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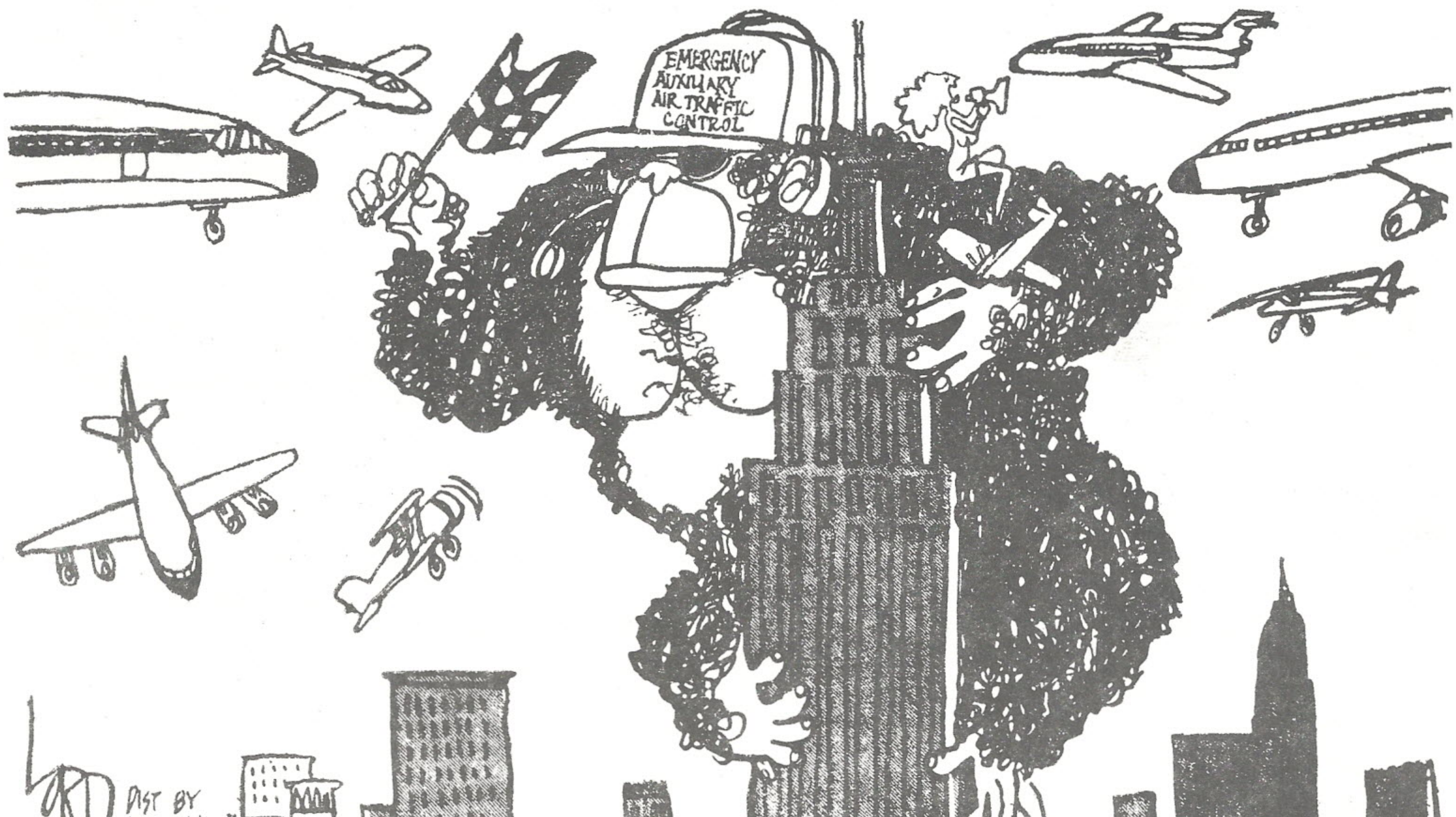

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back cover photo
Dallas Railway & Terminal PCC's 604 and 618 pass each other on private right-of-way in that city on October 14, 1952. Light rail service has been gone from Dallas for a quarter of a century, but a restoral is under consideration by several groups. (Photo from "The PCC Cars of Boston")

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interface

AIR CONTROLLERS' STRESS: HOW MUCH?

In a recent article out of Baltimore, a former Boston University researcher and psychiatrist who studied stress on air controllers reported that much of the stress is not job-related, but rather is caused by friction between the controllers and the Federal Aviation Administration. With all due respect to the obvious academic achievements of this gentleman and his four-year study, I have to say bunk!

And on what, you ask, do I base my facile comment? On two things. A knowledge and familiarity with controllers' basic functions and duties, and old-fashioned common sense.

Let me explain. It has often been said that the pressure controllers experience is caused by their awareness that a mistake on their part can cause many deaths. However, a Greyhound bus driver can, by a simple twitch of his steering wheel, cause many deaths also. That awareness is certainly a background factor, but no more than that.

Take a look at the actual workload of a large percentage of the controllers. These are the ones that work in one of three places: a) the cab, or glassed-in portion, of control towers at the busier airports located in large cities, b) the so-called IFR Room, located in the basement of these same control towers, responsible for all approaches and departures within a 30-50 mile area around that airport (including any other major airport in the area, and c) Air Route Traffic Control Centers, located at various sites and responsible for enroute instrument flights.

At all three locations, controllers have to deal with a common circumstance; namely, they must store in their brain and constantly work with information relating to five to fifteen flights at any one time. And, the information in constantly changing as the relative position of the aircraft to each other changes.

It is this mental form of a high-speed three-dimensional game that causes the real stress. And, in some cases, the level of work can continue unabated for hours. I believe that this type of mental gymnastics carried to an extreme overloads the brain circuits to the point that mental and physical illness result.

Assuming that this view is reasonably on the mark, the question arises: can anything be done about it?

Yes. A number of remedies exist, or are possible; the quickest and simplest being that of manning the busier facilities at their full level. This is not presently the case, with some only being manned at 50-60% of their desired levels–which in turn causes higher workloads and more stress. So this is obviously the first thing to be done.

But beyond this there are other possibilities, none of which the FAA wishes to consider or even discuss. To put it into the simplest terms, there are ways of establishing greater separation between aircraft, or of putting more space between them, which not only increases the safety factor but also reduces the controller workload and stress.

This type of remedy, however, would require at the very least the ability to view air traffic control from a different viewpoint, and this is most difficult to bring about. Carried to its logical conclusion, this approach would also require funding and the cooperation of the carriers.

It may all come to pass, but probably not before there are more problems with the controllers–and maybe a few mid-air collisions to underscore the real stakes in this entire area of activity.

CLAUDE G. LUISADA

A NOTE FROM THE STAFF: This edition, nominally dated for the month of August and comprising two issues, is also appearing later than usual because of the press of news and business commitments of TC's graphic arts parent. Publication is scheduled for mid-September, to be followed immediately by the edition dated September 15. We anticipate returning to our normal issue schedule in October, with the resumption of regular thrice-monthly publication. Expanded editions have been the rule this summer in a partial attempt to atone for our tardiness.

THOUGHTS AT 39,000 FEET
or, A Nostalgic Look at Yesterday

Recently I vacationed in California, and my transportation to and from that state was by TWA Boeing 707-331 aircraft. Westbound, as we climbed to our cruising altitude over Illinois and Iowa, I watched the mighty but graceful wings flex easily in turbulence. I reflected that here I was flying in an airplane some five miles above earth which by some standards could be considered old.

The actual aircraft in which I rode had probably left Boeing's Renton plant some 19 or 20 years before. It had been flown day in, day out, year in, year out, some 8 to 12 hours every day for all those years. It had been landed by skillful pilots, who "greased it in", and by ham-handed ones who bounced it onto the runway. It had been maintained by countless mechanics from TWA's large force. And yet, sitting there that day, I realized I felt totally safe and secure, and a large part of that feeling was generated by the "old", tried and true bird I sat in.

