



# What's Up

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## Aeroflot

The flagship carrier of Russia took delivery of the last of ten Boeing aircraft it agreed to acquire under a 1997 leasing arrangement. The B-737-400, with engines from CFM International, is scheduled to fly to Milan and Rome. Aeroflot also operates a Boeing 767 and two B-777s, acquired last year under a leasing agreement. Last year also saw the carrier purchase two Airbus A-310s.  
*(Reuters, Apr. 30)*

## AirTran

The airline announced that Richard Schroeter, senior vice president and chief financial officer, will leave the company at the end of June. AirTran's president, Robert Fomaro, plans to assume the additional duties of CFO. "Dick played a key role in the finance department at AirTran since his arrival last May, particularly in financing, insurance, and investor relations," said Joe Leonard, AirTran's chairman and chief executive officer. "We are pleased that he has agreed to stay through June to complete financing for the first 10 B-717 aircraft to be delivered starting in September 1999."  
*(Business Wire, May 5)*

AirTran has appointed Kevin P. Healy to the post of vice president - planning, where he will oversee route strategy, scheduling, pricing, and revenue management. "We see significant opportunities to increase AirTran's revenue production through improved pricing strategies and revenue management," said Robert Fornaro, AirTran's president. "The knowledge and experience that Kevin brings to the table will enable us to make strides in that direction." Healy most recently served as director of domestic pricing for USAirways, after having held management positions there in the inventory management and revenue analysis departments. Prior to that, Healy had worked for Piedmont Airlines.

*(Business Wire, Apr. 29)*

## American

Merrill Lynch analyst Candace Browning sees the carrier's lead in Latin America shrinking over time as Atlanta and Chicago "suck up some of the traffic that has traditionally gone through Miami." She told the International Airline CEO Conference in Miami that the addition of 21 percent more capacity to Latin America by U.S. carriers last year will lower American's market share in the next five years.

*(Aviation Daily, May 4)*

## Atlas Air

The Air Line Pilots Association filed a suit against the carrier in Miami's Federal District Court after Atlas allegedly cut the pay of some crewmembers by 20 percent on April 26, the same day that pilots voted for representation by the union. ALPA said that management had threatened during the organizing drive to cut crew pay, and that the suit attempts to block retaliation that violates the rights of crew and the union under the Railway Labor Act. The union says that Atlas used "intimidation" against members to prevent voting for ALPA, and that they are seeking punitive damages to deter Atlas from "further flagrant violations of federal labor law."

*(Aviation Daily, May 10)*

**British Midland**

The airline has filed for special permission from the Department of Transportation to begin service from London Heathrow to New York JFK. Having already received a license for the service from the U.K. Civil Aviation Authority, British Midland is looking for the special exemption to allow it to start service in the spring of next year because the current U.S.-U.K. bilateral agreement does not include the carrier. Approved by the CAA to operate to Boston, Miami, New York, and Washington, the carrier is requesting the exemption for at least two years, and promises to fly no more than two daily nonstops. British Midland said the DOT could take "a bold and meaningful step" toward liberalization by designating the carrier ahead of a comprehensive open-skies agreement. The airline plans to use B-767s, Airbus A330s, or "other suitable aircraft." (*Aviation Daily*, May 12)

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**Comair**

As it attempts to become the first U.S. regional airline with an all-jet fleet in 2001, Comair will intensify its analysis of 30 to 40-seat jet aircraft by comparing the Fairchild Aerospace 328 and 428 jets with the Embraer ERJ-135. Evaluations of the aircraft include flight maintenance and ground handling standards, as well as flight tests. Charles Curran, senior VP-marketing for Comair, said one of the aircraft "may effectively accommodate the company's plan to operate an all-jet fleet." Comair, which currently operates 76 50-passenger Canadair Regional Jets, recently signed a ten-year agreement with Bombardier to acquire 50 jets, 20 of the new 70-seat models and 30 more of the 50-seaters. (*Aviation Daily*, May 13)

