



Conroy Guppy goes to Ghana

AZERBAIJAN Airlines (Azal) has sold its Conroy Guppy freighter to Ghanaian carrier First International Airlines. The aircraft, which was created by the conversion of a Canadair CL-44 in 1969, is pictured at Southend Airport in the UK awaiting delivery to Accra.

Mesa prepares to incorporate CCAir after stock transaction

RAMON LOPEZ/WASHINGTON DC

MESA AIR Group has signed a letter of intent to merge Mesa Airlines with Charlotte, North Carolina-based CCAir. The two carriers were already linked through the Barlow Investment partnership, which has minority shareholdings in both.

The transaction, valued at about \$60 million, which includes \$15 million of assumed debt, is subject to a series of business and regulatory approvals. Officials hope to complete the merger within six months, however.

The deal is an all-stock transaction whereby cash-strapped Mesa would acquire all outstanding shares of CCAir's common stock

by issuing Mesa shares which are equivalent in value.

Mesa Air Group is the parent of Mesa Airlines, which has struggled with losses after failing to renew its code-share agreement to act as a United Express feeder. Earlier this year it closed its WestAir Commuter division, but signed a new six-year code-share pact with America West Airlines, after the latter reversed a decision to end the partnership.

CCAir has suffered financial difficulties in recent years, but earned \$2.1 million in the quarter ending 30 June. The regional, which provides service as US Airways Express, operates an all-turboprop fleet of eight de Havilland Dash 8s and 20 British

Aerospace Jetstream Super 31s (J32s). Eric Montgomery, CCAir's vice-president for finance, expects CCAir will retain its Dash 8s and J32s, at least until their leases expire in 2007 and 2004, respectively.

Early this year, former Virgin Express executives Jonathan Ornstein and Jim Swigart acquired a 5.3% stake in Mesa while part of the Barlow Partners II investment group. A year ago, Ornstein and Barlow Partners I bought a 7% interest in CCAir. Ornstein, who became Mesa's chief executive in March, says the link with CCAir is "an excellent fit" because of its Charlotte hub and US Airways affiliation. He says: "The merger will strengthen Mesa's strong relationship with US Airways." □

New Italian airlines gear up for 1999 operations

MARCO MESSALLA/ROME

TWO NEW Italian airlines are planning to start operations early next year, reflecting the continuing liberalisation of the country's internal market.

Gandalf Airlines is considering purchasing either the Fairchild Dornier 328JET or Embraer ERJ-145 and will announce its decision on an initial purchase of two aircraft in October.

The carrier will be based at Bergamo Airport, taking traffic from the Lombardy area to European destinations when international traffic is transferred from

Milan Linate to Malpensa 2000 on 25 October.

The second carrier, Italy First, plans to order up to four undefined aircraft for charter and scheduled operations from Rimini and will operate to holiday destinations in the Mediterranean, USA, Caribbean and CIS countries, with the latter accounting today for almost 90% of traffic at the airport. The airline wants to develop Rimini as a mini hub for eastern European flights with connections to other Italian destinations. The carrier plans to buy a 20% stake in local airport operator Aeradria.

■ The Italian transport ministry

has awarded extra rights for non-European Union operations to several local carriers, including Lauda Air Italy (Santa Domingo, Dominican Republic and Kuala Lumpur), Eurofly (Maldives and Colombo), Alitalia Team (Seychelles) and Air Europe (Kingston, Jamaica, Mauritius).

The move follows an extended battle by Italian private operators to obtain rights on routes which are either operated by Alitalia as charter services or which are not operated by anybody. Eurofly has already leased a pair of Boeing 767-300ERs for delivery in December to operate the new services. □

City Bird orders A300 freighters

CITY BIRD has concluded a deal with Airbus Industrie for two new A300-600 freighters for dedicated cargo operations.

The Belgian airline will acquire the two aircraft next year under a 12 year lease purchase. The first will be delivered in early April, with the second arriving a month later. They will be used on City Bird's new dedicated long haul cargo routes to points in Asia, South America and the USA.

The General Electric CF6-80C2-powered aircraft were originally completed as passenger/cargo convertibles in 1995, against an expected order from Kuwait Airways that never materialised. Since completion, the two A300s have been in storage at the Aerospatiale plant in Toulouse.

City Bird's existing fleet includes two Boeing MD-11s and three Boeing 767-300ERs, which are operated on scheduled passenger services to destinations in the Caribbean, Mexico and the USA. Other routes, including to Newark, Montreal and Sao Paulo, are flown in collaboration with Belgian flag carrier Sabena, which holds an 11.2% stake in the independent airline.

City Bird already has a long term agreement with Swisscargo, which controls the cargo operations of Swissair and Sabena (which is part owned by the Swiss airline) and charters all available cargo capacity in City Bird's passenger aircraft on its scheduled destinations.

The City Bird decision to buy the A300-600Fs ends speculation that the airline was planning to acquire Boeing MD-11Fs. □

NEWS IN BRIEF

■ SIGNAL TEST

A test version of the USA's Wide Area Augmentation System signal is being broadcast three months ahead of schedule via an Inmarsat communications satellite. This signal allows testing of system and user equipment.