle and Salt Lake City, and in travel and cargo trade publications.

Other variations on the theme are being used in intermediate city newspapers.



Fifty-one Hughes Airwest employees star in TV commercials for the company's "Top Banana in the West" advertising campaign. The three 30-second and four 10-second commercials were filmed in Phoenix in early May. Featured in one of them (above) are Carol Schultz, chief ticket agent, and Lari Tonte, ticket agent, both of Phoenix. The commercial they're posing for promotes flights between Los Angeles area airports (represented by the four bananas) and Las Vegas. Being filmed at right is Carrie Visser, Phoenix flight attendant. Other Phoenix employees with speaking parts are: Ricardo Quesada, Ulda Taveras, Pam Flores, Lou Cuadra, Brenda Dickens, Barry Flowers, Patricia Garey and Colleen Newport, flight attendants; Jerrold Coates, Johnny Leyva and David Griggs, station agents; John Trumble, ticket agent; and Tom Jones, stock clerk.



With the help of videotape, Irving T. Tague, general manager, discusses an aspect of our July 1 competitive expansion programs with employees in Los Angeles. There were 15 such presentations systemwide, at which our Top Banana in the West advertising program also was presented. The programs were led by Edwin N. Altman, operations vice president, and Russell V. Stephenson, marketing vice president. Other presentations were in Santa Ana, Reno, Salt Lake City, San Francisco, Portland, Seattle, Las Vegas and Phoenix.

Steak-N-Eggs, Cordon Bleu on new nonstops

First class inflight meals will be featured on our highly competitive flights between Salt Lake City and Los Angeles when they start up July 1.

Entrees in the "Blue Chip Service" will include "Steak-N-Eggs Coronet" for breakfast, a "Souper Lunch" and "Rock Cornish Game Hen Supreme" or "Poulet a'la Cordon Bleu" (breast of chicken stuffed with ham and cheese) for dinner.

"Souper Lunch" includes an ironstone mug of soup (bean with bacon, clam chowder, split pea with ham, or cream of celery, mushroom or potato) and a trio of sandwiches—ham and cheese, corned beef on rye and black bread with cream cheese and walnuts.

Blue Chip Service also will be featured on the Orange County to Salt Lake City nonstop flight and on one nonstop flight in each direction between Seattle and Salt Lake City.

All flights between Los Angeles and Salt Lake City will include our Pinata Service—Sangria with fresh strawberries. Complimentary wine will be served on dinner flights.

At a Los Angeles presentation, employees (from left) Claus Schwarzer, ticket agent, Trini Stange, ground hostess, and Jan Weber, ticket agent, check out samples of our first class "Blue Chip Service" to be served on flights between Los Angeles and Salt Lake City starting July 1.





700 at 'Spirit of Gamma' roll-out



As other
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words,

(Continued from page 1)

in our performance and service . . . did not occur by accident or chance. They were the result of the loyalty and efforts of thousands of men and women who now have propelled us to a respected and viable position in today's air transportation industry . . ."

He then introduced the members of our board of directors—all of whom were in attendance—saying, "Today's event also reflects the confidence of our board of directors in Hughes Airwest and its future. Their involvement, commitment and assistance have been without measure."

Tague was presented with a ceremonial key for the trijet by T. A. Wilson, chairman of the board of the Boeing Company.

Wilson said the roll-out and dedication was a "great occasion for the Boeing Company . . . This event marks the introduction of the 727 into the U.S. regional system. That makes Hughes Airwest a trend-setter and you're to be commended for your foresight."

He said the 727 will be "ideal for your passengers, operations and treasurer."

Master of ceremonies for the dedication and roll-out was Lee Pitt, executive assistant to the general manager, who planned and coordinated the event.

He introduced the nine senior employees who had been invited to represent their colleagues on the dias. He also introduced the Reverend John W. Lawlor, executive vice president of Seattle University, who gave the invocation, the seven Hughes Airwest officers, and four Boeing executives also on the dias.

Following the ceremony, attendees watched as the aircraft was rolled out of the hangar for preparation for its first flight that afternoon, to Boeing Field International, five miles away. There the 727 and its engines—more powerful than on any other 727 in the world—are undergoing final check-out, flight testing and certification by the FAA before mid-August final delivery.

