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THE PBA FLYER



Volume 4, Number 3

Summer 1983



The glistening Embraer EMB 120 Brasilia rolls out of one of the factory hangars at San Jose dos Campos, Brazil on July 29, 1983. Attached to the hangar doors are the logos of many regional airlines that have ordered this new generation of sophisticated aircraft. The PBA logo is on top of the door to the left. To the surprise of everyone, the aircraft went to the end of the runway and took off for a short flight.

Brasilia Makes First Flight

A "roll-out" ceremony is traditional for airplane manufacturers. It is the day that a new aircraft is first viewed by the public, and the new generation of regional airliners is following tradition in this respect.

The Saab-Swearingen 340 was rolled out in Sweden last November with King Gustav present. The company chartered a DC-8 from New York to Stockholm with

American guests to view the event. PBA President, Peter Van Arsdale, was among those that witnessed the unveiling of the 34-passenger airplane.

De Havilland rolled out its Dash 8 in April. The 36-passenger craft was constructed in Toronto, Canada, and the roll-out was well attended in light of Canada's proximity to the United States.

Recognizing that Brazil is as far away

as Sweden for U.S. operators, Embraer chartered a Varig DC-10 from Miami to Rio De Janeiro for its roll-out ceremony of its new Brasilia aircraft on July 29. John and Peter Van Arsdale plus V.P. Maintenance, Fred Valentine, and their wives represented PBA on the trip.

PBA has deposits on five of the 30-passenger craft, and John Van Arsdale,

(Continued on page 2)

Brasilia . . .

(Continued from page 1)

Jr., is chairman of a steering committee advising the manufacturer on improvements for the aircraft programs and systems. Fred Valentine is a leader of the maintenance review committee.

250 persons rode the DC-10 from Miami. Many major United States regional airlines were represented, plus diplomats, associates of Embraer, and members of the press.

The roll-out ceremony was viewed by over 1,000 guests, including the Vice President of Brazil, and most of the 6,700 workers at Embraer. The aircraft that was pulled out of the hangar for the crowd to view was all unpainted, new shiny aluminum, with dramatic striping down the side, a truly impressive sight.

Suddenly an announcement was made. The aircraft would be rolled to the runway for its first flight, an event not previously announced to the crowd! In moments the aircraft was in the air, giving a tremendous display of its performance and the quietness of its new Pratt and Whitney engines. The air was charged with the sense of pride the Brazilians had in their accomplishment.

The "fly-out" of the Brasilia makes it a bona fide contender for a substantial share of the market for the new regional aircraft. They will revolutionize the industry in terms of offering new standards of comfort, speed, and efficiency to small communities around the world.



The Brasilia in flight.

PBA Carries 193,170 In Second Quarter

Surprisingly, PBA carried more passengers in the second quarter of 1983 than in the first quarter, a traditionally strong period in Florida. Passenger traffic was up 24.0%, with 14,905 of these passengers being added to the total from four new Florida stations opened within the last year. Greatest percentage of increase at the other stations was Nantucket with an increase of 63.0%, followed by New Bedford, up 52.6% during the quarter.

Miami continued to be PBA's number one boarding station during the quarter with 24,084 passengers, followed by Tampa with 21,689. In the north, Boston was number one with 19,763, followed by Nantucket with 16,724. With the busy summer season in New England, Boston Station Manager Tom Cunningham is forecasting his station to be number one in the airline during the third quarter.

For the first half of 1983, PBA carried a total of 373,678 passengers, up 21.5% over the same 6 months in 1982.

As the *Flyer* went to press the July 1983 statistics had just come off the computer. Systemwide PBA boarded 114,577 passengers, a record month, and up 24.2% over July of 1982. In boardings, Nantucket was the number one station with 17,010 passengers, closely followed by

Boston with 16,941. In Florida, Miami boarded 8,041, followed by Tampa with 7,184, up 78.4%, for the greatest station increase. Number one market (city pair) for July was old Provincetown-Boston, with a total of 9,652 passengers, up 14.8% from July 1982.

