

requirements. Rather, at least three types of needed aircraft were identified, but not many of any one type. The first is a new generation of high speed, pressurized turboprops of 19 or less seats. The new Metro seems to fill this gap. The second aircraft would have about 30 seats. The practicality of this plane may depend on the experience of commuter carriers now using aircraft carrying 20 to 26 passengers. Potential aircraft are all foreign - a revamped Nord 262 or the stretched Short Skyvan. Jet aircraft are not competitive in this size because the markets served are primarily short haul, low altitude segments where the turboprop can outperform the jet. Finally, there is a need for a 40 to 60 passenger, high-bypass ratio jet for some of the local service carriers. This market, however, would probably not exceed 150 to 200 aircraft without foreign sales, or a military or business market.

5.2 Community Survey - Pueblo, Colorado

The most remarkable story used to exemplify "jet appeal" was heard at Frontier. The City of Pueblo agreed to underwrite Frontier's operation of a jet from their city to the extent of \$4,000 a month for up to 6 months. To see why the community thought jet service was so important, a day was spent with civic and community leaders, and their responses recorded.

Pueblo, Colorado is an industrial and farming city of just under 100,000 people, located 106 miles south of Denver and 38 miles south of Colorado Springs. At one time, the city was served by four certificated carriers. In fact, the El Paso-Pueblo route was the first awarded to Varney, the predecessor of Continental Airlines. However, as the trunks acquired larger aircraft and free-ways were completed north to Colorado Springs and Denver, the stop

was deleted by all carriers but Frontier. As late as 1965, Pueblo received non-stop or one-stop DC-3 (and limited Convair 580) service to 10 cities, with one non-stop and 5 one-stop flights to Denver per day by Continental and Frontier. By 1967, Continental had left the market. Frontier still provided non or one-stop service to 7 cities with 4 non-stops and 2 one-stops to Denver. In 1970, only 5 cities were connected to Pueblo by non or one-stop flights. Service to Denver had dropped to one non-stop and 4 one-stops by Frontier. Three non-stop flights to Denver were offered by Trans Central, a commuter with twin Cessnas, for several months, but were eventually stopped.

According to local interests, the quality of the service deproved even more than its frequency. Flights were cancelled or late. Since most Denver flights stopped at Colorado Springs, they never gained enough altitude to avoid a local area of turbulence created by the mountains. The number of passengers using the airport dropped off from 40,000 in 1968 to 30,000 in 1970.

Then, two unrelated events took place. First, Frontier went through a change of ownership and management. The new officers began to stress service and service reliability. Second, Walter Berry, a retired local businessman, became the head of the Transportation Committee of the Chamber of Commerce, and eventually the Pueblo Airport Director of Aviation.

For years, the Chamber of Commerce had struggled with the broad problems of transportation to the city. Mr. Berry decided to attack one problem at a time and, as a pilot and former fixed base operator, felt air service should be the first topic.

Mr. Berry's approach was to treat the problem as a business venture and to open a dialogue with the new Frontier management. A 100% sample of all tickets written by Frontier or local travel agents was taken to determine the destinations of the Pueblo air traveller. A professor at the local college was hired to conduct a market survey to see why people did not fly. Unreliable service was the major reason, but many people thought Frontier was still flying the long retired DC-3 or that the price was too high. As a result, Mr. Berry was convinced that the community could potentially generate many more passengers. The problem was getting them out of their cars and onto the airplane.

During this period, Mr. Berry received the active support of the city manager, Mr. Fred Weisbrod, and the president of the Chamber of Commerce, Mr. Cal Snyder. They all realized that there was nothing really wrong with Frontier's service, particularly under the new management. But people in the town had gotten into the habit of "bad-mouthing" the service and the airline. It is not clear who generated the idea, but jet service was adopted as the rallying point to change public opinion.

When first approached, Frontier's immediate reaction was that the traffic could not support jet service, and that no aircraft were available anyway. Mr. Berry and Mr. Ray Seybold, a local travel agent who was Frontier's Station Manager at the time, went through Frontier's entire fleet assignments until they located a jet laying over at Denver at night with its first departure at around 9 A.M. This aircraft was available for an early morning flight from Denver to Pueblo and back.

