



Vol. 9, No. 3

Hughes Air Corp.

March 1977

Judge agrees we should get Des Moines, Milwaukee

Administrative Law Judge Burton S. Kolko has recommended that we receive authority to fly nonstop from Phoenix to Des Moines and Milwaukee.

His decision, announced March 11, concurs with the bureau of operating rights recommendation last August. Both decisions are a result of ALJ hearings in Phoenix last July.

The full Civil Aeronautics Board must make a final decision on the award. Ozark Airlines also has applied.

Currently there is only connecting service between Phoenix and the two Midwestern cities.

Canadian 727 flights winners; greater loads than anticipated

The success of our 727 scheduled service is beyond expectations, according to Terry Ashton, planning vice president.

During February, the two 155-seat flagships boarded 17,782 passengers on the twice-daily Edmonton-Calgary-Las Vegas-Los Angeles round trips.

Average load factor (percentage of seats filled) was 64.1 per cent compared with 53 per cent systemwide. Passengers traveled an average of 960 miles on the trips, more than twice the systemwide average.

Calgary-Las Vegas is the busiest segment of the operation—and the longest in our system at 1,039 miles. In February, an average of 116 passengers were on board that segment, which operated at a load factor of 74.7 per cent, according to Ashton.

A morning southbound flight was the most popular. It carried an average of 137 passengers between Calgary and Las Vegas, representing a load factor of 88.5 per cent.

The 727 scheduled service—our first—was begun Jan. 15. Traffic averages for February exceed those for the last two weeks of January.

Our third 727 has been in charter service since last September, operating Thursdays through Mondays. (Tues-



RARE FLEET PORTRAIT—Our three 727-200s—*Spirit of Gamma*, *Spirit of The Racer* and *Spirit of Hughes' Flying Boat*—were in "formation" in Las Vegas the day before two of them started scheduled service. The third is in charter service.

days and Wednesdays it is in maintenance or replaces one of the scheduled service 727s while it is in maintenance.)

Last month, the charter 727 flew passengers 54,225 miles throughout the U.S. and Mexico. It boarded almost 5,400 passengers. They flew an average of 1,153 miles.

This month, our first-delivered 727,

Spirit of Gamma, underwent its first major maintenance "C" check in Phoenix.

According to Jim Ball, aircraft router, since it went into service last August, the aircraft has operated 875 hours, completed 1,011 take-offs and landings and flown about a quarter of a million miles.

Utah and Sun Valley slopes

The ski season that never really came

It might be called a "ski bummer" year before it's over.

Poor snow on the slopes of western resorts is expected to decrease anticipated revenues by more than \$1 million

Texas route bid getting its day in 'court'—4 roundtrips proposed

The Civil Aeronautics Board began administrative law judge hearings March 8 on the first competitive air service between Las Vegas and Dallas/Ft. Worth, for which Hughes Airwest is a strong contender.

If awarded the nonstop route, we would operate four round trips a day and offer fare savings of up to 20 per cent.

Delta Air Lines is the only carrier currently serving the route.

"Nearly 375,000 passengers annually would directly benefit from this service, which would become a major transportation corridor linking Texas with the cities we serve in the West," said Richard A. Fitzgerald, regulatory affairs staff vice president.

We would extend the route to provide the first single-plane service to Dallas/Ft. Worth from Reno, Sacramento, Boise and Spokane.

Airports in 12 other Hughes Airwest cities would get their first single-carrier connections to Texas. The airports are Hollywood-Burbank, Orange County, Palm Springs, Santa Barbara, Bakersfield, Eureka, Salt Lake City, Lewiston, Pasco, Yakima, Calgary and Edmonton.

by the ski season's end in April.

Through February, the company had lost an estimated \$487,000 in revenues on scheduled flights to Utah and Twin Falls. Charter flight loss to those and other resort areas is expected to reach \$326,000 by April.

In the three-month period, December through February, the company carried only 1,200 of the 6,500 scheduled roundtrip ski package passengers it had expected on flights to Utah (primarily from Southern California) and to Twin Falls from Los Angeles, San Francisco and Seattle.

"Fortunately, we did not increase ski market capacity beyond pre-season levels this year," said Norm Hansen, group and tour sales system manager. "Otherwise we would have substantial expenses on top of lost revenue."

Although snow conditions were "excellent" in Utah at presstime, Sun Valley had "not improved much".

"I don't see much chance for improved traffic this year," Hansen said. "Even if the resorts get good snow falls this late, skiers will have either given up for the year or taken their vacations elsewhere."

Some of the die-hard skiers who took our scheduled flights had been left out in the cold by charter cancellations by wholesalers and tour operators.

Of the 67 ski charter roundtrips contracted for this year, only 14 have operated and five more are expected, according to Tom Bailey, charter sales manager.

