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THE PBA FLYER



Volume 3, Number 1

Winter 1982

PBA Boards 479,764 Passengers In 1981

Aided by entry and expansion in new markets, PBA increased its 1981 boardings by 165,145 passengers, or 52.49% over the previous record year of 1980. PBA management is particularly gratified by this achievement during a year of recession in an airline industry environment that was full of economic problems as well as difficult operating conditions brought about by the PATCO Strike.

PBA entered sixteen new markets during 1981. Four of these were in Florida while twelve were in Massachusetts. These new markets produced 118,782

passengers, or 25% of the total passengers carried during the year.

During 1981 PBA also expanded service in some of the five new markets it entered in 1980. The twenty-one total new markets entered in the past two years produced 221,906 passengers during 1981, or 46% of PBA's total passengers carried. Traditional markets, reflecting the state of the economy, showed an overall decrease of 13%; however, this figure is distorted by Hyannis-Boston, a market PBA entered in 1979, which increased 29% during 1981. Naples-Miami also showed a slight increase while the

old markets of Provincetown-Boston, Punta Gorda-Tampa, and Naples-Tampa were down. When the economy turns around, as well as continued growth in southwest Florida, PBA is confident that these old markets will return to their normal increase pattern.

Commenting on 1981 statistics, PBA Chairman John C. Van Arsdale, Jr. said, "We are certainly pleased to see PBA total traffic figures continue to increase during a period of economic uncertainty. By entering many new markets during the past few years PBA has been able to

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PBA Moves Into New Naples Terminal

The City of Naples Airport Authority has constructed from bare ground, in this unique southwest Florida community, a building which PBA management proudly declares is the "finest Regional Airport Terminal in the United States." Upon inspection, there are few members of the industry that would argue with that declaration. Added to this is the remarkable speed and efficiency with which the facility was constructed.

The City of Naples Airport Authority was created by the Florida legislature, and operates the Naples Municipal Airport under the terms of a 99-year lease with the city. For years it had been recognized that the crowded intermingling of general aviation and airline traffic on the

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Aerial view looking north at the new Naples Airport Terminal complex. The PBA maintenance hangar may be seen at upper left.

Passengers . . .

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build a broader economic base which will be less affected by local economic conditions. We look forward to continued growth in these new markets as we become better known and under a more favorable economy. We are certainly grateful for the local support we have received in each of these new communities."

Annual Statistics

MARKET	1981	1980
Fort Myers-Miami	6,074*	0
Hyannis-Boston	45,861	35,431
Hyannis-New York	23,889*	0
Hyannis-Nantucket	7*	0
Key West-Naples	11,421	981*
Key West-Miami	39,783	3,968*
Key West-Tampa	23,680	3,491*
Marathon-Miami	27,871	14,666*
Marathon-Naples	369	166*
Martha's Vineyard-Boston	11,470*	0
Martha's Vineyard-Hyannis	5*	0
Martha's Vineyard-Nantucket	9*	0
Martha's Vineyard-New York	6,989*	0
Nantucket-Boston	19,883*	0
Nantucket-New York	13,663*	0
Naples-Miami	39,889	37,932
Naples-Tampa	120,329	156,468
New Bedford-Boston	2,270*	0
New Bedford-Martha's Vineyard	3,754*	0
New Bedford-Nantucket	12,311*	0
New Bedford-New York	9,646*	0
Provincetown-Boston	35,398	39,827
Punta Gorda-Miami	1,051*	0
Punta Gorda-Tampa	16,381	21,689
Sarasota-Miami	6,404*	0
Sarasota-Tampa	1,357*	0
Totals:	479,764	314,619

* Partial Year

New Florida Markets

Traffic on the new Fort Myers-Miami service which PBA started on October 22, 1981, and the Sarasota-Miami plus Sarasota-Tampa service started November 12, has been most gratifying to PBA management.