Once more Mr. Berry approached Frontier. Realizing that Pueblo's interest was serious, Frontier's Bill Wayne, Vice-Pres-

ident of Local Service Marketing, instigated a study of the proposed operation. After a detailed profit and loss analysis, Frontier concluded the service would lose \$48,000 per year. However, Frontier was still interested in introducing jet service and proposed a risk-sharing plan to the city. After a short period of negotiation, Pueblo agreed to underwrite Frontier's losses up to \$4000 per month for a 6 month trial period. The funds were to be taken from airport funds and not from the city's tax revenues which eased passage of the plan through the city council. Frontier also filed for a number of joint and through fares which came into effect 6 months after the experiment was begun.

A joint advertising and public relations campaign was instituted by Frontier and the Chamber of Commerce, based on a "use it or lose it" philosophy. This was an effective foil for community critics who had complained about the quality of air service. Now they had what they wanted for at least 6 months, and if the experiment failed, it would be because the community had not supported it.

The publicity generated additional passengers even before the jet was introduced, but freight response lagged. However, in the fourth month of jet service freight movements increased dramatically. This was followed by another surge in passenger growth during the sixth month as the joint fares were introduced. (See Table 5.8) At the end of the sixth month, Frontier notified the city that no further subsidy would be needed.

TABLE 5.8

Passenger Enplanement ComparisonPueblo Municipal Airport

Source: Mr. Lyle Sharp; Pueblo Director of Aviation

	1970				1971	
	Pas'grs Boarded	% Change From 1968	Pas'grs Boarded	% Change From 1970	Pas'grs Boarded	% Change From 1971
January	1,284	-7	1,330	+3	1,631	+23
February	1,072	-11	1,126	+5	1,642 (2)	+46
March	1,253	-22	1,368	+9	2,017	+47
April	1,109	-34	1,524	+37	2,153	+41
May	1,194	-22	1,433	+20	2,123	+48
June	1,255	-36	1,595	+27	2,344	+47
July	1,511	-16	1,631	+8	2,364	+45
August	1,466	-22	1,856	+27	2,622	+41
September	1,324	-14	1,509 (1)	+14	2,174	+45
October	1,354	-21	1,637	+21	2,045	+25
November	1,174	-14	1,418	+21	2,125	+50
December	1,385	-23	1,756	+27	2,484	+41

1. Jet introduced.
2. Fares Reduced.

Not only had passengers responded to the jet, but also to air service in general. More people flew the Convairs than ever before. People had become air conscious once more. By the end of 1972, the first full year of jet operation, passenger boardings had increased by 80% over 1970, the last totally non-jet year. Freight increased by a factor of 3 over the same time period.

Several people were asked for their reactions now that the gamble had been successful. Mrs. Pat Kelly, City Councilwoman commented that it was a matter of education. Once people flew and saw the

benefits, they flew more often, even on the Convairs. Good air service and particularly jet service creates an image of a prosperous, successful community and so the experiment was successful.

Mr. Weisbrod, the city manager, felt that role of government is giving people what they wanted. If nothing else, the experiment quieted critics. He also felt that it should not be considered unusual for a city to subsidize air service. They subsidize public transportation, golf, tennis and the like. The city looks for job creation and will invest in proportion to the number of jobs that can be generated. Each job is equal to a \$10,000 saving in welfare payments and so any project that generates 5 or more jobs is eligible for city support. By this criteria, he felt the investment in new jet service has more than paid for itself, although he admitted it was difficult to trace the total number of jobs created.

Mr. Weisbrod said the city acted on the belief that jet service and a good airport are important to a community. There was no study to back this up. It was purely belief. But it fit with their overall community development. There was an activist city government after years of a "hands off" policy. All the streets in the city were paved for the first time. It was a period of excitement, and the idea of jet service fit in.

In summary, it was not that people preferred to ride jets. The jet was made a symbol of civic pride and used as a tool to increase the use of the airport, encourage industry and create jobs in the community. Mr. Berry stated that to this day, many people flying who once drove don't know whether they are on a jet or not. But they do know that Pueblo is a city with jet service.