



What's Up

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Aloha

The carrier's intention to fly B-737-700s from Honolulu and Maui to Oakland, Calif. is the latest example of the shrinking of passenger aircraft on overseas routes. Aloha's first routes to the mainland in its 53-year history will begin in February with one roundtrip daily to each destination in Hawaii. At nearly 2,100 miles, the overwater routes are still well within the range of the B-737-700, which was certified for Extended-Range Twin-Engine Operations (ETOPS). Aloha is looking at other mainland points, and the B-737-700 would allow service from Hawaii to cities such as Las Vegas and San Diego. The low-cost performance of the Boeing narrowbody should allow Aloha to operate at the same per-seat-mile cost of a widebody.

(Aviation Daily, Aug. 23)

American

The airline has agreed to meet with the mediator who drew up the Reno merger proposal that America had accepted, and then rejected when the Allied Pilots Association countered with an amended version. American plans to integrate the Reno pilots on August 31, but needs APA approval to begin paying them at American's pay rates. Sources say one of the sticking points regards the more-than-600 pilots who were furloughed around the time American began to code share with Reno. Although the pilots have been recalled and most have returned to American, the union and management disagree on certain benefit remuneration for the time they were gone. American spokesman John Hotard said that the APA's acceptance of the mediator's proposal with changes amounts to a rejection of the proposal, and that "...their proposal gets into making decisions that are management's decisions."

(Aviation Daily, Aug. 10)

The Board of Directors of the Allied Pilots Association voted unanimously to approve a proposal from its Negotiating Committee, with certain amendments, and then forwarded the amended document to mediator George Nicolau and to American Airlines. If accepted by management, the agreement would allow American to settle the issues from its acquisition of Reno Air last year, and provide a means to negotiate future merger agreements with the assistance of a mutually agreed-upon mediator.

(PRNewswire, Aug. 6)

The Allied Pilots Association is asking Congress to urge the FAA to adopt new safety regulations to reduce the risk of pilot fatigue. In written testimony to the House Committee on Transportation and Infrastructure's Subcommittee on Aviation, Captain Rich Rubin said, "Human fatigue can impair anyone, and ... is insidious. ...One of its more serious effects is that it can impair judgment and decision-making capability." With regard to current FARs allowing pilots to be scheduled for 16 consecutive hours of duty for domestic operations, Rubin said, "Simply put, this is much too long and a principal cause of pilot fatigue. It should be reduced to the sensible and safe limits that are recommended by NASA and the scientific community." The APA asked for support of its proposal for 12 hours of scheduled duty time with a maximum of eight flight hours for domestic operations. This would be reduced to 10 duty, and seven flight, hours if the scheduled period includes work between 2 a.m. and 6 a.m.

(PRNewswire, Aug. 2)

Atlantic Coast Airways

According to analysts, Atlantic Coast is looking to code share with another airline on the East Coast, following its order for Canadair Regional Jets and the creation of a wholly owned subsidiary. ACA, which will be the second-largest operator of regional jets behind Comair, might link up with a carrier such as Delta or US Airways.

(Aviation Daily, Aug. 18)

British Airways

Starting with the winter 1999-2000 schedule, British Airways will suspend its daily nonstop service between Pittsburgh and London. Dan Brewin, Executive Vice President, USA, said, "...This was a carefully calculated decision based on commercial reasons and continuation of the service could not be justified on economic grounds. British Airways is strongly committed to the United States and will be keeping this route under constant review. If market conditions permitted a successful return we would naturally be keen to resume service between Pittsburgh and London."

(PRNewswire, Aug. 9)

Delta

Discussions between the airline and its pilots could lead to a flow-through agreement for pilots from Atlantic Southeast Airlines. Merger speculation about the two pilot groups has run rampant since Delta acquired ASA in March, but union spokeswoman Karen McGuffey said that Delta would first have to merge the two carriers.

(Aviation Daily, Aug. 23)

Delta and ALPA have begun negotiating a pay scale for its newest widebody, the 287-seat B-767-400, set for delivery in May, 2000. The carrier opened with a proposal of \$208 an hour in base pay, or about \$195,000 a year, for captains. ALPA said that hourly rate is only 18 cents above the current top rate for domestic DC-10 captains at American Airlines, but did not present an opening demand of its own.

(Associated Press, Aug. 18)

Eastwind

The airline has suspended flights to Philadelphia and laid off about 60 employees. According to media reports, layoffs affected pilots, flight attendants, airport staff, and office workers.

(Aviation Daily, Aug. 9)

Kiwi

Unless a last-minute investor comes to its rescue, Kiwi International will file for Chapter 7 bankruptcy by the end of the week. To help repay an \$830,000 loan from the state of New Jersey, the Newark-based carrier was forced to auction off its office furniture yesterday. Atlanta and Chicago are the scheduled sites for auctions of spare airplane parts in September. The seven-year old airline, which had four B-727-200s before its grounding earlier this year, owes \$12.5 million in taxes and \$20 million to creditors.

(Aviation Daily, Aug. 18)



Northwest

Flight attendants, represented by the International Brotherhood of Teamsters, overwhelmingly rejected a five-year contract offer. Sixty nine percent of the valid votes turned in were against the proposed contract reached in June, which would have covered 10,600 flight attendants at the nation's fourth largest airline. Too low pay raises and benefits and too vague work rule changes were cited as reasons for the pact's rejection. "The flight attendants have said to Northwest Airlines, 'We're tired, we're angry, and we won't be treated like second class citizens any more,'" said Teamsters Local 2000 President Billie Davenport.

(Reuters, Aug. 26)

Skyway Airlines

The airline will begin regional jet service between Milwaukee and Pittsburgh on November 1, with four weekday nonstops using Fairchild 328s. It will also put regional jets on some turboprop routes - Indianapolis in late October, Green Bay and Wausau/Stevens Point, Wis. in mid-November, and Nashville in late November. Skyway Airlines will also launch turboprop service between Milwaukee and Cedar Rapids in December.

(Aviation Daily, Aug. 19)

World Airways

In an effort to conserve cash and reduce costs, the airline intends to slash salaries and may delay an interest payment on \$43 million of debt due August 26. Starting in September, employees earning more than \$25,000 annually will see a 10 percent pay cut for 16 months, with an offer of common stock in exchange. World Airways has been working with CIBC World Markets Corp. since the beginning of August to reduce debt and raise money for fleet expansion. Earlier this month, the company said it would eliminate jobs to cut costs by as much as 12 percent.

(Aviation Daily, Aug. 17)

Industry

On the political front, Federal Express and AMR Corporation, the parent of American Airlines, were among the top 15 corporations to donate the most "soft money" to political parties during the first half of this year. Used to strengthen the party and for advertising related to issues, soft money contributions included \$314,000 from Federal Express and \$248,056 from AMR. However, this combined offering of more than a half million dollars trailed far behind the leader in corporate political-gift-giving. According to the Federal Election Commission, AT&T led the parade with a donation of \$751,150.

(Aviation Daily, Aug. 23)