During the partial quarter with four round trips PBA flew 6,074 passengers in and out of Fort Myers. In only the last seven weeks of 1981 the airline flew a total of 7,761 passengers in and out of Sarasota. 44-passenger Martin 404 aircraft were required on so many flights

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Cessna 402

Cessna 402 Is Backbone Of PBA Fleet

With the purchase of one new Cessna 402C in both December and January PBA became the largest operator of Cessna 402 aircraft in the United States, and probably the world. Today PBA operates 21 of these efficient 9-passenger aircraft. Five are the model 402B while 16 are the latest model 402C. Currently 10 of these Cessnas are based in Massachusetts while 11 are in Florida.

The Cessna 402C currently represents about a \$400,000.00 investment; however, it is still the most efficient aircraft for pioneering new routes, or operating an extra section of a flight when there are a few passengers left over from a larger aircraft. PBA's Cessnas are ordered with special design features that include an auto-pilot, latest communications avionics, radar, radio altimeter, and R-Nav, which is known as area navigation. This

permits more efficient routings and navigation to off airways airports. PBA makes unique modifications to the forward baggage compartment to increase the capacity.

But the most beneficial aspect of the Cessna 402 is the relatively low operating cost coupled with enthusiastic passenger acceptance. In today's highly competitive operating environment, it is possible to start service or face new competition without sustaining the big losses characteristic of operation with larger aircraft. As Chairman John C. Van Arsdale, Jr. says, "In today's dog-eat-dog competition with price wars and a struggle for survival, the guy with the smallest airplane wins. The Cessna 402C is PBA's answer to competition and the pioneering of new routes."



January of 1981 PBA Instructor Pilot/Check Airman Jim Howard traveled from Naples to Brazil to bring back PBA's seventh Embraer Bandeirante, N97PB. With this latest \$1.5 million aircraft, PBA's total investment in this popular and efficient jet powered aircraft now exceeds \$10 million.

Management Perspective

There is little doubt that 1981 will long be remembered by all associated with the airline industry as the most tumultuous times ever experienced. The short-range effects of deregulation, compounded by the recession and PATCO strike, have caused just about all carriers to sustain losses beyond the most conservative analyst's beliefs. Many, many good airline employees are out of work and there is fear that the recent failure of Laker Airways is only the beginning.

Fortunately for PBA, we emerged from the year relatively unscathed, but this is not to say we didn't have trying times. Not only did April 26, 1981 find us undertaking our most ambitious expansion in adding the cities of New Bedford, Nantucket, Martha's Vineyard, and New York to our route system, but on the same date, Air Florida landed its commuter operation in our own Naples backyard, virtually duplicating our schedules and offering a "Fly Free" program. We were faced with significant "start up" costs in our new markets while at the same time being forced to offer unprofitable competitive fares in our traditional markets.

Looming on the horizon was the possible Air Traffic Controllers walkout slated for June 22, 1981. The Administration's contingency plan called for the grounding of all flights less than 500 miles, and with our longest route segment of 240 miles, we would have been forced to shut down. Fortunately, the decision to strike was postponed, and we moved into the summer months with substantial bookings on our new service to the Cape and Islands.

The prime interest rate rocketing up into the twenties offered no solace to our problems, but at the same time, it was a relatively minor factor — primarily because there was little we could do about it.

In spite of all of the above concerns, in July of 1981, we boarded more than 51,000 passengers for the first time ever, primarily as a result of our Massachusetts expansion. We found that we were very competitive in our newly entered markets gaining a substantial share of the market. Furthermore, we were faring very well in Florida competing with a carrier with national identity.

However, on August 3, 1981, the boom came crashing down as PATCO made their threats good and the majority of Air Traffic Controllers walked off of their job. On one day in the early stages of the strike, we had a ten hour delay on a flight to La Guardia, and that was our only operation of the day. In the first week of the strike, in which we anticipated boarding 12,000 passengers in Massachusetts, we did only 6,000. Florida operations were not impacted at all by the strike, but business is very slow during that period and expenses are cross subsidized by Massachusetts operations.

