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Future issues also will be mailed to your home as part of the company's continuing effort to improve communications with all employees and their families.

—The editor

The battle for route oneupmanship

Name of the regulatory game—mindboggling skirmish picks up

The pace of skirmishing on the regulatory battlefield is picking up tempo for Hughes Airwest. And no letup is in sight.

Formidable opposition from other airlines is making it increasingly difficult for us, offensively, to secure new routes either within our present system or outside its restrictive boundaries.

Likewise, it is becoming equally hard, defensively, to thwart advances from our adversaries and hang on to our non-competitive routes that would not support another carrier.

This is the name of the regulatory game—the way the battle for route oneupmanship is fought by most of the country's airlines.

Aggressive competitors

Perhaps the most aggressive of our competitors is Western Airlines, which is challenging 10 of our 12 applications for expansion currently pending before the Civil Aeronautics Board.

United is opposed to five of them, Frontier is against four and Texas International and Delta each are opposing two.

Eight other U.S. airlines each are fighting one of our bids.

What we're up against

A breakdown of our pending applications for new routes, and the known



Our team on the regulatory battlefield (from left, seated): Terry Marshall, Richard Fitzgerald, Nan Vogt. Standing: David Ulmer, Carol Raymond, Howard Grant, Shirley Nishikawa and Nancy Winters (see story).

opposition airlines in each case, looks like this:

- California-Alberta—Western.
- Phoenix - Des Moines/Milwaukee — Western, Frontier, Ozark.
- Los Angeles-Ohio/Indiana—Western, TWA, American, Allegheny.
- Los Angeles-Boise/Spokane—Western, United.
- Sacramento/Fresno-Portland, Sacramento-Phoenix—Western, United.

- Reno-Los Angeles/San Francisco — Western, United.
 - Denver—Western, United.
 - Additional Mexico routes—Western.
 - Spokane - Vancouver — Western, Northwest.
 - Spokane-Montana-Denver — Western, Frontier, United, Northwest.
 - Las Vegas-Dallas — Texas International, Frontier, Delta, Eastern, Braniff.
- (Continued on back page, col. 1)

Canada, Oakland to get Las Vegas nonstops starting in November

Nonstop flights linking Las Vegas with Oakland, Calgary and Edmonton will be inaugurated in November.

The Oakland-Las Vegas nonstops—one daily in each direction—will begin Nov. 1. The flights also will serve Phoenix.

One flight each way, stopping in San Jose, will also continue to be operated.

The new service is a result of Civil Aeronautics Board approval in July, which also gave us Oakland-Phoenix nonstop authority. The Phoenix nonstops are scheduled to begin in January.

The new Las Vegas-Canada nonstops, authorized to begin Nov. 27, were approved by President Ford in late September. Currently all trans-border flights must stop in Spokane.

Following the approval, we filed for a CAB exemption that would permit the nonstop flights to begin as early as Nov. 1, coinciding with industry-wide schedule changes and switchover to standard time.

The board had not taken action on the exemption request at presstime. The company planned to begin nonstops within 48 hours of exemption approval if it doesn't come before Nov. 1, according to Ken Libby, current schedules and crew planning manager.

Each of the two Canadian cities will be linked with Las Vegas by one nonstop and one one-stop (Spokane) daily in each direction.

H-1 Racer's record-setting 1937 flight recalled in naming of our second 727

In a special public viewing room in the Smithsonian Institution's new Air and Space Museum in Washington, D.C., hangs the sleek H-1 Racer.

The aircraft was built in 1934-35 by Howard Hughes. It had great impact on design of high performance aircraft for years to come.

Our second Boeing Advanced 727-200, to be delivered in November, will be named the *Spirit of The Racer* after the aircraft in which Hughes shattered his own world speed record.

Hughes began designing the H-1 in late 1934, with the help of engineer Dick Palmer. By mid-1935, Hughes had 18 men working on its construction full-time, including Glenn Odekirk. He had challenged Hughes to design and build his own airplane as "the only way you'll ever get a ship to please you 100 per cent." This group was the beginning of Hughes Aircraft Company.

The H-1 was first test flown by Hughes in August 1935. The next month, he set a new world airspeed record of 352 mph on a special short test course in Santa Ana. His speed beat, by 34 mph, the previous record, set in 1934 by Raymond Delmotte in France.

