

'A CARING AIRLINE'



Photos by T. ORTEGA GAINES/Staff

Leisure International Airline turns heads in the leisure industry with its virtually new Airbus A320s, one of the most automated airplanes in the world. The Winston-Sa-

lem-based charter airline also has strong ties to the former Piedmont Aviation. Four of its five founding officers are alumni of the well-liked carrier.



Pilot Richard Walker checks some of the controls in one of the highly sophisticated Airbus A320 airplanes Leisure operates on charter flights.

New Leisure Air firm invests in living up to its Piedmont legacy

By **BERNIE KOHN**
Staff Writer

WINSTON-SALEM — Leisure Air talks, acts and even looks a little like Piedmont Aviation — and doesn't mind a bit when people notice.

"Piedmont was a gentle airline, for lack of a better word," reminisced C.D. McLean, chief operating officer of the 5-month-old charter airline and a former international captain at Piedmont. "There was an aura about the service. That's what we're trying to do — have a caring airline."

Leisure Air is a working Piedmont alumni association — which explains why the airline, with no service out of Winston-Salem, chooses to be based there.

Four of its five founding officers, and its entire dispatch department, worked for Piedmont. Its office at Smith-Reynolds Airport is in what used to be the Piedmont Sky Club. Piedmont memorabilia adorn the otherwise bare cubicles and walls. Much of the start-up money came

from Winston-Salem investors.

Local Piedmont retirees frequently help out the 100 employees on special projects, and Tom Davis, Piedmont's legendary founder, stops in once a month or so to see how things are going.

Leisure Air officials beam when they talk about incidents like when a pilot stepped outside during a Detroit snowstorm to help a mechanic change a tire. McLean said this kind of spirit is what helped Piedmont attain its high level of customer loyalty throughout the South.

The effort wouldn't matter, of course, if Leisure couldn't find a niche in a business that has proved just as tough as the scheduled airline business. So far, however, its executives say Leisure's profits have shown they are onto something.

Leisure Air's concept came from the mind of former PeopleExpress

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Planes

Leisure Air flies with Piedmont in mind

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President Harold "Hap" Pareti Jr., who patterned it after the way tour organizers operate in Europe.

Rather than sell tickets or otherwise seek business for itself, Leisure Air acts as the contract air-service operator for large tour operators in Boston and Detroit, carrying passengers to Bermuda, the Caribbean, Mexico and Las Vegas. Plans to start flights from Oakland, Calif., to Mexico in May for California-based Sun Tours.

But what really makes Leisure Air different in its industry are the planes it flies.

Many start-up charter airlines, to get into the sky as quickly and cheaply as possible, operate older planes discarded by major airlines. Leisure Air turned heads in the tourism trade by starting up in September with three virtually new Airbus A320s.

One of the most automated planes in the world, the 168-seat A320 burns about 40% less fuel than the common charter standby, Boeing 727. Tour operators say lower operating costs let them actively price their trips —

\$289 for a three-day air, hotel and transfers package to Paradise Island, for example — and still make a profit. For passenger comfort, the A320 offers hot-meal service and movies.

Although McLean described Leisure's leasing terms as "attractive" by industry standards, A320s do not come cheap. Rental rates for the oldest A320s start at about \$220,000 per month, according to Avmark Inc., a Virginia-based aviation consulting firm. That compares with about \$170,000 for a Boeing 737-300, a jet with similar range and seating capacity.

Also, getting people to fly and maintain A320s can be difficult because only two major U.S. airlines, Northwest and America West, use them. But Leisure Air got lucky in that regard.

A matter of hours after he and Pareti announced their formation of Leisure in July, with the intent of using 737s, McLean saw on CNN that Braniff Airways had unexpectedly ceased operations.

McLean had spent two years at Braniff as a senior vice president after retiring from Piedmont and didn't have to be told that Braniff had flown A320s. He flew to Braniff's home base, Dallas, the next morning, and set up shop in an airport hotel. By the end of the day, he had 20 A320 pilots from Braniff on his payroll, and he and Pareti decided to switch aircraft.

Customers were delighted.

"People who fly charters usually expect something less. Instead, people are getting on there and saying, 'Hey, this is better than scheduled service,'" said Kent Elsbree, president of Charleston, W.Va.-based Great American Vacations, which has used Leisure Air to fly groups between Charlotte and Cancun.

Efficiency is prized to the extent that Leisure Air last month opted not to do more business with a satisfied customer, Great American, rather than lease an extra airplane it wasn't sure it could fully utilize. Great American now is using Aeromexico charters, but Elsbree said, "I wish we could have kept on using Leisure Air."

Leisure Air's start-up hasn't been without its bumps.

The Detroit tour operator, Hamilton Miller Hudson & Fayne, was fined \$7,000 last year by the U.S. Department of Transportation for selling tickets on Leisure Air before the airline was certified to fly. The airline itself wasn't disciplined, but the incident was publicized in a travel-industry newspaper.

More recently, one of the airline's original customers, New York's Hot Spot Tours, canceled its contract. Hot Spot President Marty Kaufmann said Leisure Air stranded one tour group in St. Maarten for two days over New

Year's and was 19½ hours late getting another group to Las Vegas Dec. 27.

"They ran some really horrendous delays and don't want to stand up to the fact that they have to pay the delay expenses," he said.

Leisure officials contend the real problem was that Hot Spot wouldn't pay the airline for its services.

They say they have gone to great lengths to avoid reliability problems, even assigning a mechanic to travel on every flight — with spare parts — in case trouble develops at a faraway airport. Jerry Angel, vice president for flight operations, said Leisure has canceled only three flights in its short history.

Its other customers vouch for its performance.

"I can't tell you, like other start-ups, that we have not had bits and pieces of delayed flights, but that's life in the charter business. The thing I like is that when there's a problem, they work hard to fix it," said Mark Sullivan, controller with the Boston tour operator, Trans National Corp.

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