# transport central


"I got tired hearing all their complaints. . . . I'm glad those jets going over drowned out most of them!"

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# INTERFACE

## But we're last in line

# Waiting for a schuss

**Mike Royko**

One of the standard raps against the Reagan administration is that it isn't committed to public transportation.

The critics say that despite the fact that we can never again be sure that we'll have enough fuel for our cars, home heating systems and industry, Washington is slashing the budget for public transportation, rather than increasing it.

This is especially tough on America's older cities, in the Midwest and Northeast, where millions of workers depend on public transportation to get to and from their jobs.

Chicago, for example. Under President Reagan's budget cuts, we'll lose about $20 million this year that would have been been spent on new buses, train cars or tracks.

This, the critics say, is shortsighted. It forces more people to use their cars, thus wasting energy. As fewer people use public transportation, the cost of a ride goes up. And as the cost of a ride goes up, even more people turn to their cars. And as more people turn to their cars, the cost of the bus ride again goes up, etc., etc. A vicious cycle.

**BUT IS THIS CRITICISM** really fair? Has the Reagan administration really thumbed its nose at public transportation?

Not entirely. True, there are severe cutbacks in aid to Chicago, New York, Boston, Philadelphia and other big cities.

But I am happy to report that the United States Transportation Department recently granted $2 million to be used for new buses and spare parts in Pitkin County, Colo.

Where is Pitkin County? If you ask that, then you obviously aren't a skier or part of America's chichi (that's pronounced shee-shee) vacation crowd.

Aspen, the world-famous luxury ski resort, is the heart of Pitkin County. Other towns in the county also exist mainly as ski centers.

Why, you probably ask, does a community like Aspen need all that money for new buses?

Because Aspen and other ski resorts are committed to public transportation.

Buses are needed to move skiers back and forth between the lodges, the $500,000 condominiums, and the ski slopes.

**THERE WOULD BE CHAOS** if all the skiers tried to use cars to get to the lifts. Why, the streets of Aspen would be in worse shape then the Dan Ryan at 5 p.m. in February. Except, of course, that all those Mercedes-Benzes would make it a much classier traffic jam.

The $2 million will be used to buy about 16 buses, which will replace about one fourth of Pitkin County's 60-bus fleet.

And county officials concede that about 75 percent of the people who ride the buses will be vacationing skiers.

The rest of the riders are local people who ride the buses to and from their jobs at the resorts.

Aspen public officials become huffy when it is suggested that there is something a little goofy about providing a couple of million for skiers at a time when we're supposed to be on an austerity kick.

"We're portrayed as fat cats driving in steel chrome vehicles, which is ridiculous," one Pitkin County official blustered. "We need to get people from their homes to their jobs. Without federal assistance, the community could not afford to replace its aging transportation system. It's true, we have wealthy residents, but the local governments are not wealthy."

Well, I can sympathize with those public officials in Aspen and the other ski towns.

It just shows that no matter where you go in this country, the problems are the same.

In Aspen they need public transportation to get skiers to the slopes and people to their jobs at the ski lodges and fondue restaurants.

**IN CHICAGO, WE NEED** public transportation to get people to their jobs in factories and offices, as well as to the unemployment compensation and welfare offices.

But there is one significant difference. As that official conceded, there are many wealthy people in Aspen. It contains some of the most expensive real estate in the country.

And you don't have much of a welfare problem in Aspen. There are probably more millionaires there than welfare recipients.

Now, the attitude of the Reagan administration is that we should be resourceful enough to pay our own way on the local level—whether it's for public transportation or feeding and housing the poor.

That self-reliance is essential if Reagan is to achieve his noble goal of making it possible for this country to have the capability of blowing up the world 150 times instead of a mere 50 or 60 times.

To finance all these new Reagan boom-booms and bang-bangs and rat-a-tat-tats, we have to make some sacrifices.

And in Chicago, we will lose about $20 million in federal money that would be used to replace some of our old buses or L trains.

**IF WE WANT TO REPLACE** our buses, we'll have to dig into our own pockets.

So it seems to me that if cities that are already carrying huge burdens of welfare, education, and other expenses, can be asked to buy their own new buses, a rich resort area like Aspen, which doesn't have much of a welfare or education bill, ought to pay for buses that carry mostly vacationing skiers.

Not that I don't have compassion for vacationing skiers. I imagine it can get pretty cold at a bus stop in Aspen.

Of course, they probably have warmer boots than some woman waiting for her bus at 63rd and Cottage Grove.

Maybe our CTA officials have taken the wrong approach in asking Washington for money for public transportation.

They might try pointing out that here in Chicago, we, too, have people who slip and slide and tumble in the snow. Not necessarily for recreation, though. Many are old geezers trying to make it to a bus stop so they get to a hospital or store.

**BUT, CONSIDERING** the generosity that the Reagan administration showed Aspen, while giving the finger to cities like Chicago, I can guess what the response would be. To paraphrase Marie Antoinette:

"Let them eat fondue."