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**Federal Express**

The company and its Fedex Pilots Association signed their first contract, which will take effect on May 31. The hard-won deal, which will give FedEx's 3,600 pilots a 17 percent pay raise over five years, covers pay, retirement, scheduling, scope, work rules, and other important issues. "This is an historic occasion — a long time in the making," said FPA President Mike Weiland. The contract negotiations have been acrimonious and have lasted nearly five years. (*Aviation Daily*, May 21)

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**Lufthansa**

The German airline has placed a firm order with Fairchild Aerospace for 60 new 70-seat 728JET regional aircraft. In a deal worth about \$1.6 billion, Lufthansa becomes the launch customer for the aircraft, and also takes options for 60 more. Deliveries for the jets, powered by two GE CF34 turbofans, are scheduled to begin in 2002. Lufthansa will replace some older planes and augment the existing fleet, and will boost intra-European connections and "reinforce feeder services channeling passengers onto intercontinental flights in Frankfurt and especially Munich." (*Aviation Daily*, Apr. 30)

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**National**

The Las Vegas-based startup received its air carrier operating certificate from the Federal Aviation Administration. With its operating certificate in hand, executive Michael Conway said the airline can meet its planned starting date of May 27. Initial service will be from Las Vegas to both Chicago Midway and Los Angeles. Future flights will be to New York JFK on June 14 and to San Francisco on June 24. (*Aviation Daily*, May 21)

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**Pan Am**

The one-time industry giant, now operating as a small charter service, plans to resume scheduled flying in June. Beginning June 8, Pan Am will offer a daily flight from the Pease International Tradeport in Portsmouth, N.H. to Orlando, with continuing service to San Juan, Puerto Rico. On the same day, the carrier will begin service from Orlando, Philadelphia, San Juan, and Aguadilla, Puerto Rico, according to Hal East, a regional manager of sales and service. Pan Am had filed for bankruptcy protection in 1991, and a group of investors, who bought the name and tried to revive the airline as a discount carrier, were forced into Chapter 11 bankruptcy reorganization last year. Guilford Transportation Industries, Inc., a regional freight rail company, bought the airline last June, and based the airline's seven planes at Pease. East said that Pan Am hopes to add two additional scheduled flights from Pease, perhaps to Atlanta and Philadelphia. (*Associated Press*, Apr. 28)

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**SkyWest**

The regional airline, a code-share partner with Delta at Salt Lake City, ordered ten more 50-seat Canadair Regional Jets from Bombardier Aerospace in a deal valued at \$230 million. SkyWest Airlines has now placed firm orders for 45 CRJs, ten of which have been delivered. Ron Reber, executive VP, said that “as Delta continues to refine its operation at Sale Lake City, the Canadair Regional Jet will provide for improved schedule and equipment utilization.”

*(Aviation Daily, May 3)*

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**Southwest**

Morten, Beyer, & Agnew said that in the fourth quarter, the airline boarded more domestic passengers than any other airlines except for American, Delta, and United. At current growth rates, MBA predicts that Southwest will outdo American this year, United in 2001, and Delta in 2004, and “become the largest airline in the world in terms of domestic passenger boardings.”

*(Aviation Daily, May 10)*

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**TWA**

A 30-day countdown to a possible strike by about 16,000 workers at TWA began today when federal mediators notified both sides of the union’s rejection of an offer for binding arbitration. The “cooling off” period would expire at one minute past midnight on the morning of June 10, at which time the employees would be free to strike and the company could impose contract terms. The workers, including flight attendants, ground workers, and others, have been trying to regain wage and benefit concessions made when TWA went through two bankruptcy reorganizations earlier this decade. Although a strike would hit the carrier at a key time of the year, the start of the busy summer travel season, an official with the International Association of Machinists and Aerospace Workers cautioned that airline contracts typically are not reached until the very end of the cooling-off period.

*(Reuters, May 10)*