

Flight attendant 'aid' nursery open



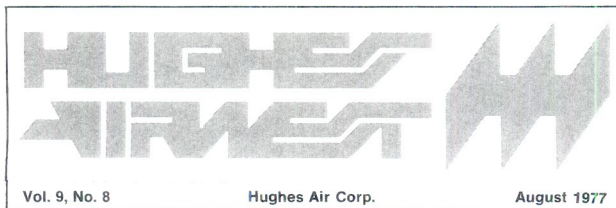
The Phoenix Crisis Nursery for abused and foster children opened in June following more than a year's work by about 50 Hughes Airwest flight attendants. The group, Flight Attendants Aid for Children (FAA), held fund-raising events, painted the facility, collected furnishings and clothing, and encouraged community support. Pictured are (from left): Carolyn Nagle (FAA president), Susan Maloy, Jan Edwards, Sister Olivia of St. Joseph's Hospital and Debbie Litt. A board of directors of prominent community and civic leaders is overseeing operation of the nursery.

Corporate Profile: everything you wanted to know

Your copy of the new *Corporate Profile* is inserted in this issue. It contains a brief overview of Hughes Airwest—activities, progress and financial and operations statistics—the type of information usually found in annual reports of publicly-held companies. Save it. The *Profile* can serve as a useful collection of information about your company.

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Vol. 9, No. 8

Hughes Air Corp.

August 1977

Employe travel

The way we look—airlines tighten dress codes

Dress codes for employes and dependents traveling non-revenue or reduced rate are being tightened up because of abuses.

"We have received many complaints about the way we look," said Kip Wharton, sales and service vice president.

"These have come mostly from station agents and other employes who are embarrassed at the appearance of their fellow employes."

He cited employes boarding flights in dirty, worn out jeans, shorts, sandals, tank tops, bare midriffs and other types of inappropriate dress.

Many other airlines are also enforcing new dress codes for their own employes and those of other airlines. For details, contact the pass bureau.

Month's boardings top 400,00 for first time; passenger miles break record by seven million

Our traffic reached record levels during July—the first full month of summer vacations.

Passenger boardings jumped 20.5 per cent to 427,045 from 354,412 in July 1976 to shatter the old monthly boarding mark of 397,957 set in June this year.

Passenger miles (RPMs) climbed 25.3 per cent to a new high of 177,204,046 from 141,387,980. The old record was 170,272,501 set in March.

Density (average number of passengers flying per mile) hit 51.3 last month—the highest since December 1975 when the current record was set at 53.1.

So far this year, we've flown 2,687,603 passengers, 1,134,324,829 miles, compared with 2,295,051 passengers and 940,355,512 miles in the first seven months of 1976. This is a 17.1 per cent boost in boardings and a 20.6 per cent jump in passenger miles. (Continued on next page)

An 'Addy' for 'Top Banana' -it's tops

The "Top Banana in the West" campaign has garnered several major awards, including the "Oscar" of the advertising industry—the "Addy."

That national first place award was presented by the American Advertising Federation (AAF) for the campaign's promotional items, such as pins and bumper strips.

The Addy was accepted in June by Kip Wharton, sales and service vice president, and Jan Soderstrom, advertising and sales promotion director, at AAF's national convention in Washington, D.C.

AAF's Western region gave us three awards in its "Best in the West" competition;

- Second place for specialty advertising (promotional items).
- Second place for direct mail—the promotional tube sent to travel agents and employes at the beginning of the campaign.
- And an award of special merit for overall campaign excellence.

Louisville, Kentucky says it 'prefers' Hughes Airwest

Louisville, Kentucky aviation officials have selected us over two trunks and the largest regional carrier as their "first preference" for nonstop service to Los Angeles.

American, TWA and Allegheny also have applied for the route. We are awaiting an administrative law judge's recommendation on the application

(Continued on back page)

New service for San Jose, Alberta, San Diego, too

Spokane and Los Angeles non-stops to Reno proposed

We have asked the Civil Aeronautics Board to allow new nonstop flights linking Reno with Spokane and Los Angeles.

Our request, filed July 25, is an attempt to remove restrictions requiring us to make an intermediate stop on all flights between Reno and the two cities. We have proposed initially operating three flights a day in each direction between Los Angeles and Reno and two between Spokane and Reno.

Six month growth rate leads industry

Hughes Airwest led the regionals in outperforming trunk carriers in growth in the first half of 1977.

Our rate of expansion in revenue passenger miles (RPMs)—almost 20 per cent—was the fastest of the regionals. RPMs for the eight airlines combined were up about 10 per cent.