# AIR

# O'Hare Outcry:
## Piecemeal Planning = Outspoken Opposition

The city's plans to expand O'Hare International Airport, discussed at length in these pages in past months, have run into severe opposition from area residents, culminating in a raucous environmental impact hearing several days ago.

Widespread resentment over the city's expansion plans and the manner in which they were presented boiled over at the hearing after the city's Aviation Director, Thomas Kapsalis, ruled that each speaker would be limited to five minutes–after an Aviation Department spokesman gave a 35-minute slide presentation on the plan at the beginning of the hearing.

About 500 persons, most of them opposed to the expansion plans, attended the March 18 hearing at the O'Hare Hilton, which was required by the Federal Aviation Administration before construction can begin. Despite the fivr-minute rule, so many speakers asked to be heard that a rare second session was required the following day; testimony on the first day continued until well after midnight.

The hearing was called over the first phase of O'Hare expansion, involving the upgrading of the two existing domestic terminals, construction of a new terminal for Delta, and building of an elevated tramway to connect those terminals with the parking garage.

Needless to say, opposition to the expansion–and particularly the city's intention of proceeding in phases, rather than developing a total master plan for expansion that would be available for close scrutiny now–was organized and vocal.

Particularly damning was the report from a Cambridge (MA) acoustic firm hired by a coalition of 65 suburbs to evaluate the impact of expansion on noise. The report, which had to be read by several people in order to bypass the five-minute rule, said expansion of service at O'Hare as envisioned by the city's three-phase plan will result in more noise in the suburbs. It noted that more than 312,000 people are now affected by noise from O'Hare, more than are affected by noise at airports in Boston, Los Angeles and Atlanta combined.

Echoing the general sentiment, Republican Congressman Henry Hyde said the entire plan should be reviewed as a whole. Many suburban officials believe Chicago is attempting to expand O'Hare in separate phases to keep opposition to the overall plan from solidifying. Hyde noted that most suburbanites are not opposed to upgrading or modernizing what is essentially an outmoded facility, but would like to have their individual concerns considered by the city in an atmosphere removed from that of an adversary relationship.

The complete plan calls for the construction within the next decade and a half of new parking facilities, an entrance to the field on its west side, new remote terminals, modernization of existing terminals and a completely new international terminal.

The state's assistant attorney general for environmental control, William Barzano, voiced state concerns over the fragmented approach, saying a complete environmental impact statement should be required for a plan of this scope, not simply an assessment determined by public hearings. Such an impact statement would take years to prepare.

*[Comment from this desk: The rational approach toward needed expansion taken by Rep. Hyde and the state seems a logical one. The vitality of O'Hare is indeed an area-wide concern, but it should be considered within the overall context of transportation policy for the region, instead of being merely a parochial city matter. O'Hare's physical location, which connects it to the city proper by the merest of threads, warrants considerable input as to its future from the suburbs who bear the burden of its existence. RRK]*

# Turbulence Aloft:
## Braniff Bankruptcy Beckons . . .

Times are tough all over, particularly for U.S. airlines. Consider the following:

- Continental Airlines is trying to stave off bankruptcy. The nation's tenth largest airline has $200,0000,000 in debt that could come due at any moment, and its management is desperately trying to come up with a plan to keep it going. Parent Texas International, which won control of Continental in a bitter fight last year, is also facing rough times, and its acquisition of Continental has adversely affected its own financial picture.

- Citing fare wars and a disastrous fourth quarter last year, Air Florida, once the country's "fastest growing airline", reported a $5,900,000 loss in 1981 and said it will revamp its route system.

The carrier, which started competing with the majors in the New York-Florida market, recorded the 1981 loss when a $19,300,000 fourth quarter deficit more than erased its $13,400,000 profit in the first nine months of the year. Its chairman said fare wars–many of which Air Florida began itself–cost the carrier $14,500,000 last year. An additional $6,500,000 was lost to devalued European currencies earned by the carrier on its transatlantic routes.

To counter the losses, Air Florida expects to cut back its Northeast service in April, and increase flights within its home state, and to the Caribbean and Central America.

- World Airways, the onetime charter carrier that invaded the scheduled market many months ago, its pressing its unions for concessions, including pay cuts of up to 20%. The carrier has alid off nearly half its unionized work force in the past month.

World has also asked the Port of Oakland to defer for two years a portion of lease payments on the airline's hangar headquarters at Oakland International Airport. At the same time Moody's Investors Service downgraded the airline's equipment trust certificates, citing poor cash flow relative to the company's capital spending and debt.

- The biggest victim of the economic troubles facing U.S. air carriers (as well as their counterparts around the world), Braniff, has been frantically attempting to avoid a takeover by its creditors that would almost certainly result in the airline's dismemberment. Braniff held back half of its employes' pay a week ago (the involuntary cut was made good a week later), and is continuing its austerity program through layoffs and service cuts. The troubled airline also managed to persuade its bankers to let it defer payments on its long-term debts of $733,000,000 until October 1. Braniff also made an unusual deal with Pan Am (also among the economically depressed) over an "lease" of routes in South America (see below).

