

Complimentary – You are invited to take this copy with you.

THE PBA FLYER



Volume 5, Number 3

Summer 1984



The PBA ramp at the Barnstable Municipal Airport in Hyannis has been a beehive of activity during the summer of 1984. Hyannis is the base of PBA Northern Operations and the hub of action for cape and islands air service.

Traffic Holds Strong In 2nd Quarter

A number of factors came together in the second quarter of 1984 as PBA carried 360,102 passengers, an increase of 86.4% over 1983. Revenue passenger miles jumped 125.1% to 53,243,868, and load factor climbed 5.4 points to 55.1.

To a large degree much of the increase was due to an improving national economy, as almost every PBA market showed growth compared to last year. On top of this, many of the new markets that PBA entered since last year were turning out to be very strong as well, also generating substantial traffic and load factors.

One of the reasons that PBA has done well has been the fact that most of its major competitors recently have been facing severe economic difficulties. Dolphin Airways, a major Florida intrastate carrier, ceased operations in late January and declared bankruptcy in February. The Air Florida commuter system disbanded on May 1, and Air Florida declared bankruptcy July 3. Trans East, a major New England competitor, ceased operations in February also.

This leaves PBA as the only airline flying to the Cape and Islands of Mas-

sachusetts from La Guardia during the summer of 1984, and the dominant carrier in most of the intrastate markets in Florida. More passengers permit PBA to increase frequency and to operate larger aircraft without lowering load factors, thus providing better service, which itself stimulates traffic and improves the company's profitability.

Of course there are problems as well. Explosive growth has put a tremendous strain on phone lines and reservation staffing. Additional telephone lines take

Continued on Page 2

Traffic Holds Strong...

Continued from Page 1

literally months to get installed by the newly deregulated telephone company. Reservations computers are also backlogged.

Further, as the economy has improved, many new airlines have started operations, and airlines such as Braniff have gotten back in the air. This, combined with generally poor spring weather, has caused many air traffic control delays. This has also caused the Federal Aviation Administration to restrict access to major airports at Chicago, New York, and Washington, D.C., with the likelihood that airports such as Boston and Miami may soon follow.

There are other challenges associated with growth. The PBA workforce has doubled since last year, resulting in a tremendous training effort in all areas, from ticket and reservations agents to baggage handlers, pilots, and mechanics. Uniform purchases and supply have become a full-time job, while ground support equipment (baggage carts, tugs, power units, etc.) is being added almost daily. Even the acquisition of additional aircraft has proven to be a continual program requiring considerable management time.

Thus, PBA employees have been hard pressed to keep up with the traffic increases. In general, however, most everyone has managed to keep a smile on his face and overall passenger comment regarding the company's performance during these trying times has been most favorable. Still, PBA is a company ready to catch its breath, but unwilling to refuse to answer the demands of its customers. At the rate it is growing, PBA could well be the largest regional airline in the United States in 1984.

1984 2nd Quarter Statistics Revenue Passengers Boarded By Station

Station	1984	1983
Boston	35,508	19,763
Burlington	8,035	0
Daytona Beach	2,353	0
Fort Lauderdale	8,768	0
Fort Myers	7,318	4,619
Hyannis	20,390	14,187
Jacksonville	27,261	6,235
Key West	20,994	15,217
Marathon	5,754	4,482
Martha's Vineyard	10,871	7,754
Melbourne	2,096	0
Miami	42,492	24,084
Nantucket	22,594	16,724
Naples	17,636	14,441
New Bedford	12,347	10,641
New Orleans	4,591	0
New York	17,470	12,032
Ocean Reef	720	796
Orlando	3,892	0
Pensacola	6,335	1,375
Provincetown	4,458	4,297
Punta Gorda	1,720	1,704
Sarasota	9,798	6,631
Tallahassee	13,347	6,499
Tampa	46,762	21,689
West Palm Beach	6,592	0

Passengers Totals 360,102 193,170
Change: Up 86.4%

Revenue Passengers
Miles 53,243,868 23,651,195
Change: Up 125.1%

Highlights Of Quarterly Statistics

Leading Hub Stations:

1. Tampa
2. Miami
3. Boston

Leading Non-Hub Stations:

1. Jacksonville
2. Nantucket
3. Key West

Totals By Region:

North 131,673
South 228,429

System Load Factor

55.1%, up 5.4 points

Leading Markets

(Both Directions)

1. Key West-Miami 27,383
2. Hyannis-Boston 20,423
3. Naples-Tampa 19,618

Service Expansions

June 20 PBA top management met in Naples for a planning session. Some of the decisions made at the meeting are as follows:

1. August 1, PBA inaugurated hourly service between Burlington and Boston, leaving Burlington at half past the hour from 6:30 A.M. until 8:30 P.M., and departing Boston on the hour from 8:00 A.M. until 10:00 P.M.

