

What's Up

Tom Borkowski (BOS)
US AIRWAVES Staff

FAA

A union representing about 2,000 persons at FAA headquarters filed charges of unfair labor practices with the Federal Labor Relations Authority. Alleging that the agency refused to bargain in good faith, Council 26 of the American Federation of State, County, and Municipal Employees said that the FAA “refused to execute a collective bargaining agreement its representatives had reached” with the union on January 19. After ratifying the agreement, the union said that it was told by the FAA that the agency would not implement the pact without the approval of the Office of Management and Budget. An official of the union said, “OMB legally should have no role. It would be one thing if they checked with OMB before they made an offer, but once they come to the table with a proposal, they are supposed to have the authority to reach a settlement.”
(Aviation Daily, Apr. 18)

After last week’s testimony on safety concerns before the House Transportation Appropriations subcommittee, the union representing air traffic controllers had harsh words for the one representing the controllers’ immediate supervisors. Michael Styles, president of the Federal Managers Association, said that the FAA “currently seems to be unable to effectively address [its] safety issues and compensation inequities.” He added that the managers and supervisors in the field closest to daily operations must play an integral part in developing a solution to the current situation. John Carr, president of the National Air Traffic Controllers Association, was infuriated by Styles’s testimony. “It is sad and unfortunate to see an organization like FMA mis-characterize FAA’s successes for its own selfish agenda.”
(Aviation Daily, Apr. 2)

The Coalition of Airline Pilots Associations urged the FAA to develop new regulations to deal with the “unsatisfactory levels” of pilot fatigue in the airline industry. CAPA, a coalition of unions representing 25,000 pilots at U.S. major airlines, said that it has made pilot fatigue its top safety priority this year. In a letter to the FAA signed by the presidents of the seven pilots unions represented by CAPA, the coalition said that current regulations “fail to adequately address” the operational, weather, and traffic control delays that can increase the actual hours pilots spend on duty.
(Aviation Daily, Mar. 22)

Kip Darby, president of AIR, Inc. and former head of the Future Aviation Professionals of America, said the push to increase the retirement age of airline pilots beyond 60 will not be of much help. Darby told the FAA’s forecast conference that “extending the retirement age is not a solution. It might provide up to 500 more pilots a year in a market [that calls] for 20,000” new pilots a year.
(Aviation Daily, Mar. 19)

National Air Traffic Controllers Association President John Carr said that his members are “ready to cooperate” in a study of the current five-mile horizontal separation rule. The study, which would be the first of its kind since the late 1940s and early 1950s, could lead to a shorter separation, which might help ease domestic traffic flow. Carr made the offer during testimony last week before the House Transportation Appropriations subcommittee when tough-talking subcommittee Chairman Harold Rogers (R-KY) pressed him on what steps he planned to take to deal with the problem of air traffic delays.
(Aviation Daily, Mar. 19)

Industry

The United States' first multilateral aviation accord, agreed to by four open-skies partners, will be formally signed on May 1. DOT Secretary Norman Mineta will sign the pact with Esteban Tomic, Chilean ambassador to the Organization of American States; Jim Sutton, New Zealand's trade negotiations minister; Yeo Cheow Tong, Singaporean minister for communications and information technology minister; and Pehin Dato Haji Zakaria bin DMW Haji Sulaiman, Brunei's communications minister.

(Aviation Daily, Apr. 30)

FedEx President and CEO Frederick Smith, calling the Railway Labor Act outdated and "broken," told the Senate Commerce Committee that there is need for a mechanism "at the point of impasse" in labor negotiations to settle issues. Thomas Buffenbarger, IAM president, stated that the needed fix is to "change the rules," and urged a "drop-dead" date to end negotiations, similar to that under the National Labor Relations Act, which would make negotiators "get more serious." Sen. John Rockefeller (D-WV) said that the two men "may want to rethink" reopening the RLA under the current Republican administration. Buffenbarger, noting that an end date could be inserted in the RLA without reopening it, also said that the aviation industry should not have been deregulated, a statement Rockefeller corroborated.