During the next 16 months, the H-1 was refined to prepare it for a trans-continental flight. Hughes wanted to prove that he had built the fastest plane in the world—on a long-distance flight. The Santa Ana course was only



Hughes H-1 Racer at the Smithsonian Air and Space Museum

Hughes broke Roscoe Turner's trans-continental record by about 35 minutes by flying the Northrop Gamma from Burbank to Newark, N.J. in 9½ hours. (Our first 727-200 is named *Spirit of Gamma*.)

Meanwhile, the H-1 Racer was fitted with a new high-speed wing, an improved Pratt & Whitney engine and much additional equipment, including an oxygen system and a better radio. The aircraft was painted grayish-silver with blue and yellow trim.

So. Calif.—Denver Frontier interchange pact filed with CAB

Hughes Airwest and Frontier Airlines filed an application with the Civil Aeronautics Board Oct. 26 to provide through-plane service between Denver and two cities in Southern California along existing routes without increasing current frequencies.

If approved, two flights a day in each direction would be operated between Denver and Burbank and two between Denver and Orange County.

The proposal is designed to eliminate time-consuming connections now required on flights linking Denver and the two California cities.

The plan by the two airlines—called an "interchange agreement" in industry jargon—is a procedure commonly used by carriers to provide service to cities along routes they lack authority to fly.

In effect, the proposed through-jet service would merely be an extension of existing authority in each direction.

A Hughes Airwest DC-9 jet and crew would fly the route between Orange County Airport and Denver, via a stop in Salt Lake City. A Frontier 737 jet and crew would fly between Denver and Hollywood-Burbank Airport, via Las Vegas or Salt Lake City.

Operational control of the flights would be the responsibility of Hughes Airwest along its routes in and out of Burbank and Orange County. Frontier would have control along its routes in and out of Denver.

Neither airline would obtain authority to serve a new destination.

world record. When he took off early that morning to repeat the Burbank-Newark flight, he hadn't slept for 30 hours, having worked non-stop on final refinements on the aircraft.

In spite of an oxygen mask malfunction that almost forced him into unconsciousness, Hughes completed the flight in 7 hours, 28 minutes and 25 seconds—nearly two hours faster than in the Northrop Gamma.

His average speed was 332 mph, almost 73 faster than his Gamma flight.

TRANSITION

WELCOME ABOARD

Robert Werber, technical writer, Phoenix. **John Clifford**, programmer, Phoenix. **Frank McKay**, overseas maintenance representative, Mauritania. **Arthur Cross** and **Roger Valley**, maintenance service analysts, Phoenix. **Richard Lauchhardt**, avionics technician, Los Angeles. **Scott Mahon** and **Russell Packard**, station agents, Seattle. **Deborah Bower**, junior revenue accounting clerk, San Francisco. **James Arnone**, crew scheduler, Phoenix. **Robert Angst**, cleaner, Las Vegas. **Melvin Bartz, Jr.**, cleaner, Salt Lake City.

PROMOTIONS

Jack Brown to overseas maintenance supervisor, Saudi Arabia. **George Miller** to overseas maintenance inspector, Mauritania. **Paul Lorraine** to overseas maintenance crew chief, Mauritania. **Lawrence Karkarer** to overseas maintenance representative fore-

Nancy Simpson, a Boise ticket agent since 1967, has been named Salt Lake City assistant station manager. She is one of two women in station management in the company; the other is Lynne Manning, customer service assistant station manager in Phoenix. Simpson attended Boise Junior College and State University. Before joining us, she worked for United Airlines as a reservations agent and as a travel agent with a Boise agency.



man, Saudi Arabia. **Marilyn Schneider** and **Linda Polvino** to flight attendant assistant managers, Phoenix. **Wiley Parker** to line foreman I, Phoenix. **Dean Jensen** to lead component overhaul technician, Phoenix. **Robert Calvert** to lead technician, Las Vegas. **Carl Parker**, **Joseph Wilson** and **Trini Stange** to chief station agents, Los Angeles.

RETIREMENTS

David Bath, captain, Seattle, after 30 years with the company. He joined West Coast in August 1946.

Lemuel Payne, captain, Las Vegas, 27 years. He joined Bonanza in November 1949. **Leonard Hall**, lead ground equipment technician, Phoenix, 24½ years. He joined the company in May 1952 and was based in San Francisco until 1968.