The 48 cancellations to date include 39 roundtrips to Twin Falls and nine to Colorado. The only charter contract ex-

pected to be completely fulfilled is for seven roundtrips from Los Angeles to Canada, where snow conditions have been better.

"Ski flight aircraft sat idle in Los Angeles and San Francisco on most week-ends," according to Jim Rylander, charter administration manager. "By (Continued on back page)"

Spring shuttle to carry 3,400 to Southern California

We expect to carry 3,400 people roundtrip on special flights between Canada and Los Angeles during the spring holiday and Easter vacation period.

The 34 flights in each direction will be operated March 24-April 18 with 727s, nonstop, and one-stop with DC-9s.

The nonstops are possible under an exemption for the program granted by the Civil Aeronautics Board. DC-9 flights will stop in Spokane.

The Southern California tours, from Calgary and Edmonton, are packaged and marketed to travel agencies by Canadian tour operators.

We have flown the special holiday jets—during spring and Christmas holidays—since 1972.

Company asks CAB to vote again on Los Angeles-Boise

Hughes Airwest still hasn't given up on getting the Los Angeles-Boise non-stop route.

On March 9, we petitioned the Civil Aeronautics Board to reconsider its Feb. 17 decision to give that authority to United Airlines. Award of Los Angeles-Spokane nonstop authority to us was part of that decision.

The battle over Los Angeles-Boise—currently operated with at least one stop by both airlines—dates back to last November when an administrative law judge (ALJ) recommended that it be awarded to United.

The ALJ decision would have become final in December if we hadn't petitioned for full-board review. The board's order last month, concurring with the ALJ, was by a 3-2 vote. Unless the board decides to reconsider its order, it will be final April 18.

United has nonstop Los Angeles-Spokane authority, but operates the route with one stop. We have said that we would operate it nonstop year-round.

Training the trainers . . .



Seven employees received Supervisor Interaction Training in workshops at international headquarters Feb. 28-March 2. They will take the program to managers and supervisors systemwide starting next month. Shown (from left) are: Fernando Quintero, senior passenger service agent, Mazatlan; Jeff Relth, regional personnel representative, Phoenix; Jim Haupt, employe & management development manager, San Mateo; Carol Gagnard, flight attendant customer service instructor, San Mateo; Dr. Paul Johnson, who developed the program and instructed these trainers; Rod Cox, telephone sales assistant manager, Phoenix; Tom Joyce, station training manager, San Mateo; and Kenny Graham, maintenance training supervisor, Phoenix. We are the first airline to use this type of course which utilizes new supervision training techniques. It will be taught to about 150 supervisors from all cities this year in sessions to be held in San Francisco, Phoenix, Los Angeles, Las Vegas, Seattle and Mexico. Details are available from Haupt. Other workshops were held this month on Affirmative Action interviewing, attended by 21 employees from San Francisco and Phoenix, and time management and utilization, attended by 29 employees from throughout the system. The workshops are a result of a training need survey in December.

United — mighty competitor in the West

Editor's note: This is the second in a series of articles about our competitors.

United Airlines is the largest airline in the U.S. and second in size only to the Soviet government-owned Aeroflot.

The U.S. trunk flies to 93 airports, serving nine of the top 10 traffic-generating centers in the U.S. It employs 20,000 more people than all eight regional airlines combined.

In most cases, United's greatest strength is in east-west markets. In many of the smaller cities it serves, its short-haul flights are timed as feeders to larger airports where passengers can make one-line connections to other points throughout the U.S., including Hawaii.

Local, short-haul traffic on these feeder flights constitutes a small part of United's revenues. But that's where it offers the greatest competition to regional airlines.

United is able to sustain a "go everywhere" image through advertising. The bulk of its advertising dollars go for commercials on network telecasts, reaching more people in more cities (at less cost per person) than commercial time bought locally.

United—a rival of virtually every other U.S. airline—is our greatest competitor for passengers and revenues.

In the Hughes Airwest system, United flies to 21 cities we serve.

They are: Seattle, Spokane, Portland, Eugene, Medford, Boise, Salt Lake City, Reno, Las Vegas, San Francisco, Oakland, San Jose, Monterey, Sacramento, Stockton, Fresno, Bakersfield, Los Angeles, Ontario, Santa Barbara and San Diego.

These 21 cities plus 10 others are all in United's Western Division, the largest of the airline's three divisions in terms of boardings and revenues.

Last year, the Western Division boarded more than 12 million people (more than any regional) and generated more than \$1 billion in revenues, including cargo, for the first time. Its revenues exceeded those generated by five of the ten other trunks systemwide.

Almost half of United's 50,000 employees are in the Western Division—from Salt Lake City west to Hawaii. There are 14,000 in the San Francisco Bay Area where the division is headquartered, including 7,000 at United's huge maintenance center.

United operates 486 departures daily from the 31 western airports.