(Aviation Daily, Apr. 30)

An American Boeing 767-300ER flying between Dallas and Tulsa helped launch a "new era" in aviation communications. The aircraft exchanged controller-pilot data link communications with the Eurocontrol Experimental Center and the Maastricht Upper Air Control Center in The Netherlands over ARINC's VHF digital (VDL) air/ground network. ARINC said the flight was the first demonstration of Aeronautical Telecommunications Network (ATN) communications between an airborne, production-ready, ATN avionics suite and an operations-ready ATC system.

(Aviation Daily, Apr. 27)

According to AIR, Inc., the hiring of airline pilots continues to grow, but at a pace slower than last year's. The company projects 14,500 hirings this year, compared to 19,030 in 2000. So far, 1,515 pilots have found jobs and 378 remain on furlough.

(Aviation Daily, Apr. 23)

The University of Vermont's board of trustees has appointed Edwin Colodny acting and interim president. Colodny is a former president and CEO of US Air.

(Aviation Daily, Apr. 18)

The Bush administration has declined to ask for the \$15 million additional funding in fiscal year 2002 that is authorized in AIR-21 for Essential Air Service. Instead, it requested a flat budget amount of \$50 million, tightening eligibility rules that will require a drop in service to 19 underserved communities. Sources said \$10 million could be saved by dropping the following cities from the program: Muscle Shoals, AL; Hot Springs and Jonesboro, AR; Pueblo, CO; Hanamaulu and Kamuela, Hawaii; Topeka, KS; Owensboro, KY; Augusta/Waterville, ME; Alamogordo, NM; Utica and Watertown, NY; Enid, OK; Oil City/Franklin, PA; Ponce, PR; Brookings, SD; Jackson, TN; Oshkosh, WI; and Laramie, WY. None of these cities involves any ranking members of the House Transportation Committee or its aviation subcommittee or the chairmen and ranking Democrats on the House transportation appropriations subcommittees.

(Aviation Daily, Apr. 16)

Fairchild Dornier delivered the final Merlin/Metro aircraft. The plane which ended the 35-year production run was the 1,053rd in the series. The company said that it "continues to provide complete customer support for more than 800 aircraft still in service around the world."

(Aviation Daily, Mar. 29)

U.S. District Court Judge T.S. Ellis III ordered United and the Washington Dulles Airport Management Council to remove all baggage-sizing templates from security screening checkpoints throughout the airport. The groups were also permanently enjoined from installing such devices at shared locations, and

Continental and Continental Express were awarded more than a quarter million dollars in damages resulting from the “illegal agreement” between United and the airport management council. United has appealed the decision and has filed a motion seeking a stay of the injunction.

(Aviation Daily, Mar. 28)

A study concludes that Orbitz, the joint venture of the five largest U.S. airlines, will lead to consumers paying an additional \$3.2 billion in airfares. According to MIT Professor of Economics Jerry Hausman, Orbitz will be the “market power ringmaster,” which will allow its airline-owners to jointly agree on anti-competitive provisions that they could not enforce individually. The result is likely to chill price competition and reduce innovation, and harm low-fare airlines . . . consumers are likely to be harmed immediately and irreversibly.” Hausman argues that the government should intervene now to prevent the launch of this venture and to preserve the current gains in consumer welfare.

(PRNewswire, Mar. 28)

Former TWA Chairman Carl Icahn said that he plans to provide \$400 million to his online travel agency Lowestfare.com to finance an effort to build or buy an airline. Icahn claimed that the agency’s management team is in discussions on both fronts and “will pursue any and all opportunities that arise.”

(Aviation Daily, Mar. 23)

Air Wisconsin

CEO Geoff Crowley said the company is placing 75 orders and 75 options with Bombardier for CRJ200 regional jet aircraft, in a deal, excluding options, worth \$1.68 billion. Crowley also said that the carrier has amended its marketing agreement with United to allow the RJs to be flown in the United Express regional feed system. Air Wisconsin will use the new planes at United’s hubs in Chicago and Denver when deliveries begin in October.

(Aviation Daily, Apr. 17)

American

A federal district judge in Wichita dismissed a landmark antitrust suit that the Justice Department had filed against American nearly two years ago. The suit, which was the strongest taken by the government against alleged predatory activity by U.S. major airlines, charged American with monopolizing service at Dallas/Fort Worth Airport. Filed in May 1999, the lawsuit focused on American’s actions when low-cost carrier Vanguard and now-defunct SunJet International and Western Pacific entered the DFW market. Attorney General Janet Reno said at the time that American engaged in a “calculated strategy” to eliminate competition by saturating their routes with added capacity and cutting fares, and then reestablishing high fares and reducing service after driving out the new entrant. American Associate General Counsel Trey Nicoud said, “This is not a surprise. [The government was] blaming us for perfectly legitimate and lawful competition.”