2. August 15, due to the withdrawal of service by Air Florida, PBA started service between Gainesville and Tampa with five round trips a day. Flights depart Gainesville at 7:00 A.M., 11:15, 2:05 P.M., 5:00, and 7:30, with Tampa departures at 8:40 A.M., 12:45 P.M., 3:35, 6:25, and 9:30.

3. Service to Panama City, Florida will start on October 3 connecting this Panhandle city with Tampa and New Orleans.

4. November 1, PBA will launch service with Bandeirante aircraft from Charleston, S.C. to Jacksonville and with Cessnas from Savannah, Ga. to Jacksonville.

5. Around November 15 PBA will start service from Melbourne and Daytona Beach to Tampa.

6. The company will start service from Fort Pierce to Tampa on December 12, plus provide one stop service to Miami via West Palm Beach or Fort Lauderdale.

All of these new services will provide major interline connections plus access to all of PBA's 18 current southern system stations through the hubs at Miami, Tampa, Jacksonville, and Tallahassee.

1984 Financial Data

PROVINCETOWN-BOSTON AIR (0)

Quar Jun 30:	1984	1983
Revenues	\$19,602,000	\$8,950,000
Operating Income	1,935,000	1,092,000
Income before taxes	1,340,000	676,000
Net Income	783,000	504,000
Average shares	4,855,822	3,920,000
Net income per share	.16	.13
6 months:		
Revenues	33,747,000	16,810,000
Operating Income	2,550,000	2,165,000
Income before taxes	1,527,000	1,349,000
Net Income	931,000	928,000
Average shares	4,855,822	3,920,000
Net income per share	.19	.24

Management Perspective

My father often says, "There are two ways to make a buck: One is to take it in, the other is, don't spend it." Basically he was saying that the best way to make a profit is to control your expenses.

Unfortunately, we have often been confronted by many expenses that we cannot control. When Fort Myers charged landing fees of \$4.00 per thousand pounds at their new airport versus 53 cents at the old Page Field facility, our protests wound up in court, and we were forced to bus Fort Myers passengers in from Punta Gorda when we were thrown off the airport.

At Boston the Massachusetts Port Authority has just lowered landing fees a nickle to \$1.20 per thousand, but raised the minimum to \$25.00, which equals \$3.65 per thousand for a Cessna 402. If PBA averages five passengers in a Cessna 402, each passenger must pay \$5.00 of his fare in landing fees.

Besides the merciless increases thrust upon us by airport management, we have also had terminal rental increase as well. We used to pay \$1,500 per month for our counter and gate space at Logan Airport; but in a cost recovery program, Eastern Air Lines was forced to raise this to \$8,300 per month.

Unfortunately these increases are not negotiable, and unless our protests receive consideration, we are then forced to pass these higher costs through to our customers. This makes it more expensive to fly out of Fort Myers than either Punta Gorda or Naples. It also makes it more expensive to fly out of Boston than it was previously, and for that we apologize.

A friend of mine, who is the president of Southern Jersey Airways, was asked by a customer why his fares were so high. He replied, "Because I am trying to make a profit." In recent years this philosophy seems to have escaped most of the airline industry. Airlines like U.S. Air have been profitable because they have the highest fares in the industry. Low fare airlines like Laker and Air Florida have lost money and gone bankrupt.

Thus we have developed a strategy at PBA of working to hold down costs whenever possible, while at the same time charging fares that will generate a profit for the company. It would make no sense to be the largest and fastest growing regional airline in the world at the expense of profits.

As we have grown, we have also become more efficient in many areas. We are able to negotiate lower fuel costs and interest rates because of our size. We are able to increase the productivity of our employees, particularly at our hubs of Miami, Tampa, Boston and New York, because there is a continuous flow of flight arrivals and departures. Longer stage lengths have increased the utilization of our equipment, and larger aircraft have increased the productivity of our flight crews.

Above all, we have maintained a philosophy of hands on management. It is not at all unusual to find John Zate, Vice President, Operations, flying around in the left seat of a YS-11, or Fred Valentine, V.P. Maintenance, working to improve a maintenance program or helping trouble shoot an engine problem. Managers like Tom Cunningham in Boston or Mark Peterson in Tampa spend time loading bags and helping with weight and balance computation in the push to get flights out on time.