Braniff's chief rival is American, with whom it competes on many routes, and that carrier would be a principal benefactor if Braniff went under. Both carriers are based in Dallas/Fort Worth, and, until a week ago, were headed by brothers. Recently, allegations were made that American is doing its level best to assist its "brother" carrier toward the bankruptcy courts through various means, all legal, but not necessarily completely ethical–a charge American heatedly denies.

Specifically, the charges include American's dumping of $9,000,000 worth of tickets billed to its rival on the industry clearinghouse in New York early in March, creating severe cash-flow problems for Braniff. (The clearinghouse handles tickets issued by one airline but used to travel on another, much the same way banks process checks.)

The Civil Aeronautics Board, which handles such complaints, is looking into rumors that American told its ticket agents to urge customers to switch tickets for Braniff flights to their American counterparts; that American held meetings to discuss ways of putting its crosstown rival out of business; that American pilots created delays on airport runways to disrupt Braniff flights, and that American fabricated technical problems on its own planes that resulted in Braniff making costly preparations to accommodate the displaced travelers–only to find that the American problems miraculously cleared up at the last minute.

The agency says many of the rumors appear to be "pretty preposterous" and that its investigation doesn't mean that it has necessarily found anything wrong. The CAB also notes that Braniff is not the source of the allegations.

For its part, American calls the charges "ludicrous and ridiculous at best and ugly at worst", while Braniff welcomes the investigation for the "good of the industry".

• An outgrowth of all of this–particularly the specter of an early Braniff bankruptcy–was a move by the CAB to protect ticketholders on airlines that go out of business.

The CAB said it would give interim approval to a plan that would require competing airlines to honor the tickets from any airline that ended operations. While the agency will implement the plan on an interim basis, final action will be put off while the CAB staff studies the proposal.

The proposal had been advanced by Braniff Airways' corporate parent, Braniff International Corporation. Its president, Howard Putnam, said he was uncertain about whether the carrier would be operating next month, and that speculation about the company's finances was cutting into ticket sales.

• Nor is the problem confined to the U.S.: The new president of the International Air Transport Association cartel, Armin Baltensweiler, said that IATA member airlines will post losses equivalent to $3,000,000,000 as a group this year–and that prospects for 1983 are only slightly better.

Baltensweiler, also chief executive officer of Swissair, said last year's loss totalled about $1,600,000,000. The world's airlines have been hurt in recent years by soarin fuel costs and declining traffic.

# Equipment Eclectica:
## An Order Is Canceled

Citing poor economic conditions, American has "reluctantly" canceled orders for 15 Boeing 757 airliners valued at about $600,000,000. At the same time, the carrier also canceled options for an additional 15 757s.

American, which several months ago had negotiated with Boeing toward reducing its commitment to purchase 30 of the Seattle builder's larger 767s, said it will accept delivery of those jets–although the delivery schedule may be "stretched out".

American originally announced its plans to buy the 15 757s early last year, for a total of about $375,000,000; delivery was to begin late in 1984.

Industry observers agree that American needs to upgrade its roster, which is among the oldest in the industry. The carrier's 232 jets are an average of 9.6 years old, and many are not as fuel efficient as the airline would prefer. The 757, a twin-engine jet with a capacity of about 175 passengers, was set to replace some of American's three-engine 727s, which carry between 118 and 144 passengers.

Boeing's 767 is a wide-body, two-engine jet that can carry 204 passengers. American has slated its new 767s to supplement the airline's fleet of 34 McDonnell Douglas DC10s and eight Boeing 747s. The 767 is more fuel-efficient than the three-engine DC10 and the four-engine 747.

As an alternative to the 757 purchase, American is said to be considering the re-engining of some of its 727s. Boeing has already outlined a plan to the airline under which the three engines in the jet would be replaced with two more powerful units, a step requiring a complete redesign of the 727's tail section.

Although Boeing expressed regret at American's decision to cancel its 757 purchase plans, the builder cited continuing interest in the new plane as grounds for optimism over its future success. Even after the cancellation, the Seattle builder still has firm orders for 121 757s, along with 56 options on additional aircraft.

➧ Boeing continues to receive orders for jets, despite the economic downturn that has affected the world's airlines. USAir, for example, has taken additional options to buy 10 new 737-300 jets toi add to a firm order for 10. Deliveries of the firm orders are to begin in late 1984; if the options are exercised, those jets will begin arriving two and three years later . . . Frontier has purchased two 737-200 twinjets for delivery in April and May 1983.

# Fare Facts:
## Atlantic Advance

The Civil Aeronautics Board has approved further increases for transatlantic routes, ranging from up to 36% for business-class and first-class fares, up to 48% for economy fares, and up to 60% for discount rates, all to take effect at various times over the next two months. Then entire package–which also includes some selective cuts–will be effective through March of next year.

Some examples: the New York-London one-way regular economy fare would rise 15% from $525 to $604, and the round-trip first-class tariff would go up 3% to $3482.