(Aviation Daily, Apr. 30)

American settled with its pilots union on the \$45.5 million penalty that had been levied against the union after a sickout. The Allied Pilots Association transferred \$20 million of the payment already in an escrow account, plus interest, to the airline. The union also agreed to repay the remaining balance, with interest, to American on a 15-year payment schedule. According to the agreement, American dismissed claims against 25 union officials.

(Associated Press, Apr. 27)

American plans to halt its daily nonstop Los Angeles-Paris and Chicago-Rome flights on November 1. Despite the moves, characterized by the airline as “adjusting to changing economic condition,” American said its broader strategy remains to “strengthen and expand” its international network.

(Aviation Daily, Apr. 23)

American Eagle

The regional carrier for American will launch regional jet service between Boston and Baltimore with five daily roundtrips on May 1. Four days later the airline will initiate seasonal service from Newark to Quebec City with a roundtrip each Saturday through October. Starting July 1, Eagle will introduce two daily roundtrips between Worcester, Mass. and Chicago O’Hare. All of the new routes will be served with the 37-seat Embraer RJs.

(Aviation Daily, Apr. 2)



American Eagle will inaugurate nonstop service from San Juan, Puerto Rico to Bonaire on June 2. The thrice-weekly flights will be offered in the 64-seat ATR-72 turboprop.

(Aviation Daily, Mar. 28)

America West

The airline announced that it will begin daily, nonstop service between its Columbus, Ohio, hub and Atlanta on August 1. The three daily roundtrips will be provided by America West Express and will be operated by Chautauqua Airlines in 50-seat Embraer 145 regional jet aircraft.

(PRNewswire, Apr. 23)

Atlantic Coast

The United Express carrier will expand to seven new cities from Chicago O'Hare on June 7. Each of the following cities will receive one daily regional jet roundtrip, complementing existing mainline United service: Albany, Buffalo, Cedar Rapids, Charlotte, Hartford, Kansas City, and Omaha.

(Aviation Daily, Apr. 23)

The Dulles, Va.-based United Express carrier is offering upgraded regional jet service between its hub at Washington Dulles and both Detroit Metropolitan Wayne County Airport (DTW) and Philadelphia International Airport (PHL). Service on both routes consists of both United Express and mainline flights. The Detroit schedule has four daily nonstops, three with United Express/ACA regional jet service and one with United Airlines service. The eight daily flights to Philadelphia are flown by two mainline United planes, three Express regional jets, and three Express turboprops. The new United Express regional jet flights will be served by the 50-passenger Canadair Regional Jets.

(PRNewswire, Apr. 2)

Atlantic Southeast

The Delta Connection carrier begins daily nonstop jet service on April 1 between Ottawa, Canada, and Atlanta. The two daily flights, offered in the Canadair regional jet, are the only nonstops between Atlanta and the capital of Canada.

(PRNewswire, Mar. 30)

Atlantic Southeast Airlines, a wholly owned subsidiary of Delta, plans to increase service from Atlanta to three destinations: Augusta, GA, Charleston, WV, and Evansville, IN. Each route will get one additional daily roundtrip operated with the 30-seat Embraer Brasilia.

(Aviation Daily, Mar. 20)

Boston-Maine Airways

BMAir, a wholly owned subsidiary of Pan American Airways, applied to the DOT for a U.S.-Canada exemption for scheduled service with large and small aircraft, beginning June 1. The carrier, which leases three BAE Jetstream 3100 19-seat aircraft for passenger charters and two CASA-212 turboprop freighters for charter cargo operations, wants to operate scheduled passenger service with the Jetstream and larger aircraft. Initial plans call for two daily flights from Bangor, Maine, and one from Portsmouth, NH, to St. John, New Brunswick, on July 1.

