

What's Up

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FAA

The Office of Inspector General in the Department of Transportation warned the FAA about integrating the air traffic control system under its FAA Telecommunications Infrastructure (FTI) project. The OIG feels the integrated network's transmitting of data and voice for both air traffic control and administrative services with connections to the Internet, which would replace the current dedicated networks, could make air traffic control "more vulnerable to unauthorized intrusion." Calling the proposed integration a "major risk factor," the OIG said the FAA "should not go forward with the network integration until it can give sufficient assurance that combining the National Airspace System with administrative systems on one integrated network will not compromise security of the National Airspace System."

(Aviation Daily, Aug. 27)

The Coalition of Air Line Pilots asked the FAA to set one standard of safety for all air carriers. Citing concerns about safety, particularly pilot fatigue, CAPA wants cargo carriers to conduct scheduled operations while following the same rules as passenger aircraft. Bob Miller, CAPA chairman, said "pilots of major overnight package-delivery companies deserve the same high level of safety provided by the rules for scheduled passenger operations." The coalition represents about 26,000 pilots at Airborne Express, AirTran, American, FedEx, Southwest, and UPS.

(Aviation Daily, Aug. 20)

An attorney, Lawrence Smith, who has clashed with the FAA over its enforcement activities a dozen times during the past two decades, has started a website called www.faajustice.com. Smith said he wants to "educate airmen to the undeniable fact that FAA's administratively ordered license penalties for air safety violations have no legal basis. No statute or rule even hints at such a sanction. The only penalty system Congress has ever authorized is civil money fines. The Administrative Procedures Act is crystal clear about this." He also stated that the site will offer airmen and mechanics guidance on how to protect themselves. In the past, the FAA has refuted Smith's allegations.

(Aviation Daily, July 26)

Langhorne Bond, former FAA Administrator, said that because the agency now depends on the Global Positioning System for all three elements of CNS—communications, navigation, and surveillance—a “well-coordinated terrorist attack on GPS in the U.S. and indeed in most countries of the world can collapse most or all of the entire ATC system.” He said the Volpe Center completed and delivered a study to the DOT and FAA after the Presidential Commission on Critical Infrastructure Protection had “identified GPS as a significant national vulnerability and directed the DOT to do a study of GPS vulnerability and possible mitigation thereof.” In remarks to the Air Traffic Control Association meeting in Dublin, he went on to say, “DOT is hiding it. DOT/FAA does not want this study to be seen by the airlines, the general aviation community, ICAO, foreign governments, the NTSB, Congress, and, specially, the FAA’s Management Advisory Committee. Nor by the press.”

(Aviation Daily, July 23)

Michael Fanfalone, president of the Professional Airways System Specialists, said that unions representing nearly 20,000 FAA employees are forming a coalition to “hold FAA accountable for meeting its modernization goals and to improve working conditions.” One notable absentee from the coalition is the National Air Traffic Controllers Association. The FAA said that employees are free to form coalitions, if they so desire, and that many have been in place for years.

(Aviation Daily, July 20)

John Mica (R-FL), chairman of the House aviation subcommittee, said that several busy airports will have to follow the example of traffic cuts at New York LaGuardia. Speaking after a congressional hearing in New York on ways to alleviate congestion at area airports, Mica stated that he will do everything in his power to force airports with the highest delays to cut capacity. Noting that he has already sent word of his intentions to the New York-area airports and to Boston, Chicago, and Los Angeles, Mica said, “What is good for New York metropolitan airports is good for all the congested airports.”

(Aviation Daily, July 18)

According to Ed Bolen, president of the FAA Management Advisory Council, the agency is using advisory circulars, internal guidance, and airworthiness directives to circumvent the rulemaking process. Bolen told Congress that “in many cases, the FAA staff lacks current industry knowledge/expertise needed for effective rulemaking.”

