

## Mesa Air goes into Bankruptcy Court

Tue, Jan 05, 2010 Source: <http://aviationblog.dallasnews.com/>

Mesa Air Group and 11 subsidiaries filed Chapter 11 bankruptcy papers Tuesday in a New York City federal bankruptcy court.

Mesa chairman and chief executive officer Jonathan Ornstein said in a statement that Mesa had tried to rework its debt outside bankruptcy:

"Over the past two years, we have worked closely with our lessors, creditors and other constituents to restructure our financial obligations. These efforts have led to the elimination of over \$160 million of debt obligations, the return of a number of aircraft, and the restructuring of inventory management and engine overhaul agreements.

"We are nonetheless faced with an untenable financial situation resulting primarily from our continued lease obligations on aircraft excess to our current requirements. In addition, this action will give us the opportunity to reach a timelier conclusion in the litigation with Delta Air Lines in which Mesa is currently seeking damages in excess of \$70 million."

While in Chapter 11, Mesa "will continue to operate as normal, without interruption, which includes its code-share agreements with its partners US Airways, United Airlines and Delta Air Lines," the company said.

Other Mesa units filing for bankruptcy include Air Midwest Freedom Airlines Inc., Mesa Air Group - Airline Inventory Management LLC, Mesa Air New York, Mesa Airlines Inc., Mesa In-Flight, MPD Inc., Nilchi Inc., Patar Inc., Regional Aircraft Services Inc. and Ritz Hotel Management Corp.,

Mesa said its Go! Mokulele joint venture in Hawaii is not part of the filing. That venture operates 60 flights a day between islands.

"During the Mesa Air Group restructuring, Go! Mokulele will continue to operate as before, outside of Chapter 11," Ornstein said. "Customers can be assured that tickets will continue to be sold and honored, all terms and conditions governing tickets purchased remain the same, and our frequent flyer program remains intact."

## Bethune Talks About How to Run a Company

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Gordon Bethune, who retired as Continental Airlines chairman at the end of 2004, turned that carrier around in the 10 years he ran it, from a pitiful airline to one of the best in the U.S.

Bethune talked to Adam Bryant of the [New York Times](#) recently about how he operated at Continental: frequent communications, sharing credit with others, hiring team players of high quality and giving them autonomy, etc.

In one anecdote at the end of the article, Bethune talked about his habit of meeting with Continental employees as much as possible:

"The best compliment I ever heard happened one Christmas. I always went out to the airport on holidays, and always made sure that I was there and I'd thank people for giving up their holiday to work. We'd go down to the break room. I'd always eat down in the break room where the food was being passed out.

"I went to sit down at this big long table with these two guys, and I said, "Anybody sitting here?"

"And one of them said to the other: 'I told you he'd be here. Give me my \$10.'

"He had bet that guy \$10 that I'd show up."