(Aviation Daily, Apr. 16)

Comair

The airline, crippled financially and operationally for more than a month due to its striking pilots, took the dramatic step of laying off half its workforce across all departments. May 13 will be the last day of work for 2,000 cut employees, who will face a suspension of pay and health and travel benefits. "Unfortunately, with no revenue coming in for 33 days now, the economic reality has set in and we are forced to take these regrettable, but necessary steps," said Comair President Randy Rademacher in Cincinnati.

(Aviation Daily, Apr. 30)

The regional carrier's pilots are prepared to endure a long strike in an effort to break the two-class system separating regional and mainline pilots, according to ALPA President Duane Woerth. Indicating that the length of the strike is up to Comair's pilots, Woerth said, "We're going to do whatever they want in order to get what they deserve." Although Delta officials refused to admit the strike's cost to the airline, UBS Warburg estimates that the preliminary direct impact to Delta is a \$4 million daily net loss of revenues.

(Aviation Daily, Mar. 28)

Continental

The airline will begin flying its 18th transatlantic route on May 1 from Newark to London's Stansted Airport. Stansted, previously the only major airport in the U.K. without direct service from the U.S., will receive Boeing 757 service, with 16 BusinessFirst seats and 156 in coach.

(PRNewswire, Apr. 30)

Continental Express

April 4 marks the debut of new nonstop jet service from White Plains, NY, to both Boston and Toronto. Utilizing the 37-passenger Embraer ERJ-135 regional jet, Continental Express will operate six daily roundtrips to Boston and three to Toronto, before adding a fourth on May 2.

(PRNewswire, Mar. 28)

Delta

The carrier has proposed Washington National-Salt Lake City nonstops for the beyond-perimeter slots that had been awarded to TWA. Ten western senators—Robert Bennett (R-UT) and Orrin Hatch (R-UT); Tom Daschle (D-SD) and Tim Johnson (D-SD); Conrad Burns (R-MT) and Max Baucus (D-MT); Larry Craig (R-ID) and Michael Crapo (R-ID); and Craig Thomas (R-WY) and Michael Enzi (R-WY)—wrote to DOT Secretary Norman Mineta, stating that they were “extremely disappointed” that Delta's Salt Lake hub was not selected when the slots were awarded last year. Sen. Dianne Feinstein (D-CA) added her endorsement to a request from five senators urging Mineta to select American to continue DCA-Los Angeles service operated by TWA—now TWA Airlines LLC. The DOT said that the TWA slots may not transfer to American under its purchase of TWA.

(Aviation Daily, May 1)

The Delta pilot contract, up for ratification by the rank-and-file, represents a pay hike 1% higher than United's pilots earn on all aircraft types, increases new-hire training pay by \$750 per month, and provides retroactive pay to May 1, 2000. The pact also allows Delta Connection to fly small jets, limited to 50 seats, with the exception of up to 57 Bombardier RJ-70s on order, up to a maximum 75, based on mainline growth. Delta will also offer its pilots furlough protection and will ensure that pilots based outside the U.S. are covered by the Railway Labor Act regardless of visa or immigration requirements.

(Aviation Daily, Apr. 27)

The carrier began Atlanta's first nonstop service to Buenos Aires, Argentina, on April 1. The daily roundtrip is offered in the MD-11 aircraft featuring BusinessElite service, offering sleeper-style seats and enhanced airport and in-flight amenities.

(PRNewswire, Apr. 2)

The Air Line Pilots Association unit rejected a proffer of arbitration from the National Mediation Board. The Board quickly released both sides into a 30-day cooling-off period that ends a minute past midnight on the morning of April 29. The union said that talks began in September 1999 and the contract became amendable on May 2, 2000, and that compensation, contract duration, job security, retirement, and the two-tier wage scale at Delta Express are among issues to be resolved.

(Aviation Daily, Mar. 30)

Delta's director for Latin America, Jorge Fernandez, said last week in Lima that the airline plans to fly a second frequency to Peru after consolidating its main markets in South America. Although not specifying a date for the new service, Fernandez added that the Lima market for the U.S. is “sufficiently dynamic.” Fernandez said, “In the first months of this year, on the route Atlanta-Lima-Atlanta, we operated seven weekly frequencies with over 70 percent load factor, or 2 percent to 3 percent more than last year.”