Today there is a seeming rush to develop and introduce new airplanes every few years. Certainly the wide-body jets are able to move more people for less cost. And, the new generation will reduce fuel consumption still more.

But what if the 707s were retrofitted with new engines and more enticing interiors? Here is a large fleet of fully amortized aircraft, which can easily service the majors for another ten years. And why not? Perhaps some airline or aircraft manufacturing executive should seriously consider this possibility–there may be more useful life left in these Boeing 707s than most observers realize.

–CLAUDE G. LUISADA

CHICAGO'S TRANSIT CRISIS: THE REAL PROBLEMS

For well over a year now residents of the Chicago metropolitan area have been treated to a modern version of the Perils of Pauline in the continuing struggle for survival by the Regional Transportation Authority. While the tremors of the RTA and the machinations of various politicians may be considered entertaining by some observers, the majority of the public, riding and otherwise, has quickly tired of the continuing cliff-hanger and appalled at the lack of a viable soultion. And, some of the more knowledgeable observers are angry that a system which is of such importance to the individual and the community can be permitted to wallow on with no stabilizing resolution in view.

The quantity of rhetoric and testimony has been, particularly in the last six months, staggering. But a careful study of what the public and the politicians perceive to be the major problems besetting the RTA reveals to this writer that the basic underlying causes have been neither isolated nor understood.

Two issues have been discussed over and over again: financing and control. Neither of these issues constitute the basic problem confronting the agency. They are, rather, but two of the symptoms of the real problems which will in short order have to be resolved if this transit system is to survive and be able to function.

The real underlying problems are two: *poor management* and *low ridership*. These two, and these two alone, are the cause of all else. If they can be satisfactorily resolved then many, if not all, of the remaining difficulties would simply evaporate.

The single most all-encompassing problem has to be the *low ridership*. An appreciable increase in ridership across the board would first of all sharply reduce the deficit. It might also engender a general feeling that transit services are indeed successful, which in turn could well generate even more ridership.

But ridership depends upon a number of factors, including convenience, comfort, safety and cost. The most important of them all is meeting people's needs, a criterion which has been all but ignored by the RTA planners. On the few routes where such needs have been considered, ridership has been so much higher as to seem almost incredible.

Transit officials and planners alike seem affronted at the suggestion that they should work toward carrying more people; their stock retort is that it is cost-*in*efficient. But I'm not al all convinced that this need be true if the proper steps are taken. Here again one finds an incomprehensible reluctance on the part of almost all transit people to come to grips with the planning and operating problems that arise.

To attract riders, transit management must approach the problem in the same manner as a business. And that means pricing the service so it will sell. Current fares are beginning to drive riders away. However, even relatively high fares are acceptable if the service provided is truly convenient.

This whole area of transit is often referred to as public or mass transit. But today it is not truly either. Public transit means that virtually anyone can use it. But service cutbacks, poor route structuring and scheduling and high fares are ruling out public transit for many. Mass transit refers to the ability of a system to carry large numbers of people in reasonable comfort and speed. This is also no longer true.

New management could do much in leading a revitalized staff in performing the necessary and vital functions of updating our transit system to meet today's needs. Such management could and must perform such vital functions as providing leadership, improving morale, exercising financial control, developing good forecasting techniques, and in general running the RTA in the same manner as a large corporation.

The control of the RTA, and the CTA, should be in the hands of professionals dedicated to making the system function as welll as possible. They should be reporting to a Board that includes strong community and consumer representation. Control should *not* be in the hands of politicians, who will turn the transit staff into a patronage haven.

Increased ridership, cost control, renegotiated contracts with carriers and unions are just some of the factors that can drastically reduce the deficit. More important, they could open up the transit system to use by far more people, with all the attendant benefits.

Is there no one in this region of over 7,000,000 people in a position to take the reins and help lead us all out of this intolerable and dangerous mess?

–CLAUDE G. LUISADA

[With this trio of essays we welcome Claude back to regular contributor status on the staff of *TC*. Claude is a Chicago businessman, member of the Civil Air Patrol, a former transportation consultant and suburban bus operator currently active in improving public transportation in the region—Ed.]

UNDER WIRE IN IOWA

It is one of the melancholy anomalies of our time that while the trolley car has managed to survive and is now undergoing a modest revival, its counterpart the trolley freight locomotive is now facing extinction along with the electric railways it traverses. As ConRail has phased out its GG1's and the South Shore hauls freight under wire behind Geeps, the remaining trolley-operated short lines are slipping away. The wires are still up at East Troy, but for the museum trade only. Texas Transportation's two motors still persist serving the Pearl Brewery in San Antonio (due to franchise requirements), and an extensive 20-mile network is still used daily by two yellow motors in the streets of Yakima.

But the visitor to Iowa, saddened by the loss of the Rock Island and much of the Milwaukee trackage, is encouraged to find that electric traction is still going strong in the Hawkeye State. Mason City, a fast-growing agricultural and commercial centre which was thinly disguised as "River City" in native son Meredith Willson's *The Music Man,* is shaping up as sort of a northern Vera Cruz. Here, operating daily under troley wires, the Iowa Terminal Railroad stables the largest collection of electric locomotives west of Harrisburg.

The ten-mile line dates to 1896, when predecessor Mason City & Clear Lake Traction Company opened its line between the two namesake towns. Clear Lake was somewhat of a resort, and the company relied upon a vacation trade to swell passenger loadings. Soon the steam railroads serving Mason City were arranging interchange for passengers and freight cars. The passenger trolleys stopped running in 1936, but the railroad continued as an independent electric line until 1961. Then the Iowa Terminal Railroad Company was formed to acquire control of the MC&CL from its local owners. The IaT then moved to purchase the Charles City Western, another electrified carrier, in January of 1965. The company continues to operate two isolated short line railways up to today.

In 1967, a disastrous fire gutted the Mason City shops and four of the trolleys. Under the direction of then-Master Mechanic Edgar E. Allen, the line proceeded not to dieselization, but to the rebuilding of the electric operation. A new shop and headquarters were erected in Mason City, a new rectifier was installed and spare parts acquired from retired trolley locomotives throughout the country. Mason City was back in the trolley business.

Charles City, however, did not stay under wire. In 1968, the division was dieselized to avoid the necessity of changing over power to a new electrical system. The remaining ex-CCW electrics were transferred to the Mason City Division, which made up for the loss of the motors destroyed in the fire.

Today's Iowa Terminal is a lean, efficient switching line connecting industries along its main stem with the North Western and Milwaukee lines serving Mason City. According to president R. W. Corner, the line intends to remain in juice for the foreseeable future. Although the costs of buying commercial power and diesel fuel are roughly comparable, Corner indicates that maintenance costs on the half-century-old electrics are substantially less than that of comparable diesel switchers. Because of the old electric engines purchased on the abandonment of other trolley lines, the IaT has a substantial store of spare parts on the premises, and the electrics can be repaired and put back into service the same day, without having to wait for parts.

The interurban's roster includes four active Baldwin-Westinghouse steeplecab electric motors, 50, 51, 54 and 60. Number 50 is a 1920-built veteran of the Washington & Old Dominion, Cedar Rapids & Iowa City, and Kansas City-Kaw Valley electric lines; while the 51 was built for the Northeast Oklahoma until it, too, saw life on the Crandic and KC-KV. Number 54 was acquired from the Southern Iowa Railway while 60, a 60-ton machine (the other three weight but 50 tons) is the only MC&CL locomotive still on the property. These locos are often parked overnight on sidings along the rail line and are radio-dispatched from headquarters at the Emery shops.

The Emery carbarn, besides housing the railroad headquarters, holds the oddities of the IaT collection: 53, a steeplecab electric built by the Texas Electric from scratch in 1928; and 33, formerly North Shore Line express motor 234, a Cincinnati product of 1924 vintage. Another Cincinnati Car Company trolley is 102, the lone passenger trolley on the Mason City Division. Originally CNS&M 727, it was sold to the railroad by the Iowa Railway Historical Museum for a nominal price to replace a fine old Waterloo, Cedar Falls & Northern parlor car destroyed in the 1967 fire.