The demand for frequent departures is not as great in markets we share with United as it is in our major market competition with Western Airlines. However, the number of departures—along with capacity, timing and meal service—can be a deciding factor in who gets the larger share of traffic.

Our greatest expansion against United is in three markets. They are between:

- Seattle and Salt Lake City;
- Seattle and Reno; and
- Portland and Reno.

We have recaptured a greater share of the Seattle-Salt Lake City traffic by increasing frequency. We offered the only nonstop flights until last June when United began a nonstop roundtrip. In July we began serving Blue Chip meals on the route, which exceed

United's service. This January we added a second nonstop roundtrip.

(Average cost of Blue Chip meal service is more than \$4. According to the latest statistics available, in 1975 United spent \$3 per enplaned passenger systemwide for food service. We spent 72¢, which was above average for regionals.)

United has a greater share between Seattle and Reno and between Portland and Reno. However, with the help of beyond point traffic from Pasco, Yakima and Spokane, our loads are exceeding forecasts and improving as awareness of the nonstops we started last July increases.

Although the two airlines have an equal number of southbound nonstops from Seattle and Portland, United has one more northbound in each market.

Improvements in our share of the Seattle-Reno market have resulted from replacing DC-9-10s with -30s southbound. We also have improved connecting schedules, on-line and off-line, in both Northwest cities.

Hughes Airwest and United now offer only connecting service from Eugene to Reno and Las Vegas. In April, we will add Eugene-Reno flights, nonstop southbound and one-stop northbound, with both flights also serving Las Vegas.

We will begin competing with United in another major market—the Los Angeles area to Denver—when our interchange flights with Frontier Airlines start next month, linking Denver with Burbank and Orange County.

United (and Continental Airlines) fly from Los Angeles International and Ontario to Denver.

Other competitive markets are:



- Boise to Portland, Salt Lake City and Seattle;
- Eugene to Seattle, Portland, Los Angeles and San Francisco;
- Santa Barbara to San Francisco;
- Medford to Portland; and
- Monterey to Los Angeles and San Francisco.

"Our shares of these markets are consistent with our capacities and frequencies," said Rick Gostyla, marketing planning director. "Our flights operate with excellent loads and are profitable. Growth would require added capacity.

"United's 'go everywhere' image is the toughest nut to crack," Gostyla said. "It's a matter of awareness. If people are planning a long trip, they usually call United first, even though it might be more convenient to take us to a connecting point."

For example, Hughes Airwest and United carry about an equal number of local passengers between Eugene and San Francisco. But United carries about 85 per cent of the passengers who are flying to San Francisco to connect to another United flight or to another airline to fly elsewhere throughout the U.S.

(Last year, United wrote more than \$12.7 million in interline travel on Hughes Airwest. We wrote \$10.4 million in United travel. These figures are all-time records and far exceed our revenue exchange with any other airline.)

A recent survey in Seattle pinpoints the awareness gap. Of those questioned, 87 per cent named United as an airline serving Seattle. We were named by 56 per cent.

"United's image—propagated by its vast advertising—often gets the passenger even if we have greater frequency—Seattle to Salt Lake City for example—or equal frequency, such as to Reno," Gostyla said.

"This is what our 'Top Banana in the West' campaign is trying to combat by increasing awareness of Hughes Airwest's competitive service."

Nationwide, United is spending \$6 million on a business travel advertising campaign. This month it will start spending an additional \$11.5 million to lure vacation travelers—more than twice as much as it spent on last year's summer push. Our total advertising budget for 1977 is less than \$3.2 million. United's is well over \$20 million.

The most current running regulatory battle between Hughes Airwest and United is over nonstop authority between Los Angeles and Spokane and between Los Angeles and Boise (see story on page 1).

Other authorities for which we have applied, involving United, include:

- Nonstop Sacramento-Seattle and Fresno-Portland. United has authority in these markets that it is not fully using. A hearing in this case, also involving Phoenix-Sacramento, has not yet been set.

- Nonstop Reno to Denver, Los Angeles, Burbank, Ontario, Orange County, San Francisco and Oakland. United flies nonstop from Reno to Denver, San Francisco and Los Angeles. The board has not yet taken any action in this case.

- Phoenix to DeMolines and Milwaukee nonstop. This includes proposed one-stop Milwaukee-Las Vegas flights, via Phoenix, matching United's service (see story on page 1).

Like other trunks, United has applied for a route realignment, including requests for improved authority over some of our routes. We are protesting, arguing that United (and other trunks) should not be awarded new authorities because it already has many it is not utilizing.

United traces its origin to Varney Air Lines which began air mail service between Pasco and Elko, via Boise, in 1926. Later, Varney, Pacific Air Transport and National Air Transport merged into Boeing Air Transport, which also included Boeing Airplane Co. and Pratt & Whitney.

United Air Lines was organized in 1931 as the airline division management company and three years later became a separate entity.

In 1961, Capital Airlines was merged into United, adding 7,000 employees and increasing United's route system by 7,250 miles.