The result is that PBA is continually able to deliver a superior product at a fair price, which is the reason that the company has grown and prospered. With the continued hard work of a group of dedicated employees, one can only wonder what the future has in store.

We can promise that we will not lose sight of the reasons that PBA has done well. We will continue to fight unreasonable costs forced upon us. We will continue to maintain a high level of productivity, and we will strive to remain profitable, despite the constant flow of new challenges.

We have our customers to thank for our success, and we pledge our continued dedication to serve their needs. With the support we have received, we have to feel that the future looks very promising for PBA.

Happy flying,

John C. Van Arsdale, Jr.
Chairman and CEO

Marketing Department — Keeping Ahead Of Growth

Before John Van Arsdale, Sr. began scheduled airline service between Provincetown and Boston, Massachusetts in 1949, there were questions to be answered which would directly effect the success or failure of his operation. Is there a need for airline service in this market? What flight times would be most convenient for travelers? What fare would be profitable yet within the price range of what the market will bear? What is the most effective way to make the market aware of the service?

The answer to these questions 35 years ago created PBA's first marketing plan. Although the factors effecting these answers are considerably more complex today, the questions are still basically the same.

Perhaps the best example of the extent of PBA's marketing efforts today is still the opening of a new market. To begin with, research is done to determine specific needs for service in a prospective new market. The existing competitive situation is studied to ascertain if, in fact, PBA could provide superior service at competitive fares. Then PBA's top man-



The marketing department of PBA's Northern Division, Left to Right, standing, Marie Morgan, Nancy Names, Barbara Aittaniemi, and J.E.F. Jenner; seated, Rick Bishop and Sergio Balegno.



Southern Division Marketing staff standing (L-R) Robin Hamilton, Donna Fiala, and Mitch Norgart; seated, Grisel Balbidares, and Kathy Betten.

agement will use these considerations to base its decision whether or not to begin service.

If an affirmative decision is made, a marketing plan is set. Competitive on-line fares and schedules are created and filed in computer reservation systems and industry publications, joint fares with the major connecting carriers are concurred to, an advertising campaign is created, a sales, public relations, and promotional program is put into effect, and, if the plan proves effective, reservations start pouring in.

Once a market is established, an effort to maintain growth and competitiveness in each market continues. On occasion, a market will decrease in traffic, as was the case of Marathon in the Florida Keys. PBA's only competition in the market, Air Florida Commuter, pulled out in December of 1981. With all other factors seeming to remain the same, Marathon traffic began a downward trend in 1982 and continued through 1983.

Donna Fiala, Sales Manager in the Southern System, went into Marathon to determine if there were any apparent causes for the downturn. She found that

tourism in general had dropped, businesses were closing and little effort was being made to reverse the situation.

In late 1983, Donna began her campaign. She was instrumental in the passage of a Bed Tax which would be used to promote tourism, getting the attention of the Florida Division of Tourism, and the formation of the Mid-Keys Business Association. An advertising campaign was initiated, Marathon was promoted in connecting PBA markets, and a cooperative promotional effort was made with Hawk's Cay, the area's major resort, to increase business. This successful marketing effort has not only increased passenger traffic for PBA in Marathon, but has also helped to reverse the tourist and economic trends in the community.

The Marketing Department is headed by Sergio Balegno, Director of Marketing, who works closely with John and Peter Van Arsdale in determining the overall marketing needs of the company.

Sales calls to travel agencies and businesses in all PBA cities, air charter sales, public relations, and sales promotion are the job of PBA's sales staffs in both systems. In addition to Manager Donna Fiala, the Southern System staff includes Kathy Betten, Mitch Norgart and Grisel Balbidares, Sales Representatives, and Robin Hamilton, Sales Assistant. Northern System sales are handled by Barbara Aittaniemi, Sales Coordinator, and Marie Morgan, Sales Rep-

resentative. Nancy Names is a Marketing Assistant.

Planning and filing PBA's flight schedules and fares is the responsibility of J.E.F Jenner, Manager Schedules and Tariffs. He is also involved in the increasingly important Slot Committee negotiations at LaGuardia Airport.

The job of creating and implementing PBA's advertising campaigns, and producing brochures and other promotional literature, belongs to Rick Bishop, Advertising Coordinator.

