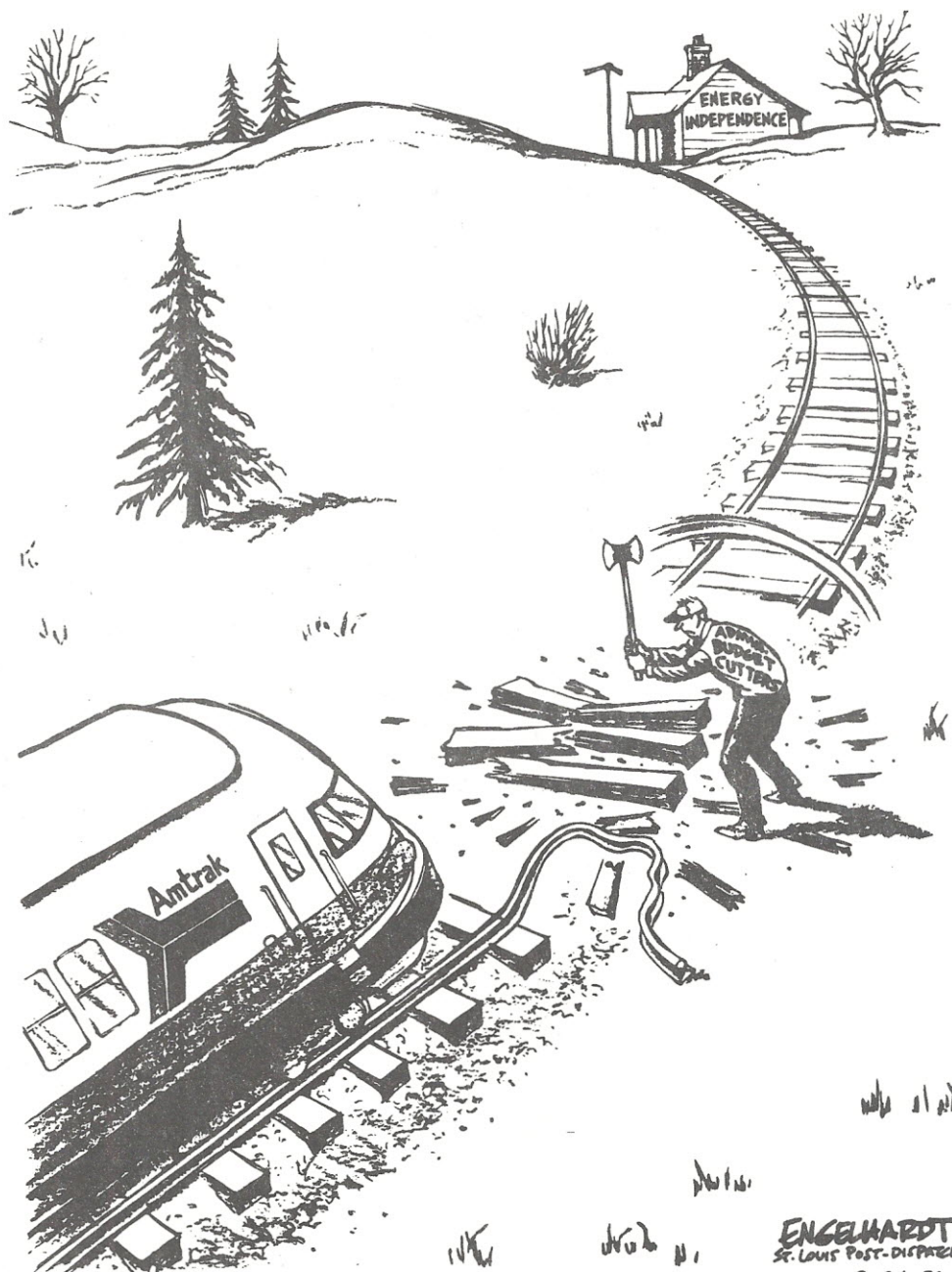


transport central



One-Track Mind

10 - 20 May 1981

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AMTRAK AT TEN: A PERSPECTIVE

[In May, Chris Knapton, regional director of Corporate Communications (Public Affairs) for Amtrak in Chicago, left the Corporation to take a new position with the Association of American Railroads. Before his departure, Chris and the Editor enjoyed a wide-ranging discussion in Amtrak's Union Station offices. These are excerpts from that discussion.]