Since 1969, United has been a wholly-owned subsidiary of UAL, Inc., which also owns Western International Hotels and GAB Business Services, the oldest and largest independent insurance adjusting organization in the U.S.

In 1976, United contributed \$17.4 million to UAL's \$20.4 million profit.

United's 365-aircraft fleet includes 150 Boeing 727s, 57 737s, 46 DC-8s, 39 Super DC-8s, 37 DC-10s, 18 Boeing 747s and 15 DC-8F freighters. Twenty-one of its aircraft are in charter service.

David B. Armstrong named director of regulatory law

David B. Armstrong has joined Hughes Airwest as director of regulatory law.

He was senior attorney of regulatory law with Allegheny Airlines, the largest of the eight regional carriers. He started with Allegheny in 1965.

In his new position, he will handle regulatory law and procedural matters before federal and state agencies.

Armstrong, 37, received a bachelor's degree in economics from Dartmouth College in 1962 and a bachelor of laws degree from Georgetown University Law Center in 1965.

He is a member of the District of Columbia Bar Association and has been admitted to the D.C. U.S. District Court and U.S. Court of Appeals.



Armstrong



Glacier authority for Frontier

The Civil Aeronautics Board has granted Frontier Airlines permanent authority to serve Kalispell and reduced its minimum stop requirement between Glacier Park International and Salt Lake City from two- to one-stop.

We had opposed the permanent authority. Hughes Airwest flies nonstop between Kalispell and the Utah capital, continuing to Los Angeles.

Frontier flies to Denver beyond Salt Lake City. It has been serving Kalispell under temporary authority since 1974.

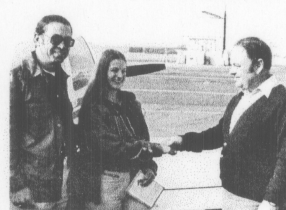
PEOPLE POTPOURRI

(Continued from previous page)

March 13 at the Los Angeles International Film Exposition. The film, entitled *What's a Buena Park?*, was one of 20 in its category selected from 1,500 entries. Following the showing, a critique panel said it was technically the best of the 20 films.

Jill Persyn, public relations representative, San Mateo, has received an award of recognition for two years' service as chairman of the Mental Health Association's Redwood City Friendship Center. The center provides social rehabilitation for the mentally ill.

Bob Hill, pricing and traffic administration director, San Mateo, is representing Hughes Airwest on the Air Traffic Conference, a division of the Air Transport Association which has jurisdiction over cooperative traffic, sales and advertising matters among the airlines. Edwin N. Altman, operations vice president, is a member of ATA's operations and technical council.



Two teenage daughters of employees were the first to solo under the Hughes Airwest Flying Club's "learn-to-fly" program. Diann Johnson (above), 19, soloed successfully in December. She's the daughter of Billie Johnson, senior revenue accounting clerk in San Mateo. Diann, a college student, is being congratulated by two staff vice presidents, George Locke (right), flight operations and Kip Wharton, stations and traffic, vice president of the club. Capt. Carl Mauck, club president, also was on hand (taking this picture). At left, Sue Pitt, 16, receives a congratulatory hug from her father, Lee Pitt, public relations staff vice president, following her solo flight last month. Special low rates are available to employees and family members.



Thirty flight attendants—including 10 men—were graduated in ceremonies at international headquarters Feb. 25.

(The company now has a record 711 flight attendants. No further classes are planned before the end of the year.)

Graduates were pinned by Terry Ashton, planning vice president, and received diplomas from Woody Reynolds, inflight and passenger services acting senior director. Ashton and Skip Clemens, inflight and passenger services system director, addressed the group and their families.

Sandy Evans was class valedictorian with a 99.42 per cent grade point average.

Pinning Bruce Bridwell was his father, John, who retired as a Seattle captain in January after more than 30 years with the company.

Pictured (from left, front row, with hometown) are: **Marianne McKay**, Salt Lake City; **Olivia DuVall**, Phoenix; **Kathy Piper** (standing), Phoenix; **Tricia Orlandi**, Foster City, Calif.; **Terry Natfziger**, Twin Falls.

PEOPLE POTPOURRI

Four employees have assumed duties with their local Chambers of Commerce. Elected to boards of directors were: **Rusty Rostad**, Northwest intermediate cities sales manager, Portland; **Jim Wells**, station manager, Eureka; and **Bill Hicks**, station manager, Redding. **Tom Reedy**, Santa Maria station manager, has been appointed vice president of the chamber's Visitors and Convention Bureau and chairman of the bureau's committee.

Mary Nelson, public affairs secretary in Phoenix, has been elected vice president of the Arizona Women in Travel Club.