A recent addition to the Marketing Department is an IBM-XT computer which is used to speed up the process of generating the thousands of fares used by PBA, to store direct mail marketing lists, to analyze fare yields and to simplify the tariff filing process. Barbara Aittaniemi, who has been in charge of the computer, is currently working on a joint fare analysis program as well as programs to make advertising purchasing more efficient.

The Marketing Department is also responsible for the promotion of FBO services and air charters at the PBA Air Center in Tampa, air freight sales, and domestic and international interline sales, a matter of increasing importance.

"Our marketing department has been a very important factor in PBA's growth", says President Peter Van Arsdale, "I am proud of the job that they are doing."



Donna Fiala

Donna Fiala, Sales Manager Southern System of PBA, earlier this year became a Certified Travel Counselor, a title that reflects a background of experience and hard work.

A certificate was issued to Donna following lengthy courses offered by the Institute of Certified Travel Agents through Wellesley College in Massachusetts. Requirements include five years in the travel industry followed by courses lasting 2-3 years. Donna attended classes in Fort Myers for one year, then in North Naples for a year, plus outside studying. A four hour test at Edison Junior College was given after each course, covering marketing, tourism, personnel management, and management.

Donna reports she undertook the courses to learn more about travel agents, but found subjects concentrating on marketing and management. She feels that completion of the course makes her more well rounded and knowledgeable in marketing, plus having a better understanding of the travel agent's side of the industry.

Donna says one of the hardest parts of the course was caring for her five children, two of whom were at home, while attending evening classes in Fort Myers. Donna was hired to work with PBA by Old Man Van in January of 1975 and has spent 6 years in Reservations followed by 3 years in Marketing.

Mitchell Norgart of PBA Marketing and Bill McGowen of the Naples Chamber of Commerce at a booth the two organizations shared at a Florida International Trade Show with a "Discover America" motif.



4 More YS-11's Added

Because of growth and expansion of operations in Florida, PBA placed its 58-seat YS-11 turboprop aircraft into markets such as Jacksonville-Fort Lauderdale on a year-round basis in the fall of 1983. This left only two aircraft for the New England summertime markets of the Cape and Islands of Massachusetts, whereas all five aircraft had been in service during the previous summer.

With demand for service from LaGuardia having increased since the previous summer, it was apparent that PBA had to either lease or buy additional large aircraft prior to June, 1984, if adequate service to New England were to be maintained.

Fortunately, due to a political situation in Egypt, three ex-Piedmont Airlines YS-11's being operated by Pyramid Airlines were made available for sale in late April. These aircraft were sister ships to the five YS-11's PBA had previously purchased, and they had identical seating arrangements and avionics to the other aircraft, which made them particularly attractive from a standardization standpoint.

In the course of negotiations, ATC, Inc., Pyramid Airlines' parent company, decided to make a fourth YS-11 previously operated by Air Gabon available for sale, along with parts valued at \$2.8 million. The additional aircraft was a freighter version of the YS-11, with a large door forward and an air stair door in the rear, but it had 58 seats like the other PBA

aircraft; and it had only 6,000 hours on the airframe, compared to 30,000 hours on the other PBA aircraft.

PBA bought the package of four aircraft plus spare parts for a total of \$6.5 million, and ATC delivered them to Miami, Florida. Four PBA pilots volunteered to help fly the aircraft back, (see accompanying story) and by July 1st, two out of the four were sporting PBA paint schemes on flights between Jacksonville and Fort Lauderdale, Florida. Because of the summer crunch, one aircraft was pressed into service before it could be painted, and the freighter was delayed for over a month being modified to United States airline standards.

In the fall, PBA will greatly expand its use of YS-11 aircraft in the Florida routes vacated by Dolphin Airways and Air Florida. In addition, the company will embark on a program to refurbish the interiors of all nine aircraft, which will cause one aircraft to be continually out of service all winter. Finally, the addition of the four aircraft will permit PBA to leave one aircraft in New England all winter to satisfy travel demands to Burlington, Vermont in the winter and to Cape Cod and the Islands during the spring and fall.

With the addition of 232 seats to its fleet just prior to the busy summer season, PBA employees are spelling relief "YS-11A" — there is no way that summertime demand could have been satisfied without them.



Capt. Nancy A. Zeglen

Ferrying one of the four YS-11's bought this spring from Pyramid Airlines from their base in Malta to Miami was an unforgettable experience for PBA Captain Nancy A. Zeglen, 25, who has been flying for PBA since June of 1982.

