

Commuter Notebook: Air Oregon acquired by Justin Colin for three-carrier network

Owner of Golden Gate and Swift Aire will keep Air Oregon as separate operation for now, and extend overall routes in seven western states.

Controlling interest in Air Oregon, Portland, has been sold to Justin Colin, the investment banker who currently owns Golden Gate and 80% of Swift Aire Lines. Addition of Air Oregon to the route structure will give the combined companies a seven-state area of operation including Washington, Oregon, California, Nevada, Idaho, Utah and Colorado.

Air Oregon will be kept as a separate operation, Colin said, and no management changes are foreseen in the near future. Current president of Air Oregon, Don Streun, will remain in that capacity, while Colin becomes chairman of the board.

Part of the sales agreement permits Air Oregon to lease 50-passenger aircraft, and CAB has granted an exemption to rules so that the combined firms can lease and sell aircraft to each other.

Colin's purchase of Air Oregon includes 80% of that firm's stock, with present shareholders retaining the remainder.

Streun said the acquisition will allow more joint fares to be developed because the carriers will be able to feed more traffic to trunk airlines and regional carriers.

Air Oregon said it now carries about 14,500 passengers monthly, while Swift Aire carries about 22,000 and Golden Gate about 70,000. Golden Gate is one of the three largest commuters of the approximately 240 commuters in the U.S. Air Oregon's employees number about 230, while Swift Aire has 250 and Golden Gate 735.

Air Oregon is a young carrier, being incorporated in August 1978 as Executive Flight Services, later changing its name in 1980 to Air Oregon. Within a month after its incorporation in 1978, Executive Air Services merged with another Oregon-based carrier, becoming firmly committed to the carriage of commuter traffic.

Air Oregon now operates seven 19-passenger Swearingen Metroliners.

Meanwhile, Golden Gate Airlines announced the resignations of two of its senior executives. Vincent J. Mulshine, president, and Harry A. Kimbriel, Jr., have left to pursue other interests, the announcement said, but did not elaborate. Colin will serve as president of Golden Gate on an interim basis, the carrier said.

CAB said in its decision on the petition for exemption that Colin has agreed to lend Air Oregon at least \$500,000 and as much as \$800,000 when the deal is closed. He will also cover operating losses by additional advances or loans to Air Oregon, and will provide aircraft from the other carriers to Air Oregon under wet lease, lease or sale.

Colin and the managements of the three carriers told CAB there will be no anti-competitive consequences from the acquisition. CAB also noted there have been no challenges to the application for the exemption.

CAB concluded that the acquisition will serve the public interest by strengthening Air Oregon and facilitating competition on its routes as many other carriers serve the same points. Air Oregon does not now serve any point served by the other two airlines involved. The first of the proposed wet leases will be for a Swift Aire Fokker F-27, and then a Golden Gate aircraft, probably the 50-passenger Dash-7.

New Altair Management Team

Altair's new president of six months, Henry Hill, has set up a new management team at the Philadelphia-based regional carrier. The new management group is: John K. Stumpf, III, VP-customer service; William S. Watson, VP-marketing; Jack Shawn, VP-scheduling and planning; Edward Bollinger, VP-maintenance and engineering; Pat Rogers, VP-treasurer and controller; and Bernard Aller, director of personnel.

Mr. Hill has also made improvements in Altair, such as seating capacity on its Fokker F-28s has been reduced from 85 to 74, increasing leg room by five inches. Altair's F-28 load factor for the fourth quarter 1980 was about 21%. All Beech 99s will be retired from service and the few remaining Nord 262s have been refurbished. By February 1982 Altair is planning to have ten F-28s and will phase out the Nord 262s making Altair an all jet airline.

Air New England Profitable

Air New England of Boston, MA, announced net earnings of \$256,000 for the year 1980, including gains on sale of flight equipment in the amount of \$1,627,000. A net loss of \$2.2 million was reported for 1979. The 1980 results included federal subsidy of \$7.1 million, an increase of \$2 million over 1979.

Air New England carried 433,167 passengers in 1980, down 27.5% over 1979, and RPMs were down 29.6% over 1979 to 57,839,000.