(Aviation Daily, July 16)

The General Aviation Manufacturers Association and the National Business Aviation Association have backed the FAA’s plan to reduce vertical separation standards between aircraft at high altitudes in domestic airspace, but urged Administrator Jane Garvey to slow implementation of the new standards below 35,000 feet until at least December 2006. The FAA initially planned to reduce domestic vertical separation minimums to 1,000 feet from 2,000 feet in late 2004 for the airspace between FL350 and FL390, but has been considering whether to expand that to include airspace between FL290 and FL390 in 2004. The concerns voiced by the two general aviation groups come because only a fraction of the U.S. fleet currently meet the equipment and certification standards to fly in the newly configured airspace.

(Aviation Daily, July 16)

Industry

This year has seen a continuing swoon in orders for jetliners from their peak three years ago, and with global airlines facing continued losses and a turbulent 2002, industry experts see no relief in sight. The major carriers have been shrinking capacity, mostly by the accelerated retirement of older, bigger aircraft. The airlines are also quietly ordering fewer planes as well. Richard Aboulafia, director of aviation at consulting firm Teal Group, said, "We're well into the downcycle with a lot of denial. Orders have severely declined, both in quantity and quality. We're headed downward, possibly very, very downward."

(Reuters, Aug. 31)

The Department of Transportation's request for comments on market-based solutions to relieve airport congestion and flight delays asks respondents to "set aside consideration of the current statutory, regulatory, or international authorities" when suggesting ways to bring supply and demand into balance "while longer-term capacity expansion is pursued." Responses are due November 19 and will be used by the DOT to "develop appropriate policy on issues associated with the design, implementation, and impacts of the possible adoption of various market-based pricing regimes at airports." The department plans to meet with representatives from airlines, airports, associations, and other interested parties and to gather input implications and costs of a number of approaches, including auctions, congestion pricing, peak-period pricing, and flat fees, as well as peak-period surcharges and off-peak discounts and shifting service to secondary and underused airports.

(Aviation Daily, Aug. 22)

Jonathan Ornstein, CEO of Mesa, predicts a change in the way major airlines do business with regional partners as a result of the Comair pilot strike. Believing that majors may no longer "put all their eggs in one basket" when choosing regional partners, Ornstein feels the major airlines may turn to a bidding process that will increase their choices and lessen the possibility of a damaging situation, such as a labor dispute. He said Comair pilots may have hurt their counterparts at other regionals, and majors are less likely to remain loyal to regional partners. "That is why it is imperative for us to be competitive," on a cost basis, he said.

(Aviation Daily, Aug. 1)

AirTran

The carrier will add a fourth flight between Atlanta and Pittsburgh on October 4. Service will be provided on the new Boeing 717-200 aircraft.

(Aviation Daily, Aug. 29)

Alaska

Pilots ratified the contract reached earlier this month by union leaders and company management. The agreement, which extends the pilots' contract through April 2005, provides an across-the-board pay increase of 11.05 percent this year, followed by increases of 5 percent next year and 4 percent in 2003 and 2004. According to ALPA, which represents the 1,461 Alaska pilots, 83 percent of pilots who voted approved the contract.

(Associated Press, Aug. 31)

America West

Due to reduced demand, the airline eliminated service from Las Vegas to six cities on September 5. On that date, America West will cut its night service to Cleveland, Denver, Hartford, Indianapolis, Omaha, and Seattle. Also in September, the carrier will reduce daily service from Las Vegas to Milwaukee to three weekly flights.

(Aviation Daily, Aug. 31)

**America West
Express**

America West Holdings has named Doug Parker the new chairman, CEO, and president of the company and America West Airlines. The appointments take effect on September 1, as current chairman and CEO William Franke retires after nearly nine years of service.

(Aviation Daily, Aug. 23)

America West announced that daily nonstops have begun flying between Columbus, Ohio, and Atlanta. Chautauqua Airlines will operate the three daily America West Express roundtrips in 50-seat Embraer 145 Regional Jets.

(PRNewswire, Aug. 1)

American

The Allied Pilots Association rejected the company's proposal to use baseball-style binding arbitration if the two sides fail to reach a timely negotiated contract settlement. Citing a number of issues that need to be addressed, particularly safety, APA President John Darrah said the union leadership concluded that "baseball-style binding arbitration, where only a handful of items would be reviewed by an arbitrator, would be overly limiting." Darrah acknowledged that the union may be foregoing a chance for an immediate pay increase by not agreeing to the company's proposal, but noted that "our pilots have indicated that there are other, vitally important items that must be addressed."