Meanwhile, trunk RPMs increased only 5.3 per cent.

The regionals increased their available seat miles (ASMs) 10.3 per cent while trunk ASMs went up 6.3 per cent. We boosted our's 24.4 per cent.

Our increase in passenger boardings (16.5 per cent) was second to Texas International's 19.5 per cent.

In numbers, our RPMs and ASMs were second to Allegheny, passenger boardings placed third after Allegheny and North Central, and our load factor was beat by Frontier, Texas International and Allegheny (see chart on back page).

Hughes Airwest's rate of growth in RPMs and ASMs was greater than any of our major trunk competitors—American, Continental, Northwest, TWA or Western.

The new nonstop segments would bring improved service to several cities beyond Spokane, Reno and Los Angeles:

- Direct flights linking San Jose with Spokane, Calgary and Edmonton, via Reno.

- Direct service between our Alberta cities and Reno, via Spokane.

- One-stop flights between Reno and San Diego, via Los Angeles.

The proposal would plug a gap in Reno's air transportation network that has existed for many years, according to David Armstrong, regulatory law director.

The request urges early board action "if air transportation to Reno is to keep pace with the vast expansion of recreation, resort and tourist facilities planned for the city in 1978 and beyond," Armstrong said.

He estimated that nearly 125,000 passengers in all the markets would benefit from the proposed service during its first year.

The proposed Spokane-Reno non-stops would cut flying time nearly in half.

United has not used its nonstop authority between Spokane and Reno in the 10 years it has had it nor offered single-plane service since 1969.

Hughes Airwest now provides one-stop flights between the two cities. These were begun a year ago as an extension of Seattle-Reno nonstops.

Although United and Western both serve Los Angeles-Reno nonstop, their frequencies have been "virtually static" during the past seven years, Armstrong said.

For example, the two competitors offer only three northbound nonstops a day. There are no mid-morning nonstops and none after 5 p.m. Southbound there are only two nonstops, with the first departure not until 3 p.m.

In the San Diego-Reno market, there is only one direct northbound flight and none southbound.



With part of the bunch of "Top Banana" awards: Jan Soderstrom (center), advertising and sales promotion director, holds the "Addy"; Jenny Bishop (left), sales promotion manager, displays one of three "Best in the West" awards; Barbara Vick, commercial artist, exhibits the "Maxim". (See story)

The Los Angeles Merchandising Executives Club awarded its first place

"Maxim" for our "Top Banana" magazine advertisements.

Three more get Top Banana trophy—first station employe

The "Top Banana" trophy has been earned by three more employes. They are:

- Steve Nysten, ticket agent, Las Vegas (see photo);
- Theresa Perry, flight attendant, Seattle; and
- Dolores Wilson, flight attendant, Las Vegas.

They received the awards for mention in five complimentary letters from customers. A total of 14 employes have received the award since the beginning of the year.

The "Top Banana" pin for the first compliment has gone to 53 more employes. The total now is 690.

The new recipients are:

Betty Anderson, Richard Ayers, Richard Bedortha, John Borcia, George Brinkop, Michele Cerati, Catherine Compton, Harold Conklin, Sherry Conoscenti, Barbara Cowger, Richard Cox, Arlene Coria, Linda Criciat, Pamela Cribby.

Karl Dring, Judith DuFrain, Joanne Duran, Arlyn Eckerd, Roberta File, Jeanne Gilchrist, Juan Gomez, Shella Gill, Margaret Grass, Denise Gruenfeld.

JoAnn Harrison, Gary Jensen, George Johnston, Jonell Jueden, Gene Kranc, Vickii



Steve Nysten, Las Vegas ticket agent, is the first station employe to receive the "Top Banana" trophy, presented by Gene Empey, assistant station manager. Looking on are Sachi Kurashige, ticket agent, and Rod Cillo, chief ticket agent. Nysten joined the company in 1974. Before Las Vegas, he worked in Tucson and several Idaho cities.

Ludlow, Theodore Lukkes, Elliott Lynch, Joan Mallon, Vera Manuz, Janice Murphy, Louise Navarro, Frances Nealey, Diana Oates, Mary Peterson, Erica Pierce, Linda Platt.

Alejandra Ramos, Judy Reilly, Sheryl Rheinberger, Neva Ruder, Roxene Seals, Herbert Shingler, Colleen Shrum, Susan Skinner, Sallie Swanson.

Pat Vecki, Winston Winders, Jerry Wolfe.

