

**REMARKS OF DON CARTY
MIT AIRLINE CONFERENCE
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GOOD AFTERNOON. I APPRECIATE THE OPPORTUNITY TO BE HERE TODAY. I KNOW FOR SOME OF YOU – THOSE STILL PUTTING THE FINISHING TOUCHES ON YOUR TAX RETURNS – EVERY MOMENT BETWEEN NOW AND MIDNIGHT IS PRECIOUS, SO I PROMISE I’LL KEEP MY REMARKS RELATIVELY BRIEF.

I’M REMINDED TODAY OF A GREAT AMERICAN WHO ONCE SAID “I’M PROUD TO PAY MY TAXES – BUT I COULD BE JUST AS PROUD AT HALF THE PRICE!”

WHILE I WOULDN’T CALL TAX DAY A GOOD DAY IN AND OF ITSELF, IT DOES SEEM LIKE A GOOD DAY TO REFLECT UPON THE EVENTS THAT FILLED OUR LIVES DURING THE PAST 12 MONTHS. NEEDLESS TO SAY, THE PAST 12 MONTHS FOR ME HAVE BEEN A BIT, SHALL WE SAY, UP AND DOWN. NOT TOO LONG AGO, I WOULD HAVE BET ANYTHING THAT I WOULD NEVER GIVE ANOTHER SPEECH ABOUT THE AIRLINE BUSINESS – LET ALONE BE ON THE VERGE OF JUMPING BACK INTO IT.

BUT LIKE A STONE THAT’S BEEN KNOCKED AROUND, BUFFETED BY THE OCEAN’S WAVES AND SPIT OUT ON THE BEACH, THE AIRLINE INDUSTRY UNDERTOW SEEMS TO HAVE ME IN ITS GRIP, AND I FIND MYSELF DRAWN BACK INTO ITS POUNDING, CHURNING DEPTHS.

CAN YOU TELL I’VE GOT HAWAII ON MY MIND? AS A CANADIAN, I USED TO FAVOR HOCKEY METAPHORS – BUT NOW IT’S SURFING, AND I GUESS THERE’S A LESSON THERE ABOUT ADAPTING YOUR APPROACH AS YOUR SURROUNDINGS CHANGE.

IN FACT, THAT’S EXACTLY WHAT MY FORMER COLLEAGUES AT AMERICAN – AND INDEED, THROUGHOUT THE AIRLINE BUSINESS – HAVE BEEN DOING FOR THE PAST THREE YEARS – ADAPTING THEIR APPROACHES, AND REINVENTING THEMSELVES – WITH VARYING DEGREES OF SUCCESS – IN RESPONSE TO A RADICALLY DIFFERENT ENVIRONMENT.

JUST AS ICE SKATES WON’T DO YOU MUCH GOOD IN HAWAII, THE STRATEGIES AND APPROACHES WE USED NOT THAT LONG AGO ARE A BAD FIT FOR TODAY’S COMPETITIVE REALITY. AND THAT’S TRUE – NOT JUST IN THE AIRLINE BUSINESS – BUT IN MOST OTHER SECTORS OF THE ECONOMY AS WELL.

TO ILLUSTRATE, LET’S CONSIDER FOR A MOMENT THE INDUSTRIES OF TWO COMPANIES WHOSE BOARDS I HAPPEN TO SIT ON – SEARS AND DELL. ONE OF SEARS’ LONG-TIME COMPETITORS HAS BEEN MONTGOMERY WARD – A COMPANY THAT USED TO BE ONE OF THE BIGGEST RETAILERS IN THE COUNTRY. TODAY, MONTGOMERY WARD IS GONE, AND WAL MART IS MANY TIMES BIGGER THAN MONTGOMERY WARD EVER WAS.

TWENTY YEARS AGO, I WOULDN’T HAVE IMAGINED THAT WAS POSSIBLE. BUT THEN AGAIN, FEW OF US IMAGINED AN AIRLINE INDUSTRY WITHOUT PAN AM. THE LESSON IS, ANY MANAGEMENT TEAM THAT DOESN’T RECOGNIZE THE NEED FOR

RADICAL CHANGE WILL, MORE THAN LIKELY, FOLLOW IN THE FOOTSTEPS OF THOSE ONCE-GREAT, BUT NOW DEFUNCT FRANCHISES.

