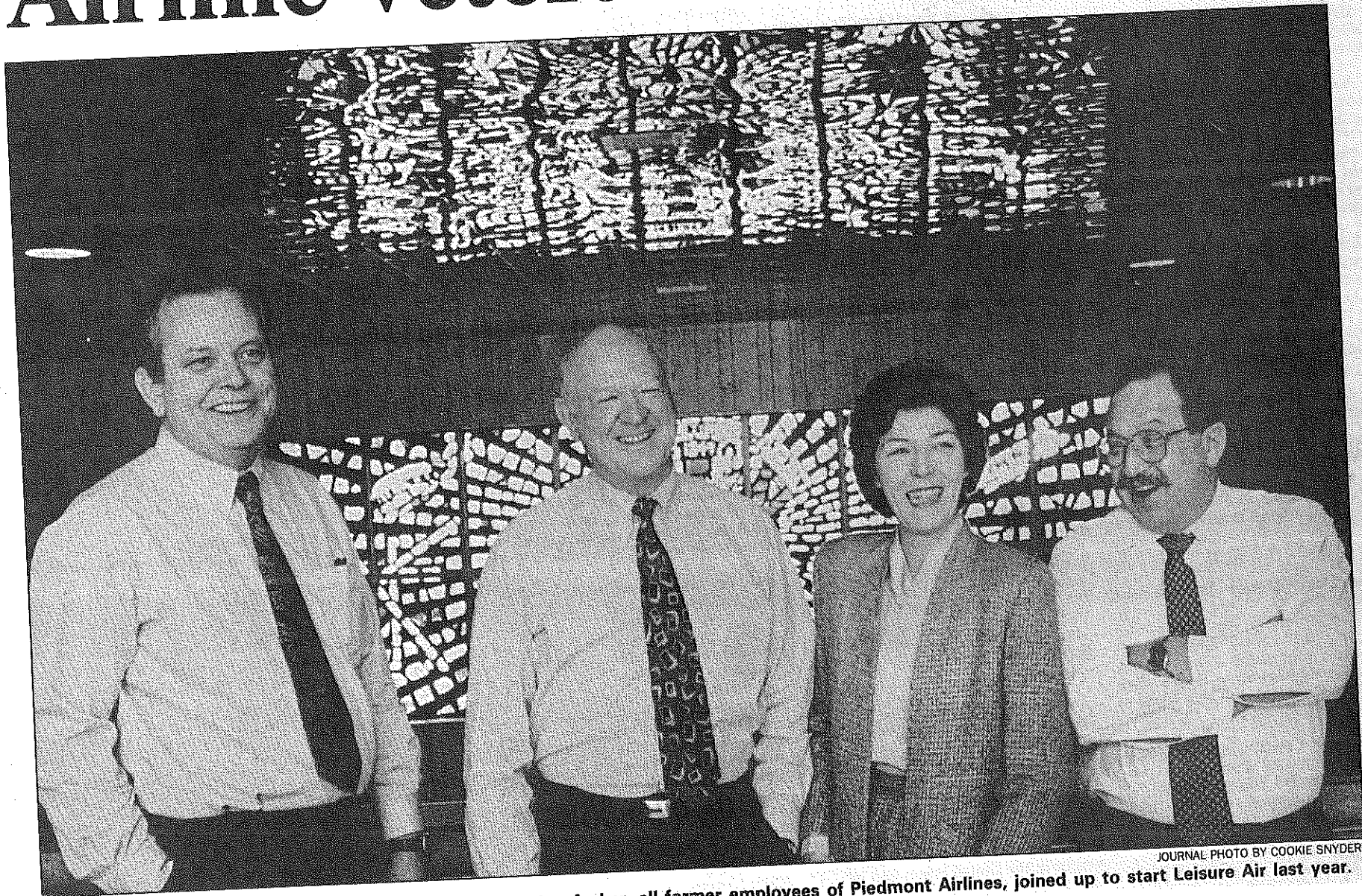


'We can never bring Piedmont Airlines back. But we are trying to use the Piedmont philosophy. Piedmont was very much a customer-oriented airline.'

Airline Veterans Branch Out



JOURNAL PHOTO BY COOKIE SNYDER

G.D. McLean, Tiara Roberts and Joe Archer, all former employees of Piedmont Airlines, joined up to start Leisure Air last year.