Wilhelmena Peterson, intermediate general accounting clerk, San Francisco, 11 years.

IN MEMORIAM

Martha Lynch, ground hostess, Phoenix, and her husband, **Allen**; in an automobile accident, Sept. 17, in Phoenix. She joined the company in 1965. She was 32.

James G. "Gary" Capps, first officer, Phoenix, in a private plane accident, Sept. 29, in Prescott. He joined the company in 1967. He was 41.

Bernard Wermter, father of **Klaus Wermter**, component overhaul technician, Phoenix, Aug. 21.

Doris Mills, mother of **Ken Mills**, quality control technician, Phoenix, Sept. 21.

Judson G. Fleming, husband of **Frances Fleming**, junior maintenance clerk, San Francisco, and father of **Jan Sedlmyer**, senior revenue accounting clerk, San Francisco, Sept. 30.

Sharp gains in nine months of 1976

Our passenger boardings in September climbed 11 per cent and the miles they flew jumped 13.6 per cent, compared with September a year ago.

Boardings at the airline's 55 airports totaled 329,289, versus 296,724 in September 1975.

Revenue passenger miles rose to

Weiss named Los Angeles telephone sales manager

James F. Weiss, with 16 years of airline reservations experience, has joined the company as telephone sales manager in Los Angeles.

Most recently he was reservations administrator for Eastern Airlines in Los Angeles.

He joined Eastern in 1958 as a reservations agent in Chicago and later held various positions, including telephone sales and merchandising specialist, and reservations supervisor and operating supervisor.

He transferred to Los Angeles as reservations supervisor in 1969 and was named administrator in 1972.

Weiss, 38, attended Marquette University in Milwaukee and served in the U.S. Army in 1961-63.

Stoddard promoted to DC-9 flight training mgr., Phoenix

David L. Stoddard has been named DC-9 flight training manager, based in Phoenix.

He is responsible for flight and simulator training scheduling for all DC-9 pilots and supervises 10 instructors.

Stoddard, 43, joined the company as a F-27 first officer in 1967. He was promoted to captain in 1968 and to DC-9 first officer later that year.

He joined flight training as a F-27 instructor in 1973 and later became F-27 flight training supervisor. He has been a DC-9 flight instructor since March 1975.

Stoddard was a pilot for Cordova Airlines in Alaska in 1958-66.

He attended Texas Western University and served in the U.S. Air Force in 1953-57.

HEIR FARE

To the **Hjeltts, Polly**, flight attendant, and **Gary**, assistant dispatcher, San Francisco: a boy, **Duane Allan**, 7 lbs. 3 oz., Sept. 10.

To **Linda** and **Roger Langelier**, station agent, Seattle: a boy, **Michael Gerard**, 2 lbs. 8 oz., Sept. 15.

To **Christine** and **Richard Bounds**, station agent, Burbank: a boy, **Jason Edward**, 8 lbs. 9 oz., Sept. 17.

Locke staff v.p.

George S. Locke has been named flight operations staff vice president. He had been acting staff vice president since Sept. 1975.

Previously, **Locke**, 49, was operations technical coordinator and a line captain. He joined the company in 1959.

Saudi Arabia project headed by Ellsworth

Presley E. Ellsworth has joined the company as general manager of our technical assistance program in Saudi Arabia.

The Saudia project is the largest of our current Aviation Assistance Programs. It includes lease of three F-27s



Ellsworth

and assignment of 39 mechanics and pilots to maintain and fly the aircraft between 14 cities in Saudi Arabia and to Jordan and Lebanon. We started the project, headquartered in

Jedda, in March 1975.

Ellsworth for the past 2½ years was managing director, president and chief executive officer of Bahamasair, the national flag carrier of the Bahamas.

Previously he was general manager of British West Indian Airways (BWIA) in 1971-74, operations and maintenance vice president of Purdue Airlines in Indiana (1969-71), maintenance and engineering vice president of Universal Airlines in Michigan (1968-69) and Lake Central Airlines in Indiana (1967-68), and production control director of Allegheny Airlines (1965-67).

Ellsworth, 48, attended Colgate and Ohio State Universities and received a bachelor of science degree in electrical engineering at the U.S. Naval Academy in 1949. He did post-graduate work at the University of Lausanne.