A film produced and shot by **Bill Allen**, Southwest regional air cargo manager, was selected for screening (Continued on next page)

In the middle row are: **Peggie Fern**, Salt Lake City; **Cathy Quinn**, Moraga, Calif.; **Jeanie Camgros**, San Rafael, Calif.; **Ana Rasmussen**, Newport Beach, Calif.; **Jan Shaffer**, Redwood City, Calif.; **Roynan Ness**, Northridge, Calif.; **Jill Baker**, Newport Beach, Calif.; **Charlene "Charly" Guidry**, Egan, Louisiana; **Barbara Pfeffer**, Tucson; **Cindy Guillot**, San Jose; **Bruce Bridwell**, Bellevue, Wash.; **Chris Miller**, Orinda, Calif.; and **Mollie Dick**, Issaquah, Wash.

In the back row are: **Tom Lillard**, Ellensburg, Wash.; **Francisco Montoya**, Bernaillio, N.M.; **Kent Whitney**, Phoenix; **Jeff LaChapelle**, Plattsburgh, N.Y.; **Paul Zumdieck**, Seattle; **Scott Woll**, Boise; **Orville Meaux**, Oakland; **Craig Fields**, San Francisco; **Mark Riley**, Boise; and **Sandy Evans**, Scottsdale, Ariz.

Baker, DuVall, LaChapelle, Ness and Pfeffer were assigned to the Phoenix domicile. Bridwell, Lillard, Orlandi, Woll and Zumdieck were assigned to Seattle. The others were all assigned to Las Vegas.

SERVICE ANNIVERSARIES

THIRTY YEARS

LEWISTON—**George Griffin**, chief station agent. PHOENIX—**Charles Turnbull**, lead engine technician.

TWENTY-FIVE YEARS

PHOENIX—**Arvil Moore**, engine technician.

TWENTY YEARS

PHOENIX—**Glen Woods** and **Lyle Peterson**, captains. **Herb Gonsalves**, ground equipment technician. **James Clark**, ground training manager. SAN DIEGO—**Ernst Burks**, chief station agent. SEATTLE—**Arthur Holdaas**, avionics technician. **Charles Levi**, maintenance technician. LEWISTON—**Jim Barott**, station manager. LOS ANGELES—**Gordon Kulseth**, lead maintenance technician. LAS VEGAS—**John Burke**, station agent.

FIFTEEN YEARS

KALISPELL—**James Petet**, chief station agent. PHOENIX—**Jay Noller**, accessory overhaul technician. **William Dougherty**, quality control technician. **Claude Dunning**,

captain. PORTLAND—**Alexander Leibham**, station agent. LAS VEGAS—**Vincent Gabrielli**, chief station agent. LOS ANGELES—**Neal Stone**, chief station agent.

TEN YEARS

EUREKA—**Thomas Rhodes**, station agent. PORTLAND—**Jack Van Sise**, station agent. SAN FRANCISCO—**Antonio Diaz**, station agent. **Cheryl Eden** and **Sally Gorham**, flight attendants. SEATTLE—**Sandra Barrett**, **Leslie Schuck** and **Sandi Wale**, flight attendants. LAS VEGAS—**Richard Baer**, captain. **Frederick Austin**, maintenance technician. PHOENIX—**Thale Damman**, **David Orlando** and **David Windsor**, first officers. **Horst Schnaackenberg** and **Donnie Chestnut**, hangar maintenance technicians. **Jim Peters**, supply analyst. **Lowry Frestedt**, avionics technician.

FIVE YEARS

HONOLULU—**Ray Ho**, sales manager. SAN FRANCISCO—**Larry Litchfield**, public relations manager.

TRANSITION

WELCOME ABOARD

Jeff Reith, personnel representative, Phoenix. **William Adams**, **Lee Hill** and **John Griffiths**, overseas maintenance representatives, Saudi Arabia. **John Wu**, **Kirk Kohrus** and **Nancy Coffman**, telephone sales agents, Seattle. **Louise Ragan**, junior revenue accounting clerk, San Francisco. **Evan Johnson**, telephone sales agent, San Francisco. **Marie Moncrieff**, secretary, purchasing, San Francisco. **Catherine Woods**, clerk typist, purchasing, San Francisco. **Michael Wickert**, cleaner, Las Vegas. **Maung Zaw**, maintenance technician, Los Angeles. **Gloria Manisto**, cleaner, Los Angeles. **William Sheehan**, computer operations supervisor, Phoenix.

PROMOTIONS

John Crowell to pilot, Saudi Arabia. **Patricia Nesbitt** to secretary, field sales, Calgary. **Richard Steele** to chief station agent, Seattle. **Patricia Merlens** to chief station agent, Burbank. **Jessie Vadenais** to intermediate revenue accounting clerk, San Francisco. **Ralph Pizzello** to chief station agent, Salt Lake City. **Carol Ewan** to chief ticket agent, San Francisco. **Eddy Obuchi** to intermediate revenue accounting clerk, San Francisco. **Patricia Hitesman** to telephone sales agent, San Francisco. **Lester Ferguson** to check captain, Las Vegas.