Employees were hosted at lunch by Boeing, taken on a tour of Boeing facilities and viewed the maiden flight.



Senior employees from major categories within the company represented their colleagues on the dias. Standing as they are being introduced are: (from left) Martin Doyle, stock clerk, Seattle; Clyde Parker, dispatcher, San Francisco; John Guthmann, station agent, Las Vegas; Jean Housholder, chief telephone sales agent, Phoenix; Vangie Casillas, flight attendant, Phoenix; Rowden Couk, captain, San Francisco; Olga Hakkinen, intermediate accounting clerk, San Mateo; and Floyd Long (hidden), quality control technician, San Francisco. Marvin Meier, quality control manager, Phoenix, also was invited but was unable to attend. These nine employees collectively have 244 years of service with the company.

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Pitt was assisted in planning the day's events by: Carmen Aitken, administrative assistant to the general manager; Hedy Hughes, executive secretary to the marketing vice president; and Jill Persyn, public relations representative.

Assisting in Seattle were: Juan Sparhawk, public affairs regional director; Bob Schultz, station manager; Ron Gilmore, assistant station manager; Bud Stokes, district sales manager; Wayne Parker, flight attendant manager; and Jim Davenport, telephone sales manager.

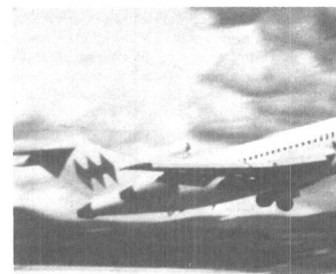


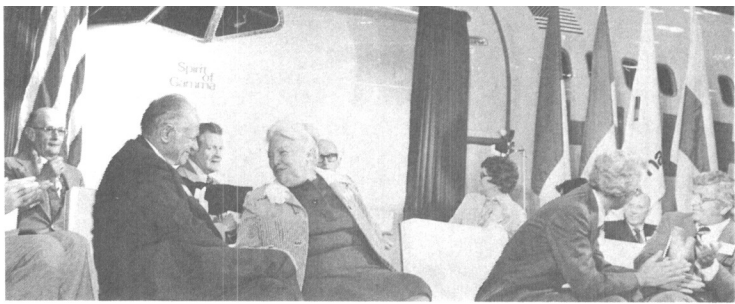
Employees gather outside the huge hangar to see the aircraft rolled out. From there, they were taken on a bus to lunch, and to observe the first flight that afternoon.



Irving T. Tague, general manager, addresses the gathering on the dias in the front row are (from left): the Reverend John W. Lawlor, executive vice president of Seattle University; Frank V. Chester, executive vice president of Boeing; Chester C. Davis, executive committee member of our board of directors; Nadine Henley, member of our board of directors (partially hidden), executive assistant to the general manager; T. A. Wilson, chairman of the board of the Boeing Company; Boullion and Dick Welsh, president and executive vice president, respectively, of the Boeing Commercial Airplane Co.; Buckley, vice president and general manager of the B707/727/737 division.

The Spirit of Gamma





back to observe the parting of the aircraft's name, Chester C. Davis Nadine Henley after she unveiled the of Gamma."



Flight attendants Collette Sanford (left) and Hodges wave as fellow employees watch the dedication ceremonies. The dedication have been held outside—with the aircraft at during the ceremony. However, threaten the night before forced the event inside. By the threat was gone and employees gathered to watch the aircraft leave for preparation for its flight that afternoon. Other flight attendants who attended at the ceremonies included Barbara Ger, Manois Hendershot and Carol Wimmer.