He graduated from the U.S. Navy Pilot Training and U.S. Air Force Aircraft Maintenance Management Schools and achieved the rank of lieutenant commander in the U.S. Navy.

September passenger boardings up 11%; RPMs jump 13.6%

129,490,000 from 113,989,000.

Available seat miles were increased 14.9 per cent to 266,811,000 from 232,206,000.

Density (the average number of passengers flying per mile) advanced 1.2 per cent to 43.2 from 42.7, while the systemwide load factor (the percent-

age of seats filled) dipped slightly to 48.5 per cent from 49.1.

The average passenger trip length was extended 2.3 per cent to 393.2 miles from 384.2.

Cargo ton miles rose 6.6 per cent to 735,637 from 689,896, while the tons of cargo boarded advanced 3.3 per cent to 1,734 from 1,679.

TRAFFIC SCOREBOARD

FINANCIAL RESULTS

	Sept. '76*	Sept. '75*
Operating revenue—scheduled	15,879	13,194
—charter	337	113
Operating expense—scheduled	15,963	13,437
—charter	269	95
Operating earnings (loss)	(16)	(225)
Non-operating earnings (loss)	1,346	(155)
Provision for taxes	681	—
Net earnings (loss)	649	(380)
Year-to-date*		
Operating revenue—scheduled	145,989	124,521
—charter	2,099	113
Operating expense—scheduled	142,243	124,465
—charter	1,670	113
Operating earnings	4,175	56
Non-operating earnings (loss)	(512)	(1,667)
Provision for taxes	(876)	(52)
Net earnings (loss)	1,787	(1,559)

*All data in thousands (add 000).

	Sept. '76	Sept. '75	% Change
Passengers	329,289	296,724	+ 11.0
Revenue pass. miles	129.5 mil.	114.0 mil.	+ 13.6
Available seat miles	266.8 mil.	232.2 mil.	+ 14.9
Load factor	48.5%	49.1%	
Passenger density	43.2	42.7	+ 1.2
Average trip miles	393.2	384.2	+ 2.3
Charter passengers	9,117	1,944	+ 368.0
Charter miles flown	57,337	16,424	+ 253.0
Cargo ton miles	735,637	689,896	+ 6.6
Cargo tons boarded	1,734	1,679	+ 3.3
On-time	87.0%	90.1%	
Year-to-date			
Passengers	3,006,091	2,742,276	+ 9.6
Revenue pass. miles	1,224 bil.	1,107 bil.	+ 10.6
Available seat miles	2,264 bil.	2,119 bil.	+ 6.9
Load factor	54.1%	52.3%	
Passenger density	47.7	45.3	+ 5.3
Average trip miles	407.3	403.8	+ 0.9
Charter passengers	54,635	N/A	
Charter miles flown	366,515	N/A	
Cargo ton miles	6,495 mil.	6,167 mil.	+ 5.3
Cargo tons boarded	15,513	15,166	+ 2.3
On-time	86.0%	86.5%	

Year-to-date

Boardings and revenue passenger miles made sharp gains during the first nine months of this year, compared with the same period in 1975.

Passenger boardings rose 9.6 per cent to 3,006,091 from 2,742,276, while the miles they flew climbed 10.6 per cent to 1,224,297,000 from 1,107,430,000.

Available seat miles were increased 6.9 per cent to 2,264,373,000 from 2,119,194,000.

Density advanced 5.3 per cent to 47.7 passengers from 45.3, while the average load factor rose to 54.1 per cent from 52.3.

The average passenger extended his journey by about 1 per cent to 407.3 miles from 403.8.

Cargo ton miles increased 5.3 per cent to 6,494,700 from 6,167,000, while the tons of cargo boarded advanced 2.3 per cent to 15,513 from 15,166.

Employees systemwide send aid to La Paz

We flew an estimated 30 tons of relief materials to La Paz in the two weeks following the devastation by Hurricane Liza on Baja California Sept. 30.

Employees throughout the system contributed more than 4,000 pounds in clothing and food to aid their nine



In San Mateo, Donna Hinds, credit and collections intermediate accounting clerk, and John Malloy, security manager, were among employees contributing food and clothing for La Paz.