These fare hikes are part and parcel of a package ratified by IATA members in January–the first IATA pact in five years for transatlantic services. The new fares apply to routes between the U.S. and England, Belgium, Germany, Ireland, Holland, Portugal and Switzerland; U.S. carriers that are parties to the pact are Pan American, TWA and Braniff.

Thirteen additional countries have recently voted to join their neighbors in the cartel's pact; further CAB approval will be required to add them to the earlier list. The additional nations joining the IATA agreement are Austria, Bulgaria, Czechoslovakia, Gibraltar, Hungary, Italy, Malta, Poland, Denmark, Norway, Sweden, Turkey and the USSR. France, Spain, Finland, Greece and Yugoslavia have chosen to remain outside the pact and will modify fares on a bilateral basis.

➧ At the same time, the CAB rejected several low-fare proposals by Air France, in retaliation for the Mitterand government's opposition to bargain fares by U.S. airlines.

The CAB action (which requires Presidential approval) includes suspension of a $440 one-way fare for new Concorde flights between New York and Mexico City. The agency had blocked a similar proposal in 1981 because France refused to let TWA offer roomier seating on its U.S.-Paris 747 flights without raising fares.

Similarly, the CAB also suspended some deep-discount fares for Chicago-Brussels, New York-Brussels and New York-Paris flights, noting that France had denied a bid by Capitol International for low fares for new U.S.-France service when the tariffs undercut those of Air France.

The Mitterrand government also will not permit U.S. carriers to match Air France fares for U.S.-France flights if the U.S. carriers do not provide single-plane service, according to the CAB. Recently, France rejected an attempt by Pan Am to match Air France winter excursion tariffs for Houston-Paris service because Pan Am does not offer single-plane flights, but Air France does.

➧ People Express Airlines has cut its one-way fare between

Newark and Buffalo to $19 on all seats and all flights at all times. The fare had been $40 weekdays and $27 evenings and weekends.

Yet more tariff-trimming: Now one-way night coach fares between New York and San Francisco have been cut from $125 to $99.

Loadings are light on this usually heavily trafficked route, and filling as many empty seats as possible has become the goal sought by the carriers on the run.

First came Capitol Air, the Smyrna (TN)-based former charter carrier, followed closely by TWA and United. Capitol also reduced its standby fare from $99 to $79; TWA and United declined to follow suit because they say they don't offer standby fares. Further, Capitol cut its frequency on the run from daily to five times a week.

The new night coach tariffs are effective for departures only through the end of March; any return must be made within a year. Daytime fares remain at $149, one-way.

Capitol also cut its night coach rate between New York and San Juan to $75 from $89; the latter rate continues for day coach runs. In addition, the budget carrier also dropped its Chicago/Miami-San Juan tariffs by varying amounts.

Western Airlines plans to initiate another $100 round-trip air fare promotion, based on its successful Hawaii promotion in January and February.

The new promotion offers a $100 round-trip ticket between any two Western cities in the continental U.S. and Alaska, and is a reward for passengers paying full fare. Until April 15, Western passengers will receive coupons entitling them to the discount tickets, which are valid through December 15.

# Route Report:

## A Significant Swap

It is said to be an unconnected move, but the timing is suspect: John Casey, the chairman of Braniff, resigned March 16 to become executive vice-president, operations, of Pan American World Airways—a carrier whose financial troubles are only slightly less vexing than Braniff's. Casey, brother of Albert Casey, American's chairman, held the top Braniff post since early last year, when Harding Lawrence was unceremoniously dumped for his supposed part in the decline of Braniff's fortunes. In a further strengthening of the "old boy network" among the majors, the signing on of Casey at Pan Am will be a reunion with C. Edward Acker, who worked with Casey at Braniff until 1975. Acker subsequently turned up at Air Florida, then landed the CEO spot at Pan Am.

The "coincidence" of the Casey move became apparent when Braniff and Pan Am jointly announced a proposal for the former to lease the latter most of its South American routes, a joint venture which will result in Pan Am paying Braniff a total of $30,000,000 by 1983, provided the CAB and the countries involved agree.

The pact calls for Pan Am to provide aircraft and flight crews, and for Braniff to provide ground support for the international routes that serve Bogota and Cali (Colombia); Quito (Ecuador); Lima (Peru); Asuncion (Paraguay); Santiago (Chile); Buenos Aires (Argentina); and Rio de Janeiro (Brazil).

For Braniff, the pact means an infusion of cash ($7,000,000 immediately, $13,000,000 upon the requisite U.S. and foreign approval, and the balance next year); for Pan Am, the agreement provides the expectation of $200,000,000 in new revenues over the next year (Latin American traffic is the healthiest part of its system).

Acker said Pan Am was attracted to the deal because Braniff's routes would give Pan Am the runs on which to use its fleet of wide-bodied jets. A Pan Am L-1011 can carry 85 more passengers for the same amount of fuel than a Braniff DC8.

As the transaction is a lease, not a sale, Braniff will be able to take its routes back in 1985 when (hopefully) it will be a much healthier carrier.