At one time, railfan excursions using the 102 were contemplated, and some special trains were operated during the 1960's. But the combination of escalating insurance costs, vandalism, and the difficulties of obtaining crews to operate the railroad on weekends combined to idle the 102 to a luxurious retirement in the Emery barn. Occasionally operated for an industrial inspection tour, Iowa's last trolley car is maintained in a high state of spit and polish, but she is all dressed up with nowhere to go, and hopes of making Mason City into a midwestern Yakima have diminished with each year.

The freight operation is busy enough to keep the railroad active. Loss of the Rock Island connection did not mean much loss of business for the IaT; the level of service was so bad that Mason City shippers who could use the other two roads did so, and Charles City industries rely on IaT's interchange with the Illinois Central Gulf. Besides the bright traction orange motors with silver undercarriage, the line owns several canary-yellow boxcars with the reporting marks IAT.

But the essence of the operation is to get foreign cars off the line by the end of the day to avoid the payment of per diem charges. Thus, operations resemble more an up-to-date hustling terminal carrier and switching line rather than a leisurely country trolley. Only along the west end of the line past Emery does the side-of-the-road trackage look bucolic. From downtown Mason City all the way to Interstate Highway 29 at Clear Lake, the electric line can be followed in a car along Route 106.

The railway no longer runs in the streets of Clear Lake but terminates at the end of town. As a matter of fact, the entire line west of Emery has been out of service since the Williams Pipeline Company at Clear Lake stopped shipping oil in tank cars upon completion of its pipeline.

The western end of the line today is a scene of decayed track, drooping trolley wire, and obstacles placed on the roadway. This will soon be changed, however; the IaT gandy dancers will begin rebuilding the line to Clear Lake. A gasohol plant is under construction on the outskirts of the former resort town, and commitments have been made to the IaT which will result in extension of service past the steel plant in Emery, now the railroad's westernmost shipper. The track will be entirely rebuilt by the time the gasohol plant begins operation.

At a time when the massive electric locomotives of the Great Northern, Milwaukee, Virginian, New Haven and all the great electrified steam roads have become passing memories as ephemeral as the interurbans and country trolley lines, it is refreshing to note that at least one short-line electric railway is expanding service, renewing its physical plant, and soliciting business. The Iowa Terminal has remained an independent and self-sustaining local business for the last 20 years. And in one corner of the Hawkeye State, air horns and traction orange flash through the green and yellow cornfields in a scene not too far removed from the days of *The Music Man*.

–WILLIAM E. THOMS

(Roving Editor Bill Thoms teaches law at the University of North Dakota in Grand Forks. His "On The Road" and other pieces appear frequently in *TC*.)

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O. N. HEREID, *Master Mechanic*	Charles City, IA
E. K. KELLOGG, *Agent*	Charles City, IA

FREIGHT SERVICE ONLY

Table 1
CHARLES CITY DIVISION

Mls	STATIONS
0.0	Waller, IA
2.1	North Charles City, IA
2.6	Charles City, IA [2]
4.6	West Charles City, IA
10.2	Oakwood, IA
11.7	Roseville Siding, IA
15.7	Marble Rock, IA [3]

CARLOAD FREIGHT SERVICE ONLY

Table 2
MASON CITY DIVISION

Mls	STATIONS
0.0	Mason City, IA [1]
2.5	Clear Lake Junction, IA
3.5	West Mason City, IA
5.5	Emery, IA
10.4	Clear Lake, IA

Connections.- [1]With MILW, CNW and RI [2]With MILW and ICG [3]With RI. Through rates and billing with all roads.

NOTE-There is no physical connection between Charles City, IA and Mason City, IA Divisions.

AIR

The Strike Continues:
More Flights to be Cut?
A System That Works Better Than Expected

As the air controllers' strike rounds out its second month, there are indications that even sharper cutbacks in airline operations are imminent, perhaps as early as four weeks from now.

Industry sources have indicated that Transportation Secretary Drew Lewis and Federal Aviation Administration head J. Lynn Helms have alerted carriers to the possible cuts, based on government fears that the air traffic control system is becoming strained.

Airline operations, now running at about 70 to 75% of pre-strike levels, may be cut back to 50%, the plateau originally ordered by DOT and the FAA in the wake of the August 3 walkout of members of the Professional Air Traffic Controllers Organization (PATCO).

One possible date for the trimming is October 25, when Daylight Saving Time gives way to Standard Time and carriers traditionally realign their schedules. Another is December 1.

Those same industry sources cited two reasons for the possible cutbacks. First, some DOT and FAA officials believe that a few carriers have been trying to circumvent the quotas by reinstating too many flights. Under current FAA regulations, airlines are limited to 50% of normal operations at the 22 major airports, but they may request permission to restore certain flights. If FAA computers indicate that a flight can be handled, the carrier is routinely given the okay to make the flight. Given the current economic climate in the skies, there is great temptation to "cheat", and because of such circumvention, some airlines are operating nearly 90% of their scheduled departures throughout the country.

A second cause of system overload is general aviation. Industry observers indicate that small aircraft have begun flying again in large numbers, putting the system under increasing strain.

Even so, there appear to be no unusual dangers in air traffic control immediately. The FAA, airline officials opine, appears to be concerned about the long-term capability of the system, pinpointing such potential causes of difficulty as relief for controllers who have been working long hours, normal vacations for such personnel, upcoming bad weather and heavy holiday travel.

Most observers agree that the air traffic control system has worked better than most expected. The cutbacks at congested airports have smoothed out operations, permitting more direct flights and easing the workload on both controllers and pilots. In addition, those personnel actually manning the towers have received high marks from the pilots, permitting an atmosphere of increased cooperation.

An Economic Downturn:
Flying in a Sea of Red Ink

Safety may not have been compromised in the adjustments made in airline operations in the wake of the strike, but PATCO's job action is having a profound effect on airline economics.

Deregulation in itself has been responsible for a downturn in airline fortunes with the increased competitive climate, and has fostered the decline of two "majors", Braniff and Pan Am (see story on the latter carrier elsewhere in this issue), but the rationing of air space as a result of the PATCO walkout has further tightened the fiscal noose around even the healthiest of carriers.

Layoffs and other cost-cutting measures have been put into effect by most airlines in recent weeks (some long-planned but delayed until a propitious moment); here, in no particular order, is a rundown of some of those actions:

Republic's employes agreed to accept common stock in place of fifteen percent of their August salaries. The Republic plan, proposed by the carrier's unions, will cut the airline's cash outlay by about $6,000,000. Management will also participate in the plan, which will also help the carrier cope with the after-effects of Republic's recent digestion of Southern Airways and Hughes Air West.

Braniff, which lost $128,500,000 last year and which is currently undergoing a major restructuring, is furloughing some 2,000 employes, while Continental (currently in the throes of an unfriendly takeover by Texas International–see separate story) is laying off 700 and has asked its employes, both union and non-union, to take pay cuts and increase productivity.

American has sent out layoff notifications to about 1650 of its workers, including 200 pilots, 600 flight attendants and about 850 ground personnel. World Airways, which has been plagued with continuing losses ($36,000,000 last year and $8,500,000 in the first six months of this year), has asked its creditors to hold off on loan repayment and its employes to take pay cuts; failing this, its president planned to offer the airline for sale.

USAir has told 700 of its 11,000 workers that they will be dismissed in the next two weeks, and TWA has laid off 2,200 workers, including 150 pilots. The largest number of layoffs is at Eastern, where some 3,000 workers will get a pink slip, and others (including top management) a 10% pay cut.

Delta, one of the richest of the airlines, is not considering layoffs (they are against company policy), but may ground some of its fuel-inefficient aircraft. The Atlanta-based carrier is losing millions because of the walkout, but still expects to show a profit in the third quarter.

