



DAC - MDC - Boeing Retirees
of California

Roundup

Ron Beeler- Editor (562) 296-8958

HEADQUARTERS: P.O. BOX 5482, FULLERTON, CA, 92838, (714) 522-6122

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Jim's Corner

Hello to all Retiree Association members. I hope this finds you and your loved ones healthy and safe. Glad to leave 2020 behind us and am hopeful that 2021 will be much improved for us, our country, and the world.

However, we are certainly not out of the woods by any means. Our Luncheon venue, The Sycamore Centre, is shut down with no planned or anticipated date as to when they will be allowed to hold events. With that said, we will NOT be having a Luncheon at our traditional first Tuesday in March. That said, we do not know when we might have our next get together. At the last Board Meeting it was decided that we would still try to hold two Luncheons in 2021. We will be as flexible as we can and will start planning the event as soon as we have an all clear from The Sycamore Centre. Possibly, an event early in the summer and then a second one at our regular first Tuesday in October. We will keep you up to date through the ROUNDUP.

To help us feel a bit more connected, we are introducing a new feature that highlights a video presentation that is associated with our industry. There are several ways to access this feature. See Elayne Bendel's article on the specifics in this issue of the ROUNDUP. While not providing the same interaction as our luncheons and speakers, the Board feels that this will help us to stay connected through a subject we can all relate to. We plan

to make this a feature with each issue of the ROUNDUP.

Some of the things to be thankful for as 2020 closed out: that the vaccine for the COVID virus is at hand, the presidential election is behind us, and the 737MAX finally gets the clearance from the FAA to return to the skies.

Some of the things I am hopeful for in 2021: the COVID virus is eradicated, that our frontline workers get a rest from the heroic job they have done, that our government can function in a way that brings all of our divergent ways together and that we see our travel industry, and those that support it, start an amazing recovery.

In the meantime, please take all the necessary precautions to help protect you and your families from the virus.

Jim Phillips, President, DAC/MDC/Boeing Retirees

New Retirees 'Staying Together' Video Program Announced

By Elayne Bendel

With our luncheon meetings temporarily suspended your Retirees Association board has begun a new feature on our association Website to help all of us stay connected with each other and our business.

Under the heading Staying Together on the Website we will publish new links to publicly

available videos that feature our products or other topics of general interest. We'll announce each new video in the Roundup and on our Website. Our inaugural video is a 51-minute program featuring the C-17 called Air Warriors C-17 and was first produced and aired on the Smithsonian Channel.

Use your imagination for viewing. Curl up with a snack for personal viewing or schedule socially distanced same-time viewing with friends at different sites and connect by phone during or later to discuss. Have fun!

There are three ways to access the video:

- Click the link to the video off the Retirees Association website <http://www.macdacwestretirees.org/> or
- Open your Web browser and go to YouTube.com. You may get an interim screen. If that happens click the red YouTube icon in the upper left corner and that will bring you to the home page. When the You Tube home page opens write in Air Warriors C-17 in the search window at the top and press enter. The 51-minute video should come up.
- Or you can just write **<https://www.youtube.com/watch?v=ubp6VLAdW34&t=6s>** in the search window when you first open your browser to get the C-17 video.

Once the C-17 video screen appears it may start playing automatically or click it to start and you may watch it on your smart phone, tablet, computer or smart TV that can access the Web or is connected to a device that can stream internet content through the YouTube application. No need to purchase YouTube's pay channel or any pay channel to view our suggested videos, so do not be fooled.

Airline Pioneer Freddie Laker was One of a Kind "Part 1"

By Elayne Bendel

The aerospace world has had no shortage of colorful characters over the years from Howard Hughes to Richard Branson and Elon Musk. But none was more farsighted or possibly more



influential on the industry than the British aviation entrepreneur Freddie Laker. In many ways his efforts bridged the gap between the strictly regulated airline businesses of the 1970s and earlier and the deregulated environment of later years. His dogged fight to secure low fare, high volume routes was not always successful, but it set the stage for many of today's airline operations.

To know Sir Freddie as he was known in later years, was to be swept up in a whirlwind. He found no challenge too daunting. Laker had a genius for promotion and a fun-loving nature that translated into his airline. But his core business model was a volume-based, no-nonsense, profitable bottom line. Its operations and cast of characters would form the plotline of a very entertaining reality-based movie.

Laker Airways was a private British airline. Originally a charter airline flying passengers and cargo worldwide, its head office was at Gatwick Airport in Crawley, England.

Sir Freddie was a pioneer of no-frills air travel long before it became a model of

modern airline operation. He reasoned that high-volume, low-frills--i.e., same-day ticket purchase with no free meals included--air travel would appeal to the masses. It did, and more established full-service airlines seeing the threat worked hard to thwart Laker's efforts.