(Aviation Daily, Mar. 29)

Delta plans to initiate its first nonstop service between Atlanta and Oakland on June 1. The carrier will offer two daily roundtrips in B-757s.

(Aviation Daily, Mar. 23)

Delta Express

The low-fare unit will launch new service from Chicago O'Hare to two Florida cities this summer. On July 1, the carrier will launch two daily nonstop flights to Orlando, followed by two daily flights to Fort Lauderdale on July 7. A third daily flight to each destination will be added on July 13.

(Aviation Daily, Mar. 21)

Frontier

The airline plans to add a third daily nonstop between its Denver hub and Albuquerque on May 16.
(Aviation Daily, Mar. 28)

Frontier Airlines will inaugurate nonstop service between its Denver hub and Houston on May 16 with three daily flights.
(Aviation Daily, Mar. 21)

Horizon Air

The North American launch customer for Bombardier's Q400 high-speed turboprop will add more service to Canada and serve several new cities from Seattle with its newest plane starting June 17. On that date Horizon will add a fifth daily flight from Seattle to Calgary, Alberta, offering two of them in the Q400. Over the course of the summer most flights from Seattle to Montana will change from F-28s to the 70-seat Q400, which has a top cruising speed of 360 knots.
(Business Wire, Apr. 2)

JetBlue

The New York-based low-fare carrier inaugurates daily nonstop service between Seattle, WA, and New York JFK on May 1. Currently, JetBlue serves 15 cities with a fleet of 13 new Airbus A320 aircraft.
(Business Wire, Apr. 30)

Mesa Airlines

The airline signed a restructured code-share agreement with America West that will allow it to purchase 80 new Bombardier regional jets. Mesa signed a letter of intent to buy 20 70-seat CRJ700s and 20 86-seat CRJ900s, plus 40 options. Both types of aircraft will be equipped with a two-class configuration that includes six first-class seats.
(Aviation Daily, Mar. 22)

Midway Airlines

The airline will begin nonstop service between Raleigh/Durham, NC, and Los Angeles on June 1. The one daily nonstop flight each way in a Boeing 737-700 will make Los Angeles the sixth new city for Midway this year.
(PRNewswire, Apr. 26)

Midway Airlines launched nonstop service between Raleigh/Durham and Providence, RI, with three flights per day in Canadair Regional Jet aircraft. Providence is Midway's third new city this year, and will be followed by the new destinations of Birmingham, AL, and Dayton, OH, in May.
(Aviation Daily, Apr. 20)

The carrier plans to start nonstop service from Raleigh/Durham to Birmingham, AL, on May 1. The three daily flights will compete with Southwest's direct daily service between the two cities that has a stop in Nashville.
(Aviation Daily, Mar. 26)

Northwest

In June the carrier will serve two new destinations and expand service to a third from Memphis. Beginning June 1, Northwest will offer one daily roundtrip flight to Greensboro, NC, using a 100-seat DC-9. Two weeks later, Northwest's Airlink partner Express I will begin flying three daily nonstop roundtrips to Springfield, IL in its 33-seat Saab 340 turboprops. Also on June 1, Northwest will expand its successful seasonal service to Fort Lauderdale to one daily year-round flight.
(PRNewswire, Apr. 3)

Northwest, in partnership with Airlink affiliate Express Airlines I, will initiate or upgrade service between Detroit and Evansville, IN, Lansing, MI, and Springfield, MO. On May 19 the new once-weekly Saturday evening flight to Springfield will use the 50-passenger Canadair Regional Jet. Two of the four Saab 340 turboprop flights to Evansville and one of the three Saab flights to Lansing will be replaced by CRJs on June 1.
(PRNewswire, Apr. 2)

Northwest plans to increase service to Asia starting next week to answer the recent addition of flights to China by United. Northwest will add a weekly flight from its Detroit hub to Shanghai and two more weekly flights from Minneapolis/St. Paul to Tokyo. Northwest now trails United in weekly flights to Chinese cities by 15 to 21.
(Associated Press, Mar. 29)

Following a grave warning of a \$150 million loss this quarter, Northwest plans to cut \$200 million in expenses this year. Newly named CEO Richard Anderson said the company intends to achieve the 5 percent reduction in management payroll expense without company-wide, across-the-board layoffs. "These are never easy things to do, but prudent management dictates that we reduce the overhead of the airline."