SERVICE ANNIVERSARIES

THIRTY YEARS

SEATTLE—Earl Moore, lead maintenance technician, Shelby Tuttle and Kennon Sorgenfrei, captains. PHOENIX—Harold Zemp, captain. SAN FRANCISCO—Bob Northey, flight control coordinator.

TWENTY-FIVE YEARS

PASCO—Tom Hessler, chief station agent. SEATTLE—Donald Pingree, assistant maintenance manager. Donald Hawley, captain. LAS VEGAS—James Blackwell, captain. PHOENIX—Robert Schafranka, captain.

TWENTY YEARS

CHICO—George Taylor, station agent. LOS ANGELES—Richard Torrence, chief station agent. LAS VEGAS—John Spargo, captain.

FIFTEEN YEARS

SAN FRANCISCO—Ken Hammock, senior buyer. SPOKANE—George Greenwood, station agent. EUREKA—Clark Kane, station agent. EUGENE—Victor Sperotto, station agent. LOS ANGELES—Larry Caramanis and Murphy Dennis, station agents. Robert Brown, ticket agent. PHOENIX—Stephen Spurgon, chief station agent. Gordon Jenkins, quality control technician. SAUDI ARABIA—Wendell Stribling, maintenance representative foreman.

TEN YEARS

SAN FRANCISCO—Morris Allred, Daniel Gilbert and James Zonick, first officers. Dorothy Smith, intermediate general accounting clerk. James Ball, aircraft router. Barbara Hammock, transcription operator. Evelyn Warren, intermediate revenue accounting clerk. Laurie Mallett, intermediate accounting clerk, treasury. Nora Rasmussen and Patricia Harbick, flight attendants. PHOENIX—Donald Ackerman, component overhaul technician. Walter Reifon, instru-

ments & avionics services technician. Arche Matteson, maintenance instructor. Janelle Shipp, telephone sales agent. Gordon Bolstad, first officer. Theodore Wirch, captain. SEATTLE—Dale Hugdahl and Elmer Smith, captains. Douglas Waddell, first officer. Patricia Markham and Joan Whitney, telephone sales agents. Marian Wilson, secretary, sales. LAS VEGAS—Roy Thompson, captain. Gary Patton, ticket agent. Jack Kolk, station agent. ORANGE COUNTY—Andrew Bennett, station agent. LOS ANGELES—Fred Jordan, station agent.

FIVE YEARS

CALGARY—Dave Ferguson, Canada sales manager. SALT LAKE CITY—Thomas Gutzweller, Kenneth Kennedy and Ronald Bulkley, station agents. SEATTLE—Mike Conroy, regional marketing manager. LOS ANGELES—Jere Hughes, sales representative. Kathleen Brett, ticket agent. PHOENIX—John Seabrook, ground flight instructor. David Roman, engineering technician. John Walter, hangar manager. Orren Merrill, programmer. Jan Marlineau and Andrea Rinaldo, flight attendants. SAN FRANCISCO—Deborah Sakuma and Enrique Cano, flight attendants. Ronald Matz, stock clerk. LAS VEGAS—Richard Shenberger, avionics technician. Shelia Gill and Jewel Walden, flight attendants.

IN MEMORIAM

Jewell Pitcher, mother of Dottie Smith, flight attendant administration director, San Mateo; July 27.

Mary Ball, mother of Jim Ball, aircraft router, San Mateo; July 28.

John Fitzgerald, father of Dick Fitzgerald,

regulatory affairs staff vice president. San Mateo; Aug. 2.

Olive Olson, mother of Howard Olson, instruments & avionics services technician, Phoenix; Aug. 2.

Carrie Anderson, mother of Paul Anderson, station agent, Orange County; Aug. 7.

TRANSITION

WELCOME ABOARD

William Sheehy, analyst, maintenance, Phoenix. Charles Cash, senior engineer, Phoenix. Barbara Sanders, Janet Grady, George Marks, Lexie Ost and JoAnn Williams, trainees, telephone sales, Los Angeles. Joyce Backovic, clerk typist, legal, San Francisco. Marilyn Luster, secretary, personnel, San Francisco. Patricia Goulden, transcription operator, San Francisco. Eric Sechrist, cleaner, Salt Lake City. William Mor and Carol Woodridge, stations trainees, San Francisco.