as the 727 is being facilities,

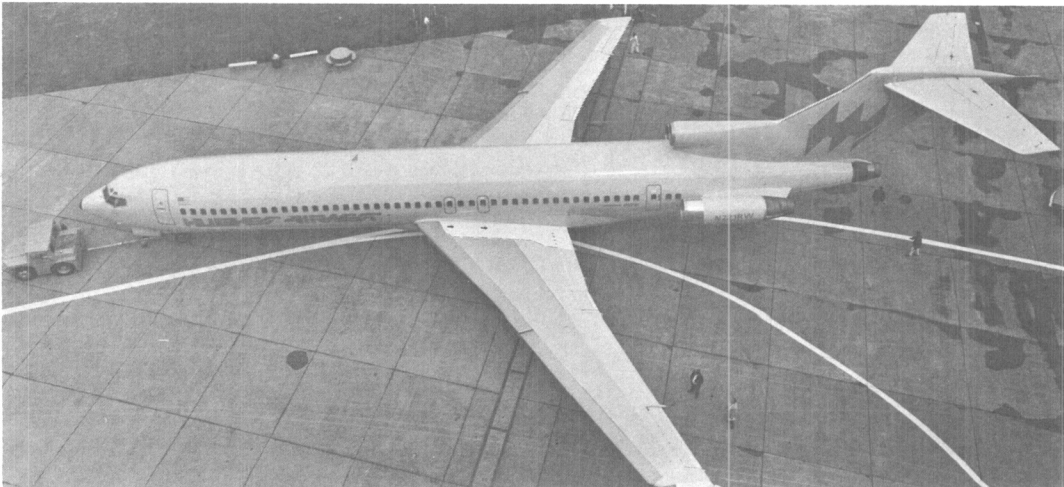


Jim McManmon, maintenance director for our Asia contracts, is the company's technical representative at Boeing during the continuing construction (right) of our other two 727-200s. Final delivery on the second aircraft is scheduled for November; the third will be delivered in December.

in the tower, and Lee Pitt; T. A.

ident, fly W.

Our 727 continues its tow to Renton Municipal Airport for preparation for its afternoon maiden flight to Boeing Field International, five miles away.



off on its maiden flight.



two California cities, Denver

We have asked the Civil Aeronautics Board for authority to operate nonstop jets between Reno and San Francisco, Reno and Los Angeles, and Reno and Denver.

The application was filed May 24.

Irving T. Tague, general manager, said the company's decision to seek the new authority was the result of a year's intensive study and several meetings with the Reno Chamber of Commerce.

"Our intent is to more firmly establish Reno as the principal tourist destination of Northern Nevada and meaningfully integrate it into our total route system," Tague said.

"Our present operating restrictions have forced us to treat Reno as a terminal point rather than a city through which we can route an increased number of passengers from major population centers in the West."

We currently are required to make at least one stop between Reno and the California cities. The proposed Reno-Denver route would be a new corridor for us.

If authority is granted, Hughes Airwest would be the third carrier to offer nonstop service on the Reno-California routes.

"Of the three," Tague said, "Hughes Airwest considers itself the specialist in short-haul transportation, which the Los Angeles and San Francisco routes represent.

"For a city of its size and potential," Tague said, "Reno is not now receiving adequate air transportation. We would welcome the opportunity to provide additional and more efficient service to Reno from Los Angeles and San Francisco."

Two airlines now fly nonstop to Denver.

If we receive it, Tague said, we probably would fly the Reno-Denver route with one of our new Boeing 727-200s.

Tague announced the application at a Reno press conference on May 18, in conjunction with our operations department meeting there. Jud Allen, Reno chamber executive director, presented him with an honorary Reno citizenship in recognition of the company's efforts to improve the city's air service.

Announcement of the application came on the heels of our recent commitment in Reno to inaugurate nonstop links with Seattle and Portland on July 1.

The new Pacific Northwest nonstops also will provide:

- An 18 per cent reduction in off-peak fares between Reno and Las Vegas.
- Reduced fares between Reno and such cities as Seattle, Portland, Spokane, Pasco and Yakima.
- New joint fares with Pacific Western and Alaska Airlines along routes linking Reno with Victoria, Vancouver, Anchorage, Fairbanks, Juneau and Ketchikan.

'Royal coach' charter for Danish queen

A Hughes Airwest charter carried Queen Margrethe of Denmark, her husband, official party and Danish press from San Francisco to Santa Barbara on May 23.

There were 55 in the party, including two company representatives—Ulla Green, industrial nurse, and Norm Hansen, group and tour sales system manager. Both were born in Denmark.

The queen motorcaded from Santa Barbara to Solvang, a Danish community. Later that day, we flew the group from Santa Barbara to Los Angeles.