Florida Summer Traffic

Although it was anticipated that the three new Florida stations, Tallahassee, Jacksonville, and Pensacola, would be generating new traffic which would reflect an increase in Florida boardings, many of PBA's older markets are also showing traffic gains compared to 1982.

In the second quarter, Florida traffic posted an increase of 19,678 passengers or 22% over 1982. Much of the increase was realized in June which produced an increase of 34% compared to the same month last year. This trend has continued into July with a 54% increase in boardings being recorded through the first three weeks of July.

Tallahassee, Jacksonville, and Pensacola contributed 8,382 passengers to the June and July totals, but some of the more traditional stations such as Key West and Sarasota saw enplanements rise as well. It is felt by the company's management that the growth in the more established markets can be attributed to the overall improvement of the economy and new connecting alternatives that are now available to and from the new cities. Also, the commencement of service to the Southwest Florida Regional Airport with its low \$19 promotional fare has helped boost traffic.

In order to accommodate the increase of demand, three additional Cessna 402's have been added to the fleet, bringing that particular type total to 37, and two more pilots were added to the staff. Also, the two DC-3's and one Martin 404 that remained south for the summer have seen more use than anticipated.

Commenting on the unexpected surge in traffic, PBA President Peter Van Arsdale said, "We are quite pleased with this unexpected growth. Outstanding contributions by all of the PBA team has made possible the smooth accommodation of this new business."

1983 SECOND QUARTER STATISTICS

Revenue Passengers Boarded By Station

Station	1983	1982
Boston	19,763	19,555
Fort Myers	4,619	4,295
Hyannis	14,187	11,826
Jacksonville	6,235	0
Key West	15,217	12,961
Marathon	4,482	4,432
Martha's Vineyard	7,754	5,598
Miami	24,084	24,575
Nantucket	16,724	10,262
Naples	14,441	17,634
New Bedford	10,641	6,973
New York	12,032	10,039
Ocean Reef	796	0
Pensacola	1,375	0
Provincetown	4,297	3,431
Punta Gorda	1,704	2,119
Sarasota	6,631	6,234
Tallahassee	6,499	0
Tampa	21,689	15,844

TOTALS: 193,170 155,778
CHANGE: UP 24.0%

Management Perspective

Times have changed tremendously for PBA as the company has moved from its 1979 fleet composed exclusively of aircraft that burned gasoline and cost very little to the mix of aircraft it has today. The five Rolls Royce-powered YS-11's plus seven Embraer Bandeirantes acquired over the past three years have made the purchase of jet fuel a major factor for PBA.

Another item associated with the acquisition of turbine-powered aircraft has been the requirement to borrow money. At \$1.5 million each, the YS-11's and Bandeirantes represent an \$18 million expenditure, excluding two or three million dollars worth of spare parts. In addition, the 25 Cessna 402's owned by the company account for another \$7 million in value.

PBA is now actively evaluating which of the new generation 30-40 passenger aircraft will best serve our needs. Since the days of the DC-3, there have been no new aircraft in that size range built specifically for the regional airlines (with the possible exception of the unpressurized Shorts 330, which does not perform well in hot weather).

These new aircraft will become available in late 1984, and in addition to being very quiet, fast, and fuel efficient, they will also be pressurized to take advantage of lower fuel consumption at higher altitudes. They will have galleys and lavatories and flight attendants; in fact their standards of comfort will approach those of a jet.

The problem is that these new aircraft will cost between \$5 million and \$6 million apiece to purchase. The regional airlines are going to have to become very sophisticated in terms of financing if they are to maintain fiscal success in the face of such expensive acquisitions.

Unfortunately, the alternative to buying the aircraft is to have one's competition buy them. The aircraft will provide the opportunity to integrate somewhat longer stage lengths into our route systems. Particularly when the price of fuel starts climbing again, they will begin to truly justify their costs.

A form of financing not previously used by PBA is equity financing. Our pending public stock offering gives recognition to the fact that the company has reached a growth level where its future capital needs cannot reasonably be met by debt financing.

Thus we have chosen a path of growth that thrusts us into ever increasing levels of sophistication. Projections, budgets, yield analysis and marketing strategies become a part of running the airline, and suddenly we realize how big we have become.