PROMOTIONS

Edward Sundergelt to lead maintenance technician, Pasco. John Boyle to check captain, Las Vegas. William Crane and William Clark to pilots, Saudi Arabia. Robert Brunson to chief pilot, Saudi Arabia. Debra Lambert to programmer trainee, Phoenix. Douglas Beyer to check pilot, Saudi Arabia. Annell Spencer to pension & group insurance representative, San Francisco. Lula Hayden to intermediate clerk, purchasing, San Francisco. Paul Walker to chief station agent, Medford. Elizabeth Wolfe to intermediate clerk, employment, San Francisco. Donna Tanfani to intermediate general accounting clerk, San Francisco.

RETIREMENTS

Richard Hall, captain, Las Vegas, after more than 31 years with the company. He joined Bonanza in 1946, the year it began scheduled service.

PEOPLE POTPOURRI

Raul Fernandez, staff vice president and general manager in Mexico, has been elected to a two-year term as president of the National Chamber of Air Transportation, a Mexico air industry group similar to the U.S. Air Transport Association. He also is president of the Mexico City chapter of SKAL Club, a world-wide organization of executives in the tourism industry.

Our cargo sales staff—Bob Donahue, director, and regional managers Bill Allen, southwest, and Dan Donnelly, northwest—recently completed a six-day Air Freight Practicum, a course on how to sell air cargo as a marketing tool for industries.

Alexander Kosloff, Seattle first officer, has

been appointed to the Vashon airport commission. Vashon Island is in Puget Sound, eight miles south of Seattle.

The Mad River Rotary Club has elected Jim Wells, Eureka station manager, as its president.

Jose Luis Hernandez, Mazatlan sales and service manager, has been appointed president of the Hotel Sales Management Association by the Mazatlan Hotel and Motel Association.

Terry Dehtander, Seattle flight attendant, is a member of the Jet Cities Chapter of Sweet (Continued on back page)



Frontier adventure

More than 750 Northern California employes and their families attended the San Francisco region annual picnic July 23 at Frontier Village.

HEIR FARE

To Donna and Ben Honorof, station agent, Orange County: a boy, Michael Alan, 6 lbs. 1 oz.; July 18.

JULY . . .

(Continued from front page)

(See Traffic Scoreboard for other performance statistics.)

Three stations—San Diego, Redding and Klamath Falls—reported setting all-time boarding records last month. San Diego's was the best since August 1969.

Chico, Twin Falls and Las Vegas said they had their best July ever. Las Vegas set an all-time record in local passenger boardings.

Seattle had an all-time one-day high in boardings on July 1.

JULY 727 PERFORMANCE

Scheduled service*	July	Year to date
Passenger boardings	16,351	113,939
Load factor	41.0%	51.3%
Density	63.6	78.7
Average trip miles	719	847
*YEG-YYC-LAS-LAX-PSP		
Charter service		
Passenger boardings	3,214	27,727
Charter miles flown	44,944	278,309
Average trip miles	1,692	1,163

TRAFFIC SCOREBOARD

FINANCIAL RESULTS

	July '77*	July '76*	% Change
Operating revenue—scheduled	\$ 20,870	\$ 17,109	+ 22.0
—charter	493	185	+166.5
Operating expense—scheduled	19,334	16,364	+ 18.2
—charter	459	166	+176.5
Operating earnings	1,570	764	
Non-operating earnings (loss)	659	(289)	
Provision for taxes	716	243	
Net earnings	1,513	232	
Year-to-date*			
Operating revenue—scheduled	\$135,793	\$111,868	+ 21.4
—charter	3,602	1,376	+161.8
Operating expense—scheduled	129,834	109,732	+ 18.3
—charter	3,424	1,125	+204.4
Operating earnings	6,137	2,387	
Non-operating earnings (loss)	(1,941)	(1,553)	
Provision for taxes	836	427	
Net earnings	3,360	407	

*All data in thousands (add 000).

	July '77	July '76	% Change
Passengers	427,045	354,412	+ 20.5
Revenue passenger miles	177.2 mil.	141.4 mil.	+ 25.3
Available seat miles	324.8 mil.	272.5 mil.	+ 19.2
Load factor	54.6%	51.9%	
Passenger density	51.3	45.9	+ 11.8
Average trip miles	415.0	398.9	+ 4.0
Charter passengers	8,147	7,421	+ 9.8
Charter miles flown	82,492	28,931	+185.1
Cargo ton miles	798,198	716,471	+ 11.4
Cargo tons boarded	1,812	1,692	+ 7.1
On-time performance	83.7%	88.5%	
Year-to-date			
Passengers	2,687,603	2,295,051	+ 17.1
Revenue passenger miles	1,134 bil.	940.4 mil.	+ 20.6
Available seat miles	2,130 bil.	1,724 bil.	+ 23.6
Load factor	53.2%	54.6%	
Passenger density	49.6	48.0	+ 3.3
Average trip miles	422.1	409.7	+ 3.0
Charter passengers	81,316	35,476	+129.2
Charter miles flown	594,040	241,648	+145.8
Cargo ton miles	5,640 mil.	5,036 mil.	+ 12.0
Cargo tons boarded	12,941	12,073	+ 7.2
On-time performance	83.3%	86.1%	