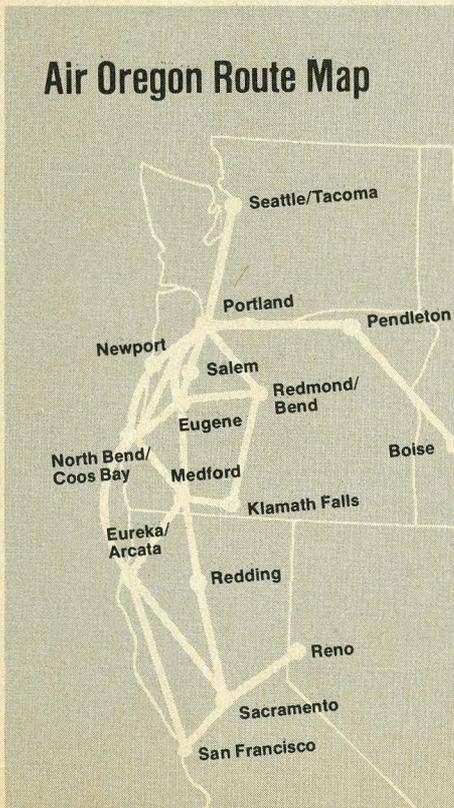
New Commuter Transport Unveiled

Dornier has completed successful first flight of its new 15-seat twin turboprop 228-100 commuter transport and at presstime was expected to fly the larger 19-seat 228-200 for the first time. Both airplanes were scheduled to be shown at the Paris Air Show.

The 228-100 flew for the first time March 28 at Dornier's Oberpfaffenhofen facility near Munich about 15 months after program go-ahead at the end of 1979. Airplane is powered by two Garrett AiResearch TPE 331s but can be purchased with Pratt & Whitney PT6A-135s.

The larger 228-200 is essentially the same as the Dash 100, but the fuselage is five feet longer to accommodate the four

Air Oregon Route Map





The first successful flight of the Dornier 228-100 has been completed. Both the 228-100 and 228-200 were scheduled to be on display at the Paris Air Show.

Commuter Notebook continued additional seats. Its operating weight empty is 330 lbs. more than the 7040 lbs. of the 228-100. Both airplanes have the same maximum takeoff weight of 12,570 lbs.

Main design innovation of the two airplanes is Dornier's new technology wing (TNT) which Dornier claims reduces fuel

consumption 30% under a comparable transport with a conventional wing. The 228-100/200s are not pressurized and have maximum payload ranges of 1065 NM and 620 NM respectively.

AeroMech will have its complete fleet of Embraer Bandeirantes by the end of June

making the total count ten. AeroMech has been operating with five Bandeirantes and some Beech 99s, which will be phased out. The Clarksburg-based airline has also signed a purchase option for six Embraer EMB-120 Brasilia aircraft.

Air Miami, an Air Florida commuter, has begun service to Naples, FL. The schedule calls for three daily roundtrip flights between Miami and Naples, and five daily roundtrip flights between Naples and Tampa. The service will be operated with 23-passenger CASA 212 aircraft.

Air Midwest has announced the purchase of five Saab-Fairchild 340 aircraft. The 34-passenger aircraft are slated for late 1984 and early 1985 delivery. The Wichita-based regional carrier will put the aircraft into service on the heavier routes now served with Swearingen Metros. The total value of the order exceeds \$18 million.

Air Wisconsin has signed an agreement boosting their de Havilland Dash 7 orders to 10. The airline still holds options on five additional Dash 7s. Air Wisconsin also signed an agreement securing 1986 delivery slots for three de Havilland Dash 8s.

Summit Airlines has added Louisville, KY, and Hartford, CT, to its route structure. The Philadelphia-based all-cargo airline is operating Convair 580s on the routes.

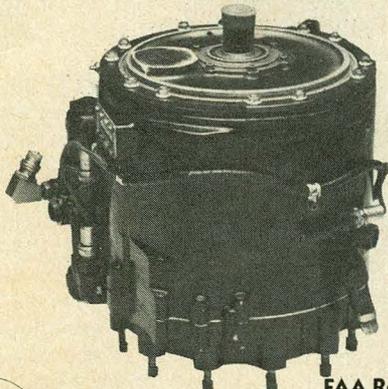
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