Q. After ten years, what does the future of Amtrak look like to you?

A. Guarded optimism, at least on the House side. There was an AP story, early in the week—one of these “news analyses” pieces—that talked about how Reagan got his stunning victory in the House for the overall budget figure. He had 50 or 60 reluctant Democratic members of the House down to the White House and strongly solicited their support. A great many Congressmen said they were willing to go to bat for the President, but there were certain areas where they wanted to make sure some adjustments could be made in the Administration's position, vis-a-vis what could be done with the money under the budget cap. I was surprised to find that the three most-repeated points that the Congressmen mentioned in their general agreement to support the President were: “Don't screw around with Veterans Administration hospitals—we get a lot of mail on this;” “Don't screw around with Social Security—we have to run for office every two years and don't want to pull the rug out from under old people;” and “Don't screw around with Amtrak.” That was a surprise.

The House Commerce Committee [which approved a larger appropriation for Amtrak than the budget had recommended—Ed.] did a couple of interesting things. Of the \$765,000,000 authorized, there is \$10,000,000 set aside for job protection, because there will be some service cuts. There is also an additional \$30,000,000 specifically segregated in the budget to extend the loan guarantee authority for the Northeast Corridor purchase. By extending that authority we could on paper pay the interest on that loan without having to dip into operating funds for the purpose. It's a paperwork shuffle, but it would help.

Then, with \$725,000,000 for operating subsidies plus capital improvements, a figure of \$100,000,000 for capital improvements leaves \$625,000,000 for subsidies, which is only \$91,000,000 short of the figure we asked for. We can see ways in which we can economize to that extent. So, we would have essentially the level of funding to operate the way we had planned to anyway in 1982. There may be one or two other refinements to that plan, but we can't come up with a scenario or a system map for every set of numbers thrown at us.

Q. There are obviously some candidates for disappearance, whatever the scenario—the *Cardinal*, for example?

A. Sure. The *Cardinal* and *Shenandoah* are slated for discontinuance September 30 anyway because they don't meet the criteria established for those two trains by Congress in 1979. The *Inter-American* south of St. Louis would meet the funding requirement if it were tri-weekly south of St. Louis.

Q. Will the *Blackhawk* be added to that list?

A. The state of Illinois has not budgeted the funding for that train, and it doesn't look as though it will. At the same time, Michigan is champing at the bit for a train it would like to run, and I don't know where we could get the equipment for that. They want to run a 403(b) train over to Grand Rapids every day.

Q. Will that be a separate train [from the existing Chicago-Detroit service]?

A. Yes. The state of Michigan is working through the summer with Conrail to upgrade those 40 or 50 miles of track between Grand Rapids and Kalamazoo. At Kalamazoo, the route joins our Michigan corridor, which is good for 79 mph

to Michigan City (and to Porter by midsummer). There will be an additional frequency between Kalamazoo and intermediate points to Chicago with the new train.

Q. That's a heavily traveled corridor now (Detroit-Chicago), and I suspect any additional service will be welcomed—isn't that so?

A. Right. We've made the investment in the track; we own it; it's signalled for 79 mph and is considered the best jointed-rail railroad in the country. It doesn't have any heavy freight pounding the joints. The ride on that track feels like welded rail. Conrail does run a local freight, which peddles back and forth between Michigan City and Kalamazoo two or three times a week, but that's all.

Q. I note in the schedule a new stop at Michigan City on that line. When did that become effective?

A. April 26, with the schedule change. It's right downtown opposite Franklin Street, by the old station. A delicatessen occupies the old (Michigan Central) station now, but he welcomes any passengers who want to wait for the trains in his store. We've put in a platform and lighting and paved the parking lot.

Q. You've also added a stop at Whiting. I assume this is the old Conrail station.

A. No. What we have done at all the old Conrail stops including Whiting is constructed new platforms and shelters for the Valparaiso train. From Lake Junction [just east of the State Line—Ed.] to Pines [just west of Gary—Ed.] we have shifted our operations over to the old New York Central tracks, and the paralleling Pennsy main that the commuter runs formerly operated on has been torn up. The Valpo trains now stop a short distance northeast of where they formerly did in that area; that's where we added platforms and shelters. Whiting is the first station in Indiana relocated to the NYC alignment; the new stop is about a block away from the old Pennsy station.