IN MEMORIAM

Julio Henriquez, district sales manager, Guadalajara, March 10 while undergoing surgery. He joined the company in 1973 as Guadalajara station manager. He is survived by his wife, **Martha Elena**, and three children. He was 40.

B. L. Petet, father of **James Petet**, chief station agent, Kalispell, Feb. 20.

Louis Anderson, father of **Gary Anderson**, station agent, Seattle, Feb. 21.

Barbara James, mother of **Joy Stevens**, flight attendant, Phoenix, Feb. 22.

Amelia Middendorf, wife of **Fred Middendorf**, quality control technician, Phoenix, Feb. 23.

W. L. Howard, father of **Mary Ames**, clerk typist, flight control, San Mateo, Feb. 24.

Anna McNabb, mother of **Maxine Kattilas**, ticket agent, Salt Lake City, Feb. 26.

Cecil Plummer, father of **Pat Moreland**, intermediate accountant, San Francisco, March 8.

Jerry Mauck, son of **Carl Mauck**, captain, San Francisco, March 13 in an auto accident.

Boardings increase almost 29,000

Passengers fly 14.8 million more RPMs in February

We flew 9.3 per cent more passengers 11.3 per cent farther last month than in February 1976.

Boardings jumped to 338,945, compared with 310,100 during the same month a year ago.

(On Feb. 18, we boarded 16,539 passengers, the second highest daily number in our history. The record was set on Jan. 2 at 17,294.)

Revenue passenger miles (RPMs) last month increased to 145,447,100 (the fifth highest amount in

our history) from 130,633,400.

The systemwide on-time average increased sharply to 81.5 per cent from 77.2.

The average length of passenger trips extended nearly 2 per cent to 429.1 miles from 421.3.

Available seat miles (ASMs) were boosted 19.6 per cent to 247,197,200 from 229,220,900.

Average load factor (the percentage of seats filled) declined to 53 per cent from 57, while density (the average number of passengers flying per mile) dipped less than 1 per cent to 49.6 passengers from 49.9.

Cargo ton miles gained 12.6 per cent to 747,674 from 644,015, while the tons of cargo boarded advanced 7.7 per cent to 1,725 from 1,602.

Year-to-date

Systemwide boardings jumped 11.4 per cent and the miles flown by passengers increased 13 per cent during the first two months of this year, compared with the same period in 1976.

Boardings were 700,146, versus 628,565, while revenue passenger miles rose to 301,999,900 from 267,174,000.

The on-time average advanced to 78.3 per cent from 77.9.

The average passenger journey gained 1.5 per cent to 431.3 miles from 425.1.

Available seat miles were increased 18.8 per cent to 572,378,500 from 481,823,100.

Density increased less than 1 per cent to 49 passengers from 48.7, while the average load factor dipped to 52.8 per cent from 55.5.

Cargo ton miles advanced 8.7 per cent to 1,461,600 from 1,344,500, while the tons of cargo boarded gained 4.9 per cent to 3,392 from 3,233.

Pass 'round trip' defined

Gladys DeRosia, pass bureau supervisor, reminds employees that the \$4 pass service charge covers only one round trip.

Some employees and family members have been asking agents to write on-line passes which exceed a round trip, assuming the entire itinerary can be covered by payment of a single service charge or with one service-charge-waive coupon.

An example of this might be a pass for "Las Vegas - Los Angeles - Las Vegas - Phoenix - Las Vegas". Such an itinerary involves two round trips, both originating in Las Vegas, and requires payment of two service charges or use of two waive coupons.

FINANCIAL RESULTS

	Feb. '77*	Feb. '76*
Operating revenue—scheduled	17,723	15,350
—charter	675	202
Operating expense—scheduled	17,325	14,903
—charter	616	141
Operating earnings	457	508
Non-operating earnings (loss)	(354)	(230)
Provision for taxes	—	143
Net earnings	103	135
	Year-to-date*	
Operating revenue—scheduled	36,038	30,631
—charter	1,163	307
Operating expense—scheduled	35,384	29,864
—charter	1,125	259
Operating earnings	692	815
Non-operating earnings (loss)	(791)	(455)
Provision for taxes	—	185
Net earnings (loss)	(99)	175

* All data in thousands (add 000).