At the San Francisco air cargo office, Don Fischer (left), chief station agent, and Joe Benedict, station agent, repack some of the donations.

counterparts and families in La Paz. Sizeable shipments were noted from Phoenix, San Francisco/San Mateo, Las Vegas, Reno, Tucson, Yuma and Burbank.

The Las Vegas Employees Club purchased and shipped \$200 in groceries, in addition to individual contributions.

San Francisco telephone sales employees collected \$132 to aid employees in rebuilding their homes.

The company shipped 318 gallons of water and 22 pounds of medicine, including tetanus, typhoid and hepatitis vaccine and 31,000 water purification capsules.

Roberto Padilla, Mexico stations regional manager based in La Paz, reported that there was no damage to Hughes Airwest airport or city ticket office facilities, other than a temporary electricity loss.

None of our employees suffered injury, although 21 out of 23 relatives of a porter's wife died in the storm and the flood that followed when El Cajoncito Dam broke.

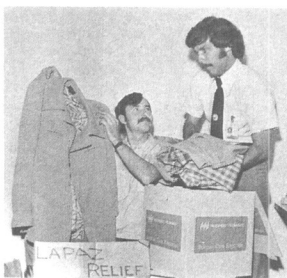
Three porters suffered serious damage to their homes.

The entire area where Isidro Lara lived had to be demolished. Roofs and walls in the homes of Lucas Alvarez and Oscar Graciano were seriously damaged and are being rebuilt.

(Other employees in La Paz are passenger service agents Adrian Aguilar, Jill Arcos, Marina Cruz and Rosendo Felix, and porter Raul Carballo.)

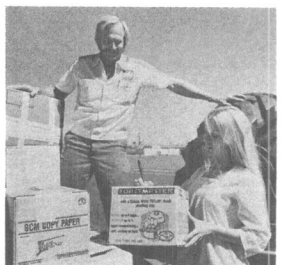
In addition to aid for employees, the company flew 200 cots, 40 bundles of blankets, eight heavy equipment tires and 10,500 pounds of milk for general distribution.

These were collected for shipment



Burbank employees Randy Coe (left), station agent, and Rich Halcomb, ticket agent, pack some of the clothing donated by their station.

from Santa Ana by the Commission of the Californias, an international organization of government and private sector representatives from California and the Mexico states of Baja California and Baja California Sur. An additional 27,500 pounds of milk was planned for



Phoenix had the biggest task. There, all La Paz shipments had to be unloaded, weighed, manifested, new air bills had to be cut and some of the donations had to be repacked. Shown above (left photo) are E. J. Hillstrom, chief station agent, and his wife, Dona, who volunteered to help out. In the right photo, agents load some of the donated milk.

shipment at presstime. (Arthur M. Taylor, Hughes Airwest vice president-legal, is a member of the commission.)

Karl Dring, San Francisco telephone sales agent who lived in La Paz for two years, delivered his office's contribution to La Paz on Oct. 12. He reported that employees were unloading these supplies from the jets and loading them on trucks on their own time. Water was delivered to employees' homes on a baggage cart.

Kip Wharton, traffic and stations staff vice president, and Tom Hall, personnel director, reported that water and electricity supplies were a major problem when they visited the area shortly after the disaster. They said employees were in good spirits.

Most electric supplies have been restored, but contamination of water and seafood continued to be a problem.

There was no damage to La Paz hotels, which are open and have fresh water supplies. Cabo San Lucas was not affected by the storm.



On-time performance 2nd among regionals

Hughes Airwest recorded the second best on-time performance among eight U.S. regional airlines during the second quarter of this year.

Based on selected top-market figures reported to the Civil Aeronautics Board, our on-time performance April through June was 87.44 per cent. Frontier led the regionals with 87.84 per cent.

In third place was Allegheny with 86.61 per cent, followed by North Central (84.36%), Piedmont (82.83%), Texas International (77.61%), Southern (70.44%) and Ozark (68.45%).

Second quarter reporting became entangled in a CAB change that expanded reporting requirements from the 100 busiest markets in the U.S. to the 200 busiest, starting May 1.

We were required to report on-time performance in the Las Vegas-Los Angeles, Los Angeles-San Francisco and Seattle-Spokane markets.

Now, starting May 1, we also must include Las Vegas-San Diego/Santa Ana, Los Angeles-Tucson/Monterey/San Diego, Portland-Seattle and Phoenix-Santa Ana.