Braniff will continue its flights to Mexico City and Acapulco, and to Caracas and Maracaibo in Venezuela. Most of the 10 DC8s it currently uses on the runs will be put up for sale; they would be grounded at the end of next year anyway because of failure to meet new federal environmental guidelines that go into effect then.

Braniff's current routes to South America mainly serve cities along that continent's west coast, and will complement Pan Am's network, which principally operates to South America's eastern coast. The Braniff runs are the lineal descendant of the now-defunct Pan American-Grace Airways, a joint venture of Pan Am and W. R. Grace & Company, which served much of South America in the years after the War.

One C. Edward Acker, who was president of Braniff in 1966, engineered the acquisition of those routes from Panagra at the behest of federal regulators who were trying to prevent the establishment of a monopoly in Latin American service by the joint venture. The same C. Edward Acker is now president of Pan Am, and may soon preside over the return to the Pan Am fold of the same runs.

It is not altogether certain, however, that the governments involved will be eager to approve the unprecedented lease. Issues ranging from bids by competing carriers (Air Florida and Eastern, to name two) who want to take over some of the services to agreements with the Latin American countries concerned will be involved as the CAB considers the proposal.

Braniff has asked the CAB to rule expeditiously on the matter, so that the transfer can be made on April 26, but getting consents from the nine Latin American governments concerned may delay that date of execution of the pact.

The Board must also consider the legal implications of the transfer, in effect ruling on whether it has the authority to approve the leasing of routes from one airline to another. It must also consider the anticompetitive implications of the swap.

If the case turns into a major route proceeding, as might happen, a decision could be months away. There will, however, be considerable pressure brought to bear on the CAB to decide the matter quickly; Braniff and Pan Am both believe that a collapse of Braniff would result if the deal is not approved.

Pan Am, having successfully negotiated work-rules concessions with three of its five unions, plans to increase its flights 12 to 14% April 25 in an effort to turn its financial tide . . . Western Airlines will restructure its route system May 1, opening its first links to Baltimore, New York and Dulles, and bolstering the carrier's Salt Lake City hub. Service will also be added to Tucson, Fairbanks, Boise, Missoula and Pasco (WA) . . . Midway Airlines will begin service to Topeka and Lincoln (NE) from Chicago April 1; the latter city will be served via Omaha . . . Delta will begin new nonstop services April 25 between Boston and Dallas-Fort Worth; Cincinnati and Seattle; Charlotte, Orlando and Portland (ME); and Los Angeles, Seattle and Orlando . . . Braniff is abandoning Acapulco as a service point from Dallas-Fort Worth and Houston after April 24 . . . Look for some significant changes in flight allocations at major (and minor) airports with the advent of Daylight Saving Time in April . . . Houston's Metro Airlines on February 1 replaced Frontier on runs between Dallas-Fort Worth and Fort Smith and Fayetteville (AR). Metro will also beef up its Lake Charles (LA)-Houston runs to fill the gap caused by Texas International's defection from the Louisiana city. The commuter carrier now serves 23 community airports in Arkansas, Louisiana, Oklahoma and Texas.

# Jet Jottings:

## Laker Loses; Commuter Comment

Embattled Sir Freddie Laker has abandoned his plans to launch a new budget international carrier to replace his Laker Airways, which went into receivership last month. He said his hopes of getting the new airline off the ground by the start of the tourist season in June was frustrated by lengthy licensing procedures at the British Civil Aviation Authority.

Sir Freddie, pioneer of low-cost Atlantic air travel, now plans to become a consultant to the airline industry. Observers believe it unlikely that he will be making any further efforts to reenter the business as an airline operator in the foreseeable future.

Just after Laker went into bankruptcy, Sir Freddie announced that he and "Tiny" Rowland of Lonrho Ltd. would begin another airline with Lonrho backing. Opposition to the joint venture was expected, but the partners thought it likely that the Civil Aviation Authority would expedite the new venture's license applications.

Things did not work out that way. Sir Freddie's first plan was for the creation of a scheduled airline similar to Laker; the concept was then changed to the formation of a charter carrier using three of the five DC10s previously owned by Laker and now in the hands of its receiver. This lowering of sights, however, apparently did not move the BCAA to hasten its approval.

The Authority noted that details of the new airline's financing did not accompany the application, as required. Public hearings on the bid were scheduled for May 4, but it seems unlikely that the necessary paperwork can be submitted in time.

For his part, Sir Freddie agreed that the BCAA was following required procedure, but still maintained that his competitors were blocking his efforts to return to the airways. In an interview in the London *Sunday Observer*, he said, "They (his competitors) are opposed to Freddie Laker because Freddie Laker is dedicated to low-cost travel. All the other airlines are interested in is getting my two million passengers, putting them in a seat and ripping them off."

Laker Airways' licenses were suspended March 10 and have not been reissued. In the interim, however, British Caledonian Airways stepped in with a bid to begin a temporary service between London and Los Angeles in May. British Caledonian lost rights to that route to Laker in 1978, and apparently may gain permanent authority with Sir Freddie out of the running.