TRAFFIC SCOREBOARD

	Feb. '77	Feb. '76	% Change
Passengers	338,945	310,100	+9.3
Revenue pass. miles	145.4 mil.	130.6 mil.	+11.3
Available seat miles	274.2 mil.	229.2 mil.	+19.6
Load factor	53.0%	57.0%	-
Passenger density	49.6	49.9	-0.6
Average trip miles	429.1	421.3	+1.9
Charter passengers	15,008	3,377	+344.4
Charter miles flown	123,337	39,821	+209.7
Cargo ton miles	747,674	664,015	+12.6
Cargo tons boarded	1,725	1,602	+7.7
On-time performance	81.5%	77.2%	-
	Year-to-date		
Passengers	700,146	628,565	+11.4
Revenue pass. miles	302.0 mil.	267.2 mil.	+13.0
Available seat miles	572.4 mil.	481.8 mil.	+18.8
Load factor	52.8%	55.5%	-
Passenger density	49.0	48.7	+0.6
Average trip miles	431.3	425.1	+1.5
Charter passengers	27,978	5,326	+425.3
Charter miles flown	211,036	57,654	+266.0
Cargo ton miles	1,462 mil.	1,345 mil.	+8.7
Cargo tons boarded	3,392	3,233	+4.9
On-time performance	78.3%	77.9%	-

Interchange flight pass benefits detailed

As announced in the previous issue, the Hughes Airwest/Frontier Airlines interchange flights will be considered part of our regular flight schedule for pass benefit purposes, regardless of which airline is operating a particular flight.

Most on-line pass benefits available to Hughes Airwest employees and their family members will apply to interchange flights when they begin April 24, according to Jean Caselli, sales administration manager.

Service charge procedures will be as follows:

Passes for interchange flights may be obtained by presenting a Hughes Airwest Travel Authority Card at either a Hughes Airwest or a Frontier ticket counter, regardless of who is operating the flight to be boarded.

Travel can be from any of the five cities involved — Burbank, Orange County, Denver, or one of the stops, Las Vegas or Salt Lake City.

If the pass is obtained at our ticket counter, the service charge will be \$2 one-way or \$4 roundtrip. (Service-charge waive coupons will be accepted.)

If the pass is obtained at a Frontier counter, their service charge of \$2.50 one-way and \$5 roundtrip will be collected. (Our service-charged-waived coupons will not be accepted.)

(Interchange flight service charges will be waived through May 31 for retired and active employees, spouses and children under 21 as part of the free systemwide travel exchange program announced in the February issue. Parents are not eligible for this program, however they may use the normal on-line pass procedures detailed above to travel on any interchange flight starting April 24.)

Those originating at a Hughes Airwest city other than the five listed may have the connecting interchange segment written into the pass at their origin.

Any eligibility exceptions will be based on provisions of the company's pass benefit policy and our interline agreement with Frontier.

Ski season...

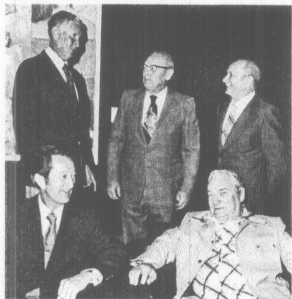
(Continued from front page)

the time ski charters were cancelled, it was too late to commit the aircraft to other charters."

Hughes Airwest's 68 volunteer Ski Ambassadors have been "left at home" as a result of the charter cancellations.

The company spent nearly \$50,000 on advertising and promotion of our flights and packages for the ski season that never really came.

Retirees honored



Five recent retirees and their wives were honored March 1 at an international headquarters luncheon. Shown seated are Richard Kastelic (left), San Francisco lead maintenance technician, and Ralph Bishop, engine technician, Phoenix. Standing are (from left) Captains Marvin Yarnell, San Francisco, John Bridwell and Bob Cansdale, both Seattle. Combined, they have more than 142 years of service with the company.

TRAVEL BARGAINS

The Villa Roma Motel in Las Vegas is offering employee discount rates of \$14.50/single, \$17.50/double (plus 6% tax). Call toll-free 800-634-6535.

Budget Rent a Car in Mexico, Latin America and the Caribbean offers a 30% discount. Contact office on arrival for availability. (Budget continues to offer a 10% discount in the U.S. and \$1 off per day in Canada.)

Confirmed airline employee packages are available at the South Beach Leisure Lodge on the coast of Kenya. Write P.O. Box 84383, Mombasa, Kenya, for details.

Pacific Car Rental is giving 20% discounts on time-and-mileage rates and 10% discounts on flat rates. Ten offices in California: near San Francisco, Los Angeles, San Jose and Oakland airports and in the cities of Palo Alto, San Francisco, San Rafael, Oakland, Hayward and Long Beach. For rate card, contact C. J. Schindell, 6151 W. Century Blvd., Los Angeles 90045; (213) 670-1395.

Marriott Hotels are continuing their 50% discount during 1977. Exceptions: some resort and international hotels when there is no discount or 25% discount. For space-available reservations in U.S., contact hotel directly; for non-U.S. hotels, call toll-free 800-228-9290. For brochure and discount details, write Travel Industry Sales, 5161 River Rd., Washington, D.C. 20016.

Caesar Hotels has packages throughout Europe, some including air fare. For details, write Interline Vacations Dept., 7733 Forsyth Blvd., Saint Louis, Mo. 63105.