(Aviation Daily, Aug. 27)

To cut capacity in the current down market, the carrier will speed up plans to retire more aircraft. American will ground five additional Boeing 727s during the fourth quarter of this year and the first quarter of 2002, rather than in 2003, and will retire its remaining four MD-11s by November 1, rather than near year-end.

(Aviation Daily, Aug. 21)

As the next step of its transition with TWA, American will launch their code-share cooperation. In the first phase, American will place its code on about 80 TWA flights between St. Louis and nine cities: Charlotte, Colorado Springs, Columbus, Detroit, Los Angeles, Louisville, Portland, Sacramento, and Vancouver. The flights will carry both the "AA" and "TW" codes, and will have TWA flight numbers and TWA crews flying TWA aircraft. The second phase, beginning September 19, will expand the code-share partnership to include flights between St. Louis and both Chicago and Dallas/Fort Worth.

(Aviation Daily, Aug. 1)

July 24 marked the opening of negotiations between American and its Allied Pilots Association on a tentative contract agreement. The airline has offered pay raises of 15-20 percent on August 31 if pilots agree to an expedited schedule of talks. American is asking its pilots to decide within 30 days to enter fast-track negotiations that could yield a four-year pact within four months. Jeff Brundage, VP-employee policy and relations, noted that contract negotiations industry-wide have become "lengthy and adversarial, and frankly, airline customers are tired of worrying about being inconvenienced in the process. We want to change that pattern and also provide top-of-the-industry wages to our pilots. This fast-track offer is designed to do just that."

(Aviation Daily, July 25)

American Eagle

American's regional affiliate will introduce new service between Reagan Washington National and Raleigh/Durham on September 17. The four daily round-trips will be flown on the 37-seat Embraer-135 regional jet.

(PRNewswire, Aug. 29)

American Eagle accepted delivery of its 100th regional jet, manufactured by Embraer of Brazil. "This is a milestone in the transformation of our fleet from no regional jets in 1997 to 100 today," said Tom Bacon, senior vice president for planning and marketing. The aircraft is a new ERJ-140, a 44-seater that is one of 15 to be delivered by the end of the year, when the company expects to have 115 regional jets in its fleet.

(PRNewswire, Aug. 21)

The regional affiliate of American will expand jet service on September 5 to Chicago O'Hare from four cities: Cedar Rapids, IA; Cincinnati; Cleveland; and Evansville, IN. The additional flight from each point will utilize either of two Embraer regional jets, the 37-seat ERJ-135 or the 50-passenger ERJ-145.

(PRNewswire, Aug. 1)

Amerijet

The cargo airline, based in Fort Lauderdale, FL, said that it has filed for reorganization under Chapter 11 with no interruption in its domestic and international services. CEO David Bassett said one factor was Federal Express's taking over a Postal Service contract from Emery Worldwide, which caused the loss of a major aircraft charter contract and idled six Boeing 727s, half of Amerijet's fleet.

(Aviation Daily, Aug. 23)

Atlantic Southeast

The Delta Connection carrier will expand regional jet service between Atlanta and both Fayetteville, NC, and Gulfport/Biloxi, MS on November 1. The new flights in Canadair regional jets will replace current ASA service in 30-passenger Embraer Brasilia-120 turboprops.

(PRNewswire, Aug. 23)

British Midland

The DOT granted the carrier rights to place its code on flights operated by United Express carrier Atlantic Coast Airlines from Washington to 25 U.S. points and from Chicago to 42 U.S. points, connecting with BMI's nonstops from Manchester, England. American's objections to such services by Star Alliance partners were dismissed by the DOT.

(Aviation Daily, Aug. 30)

Comair

The Delta Connection carrier expands service from its hub in Cincinnati as it adds more flights to its schedule. The expansion includes the start of daily service from Cincinnati to Miami, Myrtle Beach, Nassau, and Providence, and brings to 95 the number of cities that Comair serves.