Q. Is there any hope for a station at Gary on the *Lake Shore* route?

A. No. The board has decided to go ahead with construction of a new Hammond station opposite Phil Smidt's Restaurant [on Calumet Avenue just north of its intersection with Indianapolis Boulevard, in back of the Lever Brothers plant—Ed.]. The problem with the Gary location is that it is not as accessible to motorists in as short a period of time as Hammond is. The Phil Smidt's restaurant location is far more convenient to many more people. Gary's Mayor Hatcher made the point that the Gary location is downtown, and accessible by public transportation—but most Amtrak passengers do not arrive on a city bus carrying an attache case to board the *Broadway* or *Lake Shore*. They usually show up with two or three suitcases and are delivered by a member of the family or a taxicab.

When you get into a downtown location, it's one of these funny idiosyncracies that while we boast that Amtrak takes you from downtown to downtown, at satellite cities like Gary you really don't want to go downtown. You want to use a "kiss'n'ride" facility, with plenty of parking.

Q. Like Syracuse, for example.

A. Yes. Although we are looking at moving back downtown there, but at a different location from the old New York Central station, because the tracks have been pulled up. That project for the moment is on the back burner, however. Those tracks were there exclusively for passenger service, sort of a miniature Cleveland. There, we had to run all over the place to get into Union Terminal. One thing, by the way, that few people realize is that the *20th Century Limited* never went into CUT; it ran on the lakefront line that we use now and never stopped in Cleveland at all.

One of the perennial arguments that we hear is that the New York Central ran its best train (the *20th Century Limited*) from Grand Central Terminal in New York to LaSalle Street Station in Chicago in 17 or 18 hours, and here's Amtrak, years later, and its best train (the *Lake Shore Limited*) makes it in 21 hours—that's progress?

Well, it's our only train. And we're doing the kinds of things that the *20th Century Limited* did not have to do. We're serving Rochester, Erie, Sandusky, Elyria, Toledo; all these places the *20th Century* never stopped. The New York Central had half a dozen trains stop at the same places the *Lake Shore Limited* stops at and didn't do it as well as we do. There's a very good railroad out there—90 mph locomotives, some 100 mph track in upstate New York; where we can run at that speed, we do. But it's the only train of the day.

Q. I've often heard—and this bears it out—that it was often thought that when the Pennsy and the New York Central merged the Pennsy was the better of the two railroads. It has become increasingly apparent that it was the other way around. The NYC had better service to more places, better track and better equipment. The Pennsy, of course, had the showpiece—the Corridor.

A. It's like Coors Beer and Jack Daniels—the PR exceeds the reality. At one time the Pennsy was the "Standard Railroad of the World", but it started going downhill long before the New York Central did. The Central still was a much more service-oriented, innovative railroad long after the Pennsylvania found no more room for innovation because it felt it was already perfect.

Q. Assuming that Amtrak gets through the current crisis relatively unscathed—where do we go from there?

A. It's hard to say. The latest forecast, coming from people who should be in a position to know, seeing the trends on Amtrak, knowing the ridership counts, and what we really ought to do in terms of pricing our product say that it is not impossible for us to get 100% of our operating costs out of the farebox. That, of course, does not include capital expenditures or support of the management function in Washington, administrative overhead and the like, but in terms of actually operating trains and providing transportation, we can recover all our costs by 1985—which exceeds what David Stockman had originally hoped for us to do.

One thing people forget is that all through this decade we have only been doing what people told us to do. When Amtrak was created, we hoped that ultimately it would be a self-sustaining corporation, but I don't think there was anybody in Washington who was badgering the railroads of America trying to buy their Amtrak stock from the because it was going to appreciate at such a great pace or pay fat dividends.

Let's go back to the 1979 Amtrak reorganization where the criteria were developed as to what was a good train and what was a bad train (and to hell with what Harley Staggers says): it is 150 passenger miles per train mile or it is "don't lose any more than 7¢ per passenger mile" (and scale that to inflation, so right now its 10¢ per passenger mile. They also gave us the guideline that we should earn 50% of all our costs out of the fare box by 1985. Well, we already know that at the rate we're going, we're going to do that in 1982 if we're left alone. So we have done what our creators have told us to do.