Freshwater Bay Apartments, Black Rock, St. Michael, Barbados, has a variety of packages 4/15-12/20. Most include personal maid and cook. Write for flyers.



Capt. Phil Mickelson of Las Vegas (center) and Bill Finch, Orange County station agent, proudly present their World Airline Golf Tournament Guinness Peat Aviation Trophy to the company for display in the international headquarters lobby trophy case. Looking on is an avid golfer, Harry W. Swenson, finance vice president. The two-man team, representing Hughes Airwest, won the perpetual award last October for having the best net score based on handicaps at entry time. The trophy's globe is Waterford glass crystal.

CUSTOMERS' ROSES AND THORNS

A Eugene company president wrote: "I wish to commend you on the billboard advertising, 'Top Banana...'. It is innovative and well done. We hear many good comments about it. Congratulations on something new and different."

From an Idaho senator: "... Recently some of your employees went the extra mile again. Weather was causing difficulty at Boise and Lewiston. The legislature was in session; time was important. I called both terminals several times to inquire what my chances of departure and arrival might be. In every case, your people understood my problem and concern and took extra time to check all possibilities. It helped me a great deal and I appreciated it..."

From a Washington businessman: "Most of your ground personnel are very good..."

However, recently my wife's wheel chair, checked as baggage, was not put on the plane and we had to wait until the next plane for it... One set of flight attendants are good and the next poor..."

A jewelry businesswoman who uses our air-cargo service regularly between Las Vegas and Guadalajara wrote: "... Mel Hayes (station agent, Phoenix) and Earl Dieffenbaugh (chief station agent, Las Vegas) have been great! These fellows make me feel that I'm the only customer and always find a way to do the impossible..."

A Phoenix-Puerto Vallarta passenger wrote: "The captain (John Surbridge, San Francisco) was extra special in keeping us informed of interesting data and points we were flying over... Our three flight attendants (Gloria Keating, Judy Williams, Alejandra Ramos, San Francisco) were extra nice and made our vacation flight so pleasant. They are a credit to your company and represent you extremely well. I am in a service business and recognize extra special treatment..."

Former White House aide

J. G. Carlson named executive assistant to the general manager

John G. Carlson, who served in the White House under two Presidents, has joined Hughes Airwest as executive assistant to the general manager.



Carlson

Carlson, 36, most recently served as deputy White House press secretary.

He joined the White House staff in 1972 as an assistant to the President with responsibility for liaison between nine domestic departments and agencies.

He later was appointed federal deputy to the chairman of the Pacific Northwest Regional Commission, an organization of governors from Oregon, Washington and Idaho established to improve the over-all economy of those three states.

Before his government career, Carlson served as assistant to the chairman of the board of Hamilton International Corp., Farmington, Mich., and director of employment and services for Scott Paper Co., Seattle.

Carlson graduated from Washington State University in 1963 with a bachelor's degree in liberal arts and business and attended the University of Washington's graduate school of business administration.

He received an Outstanding Young Men in America award in 1974 and has been listed in Who's Who in Government. He currently serves as a member of the White House Commission on Presidential Scholars, which honors outstanding individuals.

Carlson was an officer in the Army in 1963-65.

He is a native of Tacoma, Wash.

From a Las Vegas-bound passenger: "... When we checked in (for a meal flight), no one informed us that the flight would be delayed... When the plane finally got off the ground, we were not served lunch, only a free drink. Who wants a drink on an empty stomach?... All the public relations in the world can't help if the airline doesn't care about people!... I'm concerned your 'Banana' has become over-ripe and needs some new life in personnel, attitude and schedules before I will think about flying it in preference to one of your competitors... Your airline may become a 'banana split' with the public..."

From an insurance agent supervisor: "I've flown on airlines from all around and been served like all the rest. But if you are the example of what this airline puts out, I'm going to stick with Hughes Airwest." (San Francisco flight attendants Babette Andersson, Twila Owens, Mary Harris).

From an insurance agent supervisor: "I've flown on airlines from all around and been served like all the rest. But if you are the example of what this airline puts out, I'm going to stick with Hughes Airwest." (San Francisco flight attendants Babette Andersson, Twila Owens, Mary Harris).

Airline service quality

Airline service has received the highest rating in a national survey measuring the quality of 15 products and services today versus five and 10 years ago.

The market research survey of 2,500 men and women shows that airline service, newspapers and telephone service are the only three products or services surveyed which customers feel have improved in recent years.

HUGHES AIRWEST
International Airport
San Francisco, Calif. 94128

BULK RATE
U.S. POSTAGE PAID
Hughes Airwest

29820-1040-060 CA SFO

THOMAS J BAILEY
2073 GREENWOOD
SAN CARLOS CA

94070

Published for employees and families by the Public Relations Dept. (415) 573-4747 (SMT) Ralph W. Henn, Editor

Employe change of address: If you move, complete form 0306, available from your supervisor.