Fortunately, the new ATC system quickly worked out its bugs and although we did not do as much business as projected, we still managed to board more than 50,000 passengers in August. It is gratifying to say that the system is working better than ever providing an airline can get the necessary slots.

It was also in August of 1981 that we made the decision to add the cities of Sarasota and Ft. Myers to our Florida system. Fortunately, we received the necessary slots to commence services to Miami, but it was not until two days before our Ft. Myers start-up date that we were absolutely sure we would have the authorization.

As the fall wore on, a number of events took place that will have a significant impact on our future. Air New England, our stiffest



competition in Massachusetts, decided to cease operations after many unprofitable years. Our competition in Naples cut back its service significantly and in January of this year, pulled out of the market. Our new service to Ft. Myers and Sarasota has been very well received and both markets are performing well above our expectations. Just about all of our other Florida markets are remaining strong in spite of the economy. Massachusetts winter traffic is running around five times greater than last year.

The most gratifying event of the year, however, was that with all of the problems we were confronted with while at the same time doubling the size of our company, we were able to show a modest profit in 1981. This is a tribute to the more than 400 dedicated PBA employees who we feel make an extra effort to see that things are done the PBA way.

In 1982, we plan very little, if any, expansion and look to improve the quality and efficiency of our service. Our greatest concern at this time is what kind of service we will be able to provide in Massachusetts this coming summer. The current number of slots we have into Boston and La Guardia are not enough to satisfy the demand for seats to the Cape and Islands, and the FAA is granting virtually no new slots to those airports. Furthermore, we will be unable to operate the numerous extra sections as we have in the past unless some recognition is made of our unique operating philosophy and the fact that Air New England no longer serves the markets.

If we are granted additional operating authority, we will need additional capacity and are currently evaluating a number of 50-seat aircraft that would suit our needs. A decision will be made in early April with regard to the route we will take.

We will need to expand our Naples administration office and are currently studying the possibilities available to us.

There is little doubt that we will see new competition in just about all of our markets, but we have found that we are able to compete effectively even though it is a relatively new experience for us.

So, we are moving into 1982 with guarded optimism and are confident that we will be able to meet the challenge of the future.

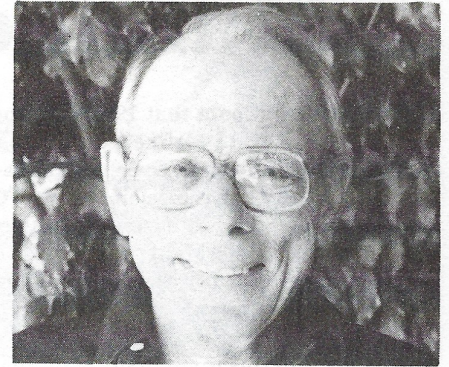
Thanks for flying PBA,

Peter H. Van Arsdale

Peter H. Van Arsdale
President



A tropical wooded entrance



Edwin J. Putzell, Jr., Chairman of the City of Naples Airport Authority, retired to Naples in 1979. He is a graduate of Harvard Law School and served for over 30 years as Vice President and General Counsel of Monsanto Company in St. Louis.

Naples Airport Terminal...

Continued from Page 1

east side of the Naples Airport was an unsafe condition without a future. Various discussions and proposals dragged on, looking for a new development in the vacant south side area of the airport; but the price was always too high and the design too controversial.

In the fall of 1980, under the direction of new Airport Authority Chairman, Edwin J. Putzell, Jr. and a new Executive Director, Toivo Tammerk, things started to happen fast. A new architectural firm, Watson and Company of Fort Myers, without even a contract, submitted a con-