More than 200 Orange County civic leaders and aviation pioneers celebrated 25 years of scheduled air service at a Silver Anniversary luncheon July 15.

The observance, hosted by Hughes Airwest at the South Coast Plaza Hotel in Costa Mesa, commemorated inauguration of flights on that day in 1952 by our forerunner, Bonanza Air Lines.

The first flight, by a DC-3, carried about two dozen passengers and a cat 20 minutes to Los Angeles International Airport.

Russell V. Stephenson, general manager, was presented with a special county resolution by Thomas F. Riley, chairman of the Orange County board of supervisors.

Other supervisors attending included Philip L. Anthony, Laurence J. Schmit, Ralph Clark and Ralph A. Diederich. Mayors of Costa Mesa, Fountain Valley, Orange, San Clemente, Stanton and Villa Park also took part in the event.

The luncheon's nostalgic theme focused on names and events that have contributed to Orange County's aviation legacy. Several of the inaugural flight passengers attended. Guests included: Eddie Martin, who established the county's first commercial air field near the site of today's airport; Orange County airport's first manager, Bill Nichols, who was there in 1952; State Senator Dennis E. Carpenter; former Supervisor William E. Phillips, who was known as "Mr. Aviation" in the '50s and '60s; and Courtney Chandler, Santa Ana mayor in 1952 and a cousin to Tom Chandler, Orange County station manager.

Among those attending from the company were: Rae E. Hopper, James F. LeSage and Jack G. Real of our board of directors; Edwin N. Altman, operations vice president; and Kip Wharton, sales and service vice president.

Tom Chandler was joined by two of his predecessor station managers: Art Armstrong (1958-60, now at Palm Springs) and Ray Vaughn (1960-64, now in Tucson). (Herb Chesney, Las Vegas, was Orange County station



Special guests at the Orange County Silver Anniversary luncheon were (from left): Captains Jim Ardy, Phoenix, and Paul Beach, Las Vegas, who were the cockpit crew of the inaugural flight in 1952; Ardy's wife, SanDee, a former Bonanza stewardess, wearing her old uniform; Pricilla Koury, Phoenix flight attendant, wearing the current uniform; and Edmund Converse, who was president of Bonanza in 1952. Also attending was Woody Reynolds, inflight services senior director, who made the required test landing at Orange County two days before the inaugural flight.

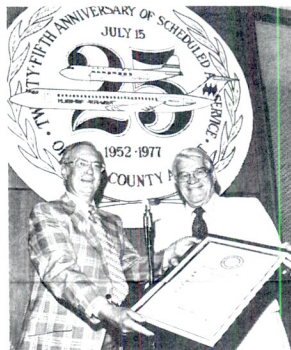


A passenger joins us in celebrating 25 years of service at Orange County, aided by Jesse Law, chief station agent. Cake and champagne were served throughout the day at the airport. Eugena Camgros and Kathy Piper, Las Vegas flight attendants, assisted.

manager in 1953-54, but was unable to attend.)

During the second half of 1952, we boarded a total of 307 passengers in Santa Ana.

Last year we boarded more than 236,000 there, making it our sixth busiest station.



Thomas F. Riley (right), chairman of the Orange County board of supervisors, presents a special resolution to Russell V. Stephenson, general manager. It congratulates Hughes Airwest for its "25 years of continuous, scheduled air service to the county and its 26 incorporated cities."

In Saving Bond drawings -deductions up \$50,000

David Bruce, Las Vegas station agent, was the big winner in the recent U.S. Savings Bond campaign drawings.

He received a \$200 bond in the final drawing from the names of employees who joined the payroll deduction plan or increased their deductions.

Winners in the weekly \$50 bond drawings were:

- Henry Carr, chief station agent, Santa Maria;
- Waldo Dobson, maintenance technician, Portland;
- Marie Miller, chief telephone sales agent, Seattle;
- Gwendolyn Stevens, telephone sales agent, Los Angeles;
- Bruce Streetman, station agent, Oakland; and
- Robert Trakes, senior programmer, Phoenix.