(PRNewswire, Aug. 30)

The airline's Jet Express unit expanded its charter fleet with four Gulfstream IV-SP high-end business jets, but Delta vows to remain out of the fractional business jet market. The new planes join Comair's fleet of six business aircraft—three Canadair Challenger 604s, two Learjets, and one Cessna Citation. The carrier has added the new aircraft through a "charter management agreement," rather than purchasing them. "The ability to offset ownership cost through Comair Jet Express's charter management program is becoming more and more important in today's challenging economic environment," said Comair Jet Express President Michael Green.

(Aviation Daily, Aug. 1)

Continental

The airline introduced improved inflight entertainment when it eliminates the current \$4 headset rental on August 1. Customers will be able to take advantage of the new service by providing their own compatible audio headset or purchasing one from the airline for \$2. Free video and audio entertainment will be available on all domestic flights and on those in Canada and to select destinations in the Caribbean, Mexico, and the mid-Pacific.

(PRNewswire, July 31)

Continental plans to offer daily one-stop service between Newark and Anchorage on September 6. The new service, which the airline claims to be the only year-round, daily, same-plane roundtrip between the New York area and Anchorage, will utilize a B-737-800 with a stop in Portland.

(Aviation Daily, July 26)

Delta

O. V. Delle-Fermine, national director of the Aircraft Mechanics Fraternal Association, said that the union has collected signature cards from 42 percent of Delta's total mechanic workforce in support of its effort to unionize. Generally, unions must collect cards from at least 35 percent of an employee group before the National Mediation Board will call an election. Delle-Fermine said his goal remains a 50-percent collection rate, and that the union expects to seek a membership vote from federal mediators in September.

(Reuters, Aug. 30)

The Association of Flight Attendants filed with the National Mediation Board to hold a representation election for Delta's 20,000 flight attendants. AFA International President Patricia Friend said ballots could be counted by early December, in what could be the conclusion of a more than three-year organizing effort. Sharon Wibben, Delta senior VP-inflight services, said, "We are confident that Delta flight attendants will resist attempts for union representation, as they have done consistently in the past, and continue a 60-year tradition of remaining union-free."

(Aviation Daily, Aug. 30)

Delta Express, showing little effect from the current economic downturn, plans to finish the year 20 percent larger than when the year began. However, a new test looms for the Boeing 737-200 operator, as the latest pilot agreement allows it to acquire new Boeing 737-800s. Internal analysis by Delta is not yet complete, according to Delta Express Managing Director Tim Mapes, but the outcome will be critical to Delta Express's future structure and whether it will operate long-haul flights with the 737-800s.

(Aviation Daily, Aug. 30)

The carrier retired its last Lockheed L-1011 after 28 years of service by a fleet that once numbered 56 airplanes. Delta said the plane "set the pace" for the airline in many ways, including its first transpacific service in 1987. The TriStar produces 246,400 pounds of thrust with its three Rolls-Royce engines, weighs a half million pounds, and can carry up to 302 people.

(Aviation Daily, Aug. 1)

Frontier

The carrier announced that it will begin serving Reno/Tahoe and Austin on October 1. Frontier will operate two daily nonstop flights to each destination from its Denver hub.

(PRNewswire, July 26)

Great Lakes

The airline recently furloughed 25 reserve pilots, and has seen attrition drop from 25 pilots per month to an average of ten, according to CEO Doug Voss. Great Lakes continues to reduce its schedule, and has shrunk its fleet by four Beech 1900s and two Brasilias, affecting 40 pilots. Other carriers say they are being inundated with applications from Great Lakes pilots.

(Aviation Daily, Aug. 20)

Hawaiian

The airline will acquire nine new B-767-300ERs, powered by Pratt & Whitney PW4060 engines. Hawaiian is financing the jets, which will be delivered from the third quarter of next year through the first half of 2003, by long-term lease financing arranged through Boeing Capital Corporation and Ansett Worldwide. The carrier will also get seven other B-767-300ERs between this year's fourth quarter and the middle of next year to replace DC-10s.