EVEN A COMPANY AS TREMENDOUSLY SUCCESSFUL AS DELL MUST CONTINUOUSLY CHANGE. AS THE PC MARKET HAS MATURED, DELL HAS BRANCHED OUT INTO SERVERS, PRINTERS, AND CONSUMER ELECTRONICS – HIGHER GROWTH, HIGHER MARGIN BUSINESSES THAT HAPPEN TO MESH WELL WITH ITS HYPER-EFFICIENT, LOW COST BUSINESS MODEL.

OF COURSE, IT'S NOT ENOUGH FOR YOU TO RECOGNIZE THAT CHANGE IS NECESSARY. YOU HAVE TO CONVINCE YOUR TROOPS THAT CHANGE, OFTEN UNPLEASANT CHANGE, IS NECESSARY – THAT NO MATTER HOW SUCCESSFUL YOU HAVE BEEN THUS FAR, THE STRENGTHS THAT GOT YOU HERE WON'T KEEP YOU HERE. YOU THEN NEED TO SELL THEM ON A POSITIVE VISION OF WHAT WILL HAPPEN ONCE THE REQUIRED CHANGES HAVE TAKEN PLACE.

LOU GERSTNER, THE FORMER CEO OF IBM – A COMPANY THAT UNDER HIS LEADERSHIP SUCCESSFULLY NAVIGATED ITS WAY THROUGH AN INCREDIBLE AMOUNT OF CHANGE – SAID THAT OVER TIME HE REALIZED THAT A COMPANY'S CULTURE “WASN'T JUST ONE ASPECT OF THE GAME, IT WAS THE GAME.” BASED ON MY YEARS AT AMERICAN, I WOULD ECHO THAT SENTIMENT WHOLE-HEARTEDLY.

FOR THE AIRLINES, AND THE LEGACY CARRIERS IN PARTICULAR, THE STRING OF CALAMITIES WE EXPERIENCED IN RECENT YEARS WAS IN SOME WAYS TRULY UNPRECEDENTED. BUT IN ANOTHER WAY IT HAS BEEN SIMPLY MORE OF THE SAME. BECAUSE THROUGHOUT THE QUARTER CENTURY SINCE DEREGULATION, DISRUPTIVE CHANGE HAS BEEN THE NORM, RATHER THAN THE EXCEPTION.

CONFRONTED BY AN OPEN MARKET, AND A STEADY STREAM OF NEW ENTRANTS UNCONSTRAINED BY OLD RULES OR HABITS, A SMALL GROUP OF TRADITIONAL CARRIERS HAS SURVIVED THE POST-DEREGULATION PERIOD WITHOUT RESORTING TO BANKRUPTCY PROTECTION. AND THEY HAVE DONE IT BY CONTINUOUSLY CHANGING THEIR BUSINESS MODELS.

OF COURSE, EVEN ACCUSTOMED AS WE ARE TO DISRUPTIVE CHANGE, THERE WAS NOTHING REMOTELY NORMAL ABOUT THE SERIES OF BODY BLOWS THE PEOPLE OF AMERICAN HAVE HAD TO ABSORB THE PAST FOUR YEARS.

LET ME RUN THROUGH AN ABBREVIATED LIST.

IN EARLY 2001, WE WERE CONTENDING WITH A DRAMATIC DROP OFF IN BUSINESS TRAFFIC AS THE ECONOMY FLAGGED. THAT SUMMER, HOOF AND MOUTH DISEASE IN EUROPE CAUSED A PANIC THAT SEVERELY DAMPENED TRANS-ATLANTIC TRAVEL. ON 9/11 OF COURSE WE HAD TWO OF OUR AIRCRAFT HI-JACKED AND TURNED INTO WEAPONS OF MASS DESTRUCTION.