Q. What is this going to do to the fare structure?

A. Increase it considerably. And we probably should, if this is a free enterprise country, where the mandate is to get a certain amount or percentage of our operating costs out of the farebox. You do have to make the farebox relate somewhat to reality. For instance, we are about to apply a 15% across-the-board surcharge on all sleeping car accommodations (unless you already have purchased your ticket). Anytime we are sitting here with 625 long-distance trains sold out between now and Labor Day—coach and sleeping car accommodation—and a waiting list of 13,500 names for sleeping car accommodations as of the first of April, our product is obviously underpriced.

Q. With airline fares having gone up as much as they have recently, it is easy to understand that.

A. Airline fares have gone up at least 40%; any more accurate estimate is impossible because they are literally bouncing all over the place now, with "suicide" and even predatory pricing—if you want to go to South America, for example. Our fares are not likely to go up by 40% for the simple reason that 60% of the cost of flying a jet plane today is for kerosene; only about 25 - 26% of the cost of running a train is for diesel fuel. We are both impacted by rising fuel costs, but we are not to the degree they are.

Q. But you have the labor costs they don't have.

A. We have challenges in the labor world, also, and we're stymied to a certain degree by the fact that we don't handle a large part of those negotiations—our contracting railroads do. However, with what the unions have done with Conrail in the past few days, there is no question that at some point in the very near future somebody has to say, "hey, fellas, there's another government-supported railroad over here, which also is in danger of disappearing, and we're going to have to get the identical (if not better) concessions from labor for the operation of Amtrak.

Don't get me wrong—I still think that railroading ought to be a highly paid profession, because it is a profession that does require considerable savvy and skill and individual thought. But, at the same time, we have the right to get 8 hours work for 8 hours pay. The concessions we are looking for are not a cut in pay rates; we're asking for some relief in the areas where the union already provides a very good way of life for its members within its contract, and wants more—like 5 days bereavement pay in the event of the death of a family member. With most American workers, for example, a day off to bury a family member is generally granted, but out of accumulated vacation or sick time. Management is not cold and cruel, but this is one case where the demand seems somewhat beyond what is economical for the carrier to provide, and a bit irrational as well.

In the case of Conrail, its employees were ready to use the traditional union tool of the strike to enforce their demands, but with the present Administration of a mind to dismember the road anyway, management said, in effect, "go ahead—it will make our job easier". Denied their only real weapon, the unions came back to the table and made some real concessions to protect their jobs.

Q. I can recall an example I used some years back of the 14 crew members required to move the *Potomac Turbo* from Parkersburg to Washington.

A. 61 man-days on the *Southwest Limited* between Chicago and Los Angeles—in a very well-paying profession. The longest crew district in terms of the Amtrak operating timetable; the longest an engineer, conductor or fireman are on the *Southwest Limited* is 3 hours and fifty minutes, between Chicago and Fort

Madison. There are two districts, one from Raton Pass to Las Vegas, New Mexico; one hour and 51 minutes (with no stops in between); and another similar one out of Flagstaff, Arizona. If you bid that job, you know when the train's going to come in, you know when you go to work, how long it's going to take you to get over the road and what you're going to do when you walk out. You can have a fishing pole at each end of the route—and you get a day's pay.

There's another inequity in the upstate New York service. An engineer will pick up an Amtrak train at Albany and take it all the way to Harmon—for a day's pay, despite the fact it takes only a couple of hours to do it. Then he turns the locomotive cab over to someone else at Harmon, who takes it to Grand Central, which is only 37 miles away. That engineer gets a day's pay for a round trip of 74 miles. Here is where we run the ostensible non-stop Turbo from Albany to New York; actually, the train has to stop at Harmon to change crews. That crew district exists because you had one man who was skilled in massaging a steam locomotive pounding up the Hudson River (a Hudson, no less), and you had another who was skilled in running box-cab electrics from Harmon to Grand Central. These were two different lines of work. And now, with the Turbos (and the FL9's), it's still the same situation. You get to Harmon, lift up the third-rail shoes and go on your way—with the same locomotive but another crew.