Still, our services to places like Provincetown, Massachusetts and Naples, Florida have not changed dramatically since their inception. We still base our aircraft and crews in most of the towns and cities we serve. Management flies an occasional flight when someone is sick, and we still enjoy close personal contact with our fellow employees.



As PBA continues to grow in size and sophistication, we have to remember our roots, the fact that our services are designed to supplement those of the major airlines. We have to make it convenient to fly all the way to one's destination by offering joint fares, through checking of baggage, and convenient flight schedules. Frequency and reliability of service are paramount. Costs must be controlled.

When John Van Arsdale, Sr., founded PBA in 1949, these are the things he concentrated on. In the years ahead it will be these same elements that will make us successful despite our level or sophistication. PBA will always be a small town airline doing the best it can to serve the short haul passenger. We hope that our growth will be viewed in this perspective by our passengers, and that we will continue to make our valued customers happy in the years ahead.

Happy Flying,

John C. Van Arsdale, Jr.
Chairman & Chief Executive Officer

The Overhaul Of "Willie"

N205W is the U.S. Registration number of a 1931 Stinson SM8A, also called a Detroit. But around PBA for years this aircraft has been called "The Stinson," "The Sightseer," or more affectionately, by pilots using the old phonetic alphabet designation of "Willie."

In the early 1950's, John C. Van Arsdale, Sr. (Old Man Van) was looking for a four passenger aircraft with some class for use to develop the popular sightseeing flights over the tip of Cape Cod. He found N205W in Lumberton, North Carolina in the spring of 1954, paid \$1,200.00 for it, and after a quick check out took off for Provincetown. On arrival, the big word SIGHTSEEING was lettered on the side of the fuselage and the plane went to work. It flew hard every summer.

Stories over the years of flights in "Willie" would fill several books. Early fuel gauge problems let the plane run out of gas about three times. Twice it landed on the beach and once Old Man Van put it down on the eastbound lane of Route 6.

One time in the middle 1960's four hippies took a flight, and on landing the pilot hit the brakes too hard and "Willie" went up on its nose, then over onto its back in the middle of the runway. The passengers loosened their seat belts, opened the door upside down and walked right across the underneath side of the wing. As they passed through the terminal building on



June 1983 and N205W is back on the ramp at Provincetown awaiting sightseeing passengers.

their way back to their van, they yelled to the agent on duty, "That was wild!" No one has ever been hurt in a Stinson incident.

Tony Pereira, who today helps load the sightseeing flights at Provincetown Airport, was one of the first sightseeing pilots. John, Jr. and Peter Van Arsdale each flew it the entire summer after turning 18 years and getting a fresh commercial license. George K. Davies, Jr., Chief Pilot PBA Northern Division, took the

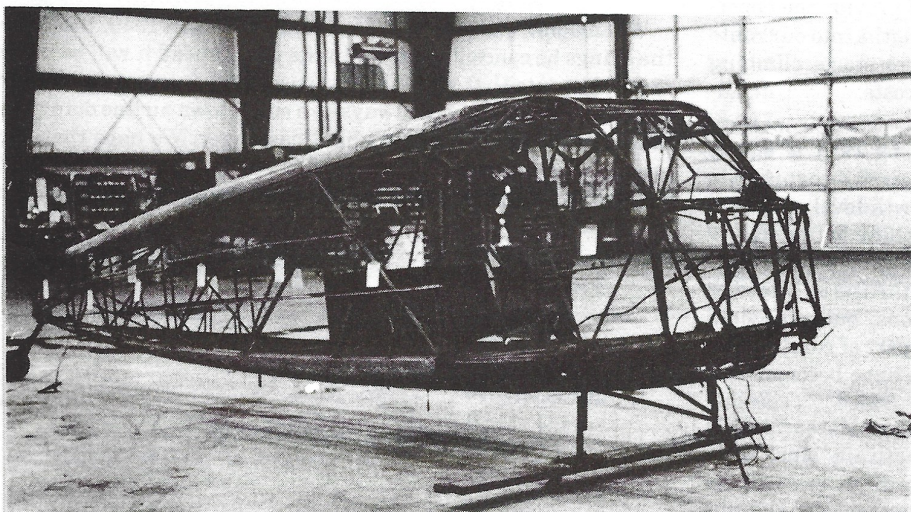
only job available May 21, 1973 and flew sightseeing all that summer. Many of today's PBA line pilots first went to work flying "Willie."