The ebullient Sir Freddie insisted that financing for his new venture would be "no problem". He noted that the prospectus had anticipated raising some $50,000,000 from 250,000 shareholders–who would get discount tickets on the new carrier in return.

One of Laker's principal foes is British Airways, which filed an official objection to Sir Freddie's plan to transfer Laker's licenses to a new company, Brenpage Ltd., the joint venture of Laker and Lonrho. That objection will lead to a series of legal steps precluding the possibility of a start for any new Laker airline before the tourist season begins this summer. And, if other carriers join in objecting to the venture's proposals, lengthy hearings would result, followed by official deliberation and the issuance of an order by the BCAA.

British Airways has gone on record as being opposed to Laker's petition to transfer its authority to Brenpage because "overcapacity on North Atlantic routes is already causing massive losses" for the carriers who fly it.

A footnote to the Laker story: Sir Freddie has lost the fight to buy back his former Laker Airways headquarters at London's Gatwick Airport. British Caledonian Airways bought the 19-acre maintenance center from Laker's receivers.

▶ In a comparison of airline schedules for the months of January 1978 and January 1982, one of the more significant developments is the acquisition over the interim period by level III Big Sky Airlines of Billings of 17 routes to cities in the upper midwest. This expansion makes the commuter carrier the region's third largest airline (after Republic and Frontier) in terms of cities served.

Most cities now receiving Big Sky service were formerly part of the Frontier system. For many years, Frontier, Republic, Ozark and other "local service" (level II) air carriers provided the only scheduled air service to many of the country's smaller cities.

With the passage of the 1978 Air Transport Deregulation Act, new airlines such as Big Sky and dozens of others are developing route networks that fill in some of the air service gaps left by the departure of the larger carriers.

Airline deregulation as a result of that act has meant rapid changes in schedules and fares–many people contend for the worse, that the net result has been a deteriorating quality of air service to small cities.

One positive note on airline deregulation as it affects the upper midwest area: Six cities in the region with no scheduled air service in January 1978 now receive at least one flight daily. The cities and the airlines providing the service are: Dickinson (ND)–Big Sky; Marshalltown (IA)–Mid Continent; Grand Rapids (MN)–Mesaba; Amery (WI)–Blue Line; New Richmond (WI)–Blue Line; Rice Lake (WI)–Blue Line and Lakeland.

▶ Twin Cities-based Northern Airlines has filed for Chapter 11 bankruptcy and halted all flights to cities in its route network, principally in South Dakota. Republic and Western are being recalled by the CAB to maintain "essential air service" until a replacement carrier can be found.

Mesaba Airlines (Grand Rapids MN) has expressed interest in providing service to the cities of Huron, Mitchell and Brookings through a contract with Republic. Mesaba, now serving seven Minnesota cities, uses 15-seat Beech 99 aircraft.

▶ The impact of airline deregulation and questions of service are the subjects of a conference sponsored by the Upper Midwest Council, Thursday, May 6, in Minneapolis. CAB member Gloria Schaffer will be the keynote speaker.

Topics scheduled for discussion include: Introduction of regional commuter airlines and smaller aircraft; Termination of Section 406 subsidies and provisions of the "Essential Air Service" program (otherwise known as Section 419 subsidies); congestion at large airports resulting from increased use of small aircraft and increased competition among major airlines for large city markets; and disparities and uncertainties in fare scheduling, especially travel to or from a large city versus to or from a small community.

▶ A massive cash injection, restructuring and route changes may be needed before British Airways can be sold by the British government to private investors. A report has been prepared on the status of the airline for the ruling Conservative government, which wants to sell the state-owned carrier by June 1984. Details of the report have not been made public, but it is expected to call for an injection of some $900,000,000 to the carrier to make it attractive to potential buyers.

The report's recommendations are said to include a split-up of the short- and long-haul arms that were combined in 1972 when British European Airways and British Overseas Airways Corporation merged into British Airways. The Price Waterhouse report suggests the merger was not the success it was expected to be. Not surprisingly, the report also goes on to recommend significant cuts in British Airways staff.

▶ A government task force report states that Federal Aviation Administration labor relations with air traffic controllers have been poor, and the same ingrained problems are showing up again.

The three-member group recommended that the FAA revamp its selection of supervisors to insure that they are more skilled in managing their controllers and more sympathetic to their complaints.

▶ One offshoot of the PATCO job action last summer has been a proliferation of private air traffic controller firms throughout the country. When PATCO members struck, the FAA shifted many personnel from towers at less-busy airports to large centers of airline activity around the country. Those airports bypassed by the FAA have often sought out private companies staffed with former government air traffic controllers to fill in. Although a city or county responsible for airport upkeep must of course foot the bill, costs of maintaining towers in such instances are running as much as two-thirds less than the funding necessary to operate an FAA-run tower.