The third quarter report also includes Los Angeles-Salt Lake City because we started service on that route on July 1.

The CAB figures reflect the percentage of flights which arrived within 15 minutes of schedule.

They are not comparable to the on-time figures reported monthly in the *Traffic Scoreboard* column of this publication. Those figures represent the percentage of all flights systemwide which departed within 15 minutes of schedule.

Using that method to calculate our performance, 89.53 per cent of our flights were on time in the second quarter.

Inflation overseas, Bicentennial attract traffic to West

Foreign visitor revenue increases 66% in first eight months

We are flying more foreign visitors than ever before.

The U.S., especially the West Coast, has increased in popularity as a vacation destination, according to Dick Neal, staff sales director.

Neal cited two reasons for the upswing:

- The U.S. no longer is a high-priced destination because of high rates of inflation in many countries.
- The U.S. Bicentennial celebration (especially popular with Europeans).

Most travelers from Europe and Australia/New Zealand are on package group tours. Typical groups from Japan are on incentive tours (employees who receive the trip as a reward from their

employer), special interest or study groups such as agriculturists, and package tours.

Neal said that the most popular destination for visitors to the West are San Francisco, Los Angeles (Disneyland), Las Vegas and Grand Canyon.

Most of their travel is completed on weekdays. Summer months are the peak travel period, but off-peak months are also showing increases, according to Neal.

Revenue from passengers from Asia, Australia/New Zealand, Europe, Africa and the Middle East increased 66 per cent to \$2.6 million in the first eight months of this year compared to the same period last year.

Europe, Africa and Middle East revenue more than doubled in the first eight months (up 129 per cent to almost \$779,000).

Japanese passengers—our most frequent flyers from overseas—accounted for \$1.5 million, up 46 per cent.

Revenue from other areas of the globe included:

- Asian countries (other than Japan)—\$100,450, up 21 per cent.
- Australia and New Zealand—\$316,600, up 82 per cent.
- Central and South America—\$119,000 (comparable figures for 1975 are not available).

In August, more than 20,700 of our
(Continued on back page, col. 4)

CUSTOMERS' ROSES AND THORNS

WE GET LETTERS . . .

(Editor's note—This column contains, for the first time, typical letters of complaint, as well as complimentary letters. Reference to individuals and locations have been omitted from complaint letters. Inclusion here does not necessarily imply that the employee was guilty of poor service. They are included in order to represent the kinds of service—or faulty service from the writer's viewpoint—that provoke a customer to write a letter of complaint.)

A businessman wrote: "Thank you for the fine and friendly service provided by Jeanne Gilchrist, Sylvia Karas and Morgan Godare (Phoenix flight attendants). I was treated as a guest, not just another customer. . . I assure you with this fine service, it will be Hughes Airwest from Los Angeles to Salt Lake City rather than Western."

From a M.D. who waited for a delayed departure: ". . . Many passengers were treated very rudely by a ticket agent. . . He showed

considerable disrespect of passengers. . . Many other problems of operating an airline can be overlooked if people are treated with at least a little respect. . ."

From a couple in Edmonton: "In the past my wife and I have traveled on Air Canada or CP Air and were pleased with the service. However, we were extremely pleased by the service your flight attendants offered. . . Brooke Finn and Diana Resnick (Las Vegas). . . These two. . . are the most personable and professional that we have ever had. . . We look forward to future travel with Hughes Airwest."

From a passenger who flew several airlines during a seven-day period, including twice on us: ". . . The contrast of service between airlines was startling. . . On both Hughes Airwest flights, the flight attendants demonstrated a real indifference, almost animosity, toward the passengers. . . seemed more interested in conversing with each other, made no attempt to take care of passengers. . . At

times their conversation with each other was rather loud and showy. . . breakfast was not too appetizing. . . A seat companion asked 'have you ever flown a worse airline?' . . ."

A couple wrote about the Las Vegas station: ". . . We learned the real meaning of courtesy. . . There was nothing but courtesy. . ."

From a passenger who was told by reservations when he could pick up his ticket at a city ticket office: ". . . I had to wait at least 15 minutes while (the agent) made weekend picnic plans on the telephone. . . The ticket wasn't ready. . . she wrote it while I waited. . ."