Company honors 1976 scholarship recipients at a headquarters lunch

The company's 1976 scholarship recipients were honored at a luncheon June 11 at international headquarters. Two of the winners, Sandy Theuer and Monte Varah, Jr., are shown (seated), ready to "hit the books" in our law library. The other two recipients, Chris Rothaug and Alisa Sandoval (shown individually at left), were unable to attend. Shown standing are (from left) parents Fred Rothaug, San Francisco lead stock clerk, and his wife Paula; Eloise and Bob Theuer, San Francisco captain; and Monte Varah, Sr., Phoenix senior engineer. Alisa Sandoval is the daughter of Henry Sandoval, chief ticket agent, San Francisco, who also was unable to attend.

Boy Scout Center to bear our name in recognition of company's contribution

A new building being constructed in Sunnyvale, Calif., near San Jose, will be named the Hughes Airwest Regional Scout Service Center by the Boy Scouts of America in recognition of the company's contribution.

The center will be the second largest such facility in the U.S. when it is completed next fall. It will provide support services to about one million youth and adults in Cub, Scout and Explorer activities in about 30,000 units throughout the western U.S., Alaska, Micronesia, the Philippines and Japan.

Participating in the groundbreaking June 3 were Irving T. Tague, general manager, and James F. LeSage, a member of our board of directors and co-chairman of the center's building committee. Project architect was ArchiSystems, a division of Summa Corporation.

Crescent City service to resume; commuter unable to provide service

We will resume F-27 service at Crescent City on July 1.

Our flights have been suspended since July 1, 1975, following CAB approval of our application.

The board's order required that we resume service if Eureka Aero Industries, a commuter, failed to provide minimum service. Eureka has terminated all service there.

Employe-maintained 727-100 in Nepal makes first flight over the Himalayas

The Boeing 727-100 we maintain for Royal Nepal Airlines was flown over the Himalayas into southwestern China early this month.

It is thought to be the first time a commercial airliner has been flown on the uncharted course over the Himalayas—loftiest mountain range in the world, culminating in Mount Everest, the world's highest peak (29,028 feet).

The aircraft was carrying King Birendra of Nepal to meet with Hua Kuo-feng, prime minister of China.

The 727-100 is maintained by three Hughes Airwest employes in Nepal under one of our Aviation Assistance Program agreements. The employes are: Chuck Sturmer, maintenance manager; Floyd Welsh, maintenance supervisor; and Nelson Dewees, maintenance representative.

McCullough, MBO developer, joins company as marketing planning manager

Frank H. McCullough, 29, has joined the company as marketing planning manager.

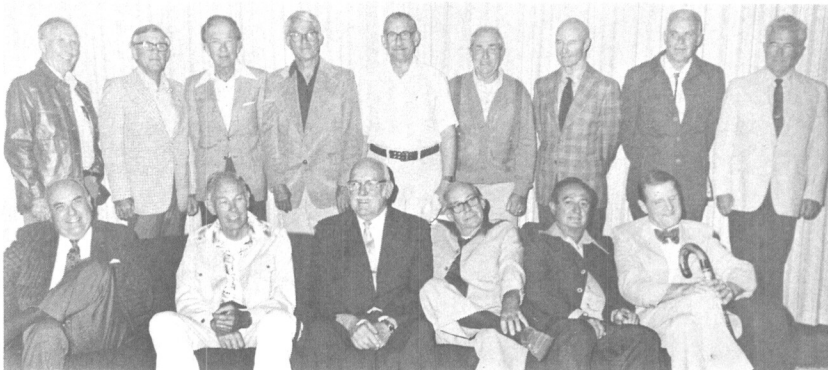
He previously assisted Hughes Airwest in development of a management-by-objectives (MBO) field sales program while a student at the University of Southern California.

He received a master of science in business administration degree this year, a master of business administration in 1975 and a bachelor of arts in international affairs in 1969, all from USC.

He served as an officer in the U.S. Navy in 1969-1973.