(Aviation Daily, July 17)

HeartLand

Based on information from the carrier, the DOT has dismissed HeartLand's application, noting that the startup advised that it was unable to secure funding to begin operations. The new entrant planned to use an all-Boeing 717 fleet and a corporate culture modeled after Southwest in targeting markets previously served by Piedmont prior to its acquisition by US Air. HeartLand, whose chairman and CEO is former Piedmont CEO William Howard, earlier told the DOT that it had only raised \$35 million of the \$55 million that management believed was required to start services.

(Aviation Daily, Aug. 31)

Horizon

The carrier is the first in North America to be certified by the FAA to fly Bombardier's new 70-seat CRJ-700 regional jet in commercial service. Horizon will use the new jet on a substitute basis until mid-September, when it will enter regularly scheduled service. The CRJ-700 will replace the airline's 69-seat Fokker F-28 4000 jets, which are slated for eventual retirement. Horizon has a firm order for 30 of the new planes, with two already on hand and delivery plans for a total of 14 by next spring and the remaining 16 between 2003 and 2005.

(Business Wire, July 30)

Three years after the beginning of talks, Horizon and its pilots union have tentatively agreed to an employment contract. The deal, the first since the pilots approved union representation by the International Brotherhood of Teamsters, is subject to approval by the airline's 687 pilots. Horizon Airlines is part of the holding company, Alaska Air Group, which also owns Alaska Airlines. The two airlines have separate employment contracts.

(Associated Press, July 27)

JetBlue Airways

The carrier today commenced service from its new West Coast base with twice-daily service from Long Beach Airport near Los Angeles to New York JFK. Over the next two years, JetBlue plans to have 27 daily departures from Long Beach to as many as 15 cities.

(Business Wire, Aug. 29)

Mesaba

The Northwest Airlink affiliate will increase nonstop service between Lexington, KY, and Detroit to six daily flights from five on September 1. The new service will utilize the 33-passenger Saab 340 turboprop aircraft.

(PRNewswire, July 30)

Midway

The carrier is seeking a two-year exemption to start daily nonstop service between Raleigh/Durham and Cancun, Mexico. Midway plans to start flying the route on November 1 with a B-737-700, but also wants to use other aircraft, including regional jets.

(Aviation Daily, July 24)

National

The Las Vegas-based discount carrier, operating in Chapter 11 bankruptcy while searching for a white knight, said it expects to announce a restructuring plan by mid-October. "We are confident our ongoing discussions with aerospace-related entities interested in facilitating National's reorganization will reach a successful resolution," said National Chairman and Chief Executive Officer Michael Conway.

(Reuters, Aug. 27)

A bankruptcy judge extended a deadline for the carrier to reach a bailout agreement or risk losing an investor's multimillion-dollar credit line. The credit line, guaranteed in part by casino operator, Harrah's Entertainment, Inc., was originally set to expire on July 31. To get the deadline extended until the end of August, National agreed to reduce the credit line to \$15.5 million from \$16 million and to pay Harrah's \$400,000 in cash over the course of the month.

(Reuters, July 26)

Northwest

The carrier and its Northwest Airlink affiliate, Express Airlines I, announced that they would be offering an "all jet" schedule on the five daily flights between Harrisburg, PA, and Detroit. Starting November 1, the last remaining flight on the 34-passenger Saab-340 will be replaced by one on the 50-seat Canadair Regional Jet. The other four flights operate with a combination of Northwest's DC9 aircraft and Avro RJ-85 jets flown by Northwest Airlink partner, Mesaba Airlines.

(PRNewswire, Aug. 30)

The airline plans to launch daily service from Memphis to Montego Bay, Jamaica, on October 28. The new year-round service, to be operated with an Airbus A320, will replace current flights between Montego Bay and Tampa.

(Aviation Daily, July 24)

The carrier's Air Line Pilots Association unit called "very conservative" the company's estimate of 200 pilot "displacements" due to poor financial performance by Northwest. The union said pilot hirings are expected to continue with a total of 320 by the end of the year and about 190 for next year, with 215 anticipated retirements. Union leaders told management of their disappointment that neither ALPA nor the pilot group as a whole received "reasonable notice" about the displacements.