More than 200 employees either joined the plan or increased their deductions during the campaign, representing additional savings of \$50,000 a year.

About 550 employees now participate in the savings plan, a 35 per cent jump from last year.

TRAVEL BARGAINS

World Wide Interline Tours has 8-day Madrid and vicinity tours for \$290, includes air fare, hotel, breakfast & dinner daily, tours to Toledo, Avila, Segovia, La Grunja, El Escorial & Valley of the Fallen, night club tour and airport transfers. Write: P.O. Box 28034, Atlanta Ga. 30328; (404) 255-5669.

Interline Club, New York offers Iran Air land/air packages to London, Rome, Paris, Athens & London and Rome & Paris. 4-8 days. Oct. thru 3/78. For brochure: 26 Court St., Brooklyn, N.Y. 11242.

The High Q Hotel in Orlando, Florida is having an "Airline Fiesta." Sept.-Oct. Special rates include Walt Disney World. Also near Sea World and other attractions. Call 800-327-1366 toll-free for flier.

KLM has Holland & Belgium (6-day) and Sofia & Vienna (8-day) all-inclusive tours. Oct.-Mar. Employees, families, parents, retirees. For brochure, write: KLM, NYC/MI, 609-5th Ave., New York 10017.

Fighting it out with three giants to Arizona

Editor's note: This is the fourth in a series of articles about our competitors. The first three discussed Western, United and Northwest. This one deals with three airlines with which we share several very important markets.

Three giant trunk airlines—American, Continental and Trans World—are our competitors between the largest metropolitan areas in Arizona and California. But we are capturing an estimated 40 per cent of all traffic from the Los Angeles and San Francisco areas to Phoenix and Tucson.

Hughes Airwest's strength is in its expanding satellite service to Phoenix from Oakland and San Jose in Northern California and from Burbank, Ontario and Orange County to the south, with connections to Tucson in Phoenix.

But our single biggest competitive route between these areas involves a hub, Los Angeles International, and our service linking it with Tucson.

We offer six of the 13 daily nonstops between those two airports—more than Continental or TWA, our competitors on this route, but with smaller aircraft.

Continental is by far our greatest rival in this market. It probably has the best reputation for service of any airline operating within the West, according to Rick Gostyla, market development senior director. But it reported the poorest trunk on-time average to the CAB last year (TWA and American reported the best).

Continental's handicap in the Los Angeles-Tucson market is that all of its flights between those two airports must also serve Texas points, thus reducing its capacity to compete with us on this largely business-travel segment.

Hughes Airwest now is carrying an average of 60

passengers a day in each direction between these two airports—estimated to be about half of the traffic, up from 43 per cent a year ago.

In the Los Angeles area-Phoenix market, there are a total of 55 flights daily, including our competitors' 35 serving Los Angeles International. Our 20 nonstops serving the three satellites are capturing about 44 per cent of the total area traffic—with only 36 per cent of the departures.

One of the top two revenue-generating city pairs in our entire system is Orange County-Phoenix. (Las Vegas-Phoenix is the other.)

In the San Francisco Bay Area, the picture is almost the reverse. We have 13 nonstop and one-stop flights a day linking Oakland and San Jose with Phoenix, compared with the competitors' 16 (American, TWA and Western), serving San Francisco International. Yet, with 45 per cent of the departures, we are carrying less than a third of the passengers.

However, our share of the market is improving. We began offering Oakland-Phoenix nonstops in January. In June, we flew four times as many passengers between those two cities (almost 50 a day in each direction) as in June 1976 when we offered only two-stop service. San Jose-Phoenix traffic was up, too—almost 23 per cent.

Our challenge is to increase air travelers' dependency on satellite airport service, which is more convenient for millions of customers in these metropolitan areas' surrounding communities.

To lesser degrees, we compete with American, Continental and TWA in other markets, too:

- On July 1, we began daily San Diego-Tucson nonstops, competing with American.
- Continental flies from Los Angeles and Ontario

to Denver, competing with our Frontier interchange service.

- American serves Los Angeles-Palm Springs with one roundtrip a day. We have two.

All three trunks fly between Phoenix and Tucson. Fifteen of the cities we fly to also are served by one or more of these three trunks:

- All three fly to San Francisco, San Jose, Los Angeles, Ontario, Phoenix and Tucson.

Continental and American serve San Diego, TWA and Continental fly to Denver, and American and TWA serve Oakland.