Every fall the Sightseer was taken to some shop for an Annual Check, engine change, modifications, and repairs. For many years the plane went to Chatham Airport where Kenneth M. Miller, now PBA's Northern Division Chief of Maintenance, would make it a winter project for his Nauset Airways.

Late in the summer of 1981, "Willie" landed short of the Provincetown runway, hit the edge of the macadam surface, and tore off the landing gear. It was trucked to PBA's Hyannis maintenance facility during the fall; and thus started a repair job that just grew into a \$50,000 major restoration for a great antique aircraft that is today still an old workhorse making money.

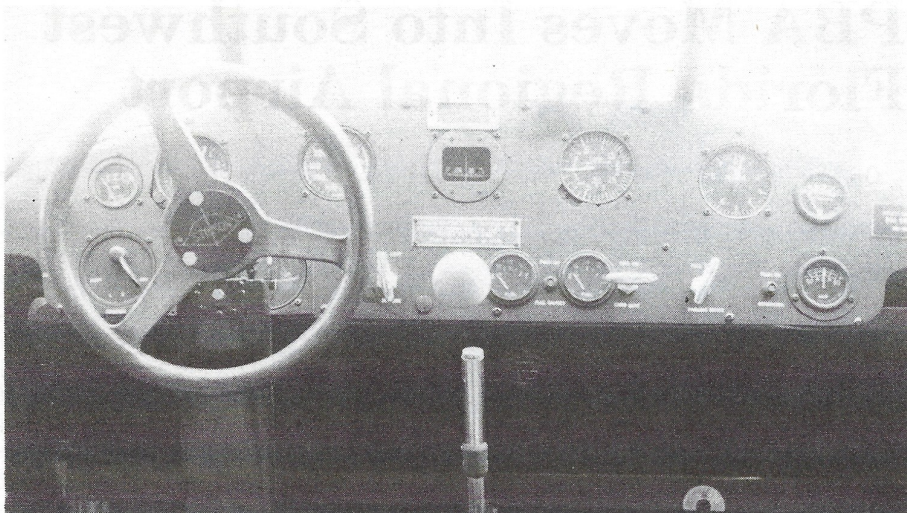
Don Small was assigned the job of Project Manager under the supervision of Ken Miller. Every member of PBA's Hyannis maintenance base at one time or another assisted Don on the job, plus a great deal of the work was farmed out to outside shops.

The aircraft was carefully stripped to the frame with detail photographs taken of disassembly, numbering location and identification of all parts. Many parts were found well worn with rotted wood



During overhaul the fuselage of the Stinson Sightseer was right down to the bare framework with a makeshift support attached to the landing gear fittings.

Personalties



The instrument panel was completely done over and refinished. Except for the fuel gauges, little has changed since 1931. The handle in the middle is the elevator trim.

that needed replacement. When down to the metal tubing, the fuselage was sandblasted and primed before being trucked to Wiggins Airways at Norwood, Massachusetts. Wiggins rebuilt the spring and oil landing gear, put on new axels and fit heavier duty Cleveland wheels and modern disc brakes. They also rebuilt the engine mount, made sheet metal fairings for the fuselage, and manufactured a complete new engine cowling.

The fuselage and parts were returned to Hyannis in pieces at which time the

wood was attached. Viking Millwork of Hyannis obtained Sitka Spruce, a special straight grain wood with no knots, and made door jams, window frames and stringers, while Don Small made the necessary odd pieces. Next the sheet metal was attached and the fuselage was covered with Poly-Fiber aircraft covering, shrunk with an iron, and rib stitched bees waxed cord. After taping all joints, the cover was brushed with poly, then sprayed, and finally three coats of polyurethane paint were applied. At this

(Continued on page 6)



Stinson Project Manager Don Small.