From a woman who escorted her elderly mother home: "The San Jose station personnel went out of their way to be helpful and the flight attendants (Patricia Riggins, Barbara Handley, Jolene Dickinson, Phoenix) were the nicest I've met in many years—and I've traveled a great deal."

showdown on its future—sell or close

Burbank residents will vote next month on a referendum advising the city whether they want Hollywood-Burbank Airport kept open.

The airport is owned by Lockheed Aircraft Corp. and is the only privately-owned airport in the country offering scheduled airline service.

Earlier this year, Lockheed announced its intention to either sell or close the airport June 1, 1977, when its state noise standards variance expires.

The cities of Burbank, Glendale, Pasadena and San Fernando have formed a Hollywood-Burbank Airport Joint Authority in an effort to purchase the facility. The state has authorized sale of \$5-\$10 million in revenue bonds to add to federal grants of \$40-\$55 million the cities hope to get.

More than 1.7 million travelers use the airport annually.

If Hollywood-Burbank were closed, passengers would divert to other area airports—Los Angeles and Ontario,

with a majority probably using Los Angeles International, according to Mike Murphy, Hughes Airwest public affairs director.

The three scheduled airlines serving Burbank—Hughes Airwest, Continental and PSA—also share half a rotunda at Los Angeles International. (Delta occupies the other half.)

Closing of Burbank would not only more-seriously congest the Los Angeles terminal, but also add considerable traffic to freeways and approaches to the airport.

We boarded and deplaned more than 187,000 passengers at Burbank in 1975. Traffic there in the first nine months of 1976 (206,022 boardings and deplanements) is running almost 15 per cent ahead of traffic in the first nine months of 1975.

Hollywood-Burbank handles about 21 per cent of our Los Angeles area traffic, not including Orange County airport, which is probably too distant from Burbank to receive any diversion.

A publicly-owned airport is expected to have more success dealing with government regulations, especially those related to noise, than Lockheed had.

The airlines say Hollywood-Burbank's future must be determined before the end of 1976 because the complexity of organizing an orderly shut-down requires extensive lead time.

ALJ hearings held on Los Angeles-Ohio case

A Civil Aeronautics Board administrative law judge began hearing evidence Oct. 13 on our Ohio Valley route application.

We have asked for authority to serve Cincinnati, Columbus and Dayton and Indianapolis, Indiana, from Los Angeles.

We are proposing to link each of the four cities with Los Angeles with two 727 flights a day, nonstop or one-stop, in each direction. There would be a total of four flights a day in each direction between Los Angeles and the Midwest.

Our exhibits for the hearing state that the flights also would serve San Diego and San Francisco, either directly or via convenient connections between 727s in Los Angeles.

American Airlines and TWA currently serve the Los Angeles-Cincinnati/Indianapolis routes. TWA flies the Los Angeles-Columbus/Dayton routes.

Representing the company from regulatory affairs were Richard A. Fitzgerald, staff vice president, and Terry Marshall, director, Russell V. Stephenson, acting general manager, testified on Oct. 15.

We applied for the routes in March of this year.

In August, we also applied to fly nonstop between Los Angeles and Louisville, Kentucky, adjacent to Ohio and Indiana.

HUGHES H-1 RACER . . . (Continued from front page)

Airport for 20 minutes waiting for traffic to clear before he could land.

His H-1 transcontinental record was not broken for 10 years.

The aircraft was stored until last year when it was refurbished by Summa Corporation and given to the Smithsonian Institution.

The Smithsonian display lists many design features of the H-1 Racer, some of them new to aeronautics when it was built.

It has two sets of wings—a short set 25 feet long for closed course racing, and a long set 31 feet, 9 inches long for distance racing. (The long set is on the Racer in the photograph.) The fuselage is made of aluminum; the wings are made of plywood covered with fabric.

(Continued from previous page)

passenger boardings (about five per cent of the total) were identified as visitors from overseas.

A one-month record was set in August by Europe, Africa and Middle East passengers—more than \$22,000—almost triple August 1975 revenue.

August Japanese traffic also set a record of \$418,000, up 74 per cent.

On August 1, we flew a record number of Japanese under one contract in one day. More than 400 flew to Las Vegas from Los Angeles, Burbank and Santa Ana, returning Aug. 3. The group was on a package tour arranged by one operator, the Japanese Travel Bureau.