AFTER THAT WAS THE SECURITY NIGHTMARE YOU'RE ALL FAMILIAR WITH. OUR COSTS OF SECURITY SKYROCKETED, OUR PASSENGERS BEGAN AVOIDING TRAVEL TO AVOID THE “SECURITY HASSLE” IN THE AIRPORTS AND OUR INSURANCE PREMIUMS INCREASED BY SEVERAL HUNDRED MILLION ANNUALLY. ON NOVEMBER 12TH WE LOST ANOTHER PLANE IN A DEADLY ACCIDENT, WHICH CAUSED A TEMPORARY CRISIS OF CONFIDENCE IN ONE OF OUR AIRCRAFT TYPES. THE NEXT MONTH THE SO-CALLED SHOE BOMBER TRIED TO BLOW UP ONE OF OUR JETS ON A FLIGHT FROM PARIS TO THE U.S. DEMAND FOR AIR TRAVEL CONTINUED TO WANE IN EARLY 2002. THE FLEDGLING ECONOMY, COMBINED WITH BOTH THE ANTICIPATION

AND REALITY OF THE WAR IN IRAQ FURTHER DAMPENED THE PUBLIC'S APPETITE FOR AIR TRAVEL.

LEST WE FORGET, FUEL PRICES SOARED, STAYED HIGH AND THEN SOARED SOME MORE. SARS CAME ALONG AND GAVE OUR CUSTOMERS SOMETHING NEW TO BE AFRAID OF -- AND, A MAJOR HAILSTORM IN NORTH TEXAS KNOCKED A BIG CHUNK OF OUR FLEET OUT OF COMMISSION. OUR CRISIS WAS OF BIBLICAL PROPORTIONS AND THERE WERE DAYS WHEN I WAS SURE IT WAS GOING TO START RAINING FROGS AND THE LOCUSTS WERE GOING TO ARRIVE AT ANY MOMENT.

THE FROGS AND LOCUSTS NEVER CAME, BUT CLEARLY -- FACED WITH BOTH AN ECONOMIC DOWN CYCLE AND AN UNBELIEVABLE SERIES OF EVENTS -- WHICH PUT AN ENORMOUS AMOUNT OF PRESSURE ON OUR PEOPLE, OUR BALANCE SHEET AND OUR FINANCIAL STRUCTURE -- WE HAD TO MOVE FASTER AND ACT MORE AGGRESSIVELY TO TRANSFORM OUR BUSINESS THAN ANY OF US HAD EVER IMAGINED.

AS THINGS STARTED TO GO BAD IN 2001, WE KNEW THE TIME HAD COME TO ADDRESS OUR STRUCTURAL DISADVANTAGES VIS A VIS THE LOW COST CARRIERS. SO WE BEGAN DEVELOPING WHAT WE ENVISIONED AT THE TIME AS A FOUR TO FIVE YEAR PLAN TO GET US A LOT CLOSER TO THE BUSINESS MODEL WE THOUGHT COULD BE SUCCESSFUL. HOWEVER, AS EVENTS UNFOLDED IT BECAME CLEAR THAT THE MAGNITUDE OF CHANGE HAD TO BE MUCH GREATER, AND MORE IMPORTANTLY, MUCH FASTER. BY EARLY 2002, IT WAS CLEAR OUR FOUR OR FIVE-YEAR PLAN HAD TO BE ACCOMPLISHED WITHIN A YEAR OR WE WOULD SIMPLY RUN OUT OF CASH.

FOUR BILLION DOLLARS IS WHAT WE NEEDED TO PULL OUT OF OUR PERMANENT COST STRUCTURE, IN A HURRY. WE EXAMINED LITERALLY EVERYTHING WE DO, AND AT THE END OF THE DAY WE FOUND \$2 BILLION WORTH OF SAVINGS IN AREAS LIKE SCHEDULE EFFICIENCY, FLEET SIMPLIFICATION, CUSTOMER INTERACTION, DISTRIBUTION AND MANY OTHERS. ONLY AFTER TURNING OVER EVERY OTHER ROCK DID WE COME TO EMPLOYEES AND ASK FOR HELP.