The aircraft were under the command of Pyramid Airlines captains, who are Americans, but PBA provided the copilots who were recent graduates of PBA's YS-11 ground school in Naples. PBA Captains Tom Ashby, Gary Gamble, and Francis Moine were the respective copilots in addition to Nancy.

Nancy reports she had never even been out of the United States and had to be instructed in obtaining a passport. The group departed Boston May 21 on British Airways flying to London and then on to Malta.

After some briefing and preflight in Malta, the four aircraft took off May 24 on a routing that saw landings at Rome, Zurich, Southend-England, Stornway - Scotland, Reykjavik - Iceland, Sonderstrom Fjord - Greenland (where a landing fee of \$1,000.00 per aircraft was charged), Frobisher Bay - Northeast Territory - Canada, Septiles - Canada, Bangor - Maine, Salisbury - Maryland, Jacksonville and finally Miami. Each leg was approximately 3 hours with about 1½ hours fuel reserve on landing. Three legs over the water, from Scotland to Iceland, Iceland to Greenland, and Greenland to Frobisher Bay, put the aircraft over water at a point of no return; but Nancy reports the weather was good all the way. They arrived in Miami May 31 after 8 days of flying. Two Pyramid mechanics and one radio man went along on the flight, but the trips were maintenance free. The aircraft maintained communication with each other throughout the long flights.

Nancy is a Captain on PBA's Cessna 402 aircraft and qualified as a 1st Officer on the Bandeirante, DC-3, Martin 404 and YS-11. She has been year-round based in Hyannis.



Pyramid Airlines YS-11A aircraft that were purchased by PBA and flown from Malta to Miami.

Ground Equipment And Vehicles

Few people realize the quantity of ground support equipment and vehicles necessary to provide required service at PBA's eight northern and twenty-six southern cities. To properly run the airline, the company needs at almost every station, registered motor vehicles, fuel trucks, oil trucks, air conditioning trucks, ground power units, belt loaders, ADI trucks, tugs, air conditioning carts, lavatory trucks, and up North, ground heaters and deicing units. This is in addition to an almost unknown quantity of baggage carts, estimated to be 100 in the South alone.

The overall responsibility for all of this ground equipment falls on the shoulders of Jeffrey S. Stranger, PBA Facilities Manager. Direct responsibility for proper operation of motorized ground equipment is the responsibility of Terry Weber, Ground Equipment Maintenance Manager Southern Division, and Eddie Valeriani, Ground Equipment Maintenance Manager Northern Division.

In the South Terry supervises ground maintenance stations at Tallahassee, Tampa, Miami and Naples. His 19 employees maintain 128 motorized vehicles of which 22 are registered for highway use. The background of most of the maintenance personnel is general mechanics with some specialties.

In the North Eddie works out of the Hyannis base with a total of 5 mechanics. He has about 70 motorized vehicles to maintain excluding bag carts.

Data of all the motorized units is now being entered into PBA's main computer system at Naples. This will permit immediate inventory of vehicles and equipment as respects locations, age, maintenance requirements, and similar information for proper operation. The computer inventory will be checked by periodic physical inventories at each station. As an example of the movement of ground equipment, for the summer of 1984, 5 belt loaders, 3 power units, and 1 oil truck were moved from Florida to Massachusetts. They will move south again this fall.

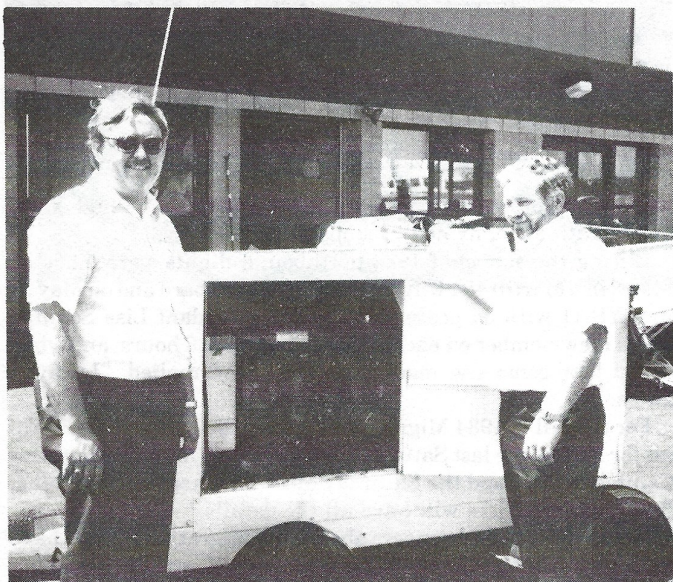
PBA has \$120,000 worth of fueling vehicles on order, with two brand new trucks for Miami plus a hydrant truck for Tampa. PBA personnel pump 10,000 gals/day in Miami, and the hydrant truck will be a second one for Tampa. The first hydrant truck there, purchased a couple of years ago, has already pumped over a million gallons of jet fuel. With PBA personnel doing the pumping the company saves money, but more important, the flights are able to make quick turn-arounds and get out on time.