Neal noted that bookings are coming in for 1977 and he expects the current traffic trend to continue. For example, during a two-week period early in the year, we will fly about 2,250 passengers on incentive tours sponsored by two companies in Japan. They will fly from Southern California to Las Vegas and Grand Canyon and return.

The bulk of overseas group bookings are handled by central reservations control, headed by Beverly Boyle, manager.

Our off-line sales force includes:

- Japan and other Asian countries—Paul Saito, Far East regional sales manager, and Chikayuki Sato, agency and interline sales manager, both based in Tokyo.
- Europe, Africa and Middle East and New York/East Coast of the U.S.—Catherine DeMartin, East Coast regional sales manager, based in New York. (Revenue from passengers from the New York area was up 18 per cent in the first eight months of 1976, to almost \$485,000.)
- Australia and New Zealand—Kay Bergin, South Pacific regional sales manager, Sydney.
- Central and South America—Under a sales contract with James Fendell, San Jose, Costa Rica.
- Hawaii—Raymond Ho, Hawaii interline and agency sales manager, Honolulu. (Traffic from Hawaii was up 30 per cent in the first eight months, to more than \$139,000.)

REGULATORY MINDBOGGLER . . . (Continued from front page)

American.

Las Vegas/Phoenix/Tucson - Albuquerque/El Paso/San Antonio/Houston/New Orleans/Corpus Christi/Midland/Odessa - Texas International, Frontier, Delta, Continental, American.

Airlines opposing the last four applications have also filed their own requests for each route with the board. Thus, for example, there are a total of seven airlines, including us, seeking the Las Vegas-Dallas route.

Competitors' applications

On the other side of the regulatory coin are those applications that have been filed by other airlines along new routes into cities we currently serve—and which we are opposing.

These cities can be categorized as (1) those we share with one or more other airlines or (2) those we serve without any competition.

In the first category, 10 other airlines are seeking entry into one or more of our already-competitive cities along nine proposed routes.

In addition to the four specified above, these pending applications, and the airlines that have filed them, are:

Sacramento-Denver—Frontier, Braniff, Western, TWA.

Tucson-San Diego—Frontier.

Monterey - Los Angeles/Santa Ana (Orange County)/San Francisco—PSA, Air California.

Kalispell - Frontier (the airline currently has temporary authority to serve Kalispell from cities to the east and south and is seeking permanent certification.)

San Diego/Los Angeles-Dallas/Tucson—Braniff.

Non-competitive cities

In the second category—non-competitive cities—two routes have been targets of other airlines wanting to enter the markets.

We have steadfastly opposed these efforts on grounds that not enough passenger traffic is generated along the routes to support more than one airline.

Despite our demonstrated ability to serve the markets, two airlines want to fly the routes.

They are Delta, between Phoenix and Las Vegas, and Western, between Reno and Las Vegas. (Both segments are high revenue producers for us.)

In addition to these two non-competitive segments, Western's proposed route realignment seeks nonstop authority in 27 smaller, non-competitive cities that we now serve.

Mindboggling complexity

The complexity of the regulatory battlefield is mindboggling.

Cases require constant surveillance and must be planned well in advance to allow room for maneuvering. Strategy is an important key.

Every airline is poised in the wings to grab opportunities for tactical advances. And we're no exception.

Communities are pressured from all quarters to support or not support a particular route case depending on the benefits they will derive from it—or are told they will derive.

Community pressure increases tenfold when an airline is forced to shut down because of any one of a number of reasons, including a strike.

Along non-competitive routes, the CAB may authorize another carrier to provide temporary service during the shutdown period.

Once an airline has its foot inside the door, it may be difficult to convince local residents that it should not remain—even though the route can't support two airlines.

A general overview

All this is a general overview of our route development effort directed by the regulatory affairs department—itsself a paper factory, which deals directly with the CAB.

Supervised by Richard Fitzgerald, staff vice president, the department prepares reams of briefs, petitions and other documentation to support our route applications or oppose those of other airlines.

Others in the department are Terry Marshall, regulatory affairs director, senior analyst David Ulmer, analysts Nan Vogt and Howard Grant, executive legal secretary Shirley Nishikawa, secretary Nancy Winters and clerk-typist Carol Raymond.

For them, there's no doubt that the regulatory battlefield is mindboggling, indeed.

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