Donald E. Small was born in the Cape Cod Hospital in Hyannis July 23, 1948. He was raised in Chatham and graduated from Chatham High School in 1966.

From 1968-1972 Don was in the U.S. Air Force where he worked on B-52 aircraft. Upon return to civilian life, he attended East Coast Aero Tech in Bedford from 1972 to 1974, graduating with an Airplane and Powerplant mechanic's license.

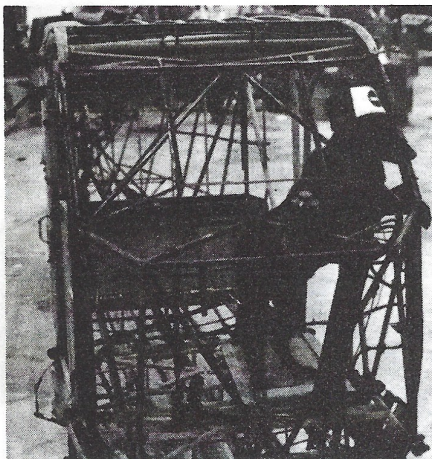
Don then went to work with Kenny Miller of Nauset Airways at Chatham Airport. He continued employment there from 1974 to 1976 and during this period got his first introduction to PBA's Stinson Sightseer.

From 1976-81 Don worked on aircraft on a part-time independent contractor basis, took employment outside the aviation industry, and later joined Air New England. He started work with PBA in 1981 and soon after was assigned the Stinson project.

He lives in Marstons Mills with his wife Rosemary. They have a four year old son Jason with another child on the way. Don says he enjoys the airline business and likes coming to work.



During the summer of 1963 four sightseeing passengers are ready to go aboard with an 18 year old new commercial pilot, John C. Van Arsdale, Jr.



At one point in the Stinson overhaul, the fuselage was only fit for the airport dog.

"Willie" ...

(Continued from page 5)

point it was decided the job had gone so far that they should also overhaul and recover the wings, so this became another similar project.

One of PBA's former Stinson engines was overhauled in Pennsylvania and installed. Sensenich Propeller Co. of Lancaster, Pennsylvania cooperated in locating and overhauling new propeller blades. Ron Courcy of Burlington, Massachusetts, who regularly does PBA upholstery work, reupholstered the entire red leather interior.

The overhaul of "Willie" wound up taking a year and a half, so the Stinson saw no service the summer of 1982. But Memorial Day of 1983, "Willie" got back in the air with John Van Arsdale, Jr. personally supervising each pilot check out. To date only Chris Wells and Tim Glover are qualified Stinson pilots, but there are a lot of envious pilots standing by.

Don Small, who lived with this job for the entire period of the overhaul is a real craftsman. He comments that there was a lot of time on the job, but he enjoyed it and would like to do PBA's 1946 Piper Cub which also has a history. Don Lohr, PBA's Parts Manager at Hyannis, who helped no end in finding hard-to-get parts, recognized the accomplishment of the Stinson overhaul by having a small plaque installed on the aircraft instrument panel reading:

**PROJECT MANAGER
DON SMALL
1981-1983**

PBA Moves Into Southwest Florida Regional Airport

On May 15, 1983 all scheduled operations to Page Field in Fort Myers were terminated by the aviation department of Lee County. Because the facilities at the new jetport that replaced the older airport were inadequate for regional airlines, PBA sued to remain at Page Field.

Unfortunately the courts were too busy to hear the case, and for almost two months PBA had to bus all Fort Myers passengers to Punta Gorda. Finally, in mid-July, the company was forced to move to the jetport if it was to maintain service to Fort Myers at all. Busing was just too unfair to its customers.

Eastern Air Lines was kind enough to sublease counter space, and a patch of ramp accessible by a fire escape was made available to PBA passengers. Unfortunately all passengers must go up a flight of stairs to gain access to the fire escape down to the ramp. And, for the worst facilities on its system, PBA is forced to pay the highest fees of any airport in the United States.