Q. Everyone complains about the nostalgia market—you're catering to 90-year-old people who like to take the trains, or who are afraid to fly, or who can't drive—

A. So what? What makes them second-class citizens?

Q. In the face of all this criticism, I was surprised to read that there is as much short-haul riding on long-haul routes as there actually is.

A. The *Empire Builder*, a typical long-haul train between Chicago and Seattle—7% of its yearly ridership goes from one end of the route to the other. 93% of the people travelling on the train ride over only part of the route. They're going from Chicago to Milwaukee, Milwaukee to Red Wing, LaCrosse to Minneapolis, Minneapolis to Fargo, Whitefish to Spokane, Spokane to Pasco, Pasco to Seattle. That's one of the reasons why, because we only have one train over these routes, and it's listed as sold out, that it will leave town with 120 empty seats. We've got a problem in that area now, with an NBC crew leaving Chicago next week to ride all the way to Los Angeles. We've been talking about sold-out trains, and they'll be riding on a run with many empty seats in its four coaches. All we can do is pull out the manifest and reservation sheets and point out the crowds of people, say, getting on at Kansas City to go to Garden City for a Rotary convention or some such; they've made their reservations several months in advance. We can't say, "no, call us later and we'll see if we can squeeze you in." If we want to go for the big buck and get a lot of traffic, we have to cater to the intermediate riders—which results in a lot of trains that look empty but are actually sold out to all intents and purposes.

Just as an indication of how crowded and popular our service is, on occasion a third, overflow sleeper will be added to the *San Francisco Zephyr* out of Chicago on occasion when one is available at the last minute. Heading west toward Aurora, the conductor will get on the PA and announce that as a stroke of luck, there is an extra sleeper on the train tonight, and if anybody in coach wants to upgrade their ticket, meet me in the lounge car. No one had better be standing in the aisle, because there's usually a stampede to get to the lounge and the extra space is usually sold out by the time the train gets to LaGrange. We have on occasion added a third sleeper to the *Southwest Limited* for a total of 132 beds—and it is virtually always sold out by the time it gets to Joliet. I don't recall that the *Super Chief* ever had 132 beds; it only had four or five sleeping cars, all 10-6's—that's only 22 beds per car. There's a greater demand now for first-class space on the route of the *Super Chief* than there ever was when the *Super Chief* was running. All of this does give the lie to what David Stockman has been saying about Amtrak.

Q. He sees the corridor as the essence of Amtrak, but Amtrak is really two different systems, isn't it?

A. It is indeed. Those people sit in Washington and they wander over to Union Station to see how "the railroad" is doing. And they see lots of people throwing themselves in the custody of Amtrak for an hour or two, because they have to get to Baltimore or Philadelphia. Out here, people are throwing themselves in our laps for a day or two, and we have to perform to a much higher degree of competence than in the Corridor. In the Corridor you can have a surly conductor, but you're going to be rid of him in half an hour, so you forget it. But you get on the *Inter-American*, say in the days before it had a full diner, and everybody was ordering hamburgers at the same time—the attendant would do nothing but flip hamburgers all the way to St. Louis. It takes four or five minutes to cook them, and the line for food service on the train (before SuperLiners) would be three cars long.

Q. Are intermediate stops made on the *Maple Leaf*, now that service to Toronto has begun?

A. All of the ones VIA had made on their RDC run, which this train replaces. It's a VIA train in Canada, that happens to use Amtrak equipment. U.S. Customs gets on the eastbound train on the Ontario side, and begins

working the train as it slowly crosses the bridge over the river. The train stops on the bridge, with the baggage car on the east bank opposite a rickety little stairway which was built so that the Customs people could get back to their office, which is at roadway level. With a full load on the train, it takes about 45 minutes to work the full train from the back to the front.

Westbound, it's a regular VIA Rail train the minute it crosses the bridge, stopping at St. Catherines, Grimsby, Hamilton, Burlington West and Oakville on the way to Toronto. It has two train numbers in each direction, because it changes direction enroute. In fact, nothing makes the change between Amtrak and VIA control more evident than the fact that all of the food and liquor is taken off the train at the border, and the new crew brings on their own. This is one of the few places on the system where food service crews do not remain with the train for its full run.