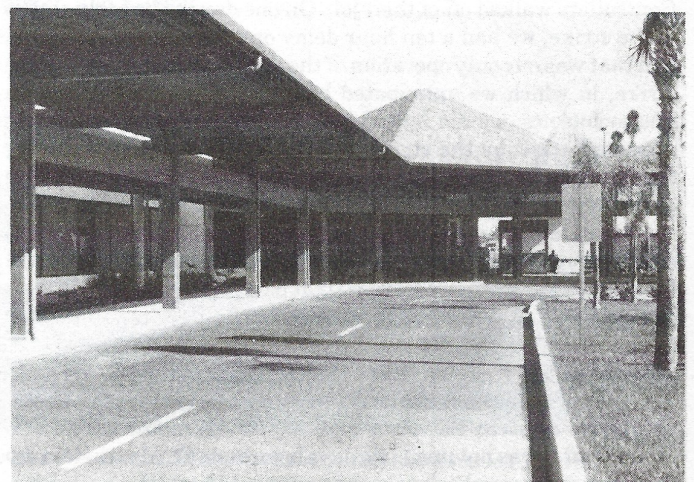
ceptual design on December 2, 1980. December 29, 1980, at a special meeting, the authority voted to accept the Watson design phase and authorized proceeding with final drawings. At the January meeting the authority voted to follow a "Fast Track" procedure of phased construction, whereby the site development was underway while the final building plans were being prepared for bid. The site work contract was let on February 27, 1981, to the Toppino Company of Naples, and work started.

Meanwhile the building design was

finalized and put out for bid. Gilvesy Construction, Inc. of Fort Myers was awarded the contract which was signed on April 8, 1981, with an agreed completion date of December 27. Some real pushing by Mr. Tammerk, plus a PBA indication that it could not move into the new facility during the Christmas period, brought an actual finish date and formal dedication on December 16, 1981. Airline operations started from the new facility the following day. Chairman Putzell described the project as a "community team effort" in which all members of the authority par-



View of the terminal from the entrance driveway. Pavilions are both functional and decorative.



Covered sidewalk and automobile unloading area provides protection from weather while loading and unloading automobiles.

ticipated in their various fields of expertise aided by tenants and all others associated with the construction.

Immediately impressive in the new terminal is the spaciousness both inside and outside. This is a terminal for the future that will not be outgrown quickly. A new entrance road on the south side of the airport leads through the entrance gate to a large drive circling an extensive public automobile parking lot accommodating three hundred cars. In addition there is a large employee/rental car parking lot with considerable overflow area.

Extensive tropical landscaping by the Naples firm of Renfroe and Buckhannan is immediately apparent upon approaching the terminal area. The wooden, open, covered, series of pavilions at both the front and back of the main terminal building dominate the view and also add

both beauty and functional qualities; since automobiles on the street side and passengers on the ramp side are able to unload and load protected from the elements. An attractive sidewalk baggage check-in area eliminates the need for passengers to carry baggage into the terminal. Automatic electric sliding doors lead into a spacious interior excellently designed by Hefen M. Levin of Miami. Distinctive modern signage was provided by the 2001 Group of New Smyrna Beach.

Immediately to the right upon entrance is the long and good-looking PBA ticket counter, with two TV monitor screens mounted in the rear wall containing information on arrival and departure flights. In its space behind the ticket counter wall, PBA has set up an operation