Our retired pilots organize

Hughes Airwest Retired Pilots held a one-day organizational conference in San Francisco June 9. Among the day's activities was a visit to our international headquarters and a reception for the pilots and their wives hosted by Irving T. Tague, general manager. Pilots at that event were (from left, front row) Exline Brown, Mac MacGowan, Jack Peacock, Jack Wise, Jim Banks and Oscar Cleal (president). In the back row (from left) are: Buff Flahaven, Dave Cameron (secretary), Bernie Schoenknecht, Lee Carter, Norm Bryar, Harry Kelly, Clancy Hall (treasurer), Gordon St. John and Jim Douglass. Russell V. Stephenson, marketing vice president, and Mary-Jean Hackwood, pension and group insurance manager, spoke at the group's luncheon. A banquet was held in the evening. The company has 37 retired pilots.



placated.

From the time of an initial application until the Civil Aeronautics Board (CAB) reaches a decision usually takes at least a year. One of our cases has been pending for about seven years.

Extremely simplified, here are the steps that an application goes through in a typical domestic route case:

- The company decides it is interested in a certain route and applies for it to the CAB.
- The board can do one of three things at this point. It can: dismiss the application outright; take no action ("stay" or "table" the application for possible future consideration); or it can define the scope of the case and decide which of its issues it wishes to consider and set a hearing date before an administrative law judge (ALJ).
- All interested parties participate in the ALJ hearing, as they do throughout the entire process. This may include cities, states or other airlines supporting or opposed to the application or applying for the same route. The CAB's bureau of operating rights (BOR) also participates.
- After the hearing all interested parties file briefs to the ALJ, which state their respective positions. This is done with knowledge of BOR's recommendation. The ALJ then issues his recommendation on the case.
- The BOR and ALJ recommendations and briefs to the board by all interested parties are then ready for the CAB. At this point, the board can take a number of actions: issue an order, without further review, denying the application or instituting the application's request (this action can run contrary to the BOR or ALJ recommendations or both); or, before making a decision, the board can decide to review the judge's decision either on their own initiative or as a result of a petition for discretionary review filed by one or more of the interested parties.
- Once the board has made a decision, interested parties can then ask the board to reconsider.

This entire process is overseen for the company by our regulatory affairs department consisting of: Richard A. Fitzgerald, staff vice president (he reports to Irving T. Tague, general manager); Terry Marshall, director; Peter Reis, attorney; and an analytical staff reporting to Marshall.

In addition, the company retains legal firms in Washington, D.C., to represent us on day-to-day matters. Fitzgerald personally serves as counsel for Hughes Airwest at most of the hearings.

With the above simplified steps in mind, following are the major applications Hughes Airwest has pending and their status (see map):

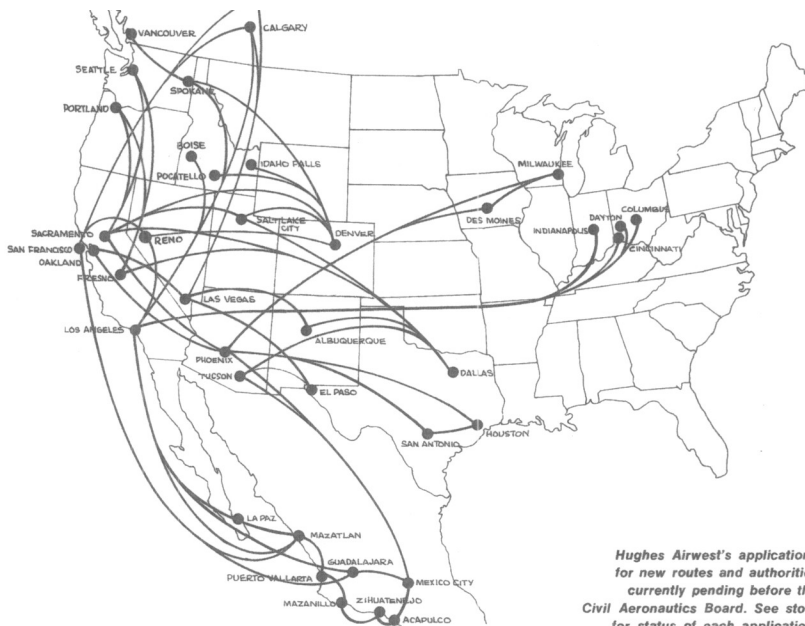
• **Las Vegas-Calgary and Las Vegas-Edmonton nonstops.** This is a result of bilateral discussions between the U.S. and Canadian governments which decided that this authority will go to a U.S. carrier. The BOR and ALJ have both recommended that we get the authority instead of Western Airlines, which also applied. Oral arguments before the board were held in February. Once the board issues a decision, it is subject to the President's approval, as are all international route awards.