Long range costs will come down, and

adequate space for the regional airlines will have to be developed, but for a time PBA management was forced to contemplate withdrawal from Fort Myers altogether.

In order to win back some of the passengers lost by its busing operation, PBA offered an unrestricted \$19 fare on all flights to Fort Myers through the end of July. The results were spectacular with traffic increases of more than 50% over last July. Low fares are certainly the best way of advertising new airline service to a community, and the full airplanes largely offset the impact of the super low fare.

PBA has decided to commit itself to service to the Southwest Florida Regional Airport. With its route network extending throughout the west coast of Florida, the company must be in a position to take full advantage of all growth in southwest Florida. Hopefully facilities problems will be eliminated in the future, and Fort Myers service will become an asset to PBA and its customers.

PBA Files For Initial Public Offering

On June 21, Provincetown-Boston Airline, Inc., filed a registration statement with the Securities and Exchange Commission covering an initial public offering of 900,000 shares of common stock.

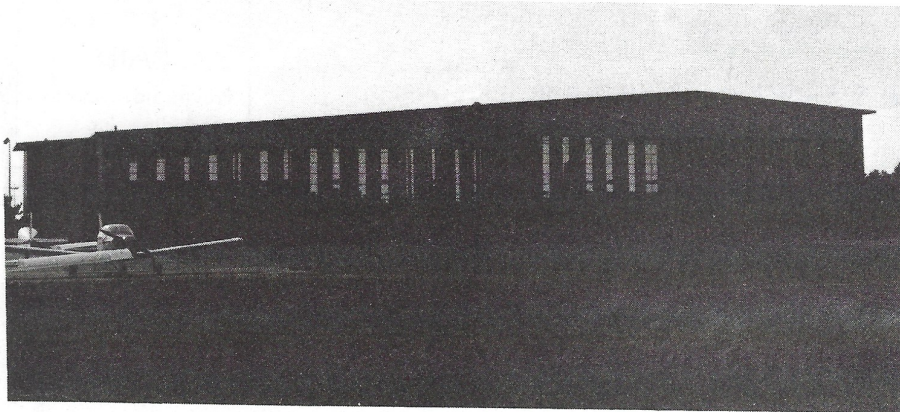
It is anticipated that the offering will be made in mid-August through a national group of securities firms to be managed by E.F. Hutton and Company, Inc. It is estimated that the initial public offering price will be in the range of \$10.00 to \$13.00 per share.

The net proceeds to be received by the company from its portion of the offering will be used to repay indebtedness and increase working capital.

A registration statement relat-

ing to these securities has been filed with the Securities and Exchange Commission, but these securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

A copy of the preliminary prospectus may be obtained from E.F. Hutton and Company, Inc., One Battery Park Plaza, New York, NY 10004.



The former Air New England maintenance hangar at Hyannis is now under lease-purchase agreement by PBA. Measuring 250' x 120' with a door opening of 120' x 32', the hangar will become a valuable asset in helping PBA provide year-round large aircraft service to the New England area. In addition there is plenty of office and storage space to centralize administration.

New Acquisitions For PBA

The addition of the new routes to Jacksonville and Tallahassee have put considerable pressure on PBA's fleet of seven 19-passenger Bandeirantes. All but one of the aircraft owned by the company were serving Florida during the summer months. Since the Bandeirante is the backbone of the wintertime fleet in Massachusetts, and because the currently owned aircraft have been absorbed into new markets, PBA entered into an agreement to acquire two additional "Bandits" new from the Embraer factory to be delivered in the Fall of 1983 at a cost of \$3.5 million.

The company also entered into an agreement to purchase the 40,000 square foot maintenance hangar in Barnstable owned by Air New England for \$1.1 million. This large facility easily accommodates YS-11 and Martin 404's, making it possible to operate the larger aircraft in New England on a year-round basis. Previously all aircraft larger than a Cessna 402 or Bandeirante had to be moved south by December first because the hangar PBA currently occupies is too small to accommodate them. This will provide considerable scheduling flexibility for wintertime operations in the future.