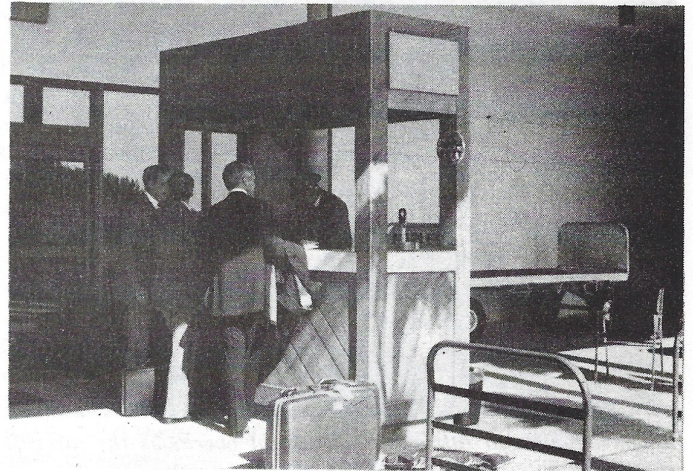
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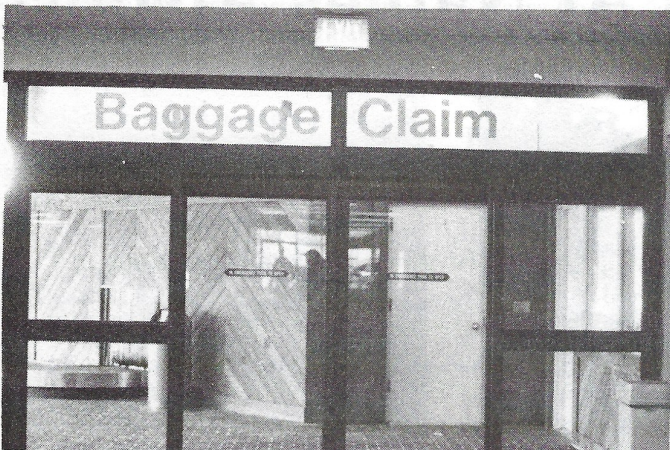
Toivo Tammerk, Executive Director of the City of Naples Airport Authority, is a native of New York State and a graduate of Rutgers University. He came to Naples in April of 1980 after five years at the Tallahassee Airport where he rose to the position of Assistant Manager.



A spacious, modern, and pleasing waiting lobby is adjacent to the PBA counter.



Sidewalk baggage check-in counter provides additional convenience to passengers.



Entrance to baggage claim area from terminal lobby. Electric conveyer belt passes through well-designed wooden wall.



PBA Check-In Counter has arrival and departure information on TV screen.

Naples Airport Terminal...

Continued from Page 5

tions area, with a flight dispatch counter plus a crew flight planning area, a crew lounge, and employee locker storage. This attractive new space, with a broad view of the ramp, greatly enhances airline operational efficiency. This area, as well as the entire building has energy saving features such as canopy design, opening windows, and fans.

Also facing the terminal lobby area is a gift shop and newsstand, a cocktail lounge, four auto rental counters, and a restaurant. At the end of the lobby is a doorway leading to the covered baggage claim and the PBA baggage service office, both immediately adjacent to the street.

A top quality airline electric baggage conveyor belt circles through a wall separating the baggage claim from the aircraft ramp baggage unloading area.

The terminal building itself consists of a total of 27,000 square feet, of which 14,600 is interior air-conditioned. The total cost was \$1.8 million, including site work, with the Bureau of Aviation of the Florida Department of Transportation contributing \$605,000.00. The authority initially arranged a Bond Anticipation Notes, and is currently undertaking permanent financing through a 20 year revenue bond issue. Each tenant developed its own exclusively leased area in coordination with the architect and interior designer. PBA advises it spent about

\$65,000.00 in its area, including furnishings. Economically, the building supports itself through space rental, and the authority is able to apply revenues gained from airline landing fees, fuel flowage, and rental car commissions to airfield and other landside improvements, etc. Revenues generated from general aviation users of the Naples Airport do not fund airline terminal costs.

Looking back on the past year, Toivo Tammerk says, "We are, of course, gratified that the Naples Airport Terminal project was completed under budget and on time. Perhaps it took at least three years off my life, but it was an exciting challenge and we are pleased with the end result."



A convenient and attractive restaurant overlooks the aircraft ramp.



Rental car counters are readily available in the lobby.

Past PBA Terminals At Naples Airport



Terminal No. 1, 1957-1962



Terminal No. 2, 1962-1973



Terminal No. 3, 1973-1981

PBA Air Freight Is Growing

Under the direction of Larry Chance, Manager Customer Services and Air Freight, PBA is today concentrating on the air transportation, including ground pickup and delivery, of small packages, plus air freight shipments normally under 100 pounds. During the past two years this reflects a change from PBA's historic treatment of carrying air freight as a mere "by-product" of the business of carrying passengers. Today PBA markets air freight and is currently developing a freight brochure and media campaign.