Charter Business Has No Trouble Finding Its Wings

■ Leisure Air, based in Winston, avoids many of the problems of the airline industry

By Pamela Moore
JOURNAL BUSINESS REPORTER

Piedmont Airlines is long gone, but some Piedmont veterans are trying to make sure that its spirit lives on at Leisure Air, a charter airline company in Winston-Salem.

C.D. McLean helped get Leisure Air going last summer with three old friends on Piedmont.

They set up at Smith Reynolds Airport in an office once used by Tom Davis, Piedmont's founder, and drew heavily from their 108 combined years of experience at Piedmont. Davis sometimes drops by the office to say hello, McLean said.

"We can never bring Piedmont Airlines back," McLean said. "But we are trying to use the Piedmont philosophy. Piedmont was very much a customer-oriented airline."

Hot face towels and flight attendants trained to be gracious and warm await passengers who climb aboard any of Leisure Air's three jets that fly from Boston or Detroit to Atlantic City, Las Vegas and Caribbean vacation spots. And, of course, passen-



Leisure Air, unlike many charter companies, has new jets, three Airbus A-320s.

gers get a full can of soda — a Piedmont hallmark that USAir canned when it bought the company in 1989.

Hap Pareti, a founder and former president of PeopleExpress, had the idea of starting Leisure Air. He took a cue from Europe, where most vacation travelers avoid expensive ticket costs by going on package tours, and another from vacation travelers in the United States, who seemed to him hungry for bargains.

Pareti bet that the charter business could make money even at a time when the airline industry was losing billions.

First, tour operators would guarantee that the

airline would have passengers; unlike airlines that offer daily scheduled flights, the charter business wouldn't have to count on individuals buying tickets.

More important, the charter business wouldn't have the heavy overhead costs of reservations systems, ticket counters, airport gates and big hangars for heavy maintenance that large airlines have. Instead, it would pay such airlines as Continental and Northwest to handle bags, collect tickets and push planes back from the gate.

Pareti got six other people to invest in the company last spring. He raised \$1 million and got long-term loans from an aircraft-leasing company worth \$3.7 million. He, McLean and Robert Young, the company's chief financial officer, own 74 percent of the company; the investors own the rest. Pareti, the company's president, has his office in McLean, Va.

C.D. McLean flies to Smith Reynolds each workday from his home in Bladensboro. He said that Winston-Salem seemed like the natural home for Leisure Air. Plenty of former Piedmont people were around to fill jobs as dispatchers, managers and other positions. About 100 people work for the company today.

McLean had three partners who pulled all-nighters and put in seven-day work weeks to get

LEISURE

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Leisure Air ready between its start-up in July and its inaugural flight Sept. 18. Those three are Joe Archer, who had directed line maintenance at Piedmont; Tiara Roberts, who had overseen in-flight services; and Jerry Angel, who had overseen baggage handling and other ground services. McLean had been in charge of flight training. All had drifted to different towns; only Angel was living in Winston-Salem when they started work.

"It was almost like the Beatles

getting back together," McLean said.

A stroke of luck helped get Leisure Air on its way.

McLean didn't know where he was going to find pilots to fly Leisure Air's Airbus A-320 jets. The plane model was new, and not many pilots had experience flying it.

He got a break July 2, Leisure Air's first official day of business, when CNN News announced that Braniff was going belly up for the third time. As a former senior vice president for Braniff, he knew that the airline flew the same A-320 jets. A quick phone call got him a meeting with 12 Braniff pilots in Dallas

the next day. He flew down and hired all 12.

Hamilton, Miller, Hudson & Fayne, a company in Detroit that arranges tour packages, was the first company to hire Leisure Air. On Sept. 18, Leisure Air made its first flight with about 170 vacationers from Detroit to Atlantic City.

Ron Fayne, the company's vice president, said he decided to do business with Leisure Air in part because it flies brand-new planes. He is getting good feedback from passengers who like the planes' extra legroom and friendly service, he said.

A lot of charter companies use old planes, and McLean said he is

counting on Leisure Air's new planes to win new business. In May, it will start running flights from Oakland for California's biggest tour operator.

Pareti knows the dangers of fast growth from his days at PeopleExpress. Leisure Air is profitable, and he said that Leisure Air's plan is to stay that way by growing slowly.

Leisure Air probably won't add a fourth plane until December; Pareti wants the company to have another six or seven months of solid profitability. Company officials say they hope that within five years, Leisure Air will have 10 planes, contracts with about eight tour operators and annual revenues of \$125 million.

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