United, the largest carrier in the free world, is set to furlough some 2,100 employes, about 4% of its work force, and Western has pink-slipped 1,000 workers. In all, some 10,000 airline workers have been furloughed, and the Air Transport Association estimates that the industry is losing about $35,000,000 each day in revenues and some $10,000,000 in daily profits.

Only two carriers bucked the trend, however; both Piedmont and Midway reported increases in traffic for the month of August. Meanwhile, a Commerce Department survey reported that the walkout is not likely to cause significant damage to the economy.

The staff study, prepared as a result of the strike, said that:

- Overall airline profits probably will rise in the fourth quarter of 1981 as fuller planes and higher ticket prices offset reduced flight schedules.
- State and local governments "appear to be losers" as a result of a drop in revenue from aircraft-landing fees at local airports and a corresponding decline in concession revenues.
- Hotels and resorts may lose revenue as vacation and business travel is reduced in the wake of higher fares.
- Railroads, buses and car-rental agencies may gain the long run.

PATCO's Problems:
International Support Wanes
"Unsafe" Contention Rejected

PATCO, meanwhile, has asked the government for new talks to end the impasse, while the FAA has told the Federal Labor Relations Authority that it would accept nothing short of permanent decertification of the union. Only about 1,000 of the 12,000 controllers who struck on August 3 have returned to work.

Support from controllers abroad seems to have waned in the seven weeks the strike has gone on. After initially threatening or actually refusing to handle flights bound to and from the U.S. on grounds of safety, controllers in Canada and Europe have backed down in their demands, at least in part under pressure from their governments. The National Transportation Safety Board and its Canadian counterpart have emphatically rejected any contentions that U.S. skies are unsafe as a result of the PATCO action. In fact, the official government and airline position that the walkout has had no appreciable effect on air safety even resulted in the suspension of a USAir pilot who told his passengers that delays to the flight they were on were caused by "unqualified replacements for striking air traffic controllers".

On October 3, the strike will be entering its third month. Given the hardening of positions on both sides, the two-year program set by the Administration for re-staffing the towers and control centers with new personnel may very well have come and gone before the impasse is resolved.

Merger Mania:
Continental/TIA–Shotgun Wedding

Continental, about to be swallowed up in an unfriendly takeover by Texas International, continues to act independently, though actual merger could take place as early as mid-October.

The airline has just announced a major route restructuring plan that follows former chairman Alvin Feldman's plan to make Houston a hub akin to Continental's current Denver base. Feldman, after bringing in George Warde (formerly of American Airlines) to assist him in running the airline, took his own life August 9 in Los Angeles under the pressure of personal and airline problems.

Even though the bitterly contested, seven-month takeover bid by TIA is nearly completed (the Civil Aeronautics Board has approved the merger, and President Reagan is to rule on it by October 13), Continental is yet hoping to forestall it.

Among the possible scenarios delaying the shotgun wedding, as outlined by Continental executives:

- The President could resubmit the matter to the CAB for reconsideration in the wake of political considerations arising from the fact that Continental operates services to the South Pacific. In addition, Reagan is a long-time friend of Continental director Jack Wrather, a prominent Hollywood producer. (For its part, TIA also has friends in high places in Washington, and the political implications of the merger are far reaching.)
- Even if the merger is okayed by the President, TIA will need to win a two-thirds shareholder vote to replace sitting Continental directors (although only a majority vote is required to hold a special meeting). In theory, the present board could continue in office until next May's annual meeting.
- Continental employes continue to press the state of California to allow an employe stock ownership plan that would dilute TIA's control by assigning new Continental shares to an employe trust. This plan, however, has not been successfu; as yet in arranging the necessary financing.

Thus, in the meantime, Continental continues to act as an independent carrier by restructuring its services to give it a more competitive edge. The first of the carrier's new Houston routes, to San Francisco and New Orleans, are scheduled to be inaugurated October 1. At the same time, the carrier also arranged to mortgage 61 aircraft at the request of its lenders, securing a significant portion of its long-term debt.

Final action on the merger will come within the next three weeks. Meanwhile, both sides continue to lobby their friends in Congress and the Administration, while the airline itself struggles to achieve a sounder footing.

Elsewhere on the merger front, maverick Air Florida has entered its bid to acquire Western Air Lines, again over the objections of the latter carrier. Air Florida now owns about 10% of the Los Angeles-based airline, and has been tentatively cleared by the CAB to purchase more.

Air Florida began service as an intrastate carrier operating out of a shopping center three years ago, and has grown to international status, with runs to Europe as well as U.S. cities far removed from its original base. It tried unsuccessfully to buy a controlling interest in Piedmont Aviation, and was outbid when it tried to buy Air California in a bankruptcy sale. (Western, for its part, has been rebuffed in its efforts to acquire Continental.) Even though its "guiding light", C. Edward Acker, who was responsible for most of Air Florida's growth, has left to take over ailing Pan American, Air Florida intends to continue to seek control of Western.

For the moment, Air Florida's stock (the CAB has authorized it to acquire as much as 50%) must be held in a voting trust to prevent the Florida carrier to exercise control, but industry insiders see eventual takeover a virtual certainty.

Pan Am Problems:
Retrenchment, Layoffs, Shuffle

Pan American World Airways, which acquired control of National Airlines in 1979 after a hotly contested battle, hoped to use its new acquisition to form a strong network of domestic feeders to its international route network.

It hasn't worked out that way. For a multitude of reasons, the merger did not work out as Pan Am expected, and the once-proud carrier has been in the red ever since.

Pan Am, beset by high fuel costs, high overhead, new competition and a depressed air-travel market, now has to contend with the effects of PATCO's walkout.

Not surprisingly, the airline voted to retrench, as did many of its compatriots. But Pan Am's cutbacks were far more severe than most of the other majors. The bulk of the cutting will be done on the former National routes–a reduction in operations of up to ten per cent–. Pan Am now intends to stress business trips over pleasure travel, and to use its domestic routes principally to feed traffic onto its international runs. For example, there will be a sharp curtailment in service between New York City and Florida (once National's biggest route), where competitors like Air Florida use smaller aircraft and non-union crews to shave Pan Am's costs by 30 to 35%.

All flights to Florida from LaGuardia and Newark airports will die, with Kennedy airport being its principal focus for international flights.

Other domestic services will also disappear; the airline is pulling out of Mobile, Pensacola and Melbourne (FL) for example, but some U.S. and international operations will expand. Service is to be added this fall to Atlanta, Dallas/Fort Worth and Philadelphia.

Internationally, flights to Poland and Turkey will be eliminated, while there will be cutbacks in service to Australia, New Zealand, Guam, Manila, Hong Kong and Singapore. On the other hand, service will be increased to Great Britain, West Germany and Japan.

All this restructuring will result in the loss of about 1,000 Pan Am jobs, and the voluntary acceptance by Pan Am's unions of pay cuts of 10%, along with a 1982 wage freeze. Further layoffs may be necessary if Pan Am's fortunes do not take an upturn, as well as sale of some of the carrier's planes.

Pan Am's "new look" is largely the work of its new president, William Waltrip. He replaced Dan Colussy, who left Pan Am last fall after a series of battles with the airline's chairman, William Seawell, who in turn was more or less forced to retire a few weeks ago. Seawell has been replaced in turn by C. Edward Acker, who built Air Florida from a tiny intrastate carrier into an international airline.

As Acker was being brought on board, Pan Am announced further measures to tighten its corporate belt. The airline will sell its hotel subsidiary, International Hotels Corporation, its only major money maker, for some $500,000,000 to an unspecified buyer. At the same time, it has cancelled an order with Boeing for eight 727s, for a savings of some $200,000,000. Pan Am is also postponing taking delivery of two Lockheed L-1011s.

As a possible additional move, the troubled carrier is seriously considering moving its corporate headquarters from New York to Miami. The airline currently leases space in the Pan Am building in New York from Metropolitan Life Insurance Company, to which it sold the building last year for $400,000,000.