Part of the reason for this change in company policy is the many new markets into which PBA has entered in the past two years. In communities like Key West, Marathon, Martha's Vineyard, and Nantucket, air freight has a decided advantage over surface transportation. These difficult-to-reach areas are dependent upon, and accustomed to the use of air freight. Also the entire air transportation industry itself has placed increased emphasis on the small package air freight business.

For many years PBA has had an agreement with Emery Air Freight providing for connecting shipments to or from any point served by PBA. Since airline deregulation Emery has ceased being solely an air forwarder, purchased its own aircraft fleet, and is now an air carrier named Emery Worldwide. PBA has greatly increased the interlining of shipments with Emery.

For shipments solely over PBA routes, the company last year originated the "Seagull Express Pack." Any material that will fit in the 9" x 12" express envelope is carried anywhere between two PBA points for the flat rate of \$10.00, on a guaranteed-flight basis. This is in addition to PBA's normal on-line air freight service.

For the interlining of small packages PBA has written an agreement with Eastern Air Lines "SPRINT." This is similar but larger than the Seagull Express Pack and includes connecting service on any Eastern flight. Further, PBA recently wrote a standard Interline Air Freight Agreement with Eastern for general cargo. Everything is carried except hazardous materials. To implement this agreement it was necessary for PBA to

publish an air freight tariff, and print its own airway bills and transfer manifests. Normal PBA connecting hubs are Tampa, Miami, and Boston.

In early December PBA entered into an agreement with Federal Express for pickup and delivery of their small packages. Each morning PBA receives Federal Express packages in Tampa where they are flown to Punta Gorda and Naples. Ground deliveries are then made between Sarasota and north of Fort Myers as well as between Bonita Springs and Marco Island. Pickups are also made in these areas for delivery the next morning throughout the Federal system. In the first month there was an average of 50 Federal Express shipments per day. Expansion of this service to other areas of PBA operations is also anticipated.

The PBA air freight department is headquartered in Naples under the supervision of Mr. Chance, who has his own assigned freight personnel. But at all stations the airline's passenger agents have been trained by Larry to handle air freight shipments and other station personnel perform the ground transportation. PBA operates 20 vehicles for delivery and pickup of air freight. During 1981 the company bought 12 new Volkswagen Rabbits, 5 in the North and 7 in the South. PBA Chairman John C. Van Arsdale, Jr. is fast to point out that these Volkswagens are all made in America. He further proudly asserts that the company's 1981 air freight revenue was double that of 1980.

Larry Chance is also proud of his accomplishments in developing PBA's Air Freight Department. He is also negotiating additional interline agreements with

Florida Markets . . .

Continued from Page 2

that it was necessary to base Martin qualified crews in Sarasota. Fort Myers flights are often flown by Punta Gorda based crews flying DC-3 aircraft.

Commenting on the new service, PBA Chairman John C. Van Arsdale, Jr. stated, "We are obviously pleased to carry over 13,000 passengers in these new markets during the final weeks of 1981. We greatly appreciate the local support we have received and look forward to a bright future."

all major carriers. He says, "PBA can handle virtually all of your overnight shipping requirements. We guarantee you will be happy with the service to approximately 15,000 various cities throughout the great 50 states — for that matter virtually any city in the world. Try us."

Personalities



Larry Chance, manager of Customer Services and Air Freight for PBA.

Larry Chance became a resident of Naples in 1976 following a quarter century of military service. Retirement was not in his nature and he quickly went to work with PBA specializing in baggage service. Air Freight soon became another of his assignments; and Larry began to think of expansion and promotion of this neglected service.

Larry was raised in a military service family and traveled extensively prior to entering the U.S. Naval Air Academy at Pensacola. Under special assignments following graduation he traveled throughout the world with a great deal of his service career spent in South America. There he also underwent a strenuous course in Jungle Survival Training.

As a side interest Larry was an international basketball and soccer official. He was honored by being selected as a basketball referee to work in the Olympic, Pan American, and Boliviano games. He has continued some of this referee activity since coming to Naples.