Laker Airways began commercial operations from its Gatwick base on July 29, 1966 with two former British Overseas Airways Corporation (BOAC) Bristol Britannia 102 series turboprops, initially operating under contract to Air France. The aircraft livery was a combination of black, red and white – an adaptation of Laker's racing colors.

The Britannias were supplemented and eventually replaced by five BAC 1-11 300 short-haul jet aircraft from December 1967. This included an initial order for three aircraft valued at £4 million, which included more than £200,000 of Freddie Laker's own money for the aircraft deposits. The rest was borrowed from a consortium of banks led by Clydesdale Bank.

He placed a follow-on order for a fourth aircraft to be delivered in 1968 and acquired another from Bahamas Airways in 1971. These were the fleet mainstays for short- and medium-haul charter operations to holiday resorts in the Mediterranean and the Canary Islands for many years.

His aircraft of choice for planned transatlantic Skytrain single class service was the DC-10. He saw the profit-making potential of the big tri-jet in a high-density configuration early on and became the first DC-10 operator outside the U.S. way back in 1972.

Before offering DC-10s to Laker, MDC had asked Laker rival British Caledonian (BCal) whether it was interested. BCal was looking for a widebody replacement for its aging Boeing 707s and Vickers VC10s. BCal rejected this offer because the DC-10-10 had

insufficient range to fly non-stop from Gatwick to the distant points on its network. But later BCal became a DC-10 Series 30 operator and used it for its Houston to Gatwick service, among other routes. I participated on the first ever BCal DC-10 flight between these cities, a travel adventure worth another whole story.

The DC-10-10 was optimized for medium-haul routes. The five Series 10s MDC was offering to Laker had been built for Mitsui Group, which intended to lease them to All Nippon Airways (ANA). But instead, ANA ordered Lockheed L-1011 Tristars. Laker Airways took two of the five Mitsui aircraft, while the other three went to Turkish Airlines (THY). Weight-saving measures adopted to boost the BAC 1-11's range stood Laker Airways in good stead when they introduced the DC-10-10.

Laker concluded it could fly non-stop from the UK to any U.S. point east of the Rockies by limiting baggage per passenger to 40 lb and reducing single-class seating from 380 to 345. The weight saving could be used for more fuel and Laker only had to fill 52% of the seats to break even.

The DC-10's excellent economics would enable Laker to operate its proposed London – New York Skytrain with a lower break-even factor than the Boeing 707, whose costs were higher per passenger.

Revised estimates anticipated an average load factor of 70–75% and raised the traffic forecast for the first year of operation to 250,000 passengers each way. This was almost three times the original 707-based forecast and swung Laker in favor of MDC's offer.

On April 1, 1973, new charter regulations in the UK, the U.S. and Canada replaced the complicated "affinity group" rules with simplified rules termed "Advance Booking Charters", popularly known as ABC. The

following day, a Laker Airways DC-10 flew the world's first ABC flight from Manchester to Toronto. Laker's first ABC passengers had paid just £45. It was followed by similar ABC services from Prestwick and a three-times-a-week Gatwick–Toronto ABC operation.

A third DC-10 Series 10 joined the fleet in April 1974 to maintain the airline's commitments in the ABC flights market. Laker intended to allocate two DC-10s exclusively to Skytrain in anticipation of the start of daily services between Stansted and Newark later that year, but Skytrain didn't happen until 1977.

The new ABC rules and DC-10s enabled Laker's successful ABC business across the North Atlantic over the next couple of years, making it the transatlantic ABC market leader. During the early-to-mid-1970s, the airline ran low-key advertising in London, Manchester and other large British cities under the motto "Take a Laker". Laker's transatlantic charters provided meals, movies – new in those days that helped distinguish it from the competition – and a free bar. Laker Airways' transatlantic ABC success resulted in an application to launch an Australian low-fare operation from Gatwick and/or Luxembourg to Sydney and Melbourne.

Competing scheduled full-service carriers fought vigorously against Laker's expansion. Laker's application was dismissed by Peter Nixon, the Australian Transport Minister, after successful lobbying by Qantas, which had exerted pressure on its government to protect the existing duopoly it shared with British Airways on the Kangaroo route under a joint revenue-sharing agreement.

Nixon also maintained that the proposed service to only two Australian points would be discriminatory to people living in other parts of the country by denying them the benefits of low fares. Sir Freddie retorted that the Australian transport minister still thought

the earth was flat, and that it had not come to his attention that Australia already had a number of regional airlines covering the whole country.

An advertising campaign featuring the slogan "I've got my name on every plane!" was developed in conjunction with a New York-based company. It was successfully launched during the Super Bowl VIII interval in January 1974. "Laker to London – the end of Skyway robbery" was the follow-on campaign. The success of these campaigns resulted in Laker's carrying more non-scheduled UK–U.S. passengers than all U.S. carriers combined.