Jackson Jet Jousting

Twice in these pages–on November 20, 1980 and March 10, 1981, *TC* alluded to a confrontation at Jackson Hole, Wyoming between Frontier Airlines and conservationists over the airline's plans to begin flying 737s into the airport there–the only field located within a national park.

The landing of the first regularly scheduled Boeing 737 (which replaced in part Convair 580 service) on June 1 marked the latest step in Frontier's lengthy effort to secure scheduled jet service to the area.

Three daily Denver-Jackson round trips are being offered, with two additional flights on weekends-as well as Convair 580 serivce to Denver and Salt Lake City.

The Jackson jet schedule was finalized after the FAA approved Frontier's operations specifications in February for the Boeing 737-200 with the higher thrust JT8D-17 engines. The Sierra Club–an active opponent of the jet service–requested a temporary injunction against Frontier to stop the jet service. This was turned down by the U.S. Court of Appeals, although a Sierra Club lawsuit to stop the jet is still pending.

At the center of the issue is thelocation of the Jackson airport in Grand Teton National Park, the only commercial airport in the U.S. located in a national park. Since 1967–when Frontier first announced plans to serve the area with Boeing 737s, the issue has been considered by various governmental bodies, including the FAA, National Park Service, Department of the Interior and the courts. Active participants include the Sierra Club, Jackson city officials, Wyoming state officials and Wyoming Congressional representatives.

This is a chronological summary of the controversy, from the airline's *Frontier News*:

Jackson Airport Chronology

1929: Grand Teton National Park is established on a 150-square-mile site, not including the present airport site.

1939: The airport is built on land leased by Jackson from federal, state and private owners.

1941: Western Airlines begins service at Jackson with DC-3 equipment.

1943: Land near the Park, including the present airport site, is donated to the U.S. Government and is designated a National Monument.

1950: Original Park and much of the Monument property, including the airport site, are incorporated into a new Park by act of Congress.

1955: National Park Service approves the Use Permit leasing the airport to the City of Jackson for 20 years.

1959: A 6,305-foot paved runway is constructed. Frontier begins service with DC-3s, and Western discontinues service.

1964: Frontier introduces Convair 580 propjet service.

1965: National Park Service develops plans for extending the runway to 8,000 feet.

1967: Frontier announces plans for future Boeing 737 service and asks for suitable runway extension.

1969: The U.S. Congress passes the National Environmental Policy Act, establishing requirements for Environmental Impact Statements (EIS) for projects such as the proposed runway extension.

1973: National Park Service circulates the EIS for the Jackson airport runway extension and other improvements.

1974: After receiving comments, the final EIS is submitted, minus plans for the runway extension, which is determined to need further study. Other improvements, such as runway widening and the installation of some landing aids are approved.

Among "further" studies prompted by the 1974 EIS are wildlife and noise studies, a study by the University of Wyoming (contracted by the National Park Service), a Regional Transportation Study by the Department of Interior and a Master Plan by the FAA in conjunction with the Jackson Hole Airport Board. Development of the Master Plan, in turn, prompts another EIS.

1975: National Park Service renews the airport lease to the City of Jackson for an additional 20 years.

1977: Initial draft of the EIS is submitted to various federal agencies and parties to the case for comments. Strong opposition, particularly to the runway extension, is voiced by key agencies, including the Department of Interior.

1978: Frontier requests the FAA to amend its operations specifications to allow service by Boeing 737 jets equipped with higher thrust JT8D-17 engines, thus negating the need for the runway extension. The FAA orders another EIS.

1979: FAA submits the initial draft of the new EIS to various federal agencies and parties to the case. Public hearings are held throughout the year in Jackson and Washington, D.C.

1980: In June the Jackson Airport Board, following public hearings, implements a Noise Abatement Plan designed to minimize noise over the Park by controlling aircraft flight paths and operating procedures for all aircraft using the airport.

In July the Jackson Hole Ski Corporation contracts with Frontier to operate charter flights to the resort using Boeing 737s with "dash 17" engines during the 1980-81 ski season.

The charters, operated on Saturdays from mid-December to late March, are flown in addition to Frontier's regular Convair 580 service between Denver and Jackson and Salt Lake City and Jackson.

National Park Service publishes a proposed Noise Abatement Plan in October in the Federal Register that would effectively ban all jet operations, commercial and general aviation.

In November, a U.S. House-Senate conference committee adopts an amendment to the Interior Department appropriations bill that prohibits the National Park Service from implementing its noise abatement proposal.

The Secretary of Transportation gives approval to the final Environmental Impact Study in December. The EIS concludes that there will be "no significant environmental impact" as a result of regularly scheduled Boeing 737 jet operations, and adds that "social and economical impacts will be beneficial to the area . . ."

1981: In February the FAA approves the amendment to Frontier's operations specifications allowing Boeing 737 jet service to Jackson.

The U.S. Court of Appeals turns down the Sierra Club's request for a temporary injunction against the scheduled jet service in April.

The first regularly scheduled Boeing 737 jet lands at Jackson June 1.

Au Revoir, Concorde!

French Premier Francois Mitterand intends to ditch the deficit-ridden supersonic Concorde, the last costly symbol of the de Gaulle regime, which launched it 20 years ago.

Mitterrand indicated that the needle-nosed craft is soon to be mothballed, noting that although he considers the Anglo-French-built jet a great technical achievement, it has become too costly to remain in Air France service. The French-flag carrier operates seven of the craft between Paris and the U.S., South America and Africa.

The president pointed out that he chose not to use a Concorde enroute to and from the Ottawa summit earlier this year because the flights would have cost more than $13,000,000 in expenses and lost revenue.

Britain, France's partner in Concorde development and operations [British Airways operates seven as well], has also indicated its desire to abandon the project; now that a similar French position is apparently soon to be official, the only regularly operating supersonic transports will leave the skies for good in the near future. [The USSR's Tu-144 has been plagued with numerous technical problems, and Aeroflot has never operated any in regular service for an extended period of time.]

Only Air France and British Airways ever purchased Concordes; other airlines refused to be saddled with the unusual craft's high operating costs. The plant itself went out of production in 1979, after only 16 units had been built.

TriStar Troubles

Embattled Lockheed has cut its L-1011 TriStar production, but emphatically denies any plans to drop out of the commercial airliner business. The company has received only three orders for the Tri-Star this year, all from Delta, and has a backlog of only 35 planes, down from 53 last year. There are currently 208 L-1011s in service on the world's airlines.

The L-1011 Fleet

Airline	Delivered	Ordered	Optioned
Eastern	37	37	0
Delta	35	44	7
TWA	33	38	11
British Airways	23	23	0
All Nippon	21	21	0
Saudia	15	16	0
Air Canada	13	16	9
Pan American	9	12	14
Gulf Air	6	7	1
LTU	6	6	0
Cathay Pacific	2	2	0
BWIA	2	4	0
Alia	0	5	0
Air Lanka	0	2	2
Air Portugal	0	3	3
Other	6	7	0
Total	208	243	47

In an effort to increase the economic health of the TriStar program, the company has initiated talks with General Electric, Pratt & Whitney and Rolls-Royce about adapting their newer, energy-efficient engines for the L-1011. For example, the Rolls Royce and Pratt & Whitney engines set for Boeing's new 757 would be at least 10% more efficient than the present TriStar power plant, opening the door to retrofitting by Lockheed of some of the L-1011s already in service.

At the same time, the L-1011-500 long-range version is being touted as the answer for routes with too little traffic to support a four-engine plane, and a GE engine presently utilized in the European AirBus could be adapted for the

Dash 500.

The present I-1011 production rate of 18 planes per year is set to drop to 12 by December, but the company, which posted a $14,800,000 net for the second quarter of 1981, is optimistic that orders for the TriStar will be forthcoming, largely from the smaller foreign-flag carriers.

Two For Three:
ALPA Backs Down

A presidential task force has concluded that a two-person crew is adequate to fly the new generation of fuel-efficient jetliners.