Larry looks forward each year to spending time with his bride, Jill, in their 400-year-old home located on Cotswolds near Stratford-on-Avon, England.



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PBA Offers Big Airline Service

As PBA has grown to be one of the top ten "Large Regional Airlines," as defined by the Civil Aeronautics Board, it has also developed all of the major service components characteristic of the major United States air carriers. These services set the company apart from its smaller rivals, and they have contributed greatly to PBA's success in the competitive deregulated environment that exists today.

At the top of the list is PBA's reservation service. Computerized reservations capability tied into Eastern Air Lines System One provides timely fare and schedule data to PBA reservations agents, plus access to other airlines and seat inventories. Furthermore, the PBA reservations agents themselves are trained to a level of competence that exceeds the quality of many of the major airlines. As a result, local travel agencies frequently call PBA for information on a complicated fare or routing problem.

PBA has a professional marketing department headed by former Advertising Agency Manager, Sergio Balegno, which works closely to familiarize travel agencies and the airline industry with PBA's fine service. In Florida, Donna Fiala visits all travel agencies in the markets served by PBA and reports back to senior management on suggested improvements that might be made in the areas of schedules, fares, or service. This same function will be formally introduced in New England markets in the months ahead.

PBA has now entered into an agreement to accept credit cards from all major companies. Furthermore, as a member of the Area Settlement Plan, PBA tickets can now be written by all major travel

agencies in the communities it serves, and credit cards can be used to purchase these tickets. Very few of the smaller airlines have this capability.

PBA now offers full air freight services offering pickup and delivery at all points that it serves. This is covered in detail in a separate article in this issue of the *Flyer*.

In the area of baggage services, PBA operates a convenient sidewalk check-in service at its busier facilities, such as Naples, Key West, and Nantucket. Though checking of baggage is routine on PBA, and the company does a superior job of delivering interline luggage to its interline partners at the major hub airports.

When baggage coming from other airlines does become misplaced, PBA personnel are available at all hours to perform tracing functions and to handle claims procedures. PBA can hunt for lost luggage through the "Easy-Trac" and "ACTS" (Airline Computerized Tracing System). Representatives routinely process claims for lost baggage even when PBA is in no way responsible for the loss. Further, PBA has arrangements with baggage repair companies for prompt service to customer luggage in both Florida and Massachusetts.

PBA started beverage service aboard its Martin 404 aircraft on the Cape and Islands during the summer of 1981. Recently this same service has been extended to its Martin 404's flying from Sarasota to Miami. As larger aircraft are operated on growing routes, PBA plans to expand these services even further.

PBA has aircraft maintenance hangars in both Naples, Florida and Hyannis, Massachusetts, where well-trained

mechanics work virtually around the clock to keep PBA airplanes mechanically perfect. Furthermore, cleaners are continually at work making certain that both aircraft interiors and exteriors meet the company's exacting standards.

PBA has a pilot training department which conducts a check ride and a line check for each pilot, in each aircraft he is qualified to fly, at least once a year. PBA has also ordered an aircraft training device, which simulates aircraft flight providing tremendous savings in terms of fuel and aircraft operating costs. This will also save training costs because many more simulated instrument approaches can be conducted in a given time frame than is possible in an aircraft, and the approach can be restarted at any point for demonstration purposes.

Finally, PBA has a qualified person constantly on duty in flight operations whenever a scheduled flight is being operated. Thus, any sort of problem that presents itself can be rapidly resolved through coordination with the maintenance department, station personnel, or air traffic control supervisors.

In comparison to the new wave of "low fare" carriers, some of whom operate without so much as a ticket counter at airport terminals and who charge extra for checked baggage, PBA runs a very sophisticated operation. While always trying to offer the best value in air transportation for the dollar, the company feels you get what you pay for. Thus, PBA has made the transition from being the original "no frills" airline to its current status, which puts it near the top of the list in providing service to the airline passenger.