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New York Airways Collection - Reports, Annual Reports, 1961-1963

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Capital Financing

The four Boeing V107's to be delivered to New York Airways this year will be financed largely through a credit of \$3.2 million from the Empire Trust Company, Manufacturers Hanover Bank and the United States Trust Company of New York. This loan - guaranteed by the Civil Aeronautics Board by its action taken on March 30, 1962 - is to be repayable over the next seven years. Further, the Boeing Company will accept, at net book value, the present fleet of V44B's as a trade-in credit against our commitments to purchase the V107's.

1961 Operating Results

Despite a lower schedule completion factor due largely to abnormal weather conditions, the number of passengers carried during 1961 was 149,846, up 2.1%. Mail, express and freight volume aggregated 3,495,195 pounds during 1961, down from the volume moved in 1960. Nevertheless, passenger and commercial revenues (excluding subsidy) advanced to \$1,295,000 for 1961, or up 4.4% over the previous year.

However, the growth in revenues did not keep pace with the increased costs incurred in 1961. Revenue development was inhibited by the limited capacity of the piston-engine flight equipment still in use. At the same time additional costs were incurred as a result of the increasing maintenance requirements of this same equipment, the built-in cost effects of employee collective bargaining agreements, and the postponements to which our operational planning was subjected during the year.

It is not yet possible to report the final financial results of 1961 operations. Since April of 1960, operations have been conducted under tentative subsidy rates of U.S. mail pay. The final amounts of these payments due for V44B operations from that date are now under adjudication by the Civil Aeronautics Board. However, these proceedings have not yet been concluded.

In consequence, the financial statements submitted herewith (which show tentative losses for both 1960 and 1961) will require restatement when these revenues have been finalized. Subsidy rates for the forthcoming Boeing V107 operations are also still to be determined by the Civil Aeronautics Board.

Washington-Baltimore Helicopter Case

During the latter part of 1961, in hearings before a Civil Aeronautics Board Examiner, your Company presented its case in support of the pending application for authority to provide a certificated helicopter service in the Washington-Baltimore area. A final determination in this proceeding may be forthcoming this year.

The area proposed to be served encompasses downtown Washington and Baltimore and the three adjacent major fixed-wing airports - Dulles International, Washington National and Friendship International (at Baltimore). If granted this operating authority, New York Airways is confident that it can bring a high standard of efficient service to the Nation's capital and the surrounding area.

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