As it had earlier indicated, the Air Line Pilots Association agreed to abide by the task force's conclusions, although it had plumped for a third person in the cockpit on grounds of safety.

The recommendation deals principally with the McDonnell Douglas DC9-80, and the Boeing 757 and 767 jets, which are being produced to replace less fuel-efficient jetliners.

Also in the area of fuel efficiency, a study by Boeing has shown that it is perfectly feasible for the tail engine to be removed from its 727 trijet to save fuel and money.

The remaining two engines would be replaced by more powerful ones on both sides of the rear of the fuselage, likening the reconfigured plane to a McDonnell Douglas DC9.

Not all 727s can be retrofitted, however. Of the 1700 built since the popular and prolific craft was introduced in 1963, some 569 Dash 100s lack the seating capacity to be economically changed over, and the frames of the first 386 "stretch" Dash 200s will not support the heavier jets. That still leaves some 800 advanced Dash 200s built since 1971 that could be economically retrofitted.

Boeing is also showing a drop in deliveries for 1981, which will have a "significant effect" on company operations. Deliveries of the 727 will drop to 99 this year (from 131 in 1980), and there will only be 58 747s leaving the Renton plant this year, down from 73 last year.

The 767 program is ahead of schedule, however, and the company plans to place at least 28 in service in 1982. The new 767 is expected to be the primary replacement aircraft for the 707 and DC8, both of which are now considered very fuel-inefficient.

A Republic DC9 Super 80 takes shape at McDonnell Douglas' Long Beach plant *(Republic Airlines photo)*

Douglas Doings: Super 80s For Republic

McDonnell Douglas has reported that ten wide-cabin DC10s, including four Series 10s, the first three Series 15s and three Series 30s were delivered to five airlines in the second quarter of 1981 (comparing with 14 DC10s in the same period last year). No firm orders for DC10s were received in the second quarter (vs. two last year).

A DC10 Series 10 leased by the company from Continental is being fitted with vertical winglets at the wing tips for a NASA-sponsored flight test program that will determine whether such an innovation provides sufficient aerodynamic improvement and fuel savings to warrant use in commercial service.

At the end of the second quarter of 1981, McDonnell Douglas had firm orders for 366 commercial DC10s and conditional orders and options for 18 others, bringing the overall total to 384 aircraft, of which 353 have been delivered.

Sixteen DC9 twinjets, including two Series 50 and 14 Super 80 versions were delivered to 11 customers in the quarter, compared with six a year ago, while four firm Super 80 orders were received, as opposed to 14 in 1981.

At the end of the second quarter, the company had firm orders for 1,070 DC9s, and conditional orders and options for 31 others, bringing the overall total to 1,101 aircraft, of which 984 had been delivered.

Six of those DC9 Super 80s are to be in service for Republic by the end of the year. The first arrived in August, and seven more will be delivered in 1982.

Republic currently operates the seventh-largest commercial jet fleet in the world, and has more DC9s (124) than any other carrier. In fact, one out of every eight DC9s ever built now carries the Republic name.

Latest and largest of the reliable DC9 models, the Super 80 was engineered with environment, economy and energy in mind. The new craft combines a proven, tested design and the newest "state-of-the-art" technology. The Super 80 is the quietest commercial jet in service, has the lowest operating costs of any aircraft in its class and the lowest fuel consumption rate per seat on any commercial plane.

The most noticeable difference between the Super 80s and other short-to-medium-range jets is the noise level. The Super 80 is about twice as quiet on takeoff. Additional ecological benefits include lower levels of carbon monoxide, hydrocarbons and nitric oxide in its smokeless exhaust.

The major factors responsible for these gains are a larger, more efficient wing and the two advanced-technology Pratt & Whitney JT8D-217 high-bypass turbofan engines. Carried on the sides of the Super 80 tail, each engine is rated at 20,000 pounds of thrust on takeoff, with 850 additional pounds in automatic reserve.

These engines are designed to mix a much greater quantity of cool air with the hot gases leaving the core of the engine. Using this improved technique, increased engine power is achieved, along with a significantly quieter aircraft, both inside and out. The Super 80s actually surpass the most stringent Federal requirements for aircraft noise.

A digital flight guidance system is integrated with the automatic pilot. Built by Sperry Rand, the system improves aircraft performance and decreases fuel consumption. In addition, the designers achieved a major reduction in the complexity of avionics equipment, which results in greater reliability and lower maintenance costs. Super 80 systems also cut down pilot workload by providing more information automatically, making instruments easier to read, and allowing certain tasks to be shifted to less busy times. This permits an even distribution of the workload.

Since their first flight in 1965, DC9 twinjets have accumulated more than 23,000,000 hours of flight time, and have carried more than 1,200,000,000 passengers. These aircraft have compiled the highest dispatch reliability rate and required the lowest maintenance man-hours per flight hour of any jet transport.

McDonnell Douglas
DC-9 Super 80 Specifications

Overall length: 147 feet, 10 inches
Wingspan: 107 feet, 10 inches
Height of tail: 29 feet, 6 inches
Weight: 147,000 pounds (takeoff); 79,503 pounds (operating empty weight)
Load capacity: 147 passengers; 1,253 cubic feet of cargo
Engines: Two Pratt & Whitney JT8D-217 fan jets, each with 20,000 pounds of thrust
Cruising speed: 530 miles per hour
Range: Approximately 2,000 statute miles
Fuel capacity: 5,779 gallons
Crew: Captain, First Officer, minimum of three Flight Attendants

Equipment Eclectica

Recent deliveries, sales, orders and options on aircraft around the world:

MEXICANA / 2 DC-10
AIR FLORIDA / 3 757, 5 727-200 ordered
AIR CALIFORNIA / 5 DC9 ordered, 6 optioned
TRANSBRASIL AIRLINES / 3 767 ordered
KUWAIT AIRWAYS / 1 747 Combi, 1 727 ordered
EMERY AIR FREIGHT / 12 727 (from Northwest)
PIEDMONT / 3 additional 727-200 from PSA 1
TWA / Deferred option on 10 767s
MIDWAY / 8 DC9-31 (from Ansett of Australia)
AIR FLORIDA / 5 727-200 2
PIEDMONT / 11 737-200 (ordered)
UTA (France) / 2 747 (ordered)
AIR GUINEE / 1 737-200
MONARCH AIRLINES (U.K.) / 1 757 (ordered)
SOUTHWEST AIRLINES / 10 737-300 (ordered)
EMERY AIR FREIGHT / 5 727-100 3
CP AIR / 4 737 (ordered)
INDIAN AIRLINES / 4 737 (ordered)
ANGOLA AIRLINES / 3 737 (ordered)
ARKIA ISRAEL AIRLINES / 2 737 (ordered)
SOUTH AFRICAN AIRWAYS / 2 747 (ordered)
CATHAY PACIFIC / 1 747 (ordered)
LIBYAN ARAB AIRLINES / 10 AirBuses
PSA / 1 DC9 Super 80 (ordered), 6 optioned
WESTERN / 6 767-200 (ordered), 6 optioned
3 DC10-30 (ordered)
UNITED PARCEL / 9 727-100 (used, from Braniff)
CONTINENTAL / 5 727-200
MIDDLE EAST AIRLINES / 5 AirBuses
AIR INDIA / 3 L-1011-500
JAPAN AIR LINES / 2 747, 1 747 freighter, 1 DC-10-40
USAIR / 10 737-300 (ordered), 10 optioned
FRONTIER / 4 737, 3 DC9 Super 80 (ordered)

NOTES: 1. In addition to 4 others.
2. Took over order from Braniff.
3. Purchased used from Boeing.

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Now, American Airlines offers you a revolutionary new concept that lets you *fly at a fixed and guaranteed cost for years.*

With AAirpass, you can fly years from now at a rate that's likely to be less than you are paying today.