The amount of the ground equipment

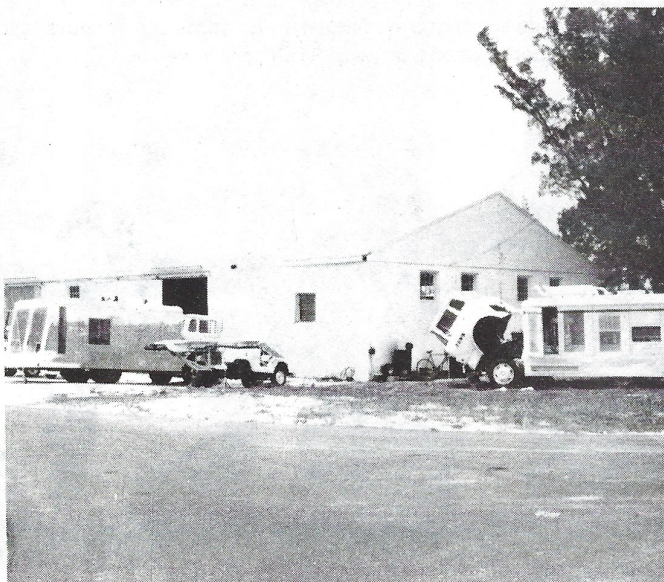


Eddie Valeriani is a working manager with many years of experience servicing ground equipment.

investment by PBA is substantial, but a very necessary part of running the airline efficiently.



Facilities Manager Jeff Stranger (L) and South Ground Equipment Manager Terry Weber check over one of the airline's ground power units.



PBA Maintains ground equipment in Naples from an old military warehouse.

P.O. Box 639
Provincetown, MA 02657

Forwarding and Return
Postage Guaranteed

TO:

U.S. POSTAGE
PAID
Provincetown-Boston
Airline, Inc.

THE PBA FLYER is published quarterly and mailed at no charge to interested readers. To be placed on the mailing list, write to the above address, or leave name and address (including zip code) with the agent at any PBA ticket counter.

"Migration Flights"

Because virtually all the large aircraft of PBA move north to Massachusetts in the summer and south to Florida in the winter, PBA management decided to exploit the capacity available in moving the aircraft by offering seats out of Naples to Hyannis in the spring and back in the fall. Normally three or four flights are operated each season at a nominal charge of \$100.00 per passenger, which helps reimburse the company for the cost of the fuel burned. Connecting flights at Naples or Hyannis to or from other points on the PBA system are offered at one half the normal rate. Baggage and animals are transported at no additional charge, and a box lunch and drinks are served on board.

Some of the flights have been spectacular, such as the Martin 404 that made the trip from Naples to Hyannis in 5.5 hours last spring, thanks to strong tail winds. Others have been Odysseys,



The YS-11 crew of the May 19 Migration Flight. L-R, Captain Dave Allen, Flight Attendants Yvonne Santos and Lisa Sonntag, and PBA Chief Pilot George Sinka.



Passengers deplaning from a YS-11 at Hyannis on May 19 following their flight north from Naples.

where 50 knot head winds have resulted in times as high as 10 hours, with as many as two stops along the way.

During the spring of 1984 northbound flights were made on May 5 in a Martin 404 with 26 passengers on board and on May 19 in a YS-11 with 34 passengers. Flight attendant Lisa Sonntag was a crewmember on each flight, which took 6 hours, and when asked how come she made both trips, she replied, "Lucky, I guess."

For the fall of 1984 Migration Flights will be departing Hyannis for Naples the last Saturday in September, the Saturday after Columbus Day, and the Saturday after Thanksgiving weekend. Reservations offices will have all the details.

In any case, the passengers aboard the Migration Flights have been generally very happy to relive a piece of history by traveling between Florida and the northeast in much the same fashion as was regularly done before the jets came along and revolutionized long haul travel. To all it is a fun trip.