WE HAD CONVINCED OURSELVES THAT "OUTSIDE THE BOX" SOLUTIONS WERE NECESSARY. NOW WE HAD TO CONVINCE THE REST OF THE COMPANY THAT TOUGH CHANGES NEEDED TO BE MADE -- CHANGES INVOLVING THEM -- IF WE WERE GOING TO SAVE THE AIRLINE. WE REALIZED EARLY ON THAT THERE WAS NO SENSE ASKING OUR PEOPLE -- OR THE UNIONS REPRESENTING THEM -- TO SACRIFICE UNTIL THEY BELIEVED SEVERAL THINGS.

FIRST, THEY HAD TO BELIEVE THAT MANAGEMENT REALLY WAS OUTSIDE OF THE BOX, THAT WE WERE SERIOUS ABOUT TRANSFORMING THE WAY WE DO BUSINESS, IN WAYS THAT HAD NOTHING TO DO WITH LABOR. FOR WAY TOO LONG, TRADITIONAL AIRLINE MANAGERMENTS HAVE BEEN IN THE HABIT OF ASSUMING THE ROOT OF OUR PROBLEMS IS THAT WE PAY OUR PEOPLE TOO MUCH, AND THEY DON'T WORK ENOUGH HOURS -- THAT OUR PROBLEMS WOULD SIMPLY SOLVE THEMSELVES IF LABOR WOULD JUST "PLAY BALL."

THAT ASSUMPTION PREVENTED US, FOR TOO LONG, FROM LEARNING A LOT OF THE LESSONS THE NEW BREED OF LOWER COST AIRLINES WERE TRYING TO TEACH US. IT TOOK US TOO LONG TO REALIZE THERE WERE MYRIAD OPPORTUNITIES OUT THERE TO IMPROVE THE ECONOMICS OF OUR BUSINESS, WITHOUT BANGING OUR PEOPLE OVER THE HEAD. SIMPLIFYING OUR FLEET IS A

CLASSIC EXAMPLE. FOR MANY YEARS, WE BUILT OUR FLEET WITH THE GOAL OF MAXIMIZING REVENUE RATHER THAN PROFIT – AND THE RESULT WAS A COMPLEXITY THAT ADDED SOME INCREMENTAL REVENUE, BUT ALSO A TREMENDOUS AMOUNT OF COSTS.

IN MANY RESPECTS, OUR GETTING OUTSIDE OF THE BOX WAS SIMPLY A MATTER OF BORROWING IDEAS FROM THE NEWER BUSINESS MODELS THAT WERE TEACHING US JUST HOW MANY WAYS THERE ARE TO REDUCE COSTS AND INCREASE PRODUCTIVITY WITHOUT TAKING IT OUT OF YOUR PEOPLE'S HIDES.

WHILE NOT ALL OF OUR INITIATIVES WERE ENTIRELY ORIGINAL, THE THOUSANDS OF CHANGES WE MADE TO OUR BUSINESS MODEL CONVINCED OUR PEOPLE THAT WE WERE SERIOUS ABOUT TRANSFORMING THE COMPANY. BUT THE SECOND THING WE NEEDED TO CONVINCE THEM OF WAS THE FACT THAT WITHOUT FURTHER CHANGE, THE COMPANY WAS GOING TO BE DOOMED TO FINANCIAL FAILURE. THAT WAS A TOUGH PILL FOR OUR PEOPLE TO SWALLOW – IN PART BECAUSE WE HAD WEATHERED SO MANY STORMS OVER THE YEARS. INDEED, THROUGH THE TUMULTUOUS YEARS IMMEDIATELY FOLLOWING DEREGULATION, AMERICAN HAD NOT ONLY SURVIVED, BUT GROWN AND EMERGED AS AN INDUSTRY LEADER. OUR PREVIOUS SUCCESSES, AND THE PERIOD OF UNPARALLELED PROSPERITY WE ENJOYED IN THE LATE 1990S, LULLED SOME OF OUR PEOPLE INTO THINKING THE CRISIS WE WERE FACING WAS MORE A BY-PRODUCT OF SOME FREAKISHLY BAD LUCK THAN AN INDUSTRY SEA CHANGE THAT NEEDED TO BE ADDRESSED.