In addition, we share Seattle, Portland and Burbank with Continental, Salt Lake City and Palm Springs with American, and Las Vegas with TWA.

At these 15 cities, we exchange more than \$2.3 million in interline travel with these three trunks monthly.

TWA is our biggest interline partner in revenue (we exchanged an average of \$945,000 monthly during a recent four-month period). American is second (\$825,000) and Continental, third (\$578,000).

Here's how these three trunks ranked among the 25 largest airlines in the world in 1976:

- Passengers— American, 4th (23 million); TWA, 5th (17.5 million); Continental, 19th (7 million).

Revenue passenger miles— American, 2nd; TWA, 3rd; Continental, 18th.

- Air freight— American, 7th; TWA, 10th; Continental, 20th.

Fleet size— American, 3rd (235 aircraft); TWA, 4th (233); Continental, 20th (56).

- Employees— American, 3rd (36,000); TWA, 4th (35,000); Continental (9,600, not ranked in the top 25).

	6 Months '77	6 Months '76	% Change
Hughes Airwest			
RPMs	957,121,000	798,698,000	+19.8
ASMs	1,805,367,000	1,451,324,000	+24.4
Load factor	53.0%	55.1%	
Passengers	2,260,558	1,940,639	+16.5
Texas International			
RPMs	520,162,000	447,712,000	+16.2
ASMs	939,019,000	873,431,000	+7.5
Load factor	55.4%	51.3%	
Passengers	1,352,541	1,132,093	+19.5
Ozark			
RPMs	660,453,000	573,682,000	+15.1
ASMs	1,262,288,000	1,107,313,000	+14.0
Load factor	52.3%	51.8%	
Passengers	2,034,593	1,855,851	+9.6
North Central			
RPMs	657,088,000	574,086,000	+14.5
ASMs	1,392,017,000	1,199,954,000	+16.0
Load factor	47.2%	47.8%	
Passengers	2,636,979	2,378,880	+10.8
Frontier			
RPMs	895,086,000	795,816,000	+12.5
ASMs	1,580,876,000	1,390,141,000	+13.7
Load factor	56.6%	57.2%	
Passengers	1,958,756	1,755,087	+11.6
Piedmont			
RPMs	585,000,000	545,789,000	+7.2
ASMs	1,164,220,000	1,087,147,000	+7.1
Load factor	50.3%	50.2%	
Passengers	1,948,987	1,842,582	+5.8
Southern			
RPMs	499,162,000	476,795,000	+4.7
ASMs	984,915,000	918,799,000	+7.2
Load factor	50.7%	51.9%	
Passengers	1,652,271	1,591,534	+3.8
Allegheny			
RPMs	1,710,664,000	1,680,208,000	+1.8
ASMs	3,219,629,000	3,166,337,000	+1.7
Load factor	53.1%	53.1%	
Passengers	5,535,412	5,323,879	+4.0
EIGHT REGIONAL TOTALS			
RPMs	6,484,736,000	5,893,056,000	+10.0
ASMs	12,348,331,000	11,194,446,000	+10.3
Load factor	52.5%	52.6%	
Passengers	19,380,097	17,820,545	+8.8

Traffic is ahead of forecast in five out of eight key nonstop markets.

Here is an overview of how we did in the first half of 1977 on some of these major expansion routes (see accompanying chart).

Los Angeles Area - Salt Lake City

These segments are almost on forecast (in spite of the weak ski season), largely because of on-board Denver passengers. Interchange traffic is meeting forecast.

Orange County traffic remains strong, jumping from a 50.5 density in the first quarter to 65.2 during the second. Burbank continues to be weak.

Los Angeles International traffic to Utah softened due to several competitive moves by Western Airlines, which has not reduced frequencies as expected, according to Rick Gostyla, market planning senior director.

Canada - Las Vegas

(See 727 performance story below.)

Northwest - Reno

Portland-Reno traffic is ahead of forecast. This segment has benefited from beyond passengers from cities added in January and April (Pasco, Yakima and Eugene).

Seattle-Reno nonstops are slightly below forecast, due partly to operational climb-out restrictions which limit loads we can carry on northbound flights.

Burbank - Phoenix

Traffic on this segment still is very soft and "continues to be a disappointment," Gostyla said. We added a daily roundtrip and an excursion fare on July 1 to attract a greater share of the Los Angeles market.

Oakland - Phoenix

Density on this segment jumped from 43.3 in the first quarter to 52 in the second. It continues to be strong.

