

EXECUTIVE SUMMARY: PEOPLE EXPRESS

The Eastern seaboard of the United States is ripe for the entry of a new, superefficient, low-cost air carrier to provide quick, reliable inter-city air transportation. Such an entity would bring to the Northeast the same benefits that have accrued to other areas of the United States. Chief among these are:

- Frequent jet commuter service between major cities
- Prices competitive with private automobiles
- Fulfillment of the congressional goals in enacting the Airline Deregulation Act of 1978 to have better service at lower fares.

The new company will be able to achieve these goals for the following reasons:

- Aggressive, innovative management that has been tested in the field and been on the leading edge of innovation in air transportation marketing and systems
- Equipment and facilities designed specifically for the low-cost production of air transportation
- Manpower selected, trained, and motivated to be efficient and profit oriented
- New systems to be applied to the entire business of air transportation to minimize investment in manpower and machines

All of these, when applied to the new entity, will result in considerable economies vis-à-vis existing air carriers.

- 40 years of regulation have created an industry heavily unionized with tremendous inefficiencies
- The economics of a new entity should be at least 30%-40% better per seat mile than the current trunks.
- Other new carriers such as Southwest or Air Florida have shown a consistent ability to compete on a price basis and earn extraordinary returns
- The current political, economic, and regulatory climate is ideal for the proposal herein envisioned.
- The Northeast is waiting for someone to bring it what the rest of the nation already has: low air fares.