Q. You were talking about sold-out trains. How about, say, the direct sleeper from Chicago to Portland?

A. Both of them, most of the time through the summer. Both the *Desert Wind* and the *Pioneer* are doing exactly what they were supposed to do—provide an alternative for passengers who simply can't get on the *Southwest Limited* or the *Empire Builder* between Chicago and Los Angeles or Seattle. We can offer these people a chance to go via Ogden; there is a through sleeper from Seattle via Portland to Chicago and soon will be one to Los Angeles via Las Vegas; there are also through coaches on both trains now.

By the way, I've become a convert. I used to head for the sleeper on overnight trains; who wants to sleep overnight in the same room with 44 other people—at least one of whom is a crying baby? But then, when you stop to think about it, the quality of the seating in our standard SuperLiner (even in an Amfleet 60-seat coach) is more than comparable to a first-class seat on an airliner. In fact, the identical seat we have on a SuperLiner long-distance coach is installed in Pan Am's transatlantic jets and sold as a "sleeperette" because it has a footrest and a legrest, and the airline throws in a blanket and pillow. We don't give out blankets, but we do provide pillows; it's no more uncomfortable to ride overnight in a coach than it is to dash off to Rome in a 747.

Q. Finally, looking at Amtrak's future: if the present crisis is resolved, will the system continue to grow?

A. This company has steadfastly taken the position that it shall and will move forward, in order to cope with the growth that we anticipate will be out there.

rail

FAREWELL TO FRIMBO

► Rogers E. M. Whitaker, 82, a long-time writer for *The New Yorker*, died of cancer in New York May 11. Mr. Whitaker was best known as "E. M. Frimbo", the world's greatest railroad buff, and in that capacity traveled several million miles by rail all over the world. While steeped in nostalgia, Mr. Whitaker was no reactionary who lamented the passing of steam and the "great trains" to the exclusion of the wonders of the twentieth century, rather being a realist who clung to the belief that a passenger train was a passenger train, no matter how it looked or where it ran, and as such was deserving of support because it was performing a vital service.

[Comment from this desk: The Editor was fortunate to meet Mr. Whitaker on the occasion of Amtrak's inauguration of TurboLiner service in upstate New York in September 1976, and to talk with him at length. In spite of his professional irascibility, I found him to be a gentle, kindly man, always willing to share an anecdote, and to respect the often misguided opinions of his juniors, listening politely and intently to whatever theories and opinions we might have had on his great love, the railroads. I consider myself the richer for having made his acquaintance,

although regrettably briefly. His books of the rails should be required reading for the serious enthusiast. He reminded us of a gracious age, but his feet were planted firmly in the present. He will be sorely missed.]

THE SAFETY EXPRESS ROLLS ON

► During February and March, the Family Lines Rail System operated steam-powered excursions from Florida points promoting the "Operation Lifesaver" grade crossing safety program. Weekend excursions of the "Safety Express" operated from Tampa, Miami, Orlando and Jacksonville, transporting some 8,500 passengers in a re-enactment of steam-age railroading. Thousands more lined the rights-of-way for a glimpse of the train with its 1948 locomotive and cars dating back as far as 1909.

The Chessie System began similar trips out of St. Louis late last month, and the "Safety Express" is scheduled for similar service in the Midwest within the next several months. One June 14, for example, the 1948 Lima-built 614 and its special train will leave Grand Rapids on a ferry move [open to the public] to Chicago. Two trips will be operated out of the Windy City on June 20 and 21, and a pair of excursions out of Akron to Pittsburgh

the following weekend.

ALONG THE RIGHT-OF-WAY

► The Senate Commerce Committee has approved a bill that would arrange for the conversion of Washington Union Station from an ill-fated visitors' center back into a railroad station. The measure calls for using \$80,000,000 that is already funded for Boston-Washington corridor station work and for DC highway programs. The funds would be used to repair the Union Station building (now closed to the public), finish work on a new passenger terminal at its rear, and complete a parking garage. The Washington Terminal Company, jointly owned by Chessie, Penn Central and Amtrak, has offered to sell the historic station to the federal government, which has agreed in principle to buy it.