Mexico

Transborder density rose to 47 in the second quar-

KEY NONSTOP SEGMENT DENSITIES*—Jan.-June 1977

Nonstop segment	Actual	Forecast	Difference
Los Angeles area-			
Salt Lake City	40.6	40.7	- 0.2%
Canada-Las Vegas	85.1	76.1	+11.9%
Seattle-Reno	46.0	47.8	- 3.8%
Portland-Reno	39.6	37.9	+ 4.5%
Burbank-Phoenix	42.1	43.5	- 3.3%
Ontario-Phoenix	44.1	43.5	+ 1.4%
Oakland-Phoenix	48.1	45.0	+ 6.9%
Phoenix/Tucson-Mexico	43.9	43.2	+ 1.6%

* The average number of passengers per mile, including those whose origin and/or destination is a point beyond the segment.

ter from 41.1 in the first.

Traffic improvements can be attributed to:

- A turnaround in total U.S. travel to Mexico in the second quarter. (Boardings were down every month in the first quarter compared with the same months in 1976, but up every month in the second quarter.)
- Easter holiday traffic was in April this year;
- We cut the schedule back from four daily round-trips to three in April (as we do every summer).
- A group travel campaign helped boost Mexico traffic by 21 per cent in May (see photo below).



Three district sales managers—(from left) Rob Priest, Spokane, Carol Burgess, Nevada, and John Kozma, Phoenix—shared more than \$5,000 in incentive prizes as winners in a group sales competition. Object was to book more group passengers for May, one of our weaker months. Burgess was the big winner, booking more than 2,400. As a result of the systemwide contest, 4,685 new group passengers flew on us in May, helping to boost total group travel by 212 per cent over May 1976. A similar competition is now being held for September.

727 traffic goes great guns until hit by summer slump

Traffic on our 727 scheduled flights was "fantastic" in the first quarter of 1977, but the second quarter was "disappointing," according to Russell V. Stephenson, general manager.

"Loads fell sharply after the Canadian spring vacations," he explained. "Fortunately, however, there was still

enough traffic to break even financially on the flights."

Passenger density far exceeded the systemwide average in the first six months of scheduled trijet operation, but load factor dropped below the systemwide figure.

We boarded 110,709 passengers on

727s between Jan. 15 and July 15. The trijets carried an average of 78 passengers per mile, compared with a systemwide density of less than 50 during the first half of 1977.

Only 50.5 per cent of the seats were filled, however, compared with a systemwide load factor of 53 per cent.

Trijet load factor peaked in February at 64.1 per cent and was 74.6 per cent on the trans-border segment (Calgary-Las Vegas) that month. But it dropped to a low of 34.5 per cent in June. This slump is expected to continue through October.

The two 727s operate Edmonton-Calgary-Las Vegas-Los Angeles (with one also serving Palm Springs since late April). Segment distance on the route averages 455 miles—including the longest in our system, Calgary-Las Vegas, spanning 1,039 miles.

Trijet passengers flew an average of 868 miles, more than double the systemwide figure.

Further diversion from 727 loads this summer can be attributed to the DC-9

People Potpourri . . .

(Continued from inside)

Adelines, which recently won first place in their region, covering three states and three provinces.

Howard Grant

(right), regulatory affairs analyst, won the Second Place ribbon for his one-man Hughes Airwest display at the "Airline International '77" convention last month in Cincinnati. Airline enthusiasts and hobbyists from throughout the world represented their companies in about 75 exhibits and presentations.



Visitors from Louisville (from left): Thomas R. Fuller, chamber air services committee chairman; City Attorney Marshall P. Arnold, air board services and economic programs director; Albert J. Huber, air board general manager; and Robert P. Adelberg, board member; joined by Russell V. Stephenson, general manager, as they watch a demonstration of our telephone sales capabilities by agent Vivian Reed during a tour of San Mateo headquarters. She surprised everyone, including those who planned the tour, when she revealed that she is a former Louisville resident.

Louisville . . .

(Continued from front page)

filed a year ago.

Four representatives of the Louisville Area Chamber of Commerce and the Louisville and Jefferson County Air Board visited our international headquarters July 28, following their recommendations (see photo).

After the visit, Thomas R. Fuller, chamber air services committee chairman, wrote "there is no question in my mind" that their recommendation "was the correct one."

American and TWA currently serve the Louisville-Los Angeles route with at least one stop.

We have proposed linking Louisville with the San Francisco Bay Area and San Diego beyond Los Angeles.

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Ralph W. Henn, Editor

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