Starting the very first time you use your AAirpass, your cost per mile for air travel on American Airlines will be lower than the current Coach fare on most routes. And it won't go any higher for the length of your contract with American— even for the rest of your life, if you choose—*no matter how much air fares increase.*

For example, if you fly regularly between Dallas/Fort Worth and Los Angeles, you are currently paying approximately 20¢ per mile for Coach travel. If you had a 5-Year AAirpass, you would pay only 15.9¢ per mile. And if you make 10 trips per year, you would save $1,013 in air fares *in the first year alone.* AAirpass can also be used for First Class travel at similar savings.

AAirpass lets you plan your future travel expenses with confidence.

Not only do you benefit from the savings offered by a low cost per mile but you also know exactly how much to budget for air travel expenses in the future—without having to make estimates about how much air fares are going to increase.

More importantly, AAirpass provides a hedge against future air transportation inflation: the higher the rate of inflation, the more you save by purchasing an AAirpass now.

How AAirpass works for you and your company.

AAirpass is designed to meet your needs if you regularly fly 25,000 miles or more a year (or about one round trip per month) to cities that American Airlines serves. You make a one-time payment at the start of the program in an amount that depends on the length of the term you select—5, 10 or 15 years, *or even a lifetime.* From the date you sign the agreement, your savings begin accumulating and your money starts working for you.

For instance, if you travel on business between Dallas/Fort Worth and Los Angeles as in the previous example—and you expect annual air transportation inflation to be 12% over the next 5 years (well below the actual rate of the past 3 years)—then *you would have to earn 22.9% on your money to do as well as a 5-Year AAirpass.* And if inflation were to be higher than 12% per year, you would have to earn even more. We can show you similarly attractive returns on other AAirpass plans—for both corporate and individual purchasers.

AAirpass carries with it special privileges and services for you.

AAirpass identifies you as a privileged traveler and qualifies you for many services designed to make traveling on American Airlines enjoyable as well as financially attractive. You receive a complimentary membership in the Admirals Club—a private club at major airports for American Airlines' frequent travelers to relax in before or between flights—for the term of the AAirpass.

You'll also receive First Class Check-In privileges, regardless of your class of travel; free in-flight cocktails and headsets even in Coach; exclusive luggage ID tags; a monthly statement showing your mileage status; the capability to write your own ticket; and participation in the AAdvantage program—American Airlines' unique plan by which you earn free or reduced air fares for mileage you accumulate on American.

You also have access to an exclusive toll-free reservations hotline for AAirpass participants *plus* a separate toll-free number for AAirpass service and information.

Expect only the best with the new AAirpass from American Airlines.

For frequent fliers, AAirpass simplifies and organizes your air travel, controls your expenses, offers you a hedge against inflation, puts your money to work, and lets you travel with all the comforts and conveniences you enjoy today, plus more.

American Airlines and its Travel Agents are ready to handle your AAirpass travel needs starting November 1, 1981.

To receive a complete information package, call toll-free

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We're AmericanAirlines. Doing what we do best.

Whether you fly for business, professional or pleasure reasons, there's an AAirpass plan that meets your travel needs.

Term Programs
Choose from 5, 10 or 15-year plans (ideal for businesses). Each plan provides 25,000 Coach miles of air travel per year and allows businesses to reassign the card to another employee once per anniversary year. Travel can be upgraded to First Class at 1.25 times the applicable itinerary mileage. Cost: 5-Year AAirpass—$19,900;* 10-Year AAirpass—$39,500; 15-Year AAirpass—$58,900.

Lifetime Programs
Choose from a Regular Lifetime AAirpass that provides 25,000 Coach miles of air travel annually for a lifetime to anyone age 52 and over (it can also be used by any companion at age 62)—OR the deluxe Unlimited Mileage Lifetime AAirpass that gives you unlimited mileage in any class of service for the rest of your life (available at any age). Both plans make excellent employee benefits since they can be used initially for business and later in retirement. Cost: Regular Lifetime AAirpass—$66,000; Unlimited Mileage Lifetime AAirpass—$250,000.

Leisure Programs
Choose from a Leisure Lifetime AAirpass or a Leisure 5-Year Term AAirpass. Each provides 12,500 Coach miles of air travel per year. The Leisure Lifetime plan can be used beginning at age 62; the Leisure 5-Year Term plan can be used beginning at age 65. Either plan can be pre-purchased as long as the individual using the AAirpass reaches beginning use age no later than December 31, 1982. A great gift idea! Cost: Leisure Lifetime AAirpass—$15,500; Leisure 5-Year Term AAirpass—$8,000.

Whichever plan you choose, additional mileage blocks in 5,000-mile increments may be purchased.

This is a limited offer available only until March 31, 1982.
**Prices include 5% federal excise tax and are subject to change without notice. AAirpass is subject to CAB approval.*

WS1

☐ **Yes, I'm interested in AAirpass.**
Please send me information on the following programs for me and/or my company:
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City ____________ State ________ Zip ________
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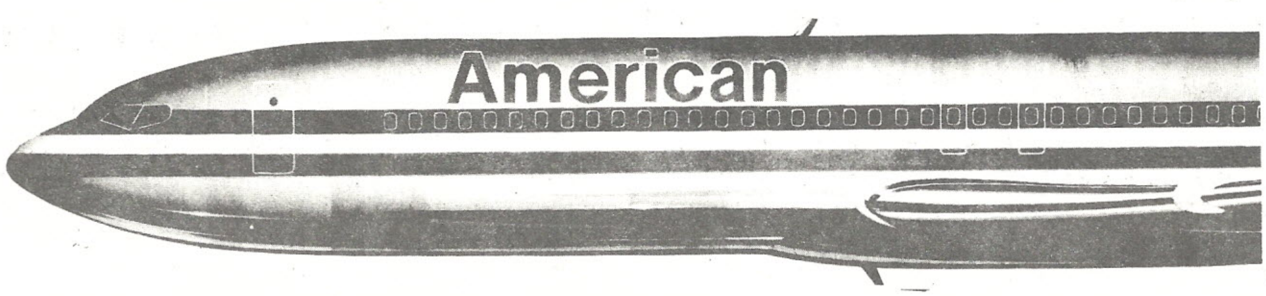
☐ Please do not telephone me.

Return to: AAirpass Department, American Airlines, P.O. Box 61140, Dallas/Fort Worth Airport, TX 75261.

American Airlines reserves the right to limit the availability of any of the AAirpass plans.



Fare Facts

The AAirpass

American Airlines has unveiled an innovative ticket plan (see ad reproduction, page 12) that allows frequent travelers to purchase fixed-rate travel passes spanning five years to a lifetime.

The carrier's new AAirpass is designed to increase revenue by "locking in" passengers for a fixed period through the discount plan, which acts as a hedge against spiraling ticket prices.

Travelers can buy a pass good for 5, 10 or 15 years. The cost of the pass would vary with the mileage limit purchased, the minimum being 25,000 miles a year. A buyer would pay about $19,000 for a five-year, 25,000-mile a year AAirpass.

The carrier said the passes are to be offered only in periods of 5, 10 and 15 years, but that the annual mileage limit can be adjusted to suit a particular traveler's expected annual mileage. The pass rates will be based on an average cost of 16 cents per mile (as opposed to the current AA rate of about 20 cents a mile).

Under the terms of the AAirpass plan, any miles not used in a given year may be applied to a subsequent year, although passengers will not be permitted to "borrow ahead" on mileage from future years. Companies will be allowed to buy the passes, but each pass must be assigned to an individual and is not transferable unless the individual leaves the employ of the firm.

Although aimed at the business travel market, the plan was proposed as a means of improving the airline's cash flow position by bringing in money "up front" that can be used for investment and other purposes.

The plan was unveiled at simultaneous press conferences in New York, Dallas (company headquarters) and Chicago on September 21. By the end of the week, American reported it had had 1,000 requests for information–but had sold only two passes.

The Wars Return

The air fare wars have returned–with a few new wrinkles. Pan Am began one of the most significant skirmishes by dropping its tariffs between New York and Miami to as low as $79 from the previous $227. Eastern thereupon followed suit, Pan Am undercut its rival–and Air Florida undercut them both.