► The Lady Di has had a British Rail train named after her... A second 1956-vintage Baldwin diesel goes into service this year to replace an ailing steam locomotive on California's Skunk Railroad... California's new State Railroad Museum is now in operation... K-37 steam locomotive 493 is now in Durango, Colorado, for eventual use on the Silverton trains.

air

ROUTE REPORT

► Six resort cities in western Mexico have been cleared by the CAB and the President for service from a total of five U.S. points. The Mexican cities are Loreto, La Paz, San Jose del Cabo, Mazatlan, Puerto Vallarta and Guadalajara.

American was granted authority to those destinations from Dallas, and Texas International from Houston (with Continental as backup carrier). Also, Evergreen International may serve those cities from San Antonio (with Continental again as backup), and Eastern from Atlanta via New Orleans (with Republic as backup).

► At the same time, Presidential approval was given to Air Florida's bid to serve routes between most U.S. cities and the Bahamas, and former charter carrier American Eagle was given authority to fly routes between any U.S. point and Belgium, Holland, Luxembourg and West Germany.

► Capitol, another former charter carrier, will begin daily service out of O'Hare to New York and Los Angeles June 18 at low, unrestricted fares. The one-way tariff between Chicago and Los Angeles is pegged at \$149; round-trip at \$288. One-way fare to Kennedy Airport in New York from O'Hare will be \$89, with a \$159 round-trip tab. DC-8 stretch jets with a capacity of up to 252 will be used on the new routes, and complimentary meals and beverages will be served aboard both flights.

One June 19, the airline will also add new daily runs between New York and Boston. Capitol is inaugurating these once-a-day flights to provide feeder service to its international runs from New York; if passenger demands warrant, direct runs to and from Europe and Puerto Rico and Chicago will be added.

► US Air added Dallas/Fort Worth, Austin and Knoxville to its expanding system April 26, and Grand Rapids will join the former Allegheny network June 1. All four cities are to be served through the carrier's Pittsburgh hub.

► Two former executives of the successful Midway Airlines are planning to inaugurate another budget airline from the Southwest Chicago field that is Midway's namesake by the end of the year. The new airline is to be called Air Chicago, and would link Midway with New York, Atlanta and Minneapolis, operating head-to-head with Midway in the New York

market. In flying to the Twin Cities from Chicago, Air Chicago would be facing Northwest, which successfully fended off a Midway bid to compete by providing its own budget service from the Southwest Side field. Air Chicago plans to fly jets with up to 90 seats and charge fares 30 to 50 per cent less than standard coach.

► United plans to add service between its Chicago and Denver hubs and Tulsa, Wichita and Oklahoma City in June, and between Chicago and Cincinnati in July. . . . Pan Am is dropping its Newark-Washington three daily round trips June 17 because of low revenues. . . . The same carrier will begin Washington-Houston runs June 18, with four daily round trips.

► Northwest will begin nonstop service between California and Japan in July, following the withdrawal of a 12-year-old CAB restriction that required an intermediate stop in Honolulu. . . . Budget carrier New York Air, which had planned to begin New York-Louisville runs next year, has advanced start-up to July 1 on the receipt of \$500,000 in advance ticket sales guaranteed by local businessmen after American announced plans to drop its Louisville-New York runs.

► Piedmont has added Orlando and Philadelphia to its system, serving the former city from Charlotte and the latter from Greensboro/High Point/Winston-Salem, Richmond and Roanoke. On April 1, Charlotte became that carrier's busiest hub when service was increased to 50 flights daily. . . . PSA has reinstated service between San Francisco and Long Beach, and between Los Angeles and Reno and Fresno. Resumption of service to Mazatlan is planned for later this year when additional planes will be available. PSA also plans to begin service between Orange County airport and the Bay Area in October.

► The CAB has tentatively approved broad route authority for four U.S. carriers to fly routes to the Middle East. Pan Am could fly between any of its U.S. points and Bahrain, Egypt, Greece, Kuwait, Oman and the United Arab Emirates. TWA would be given authority to Bahrain, Qatar and the Emirates, Transamerica to Greece and Egypt and Braniff to Bahrain. All rights would have to be approved by the White House.

THAT TIA TANGLE (Continued)

► Texas International, frustrated in its attempts to acquire Continental despite ownership of 48.5% of its stock, has secured financing to purchase the remaining \$51.5%. At Continental's stormy annual meeting in Denver May 6, three

resolutions proposed by TIA to kill a proposed stock plan wherein Continental employees would be able to acquire control of the airline were defeated.