▶ The city of Chicago now officially owns Midway Airport, having purchased the field from the financially strapped Board of Education. . . . Pan Am is planning to purchase a 25% interest in Golden West Airlines, a California commuter carrier . . . The CAB has agreed in principle to allow airlines to swap landing times. The exchange of slots would be arranged at public meetings in different parts of the country, according to the CAB. Carriers would offer to relinquish the landing times they don't want, but would retain the slots that other carriers don't take off their hands. The agreement is a product of the air traffic controllers strike last year. Before the walkout only four airports had limits on the number of slots they could divide among airlines; currently 22 airports do.

# BUS

## Over The Road:
### Proposals and Purchases

Control of the highway coach division of Kickert Bus Lines of Lynwood (IL) passed to the Coach Travel Unlimited system on March 4; included in the purchase were the five remaining highway coaches on the Kickert roster. 2 MC-8s and a 4106 will be retained; the pair of 4905s were resold and two 4107s acquired in their place to fill a need for 35-foot road units.

For the fifth straight year, the intercity bus industry posted an overall gain in ridership, according to the American Bus Association. Preliminary figures for 1981 show the industry carried 378,000,000 passengers, an increase of 5,000,000 from 1980 and 50,000,000 more than in 1977 when a long downward trend in the industry began to reverse.

While the number of passengers carried in scheduled service showed a slight drop, another year of growth in charters and tours more than offset the decline. Charters and tours accounted for their highest level yet–53.7% of the passenger total, or about 203,000,000 riders. Also, 1400 new intercity coaches were produced in the U.S. and Canada in 1981; production for 1982 is scheduled at 2400.

Peoria (IL) Charter Coach Company on February 22 began scheduled bus service between Peoria and O'Hare Airport. The company had operated a minor route previously (and at one time provided connecting service to Peoria from Rock Island trains at Bureau Junction on the main line), but had generally been considered a charter and not a line-haul operator. Mainly an Eagle user, the company now has two new MC-9s scheduled for delivery in early June.

Royal Coach Lines of Racine has put a reconditioned MCI MC-5A in service; the company principally serves Milwaukee from O'Hare Airport. The coach has been fitted with airline seats with two trays and has a non-electric galley at the rear. A two-and-one seating arrangement is used and total capacity is only 21. The interior was done by Jon Kramer/Buses Plush of Rockford. The units is to be used in expanded service between O'Hare and Sheboygan, and a second bus is expected to be similarly outfitted.

Wisconsin Northern Transportation Company of Eau Claire has applied for regular route authority between Eau Çlaire and La Crosse via Interstate 94 and Wisconsin 53; the company presently links Eau Claire to Duluth.

The application is interesting on two counts: 1) Up until the mid-1970s WN had continued its Duluth bus south from Eau Claire to LaCrosse over virtually the same route as the new application; at that time there were good north- and southbound connections at LaCrosse with Amtrak for Chicago (and interline tickets were sold for points north of LaCrosse). Then, the Eau Claire-LaCrosse route segment was sold to Scenic Trails of LaCrosse, which recently became Scenic Trailways. 2) Scenic Trailways presently operates two daily round trips over this route between Eau Claire and LaCrosse–hence, the application is over an existing route currently being served.

Alco Bus Corporation of Janesville (WI) (a subsidiary of Van Galder Bus Company) has applied for regular route authority between Beloit (WI) and South Beloit (IL) via Interstate 90. The new authority is to be tacked on to existing authority between Madison-Janesville-O'Hare. Presumably, the new rights will permit Alco to remain on the interstate, bypassing the Beloit stop.

Wisconsin Coach Lines of Waukesha has applied to the Wisconsin Transportation Commission to abandon service on its Rockford Division., which operates scheduled service between Milwaukee and Rockford via Burlington, Lake Geneva, Elkhorn, Delavan, and Beloit. The route authority was acquired from Northland Greyhound in the late 1950s, and is the successor service to interurban electric rail and connecting bus service once operated by The Milwaukee Electric Railway & Light Company (TMER&L).

When Wisconsin Coach took over the run from Greyhound, it also acquired a commuter run between East Troy and Milwaukee (another successor operation to TMER&L) which was subsequently abandoned.

Wisconsin Coach presently operates one daily round trip between Milwaukee and Rockford. Peoria Rockford Bus Company of Rockford also operates between Milwaukee and Rockford but on a route a few miles north via Whitewater.

A hearing in Madison on March 5 disclosed that Alco Bus Corporation (the Van Galder subsidiary) has offered to continue a portion of the to-be-discontinued Wisconsin Coach Lines service from Janesville to Milwaukee. Alco, however, would terminate the run at Billy Mitchell Field on Milwaukee's south side in stead of at the Greyhound Terminal downtown. A further hearing is to be held.

The United States Court of Appeals for the District of Columbia has affirmed two ICC decisions which permit carriers and brokers to obtain extensive charter and special operations authority without presenting evidence by public witnesses. Carriers, by creating a broker affiliate (and brokers, by creating a carrier affiliate) can obtain special and charter operations authority for the carrier which is coextensive with that held by the broker. The practical effect of the court-approved decisions is to permit extensive charter and special operations authority to be obtained merely upon proof of fitness where the carrier operates under a contract with its affiliated broker.