(Aviation Daily, July 23)

**Ryan
International**

The airline's 550 pilots, represented by the Air Line Pilots Association, ratified last month's tentative agreement. Two-thirds of the pilots eligible for the telephone balloting process voted in favor of the four-year pact, which had been negotiated for two years.

(Aviation Daily, July 26)

Shuttle America

Wexford Capital has agreed to finance the airline's emergence from bankruptcy. Shuttle America said the deal will enable it to acquire additional aircraft, ensuring continued service between Hanscom Field outside of Boston and Trenton/Mercer and Buffalo/Niagara Falls. CEO David Hackett said the filing "represents the key step in providing new financial strength, increased stability, and new service in our markets."

(Aviation Daily, Aug. 31)

SkyWest

The regional carrier said that it will increase its Delta Connection service from Salt Lake City to 11 communities on September 1. New routes, which will be served aboard Canadair Regional Jets, include Billings, MT; Colorado Springs; Eugene, OR; Fresno, Ontario, and Santa Barbara, CA; Oklahoma City; Pasco, WY; Phoenix; Spokane, WA; and Tulsa.

(Aviation Daily, July 19)

Southwest

The carrier, citing a dramatic decline in the use of inflight telephones, plans to remove all onboard phones over the next year. Southwest had begun using AT&T inflight phones in 1992. Most Southwest customers "are content to use their cell phones while the aircraft is parked at the gate before and after flights, and they have little need for phone service during our short flights," the airline told employees.

(Aviation Daily, Aug. 1)

Southwest identified significant growth opportunities at Chicago Midway, which is undergoing an "enormous" expansion program. The airline currently uses 17 gates, some of which are shared, and Chief Financial Officer Gary Kelly said there could be growth to 19 exclusive gates, allowing for a boost of 50 daily flights, a 40 percent increase.

(Aviation Daily, July 23)

TWA

AMR Corp. has decided to end TWA's service from New York JFK to Cairo and Riyadh, Saudi Arabia, on September 30. The airline said the decision to drop the service was "due to a lack of profitability on the flight." American told employees that the company has taken "a number of belt-tightening actions to counteract the effects of a weak economy and two quarters of financial losses."

(Aviation Daily, Aug. 30)

United

The airline became the second major, after Delta, to freeze pilot hiring due to weak conditions in the industry. United made the announcement on its website, and also said it would evaluate future hiring on a quarterly basis.

(Aviation Daily, July 17)

The carrier's response to JetBlue's recently announced service between Washington Dulles and Oakland will appear on October 31 when United will begin daily nonstop flights with Airbus A320s. The carrier boasted that with the start of the Oakland service it will be the only airline operating nonstop flights from Washington to all three airports in the San Francisco Bay Area: Oakland, San Francisco, and San Jose.

(Aviation Daily, July 16)

Vanguard

The carrier took delivery last week of its fourth MD-80 series aircraft to boost frequencies in its existing network. The MD-82 is expected to begin service in Pittsburgh on September 9. Vanguard has commitments to lease five more MD-80s through this year and may lease additional planes for both growth and the replacement of Boeing 737s.

(Aviation Daily, Aug. 28)

Vanguard will increase service to both New York LaGuardia and San Francisco International. Having been awarded two additional slots at LaGuardia, the carrier will have three daily flights from there to Kansas City beginning October 4. On the same date, Vanguard will add a second daily flight between Kansas City and San Francisco. The New York and San Francisco flights will operate with the company's MD-80-series aircraft.

(PRNewswire, Aug. 27)

The Kansas City-based carrier has postponed its previously announced Reno/Lake Tahoe service, and has instead added additional flights to Atlanta and Denver, which will begin on August 12. President and CEO Scott Dickinson said, "We announced the Kansas City-Reno service based on an incentive package put together by the community. Since our announcement, the promised support has not materialized."

(Aviation Daily, Aug. 1)