In addition to providing excellent hangar and ramp space, the new hangar has a considerable amount of office space. It is expected that the parts department will set up shop in the new hangar. Also many of PBA's administrative offices located in various buildings around Hyannis can be

located in one place. This will aid greatly in office communications and centralization of records. Also under consideration is moving northern reservations into the hangar as well as marketing. These are currently located in a building on Willow Avenue in downtown Hyannis.

The newly acquired hangar gives PBA an opportunity to grow, consolidate, and increase efficiency.

PBA's current maintenance hangar in Hyannis will continue to be used for wintertime maintenance of smaller aircraft as this operation has proved to be most efficient during the colder time of year.

New Clothes For 'Old 36'

PBA's "Old 36", the world's highest time airliner, recently underwent a thorough refurbishment which gives it the "looks" to go along with its stature in the aviation community.

The DC-3, officially N 136PB, through July 31, 1983 has accumulated a total of 86,304.7 hours, had been delivered to Sekman Aviation in Miami, Florida in late June to undergo a wing-pull, interior work, and complete painting. The wing-pull, which is required to be accomplished every 2,000 hours, involves the removal and inspection of the wings from the aircraft. Any necessary repairs are made, new attach angles are installed, and the wings are reattached to the aircraft in like-new condition.

The interior of "Old 36" was refurbished in PBA colors, with new carpeting, side and overhead panels, and painting. Upon completion of these cosmetic touches, the aircraft gives the passenger a "like new" impressionism.

With unexpected summer traffic increases being realized in Florida, "Old 36" was immediately placed into service and many favorable comments were received from passengers on its appearance. Letters from DC-3 enthusiasts all over the world are regularly received asking for an update on the world's highest-time aircraft, which is happily breaking its own record every time it flies.



"OLD 36" on the ramp at New Bedford



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More About New Bedford...

Airline service to New Bedford continues to receive attention both within the local community and also the U.S. aviation industry.

May 24th, PBA hosted a luncheon at Louie's on the Wharf to celebrate PBA's second anniversary in New Bedford and the end of "Essential Air Service Subsidy." The affair was well attended by local civic and business leaders headed by Mayor Brian J. Lawler who spoke to the group in addition to PBA Chairman John C. Van Arsdale, Jr.

May 30th the *Standard Times of New Bedford* ran an editorial entitled "The Story of One Federal Subsidy Which Met Its Goal," and detailed the past two years of service by PBA. Airport Manager Isidore Eisner sent a copy of the editorial to CAB Chairman Dan McKinnon. In a reply, the chairman stated, "I fully agree with the conclusion of the editorial, that 'The story of PBA in New Bedford is the story of a subsidy that worked.'" After complimenting the community, the letter concluded by saying, "New Bedford is certainly one of the biggest success stories of the essential air service program. Congratulations."

Just before the Fourth of July weekend Mayor Lawler officially opened the new 103 car parking lot at the New Bedford Airport. This is in addition to the 162 car lot built last year by PBA. The new lot cost \$50,479,000 and was paid for by the



June 27, 1983 New Bedford Mayor Brian J. Lawler cut the ribbon to celebrate the opening of the new airport parking lot. Assisting in the ceremony were (l-r) PBA Station Manager Dick Koss, John C. Van Arsdale, Jr., Mayor Lawler, City Engineer Kathy Burns, Airport Commission Chairman Fred Toomey, and Manager Isidore Eisner.

New Bedford Airport Commission with approval and consent of the mayor. There are now 600 paved parking spaces at the airport and these are full every weekend. With overflow parking on the grass there are 714 cars at the airport during peak periods.

Manager Eisner reports that New Bedford July boardings were 7,251 passengers compared to 6,858 in 1982. The New Bedford-Nantucket market alone saw

8,676 passengers traveling in both directions for the month. The air traffic control tower count for the month was 13,079. The tower was closed from August 6, 1981 until January 1, 1983 so there are no prior year figures for comparison; however the pre-strike monthly record was 8,868 in October of 1977. On a recent day there were the unheard of number of 14 aircraft waiting for takeoff at one time. New Bedford is a busy place.