# DEADLINE DATA

Chicago Transit Authority inspectors found "serious deterioration" in the 90-year-old bridge on the Jackson Park "L" spanning the Illinois Central tracks over 63rd Street just west of Stony Island Avenue and closed it to all traffic on March 4. Because of the cutback in federal funds and declining traffic on the branch, service is not expected to be resumed on the line, which dates from the opening of the World's Columbian Exposition in 1893. All Jackson Park trains now tie up at the 61st Street station, as the progressive weakening of the "L" structure over 63rd Street over the years has resulted in the removal of all excess rail, including crossovers. The city's ultimate plan for the route calls for an extension southward from its present terminal at 63rd through a CTA material yard to the ConRail right-of-way paralleling the Chicago Skyway about half a mile south of 63rd Street, then southeastward along the rail line to South Chicago. It is conceivable that a temporary "L"-bus terminal will be built in the material yard on the south side of 63rd Street to alleviate the rush-hour crowding of bus traffic around the new temporary terminal at 61st Street. TC will have a more complete report in an upcoming issue . . . Kawasaki Heavy Industries Ltd. has won a multimillion dollar contract to provide subway cars to New York City. 325 cars for the IRT division will begin arriving in December 1983; all will be in service by 1985.

# SAS THINKS IT'S ABOUT TIME BUSINESS TRAVELERS GOT THEIR MONEY'S WORTH.

Since business travelers usually pay full fare, most airlines consider them their best customers. But until now, they've had a funny way of showing it.

They've shown it with interminable check-in lines. Bargain fare service at full-fare prices. In general, with an attitude that says they couldn't care less if they ever see you again.

At SAS, we think it's about time an airline did something to change all that. At no extra cost to the passenger.

## WE'RE REBUILDING BUSINESS TRAVEL FROM THE GROUND UP.

You'll notice something's different when you arrive at the airport. Instead of standing in a line that looks like it's equipped for an Everest assault, you'll find your own Business Class check-in counter. No lines. Virtually no waiting. You'll also have your own Gate Manager, whose sole mission is to see that your trip comes off without a hitch.

The time you save checking in, you can spend relaxing in an SAS Scanorama lounge, created exclusively for Business Class passengers.

You'll find areas for working, relaxing with a drink from the bar (soft drinks and coffee are free) or making further travel arrangements.

Right now, you'll find Scanorama lounges in New York, Copenhagen, Oslo, Stockholm, Gothenburg, Rio de Janeiro, Bangkok, Singapore, Johannesburg, Tokyo, Manila and Nairobi. And more are on the way soon.*

## SERVICE THAT REACHES NEW HEIGHTS.

Since most business travelers prefer wide bodies on intercontinental flights, that's all SAS flies. On board, Business Class passengers are in a separate section of the aircraft, for maximum peace and quiet. You'll have your own cabin attendants. Drinks and headsets are on the house.

If you've become accustomed to airline food tasting like it came from a lab instead of a kitchen, SAS meals will come as a welcome surprise.

They'll be created by SAS master chefs, members of the Confrérie de la Chaîne des Rôtisseurs, the world's oldest and most exacting gastronomical society. Guest menus from six of Scandinavia's finest restaurants will be featured, starting April 1. And our expanded wine cellar is full of choice vintage selections.

After we've catered to your stomach, we'll attend to the rest of your body.

In Business Class, you'll find more legroom for extra comfort, on even the longest flights. And because we've stretched the legroom, you can recline farther. So you win coming and going.

For the ultimate SAS experience, discover SAS First Class. In it, you can sleep your way across seas and continents in one of our exclusive Dormette reclining sleeper seats.

## WE MAKE A BIG DEAL OUT OF THE LITTLE THINGS.

Sometimes, the walk to a connecting flight can seem as long as the flight itself.

That's changing. SAS has, wherever possible, rearranged flight gates, so that the distance between connecting flights is a stroll, instead of a trek.

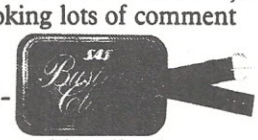
Airline headsets have often been uncomfortable to wear and substandard in sound quality.

In First Class and Business Class, our new headsets have been completely redesigned for increased comfort, as well as beautiful sound.

From now on, you can even call the earth from the sky on the SAS Sky Phone.** We'll connect you via satellite to any phone on the face of the earth. So your business doesn't necessarily have to be up in the air just because you are.

## STARTING NOW, IT'S JUST AS EASY TO GET YOUR MONEY'S WORTH.

The services provided in SAS Business Class, at no additional cost, have been evoking lots of comment lately. From people who've experienced them. And from people who are trying to compete against them.




We say our competitors could easily give you your money's worth, if they felt like it.

Just as you can now easily get your money's worth, if you feel like it.

*Opening April 1 in Los Angeles
**Time charges based on area called

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