The stock plan would give workers 51% ownership of the carrier through an employee trust. Not surprisingly, TIA is fighting the ESOP (Employee Stock Option Plan) as it would dilute Texas International's holdings away from effective control, which it has but is not allowed to exercise by CAB fiat. TIA has proposed a buyout of the remaining 51.5% through an all-cash or tax-free merger plan. Despite Continental's \$25,800,000 first-quarter loss, its employees are opposed to the fresh infusion of capital that a TIA takeover would bring, because of reservations as to TIA's labor-protection and equipment plans.

EQUIPMENT ECLECTICA

► PSA expects delivery of 8 additional Super 80 aircraft by the end of the year; the airline has contracted for a total of 26 and optioned six more. . . . Piedmont has acquired four more 737s, bringing its total to 40; three more are scheduled for delivery by this time next year, eight more are on order and ten additional 737s are optioned for 1983. Piedmont will then be the largest user of the 737 in the world.

► United has "pensioned off" six 727-100s, and is acquiring four DC10s. . . . US Air has placed orders for 15 737-200s and 10 737-300s, with options on five more 200s and 10 300s. The latter advanced-technology aircraft will be available for delivery beginning in late 1984. The same carrier has also acquired two 727-200s thus far this year, with another expected soon. Sixteen new DC9-30s are scheduled for delivery in 1981 and 1982.

► More 737-200 sales: Southwest Airlines of Dallas has ordered five, Angola Airlines three and Royal Air Maroc one. . . . Iran Asseman Airlines/Pars Air, a domestic Iranian carrier, has ordered two F28 Mark 4000 Friendship twinjet aircraft from Fokker. . . . Delta has ordered two L-1011s from Lockheed, which has said it may end this loss-plagues program if it encounters a "protracted" dearth in sales.

► France's UTA has purchased two 747s for its international routes. . . . Frontier plans to get rid of its last Convair 580 turboprops by the end of 1983, converting completely to twin-jet 737s. At the same time, the carrier ordered three DC9-80s for Denver-Orange County service because of severe noise restrictions at the latter field. The DC9-80 is a quieter plane than the 737. These new jets may also be used on the Denver-Las

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FIRST CLASS MAIL



runs of Frontier as well . . . Air Wisconsin, a one-time commuter airline that is now a major central Midwest regional carrier, is breaking the remaining links with its past by phasing out its fleet of 13 Swearingen Metro airplanes in favor of 50-seat DeHavilland Dash 7s.

► McDonnell Douglas and Fokker have signed a memorandum of intent to design and build a fuel-efficient passenger jet to replace DC9s and 727s. The new craft, to be designated the MDF100, would have 150 seats, and meet the specifications proposed by United for 150 new jets it plans to purchase in the next decade.

JET JOTTINGS

► Air California, in bankruptcy, has been sold to two California businessmen who outbid Air Florida; final sale price was a total of \$61,500,000 . . . More price

wars are on the agenda for this summer; Continental plans a coast-to-coast \$358 unrestricted round-trip, and American is offering bonuses for those who fly that airline frequently . . . Western has put a pay freeze into effect and has delayed for a year the delivery of six Boeing 767s, citing continuing financial losses . . . Air Florida has sold its holdings in Piedmont . . . United, also financially troubled, has begun a series of "major layoffs" in an effort to cut costs . . . Plans for a helicopter landing pad at Wolf Point (the junction of the two branches of the Chicago River opposite the Merchandise Mart have been cancelled after vociferous objections from environmentalists . . . U.S.-Europe Concorde service is now five years old. Original tariff on the Paris-Washington run was \$827; it is now \$1722 . . . Despite an intense advertising program to convince passengers of its safety, sales of the DC10 have fallen off

after the May 1979 crash near O'Hare that killed 273—although overall DC10 ridership is up.

urban

LOCAL LINES

► The crisis countdown continues: Chicago is bracing for a shutdown of most Regional Transportation Authority services about June 1 because that agency has run out of money to pay its bus and rail contractees. Several commuter railroads have announced plans to trim or discontinue service then, and in the state capital at Springfield, little or no progress is being made on even a temporary solution to the impending crisis . . . On the other hand, limited bus service has returned to the Birmingham area.