• **Oakland-Las Vegas and Oakland-Phoenix nonstops.** The ALJ recommended this month that we be granted this authority. (See story below.)

• **California-Alberta route proceeding.** BOR has recommended that we receive nonstop authority between San Francisco and our two Alberta destinations and "permissive" Los Angeles-Alberta authority (i.e. operated nonstop or one-stop). ALJ hearing was held in April; briefs are due later this month.

• **American Airlines route exchange.** This involves exchange of some of our routes for some of American's into Texas. The board denied the application in August 1975, following BOR's endorsement of the exchange and the ALJ's decision against it. We filed a petition for reconsideration in September and are awaiting board action.

• **Phoenix-Des Moines and Phoenix-Milwaukee**



Hughes Airwest's applications for new routes and authorities currently pending before the Civil Aeronautics Board. See story for status of each application.

nonstop route proceeding. An ALJ hearing is scheduled for next month in Phoenix. Ozark Airlines will be involved as a Phoenix-Des Moines, only, nonstop applicant.

• **Los Angeles-Ohio Valley route proceeding.** This case will consider nonstop service linking Los Angeles with Indianapolis, Dayton, Cincinnati and Columbus. A prehearing conference (where the hearing date is set) was held in May; direct exhibits (evidence supporting our application) are due in August; the ALJ hearing is scheduled for October.

• **Vancouver-Spokane nonstop authority.** This route has been granted to a U.S. carrier under bilaterals. We applied for it in September 1975. No action has been taken and we are preparing to file a petition for an expedited hearing.

• **Los Angeles-Boise and Los Angeles-Spokane nonstops.** We originally applied for this authority in 1969 and updated our application in May 1975. We are awaiting setting of an ALJ hearing date. United now flies these routes nonstop.

• **Nonstop authority linking Denver with Spokane, Idaho Falls, Pocatello and Salt Lake City.** Our most recent application for these authorities was filed in December 1975. We are awaiting a board order instituting a proceeding.

• **Las Vegas-Albuquerque/Dallas and Las Vegas-El Paso.** This application has not yet been assigned for ALJ hearing. Other similar applications for southern east-west routes are now in preparation.

• **Route realignments.** These applications for amendment of our operating certificate by show cause order were filed in September 1975. They ask the board to grant us nonstop authority between 128 city pairs currently in our system where we now must make one or more stops and for one-stop au-

thority in another 15 pairs where we now must make more than one stop. Applications of this sort do not require hearings. We are waiting for the board to either issue a show cause order or dismiss the application. Under a show cause order, we would have to justify the application and any parties opposed to the new authorities would have to "show cause" why they shouldn't be granted. (These routes are not indicated on the map.)

• **Mexico routes.** This is for nonstop authority linking San Francisco and Los Angeles with La Paz, Mazatlan, Puerto Vallarta and Guadalajara, plus four new cities—Mexico City, Mazatlan, Zihuatenejo and Acapulco. In essence, it would establish the two California cities as new Mexico gateways for us, in addition to Phoenix and Tucson. These routes are still under bilateral consideration.

• **Nonstop routes linking Sacramento and Fresno with Seattle and Portland.** The board stayed all consideration of this application in March.

• **Reno-San Francisco, Reno-Los Angeles and Reno-Denver nonstop authority.** This application, filed last month, asks that one-stop requirements be dropped in the first two cases (Western and United now offer nonstop service in these markets), and that Reno-Denver authority be granted (in competition with United). (See story on opposite page.)

• **Sacramento-Denver route proceeding.** This application is set for ALJ hearing in Sacramento in late September. United now serves this market; Frontier also has applied. (Our original application also asked for Sacramento-Dallas, Fresno-Dallas and Sacramento-Salt Lake City-Dallas authority; the board eliminated these from the application when it set it for hearing. The company might refile for these additional routes later.)

Judge backs nonstop Oakland-Phoenix/Las Vegas

Company receives OK for Burbank-Phoenix nonstops

The Civil Aeronautics Board has approved our request to operate nonstop jets between Burbank and Phoenix.