Despite attaining market leadership in the transatlantic ABC market, Sir Freddie considered this second best to his Skytrain service.

A feature characterizing the long battle over Skytrain was that the main protagonists were two private airlines, rather than the private ones on one side and state owned carriers such as BEA and BOAC on the other. BCal, Britain's foremost private airline and the country's "second force" carrier as well as Laker Airways' neighbor at Gatwick, became the fiercest opponent due to scheduled operations being regulated and limited opportunities existing for independent airlines on major domestic and international routes.

Most bilateral agreements the UK government had negotiated with overseas counterparts contained no provisions for a second British scheduled airline in addition to the incumbent UK flag carrier and the few bilateral agreements that did contain such a clause had no provision for the UK to designate a third.

Any license to Laker to operate a scheduled service on a route of its choice and nominating it as the UK's second designated flag carrier on that route prevented BCal from

operating a competing service.

Under British highly regulated aviation policy throughout the 1970s and first half of the 1980s, BCal was the Government's "chosen instrument of the private sector". BCal felt Laker would undermine its status as the official "Second Force" and weaken it by making it difficult to become a serious competitor to the established airlines.

The UK government supported BCal's worldwide ambitions before considering rival independent airlines. Further, BCal, Laker and most other UK independents were denied access to Heathrow, the main market for scheduled airlines in the UK, particularly business class passengers from and to London and accessible to more of the population in Southeast England. Confining these airlines to Gatwick forced them to compete for fewer business class passengers and a smaller local population.

Skytrain takes to the air

Nevertheless, Laker persisted with its low-cost, single class Skytrain plan and had taken delivery of a fourth DC-10 Series 10 in 1976 from MDC in preparation for the launch of its daily London – New York Skytrain. With its charter business thriving by that time, the work force had expanded to 1,000.

Skytrain finally was inaugurated between London Gatwick and New York JFK on September 26, 1977. It recorded a profit in excess of £2 million in its first year of operation. Despite its battles with both British Airways and BCal, Laker's business still prospered, and the airline continued to grow its DC-10 fleet.

In early 1979, the airline ordered two more DC-10 Series 10s as well as five longer range DC-10 Series 30s. Laker Airways expanded to Los Angeles (1978). The company acquired two-second-hand Boeing 707-351B long-haul aircraft to commence non-stop operations to the U.S. West Coast prior to

receiving the first of the DC-10 series 30s.

As service expanded so did the work force. Among them was Laker's energetic P.R. chief Robin Flood, who, along with her boss Freddie Laker, was a frequent visitor to Long Beach.

Laker named its aircraft after employees and the beloved Robin Flood received that honor at a DC-10 delivery ceremony. The aircraft was to be named the Robin Belle, and as a surprise to Robin, the customer requested that it be gift wrapped in a large red bow.

The challenge to the delivery team was to find a ribbon big enough to go around the DC-10's portly fuselage and not look puny. The solution was to link rolls of red foiled wrapping paper around the forward fuselage and fashion them into a looped bow on top. It wasn't easy, but the DAC P.R. team in conjunction with the West Ramp delivery crew got it done. A delighted Freddie Laker and shocked Robin Flood took it all in.

After a public hearing, the UK Civil Aviation Authority (CAA) approved Laker's request to operate unrestricted Skytrain services at the start of July 1979. This enabled Laker to offer bookable seats, excursion fares and the carriage of cargo in addition to the original, non-bookable Skytrain fare from Gatwick to New York, JFK and Los Angeles.

With the arrival of the Series 30s, Intasun owner Harry Goodman recognized that long-haul charters to new destinations were now available. Goodman chose Florida and Disney World charters to be introduced to the UK market. The program rapidly expanded to seven times weekly and was eventually converted into a Skytrain operation to Miami. By October 1980, Laker introduced fully bookable Super Economy fares on all Skytrain services. These were approximately half its competitors' standard economy fares

and significantly lower than those airlines' Super APEX 12 fares. The airline reserved about 60% of its scheduled seats for the new bookable fares. This move marked a major strategic shift in the company's fare structure and Laker's upward growth continued.



Next Roundup: Laker's Battles Intensify

Welcome New Member: Judith Peyton, C1, Human Resources

In Memoriam 2020

The following is a list of friends who passed in 2020. It has been compiled from unofficial sources. It is probably not complete and may contain errors. We apologize if anyone is left out or included by mistake.

George Boiteux
Jean Chemsian*
Richard F. Culley*
Art Gomez*
Richard H. Johnson*
Dale Jones
Frank B. Lennert*
O. Jaak Massakas*
Richard Saul*
William E. Sawrey*
Charles Robert Snow
Robert Watzke

*Member of DAC-MDC-Boeing Retirees Association