(Aviation Daily, Mar. 21)

Southwest

As part of a long-awaited management transition plan, Chairman Herb Kelleher will relinquish his titles of president and CEO this summer. The board announced that current VP-General Counsel Jim Parker will become vice chairman and CEO on June 19, a day after the airline's 30th anniversary.

(Aviation Daily, Mar. 20)

TWA

The airline indefinitely suspended its daily service between New York JFK and Tel Aviv, a route that has been losing money for more than two years. Previously, American announced that it would not continue the Tel Aviv flights after acquiring TWA's assets.

(Aviation Daily, Mar. 30)

United

The airline is preparing to launch a corporate jet service that is expected to debut early next year and to fly as many as 200 small jets within five years. Sources, who asked not to be identified, said United has already created a business jet subsidiary, is hiring pilots, and is close to signing deals with corporate jet manufacturers. UAL Corp. spokesman Andy Plews, confirming that talks are under way with corporate jet manufacturers, but declining further comment on the plan, said, "We've been actively studying the business aviation market and see considerable potential for UAL Corp."

(Associated Press, Apr. 26)

United continued its conversion of mainline markets to regional operations for this summer. The airline said it will transition service to United Express at Jacksonville, Lincoln, Memphis, Milwaukee, Nashville, and Saginaw on July 9. United had recently announced the termination of mainline service to Palm Springs, CA. Although the move to regional jet operations highlights the fears pilots have expressed in contract negotiations about the growing use of RJs, United's ALPA unit says the airline is acting in accordance with the terms of its contract.

(Aviation Daily, Apr. 20)

Flight attendants, represented by the Association of Flight Attendants, have voted overwhelmingly to authorize Create Havoc Around Our System (CHAOS) strikes, AFA's trademarked strategy of public information and targeted work actions using random, unannounced strikes. This step is planned if the company should proceed with its purchase of US Airways without first securing a waiver from the flight attendants.

(PRNewswire, Apr. 3)

United will begin daily B-747-400 service between New York JFK and Hong Kong on April 1. On the same day, the carrier will initiate new daily nonstop service between Chicago O'Hare and Beijing, and will add two nonstop frequencies between San Francisco and Shanghai. With these two additional frequencies, United will be able to provide daily nonstop service between the two cities.

(Aviation Daily, Mar. 29)

United Parcel Service

UPS plans to end its charter service by year's end, citing a downturn in the economy and its noncompetitive fleet of Boeing 727s. The company uses four 727-100s each weekend for flights between Atlanta, Louisville, Philadelphia, and Pittsburgh and several beach destinations in the Caribbean. While the UPS planes seat only 113, competitors have been turning to larger planes with longer ranges than the 727. Spokesman Mark Giuffre said, "It was harder to remain competitive and if we were going to continue on in the business we would have had to invest in larger planes. Although we had a lot of fun with this, we didn't see a long-term future for it."

(Associated Press, Apr. 25)

UPS will be the only cargo carrier offering nonstop flights from the United States to the People's Republic of China on April 1. Six B-747 flights will operate each week, four from Ontario, CA, and two from Newark, NJ.

(Canada NewsWire, Apr. 3)

Vanguard

The carrier expands westward on April 1. That day will see Vanguard begin offering a daily, nonstop flight from its Kansas City hub to both Las Vegas and San Francisco.

(PRNewswire, Mar. 30)

Vanguard announced that it will cease service on its Kansas City-Minneapolis/St. Paul route on April 1. The airline said it was unable to make a profit because of increased competition from another carrier, but stopped short of naming Northwest as that competitor.

(Aviation Daily, Mar. 19)

Have you got the Time?

There comes a point in your life when it's time to pull it all together—investments, tax planning, retirement planning, and estate planning. You have a vision of what you want your money to do. But, are your plans aligned with your vision?

At CAVOK Financial Planning, our role is to listen, then make sense out of the complex issues of asset management. Our goal is to help you provide for today, but also to preserve for tomorrow.

For advanced solutions and objective advice, let us develop a plan with you to meet your goals.



CAVOK Financial Planning LLC

Contact James Blakey
Registered Investment Advisor
US Airways, Pilot
(704) 947-2717
www.cavokfp.com