Richard Fitzgerald, regulatory affairs staff vice president, said the company expects to begin the nonstop service in mid-September. Details will be

announced later.

We filed the application in September 1975.

Hughes Airwest is the dominant airline between Southern California and Phoenix. We are the only carrier in the Burbank-Phoenix market, but now are required to make a stop between the two cities, which currently is at Ontario.

Oakland-Phoenix/Las Vegas

Janet Saxon, CAB administrative law judge, recommended June 15 that we be granted authority to fly nonstop Oakland-Las Vegas and Oakland-Phoenix.

Our application was filed with the board in February 1975.

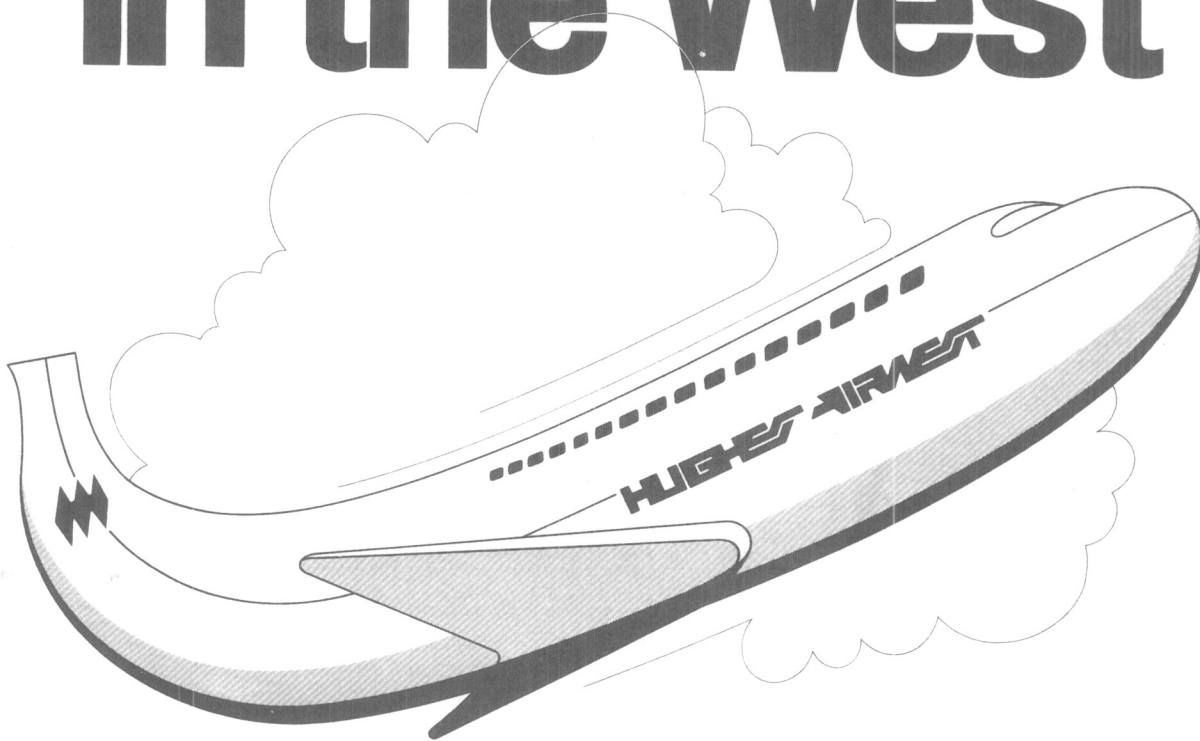
We now have one-stop authority along these routes. Western Airlines operates nonstop flights between Oakland and Las Vegas. Four other airlines have nonstop authority on one of the two routes but none of them are currently utilizing their authority.

We expect the board to issue its final order within the next three months.

Irving T. Tague, general manager, explains our route applications to employees attending the systemwide Management Club meeting June 5 in Phoenix. They were examining an enlargement of the map above on this page.



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We mean business, too. We fly to all major business centers in the West. We have convenient connecting service to the Midwest and East. And now, more than ever, we're going all out to be tops in on-time performance.

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