The maverick Miami carrier immediately posted a $69 unrestricted one-way fare between the two cities–about half the cost of a Trailways bus ride over the same route.

Nor were these the only battles in an increasingly competitive arena. Deregulation and decreased capacity brought on by the air controllers' walkout have shaved profit margins (if any) razor-thin, and price wars were becoming commonplace all over the country.

Eastern, for example, dropped its one-way nightcoach fare from New York to Los Angeles from $263 to $195; Pan Am followed suit with an even greater discount. Eastern then entered the fray with discount coupons offered on its Eastern Seaboard shuttles that are worth $50 on transcontinental fares and $25 on shorter hops–whereupon New York Air, Eastern's competitor on the shuttles, said it would buy the coupons from departing Eastern passengers and offer them on its own flights. With the Eastern coupon, a flight from New York to Los Angeles could be had for as little as $134.

Other carriers matched or bettered discounts in markets where they competed with the fare cuts–or instituted discounts of their own. PSA, for example, now offers a 40% discount for flights booked a week in advance. Braniff, which is in deep financial trouble, has announced a series of promotional moves aimed at increasing its market share, some elements of which include fare-cutting. United has cut West Coast-Hawaii tariffs, and TWA has joined with Western in offering special promotional rates from mainland points to Hawaii as well.

Northwest Orient has unveiled a gimmick of its own involving free travel for frequent flyers. Any ticket coupon for travel in the U.S. via Northwest with a value of $75 or more is counted as a segment. A regular nonstop round trip ticket is worth two segments. Each connection is also a segment.

As few as 10 segments–5 round trips or 10 one-way trips–qualifies the traveler for a free Economy Class ticket to any of Northwest's U.S. destinations, including Hawaii and Alaska. Twenty U.S. domestic one-way segments are good for a free First Class round-trip ticket to any domestic destination; 30 will bring a free Executive Class round-trip ticket to any European or Oriental destination; and 40 segments bring a free First Class ticket to any overseas point. In addition, the passenger's professional travel planner will earn equal free accommodations.

On The Other Hand . . .

Some fares may go up, however, to balance those discounts in domestic markets.

The CAB will allow carriers to hike some basic fares as much as 3.9% October 1 on routes connecting the U.S. with other countries, but at the same time it ordered cuts of as much as 6.5% in basic fare levels on other such routes. Carriers are not required to boost international fares to the levels specified, and in many instances have decided not to. Whether a carrier is eligible for an increase or a reduction depends on what region it serves and whether it chooses to take the increases for two or four months.

A Loosening of the Thumb

At the same time, the CAB has ruled that airlines will not have to file formal tariffs whenever they seek to cut domestic fares, although they still must file tariffs with the Board showing their maximum coach fare. The move was taken in anticipation of the end of all CAB regulation of domestic airline fares, which will occur by law at the end of next year.

President Reagan has approved the CAB's rejection of an Air France proposal to offer substantial discounts on its Concorde flights to and from the U.S., a move taken in retaliation for French restrictions on U.S.-flag carriers' fares. The Board had suspended an Air France proposal to cut its $3,302 round-trip Concorde fare as much as 50% on new family, excursion and group rates.

Route Report:
More Crowded Skies

Frontier began service to Los Angeles, Regina and Saskatoon, as well as Oakland, this summer, and plans to serve Sioux Falls (SD) and Madison (WI) beginning October 1. The same carrier dropped service to Liberal (KS) and Amarillo June 1.

Continental's expansions this year included inauguration of service from Denver to Indianapolis, Omaha, Boston, Lincoln (NE), Milwaukee, Philadelphia and Minneapolis. Runs from Denver to Salt Lake City and Idaho Falls are set to begin in September . . . Republic added Dallas/Fort Worth to its system on a new route connecting Minneapolis/St. Paul, Kansas City, DFW and Houston (Hobby). The same carrier is also beginning new service between Detroit and Phoenix via Kansas City, and non-stops from Chicago to Guadalajara.

Chicago's Midway Airlines added both Philadelphia and Boston to its route network this summer . . . Flying Tigers, the all-cargo carrier, recently inaugurated a new passenger charter operation called Metro International Airways. Its primary business is providing charter flights to Europe and the Middle East. Beginning in December, Metro will offer scheduled passenger service between New York and Brussels.

Piedmont's hub complex activity at Charlotte has been further expanded to include additional flights to cities in Florida and Texas and also to Pittsburgh and Louisville. A new service to Daytona Beach has also been added as an extension of the Orlando run. The same carrier also began non-stop Baltimore-Newark flights and a new Cincinnati-Houston run.

Pan Am, in an attempt to feed traffic to its international route network from domestic points, is adding service to JFK in New York from Atlanta, Chicago, Dallas/Fort Worth and Philadelphia . . . PSA has added new Reno-Burbank, San Francisco-Salt Lake City and San Francisco-Las Vegas runs, and is now offering a third daily non-stop flight between Los Angeles and Reno. Orange County will be added to PSA's services in October, and in December service will be inaugurated to Seattle.

Eastern has placed more widebodies in service on its New York-Boston shuttle route to counter a decrease in actual flights because of the PATCO walkout . . . Yet another new carrier, Jet America, Inc., based in Long Beach (CA), plans to begin service to Chicago November 16 with three flights at regular coach fares . . . Texas International, almost in control of Continental, is adding Brownsville (TX), Mobile, Pensacola, Fort Lauderdale, Orlando and Jacksonville to its route network, and making Houston Intercontinental Airport its largest hub, rather than Dallas/Fort Worth.

British Airways is rescheduling its twice-daily Concorde flights between London and New York October 25 to give business travelers time for a full day's work after crossing the Atlantic. The first flight will leave Heathrow at 10:30 AM British Time and arrive at JFK at 9:30 AM EST. The second will depart Heathrow at 6:00 PM and arrive at 5:00 PM; total flight time will continue to be 3:40.

Continental's new service includes a beefing-up of its Houston hub to provide flights to San Francisco, New Orleans, Pensacola, San Diego, Boston, Philadelphia, Tampa, Orlando and New York City. Other new service involves routes between Denver and New York, Salt Lake City, Pensacola (via New Orleans), Green Bay (via Milwaukee) and Louisville (via Indianapolis), as well as Newark-Boston runs. The same carrier will begin its first South Pacific service to Melbourne, as a tri-weekly flight from Los Angeles via Honolulu. Continental will also resume El Paso-Cabo San Lucas (Mexico) flights, a route discontinued last year, and is withdrawing from three markets: Los Angeles-Phoenix; Austin-Midland (TX); and Austin-Lubbock,

Braniff will begin Houston-New York and Houston-Miami service October 1 . . . American added Denver to its route network with service from Dallas-Fort Worth September 9 . . . Western has terminated service at Casper (WY) and Pierre (SD) . . . United is broadening its foothold in the growing Southwest air travel market by offering service to Albuquerque and San Antonio for the first time. UAL is also further expanding existing runs to Houston, Tulsa, Oklahoma City and Las Vegas. The Chicago-based carrier also plans low-cost service between Los Angeles and Las Vegas, Phoenix, Reno, San Jose and Sacramento, as well as to Portland and San Francisco. These changes are the result of labor concessions granted the carrier by the pilots' union in return for a 24% wage increase over 26 months and a no-layoff guarantee.

Delta has pulled out of Midway Airport on Chicago's Southwest Side, after 10 years of going it virtually alone there among major carriers. Delta's departure leaves Midway Airlines, the profitable budget carrier, and Northwest (one round-trip to Minneapolis) as the only carriers still remaining at a field once the world's busiest. However, Air Chicago, yet another new low-cost carrier, plans to begin service from Midway to New York, Minneapolis and Atlanta in October, and has informed the city it will expand its operations to other close-in cities within the next few years. Delta's last service from Midway was a round-trip to St. Louis. That flight had suffered competition from Midway Airlines, which offers reduced-rate runs over the same route.

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