HOWEVER, ONCE OUR COMPETITORS STARTED TUMBLING INTO BANKRUPTCY, AND ONCE OUR PEOPLE WERE ABLE TO SEE WITH THEIR OWN EYES THAT WE FACED COMPETITION FROM NEW BUSINESS MODELS IN 80% OF OUR MARKETS, WE WERE ABLE TO PERSUADE THEM THAT THE WORLD HAD TRULY AND FUNDAMENTALLY CHANGED – AND WE HAD TO CHANGE WITH IT.

BUT EVEN AFTER THE POSSIBILITY OF BANKRUPTCY BECAME REAL, WE NEEDED TO MAKE OUR PEOPLE UNDERSTAND THAT BANKRUPTCY WAS NOT SOMETHING TO BE TAKEN LIGHTLY. HAVING SEEN UNITED AND US AIRWAYS GO IN, NOT TO MENTION CONTINENTAL GOING IN AND OUT A COUPLE OF TIMES, OUR PEOPLE HAD REASON TO BELIEVE THAT BANKRUPTCY WAS NOT SO BAD. AFTER ALL, THOSE CARRIERS WERE STILL AROUND, AND MOST OF THEIR PEOPLE STILL HAD JOBS. BUT WE SPENT A LOT OF TIME AND ENERGY EDUCATING OUR PEOPLE, EXPLAINING THAT THE IMPLICATIONS OF BANKRUPTCY WERE MUCH WORSE FOR THEM – IN TERMS OF THE DOWNSIZING THAT WOULD NEED TO OCCUR – THAN WHAT WOULD HAPPEN IF WE COULD FIND A WAY TO RESTRUCTURE THE COMPANY CONSENSUALLY.

BEYOND ALL THAT, WE HAD TO CONVINCE OUR PEOPLE THAT WE HAD A PLAN, A VISION FOR THE FUTURE – THAT IF WE COULD WORK TOGETHER TO RESTRUCTURE OUR BUSINESS, WE COULD INDEED COMPETE AND WIN IN THIS NEW AIRLINE INDUSTRY.

AS YOU ALL KNOW, AMERICAN'S EMPLOYEES -- AND THE UNIONS THAT REPRESENT THEM -- DID NOT SIT BACK AND WAIT FOR BANKRUPTCY. CONVINCED OF THE NEED FOR CHANGE, THEY STEPPED UP TO THE CHALLENGE, ACCEPTING MAJOR PAY, WORK RULE AND BENEFITS CHANGES THAT RESULTED IN \$1.8 BILLION IN ANNUAL SAVINGS -- THE BIGGEST CONSENSUAL RESTRUCTURING IN AIRLINE HISTORY.

WHILE THAT WAS A GOOD OUTCOME, I SUPPOSE IT'S FAIR TO SAY THINGS COULD HAVE GONE A BIT MORE SMOOTHLY, ESPECIALLY TOWARDS THE END OF THE PROCESS. BUT IN ADDITION TO MY OWN PERSONAL LESSONS, OF WHICH THERE ARE PLENTY, I THINK THERE ARE SEVERAL IMPORTANT LESSONS WE CAN DRAW FROM AMERICAN'S RESTRUCTURING EFFORTS. ONE LESSON IS THAT A RESTRUCTURING THAT FOCUSES ONLY ON WRINGING CONCESSIONS OUT OF LABOR, SUPPLIERS AND CREDITORS IS NOT GOING TO WORK. THE CHANGES THAT HAVE SWEEPED THE INDUSTRY DEMAND MORE RADICAL BUSINESS MODEL CHANGES. MOREOVER, ABSENT THOSE CHANGES, YOUR PEOPLE ARE NOT GOING TO BELIEVE THAT THEY NEED TO CHANGE.

WE NEED TO BE HUMBLE ENOUGH TO RECOGNIZE THE LESSONS WE CAN LEARN FROM THE LOWER COST CARRIERS. THAT DOESN'T MEAN EVERYBODY SHOULD SIMPLY REPLICATE THE SOUTHWEST BUSINESS MODEL. IN FACT I AM CONVINCED THERE IS A REVENUE PREMIUM TO BE EXTRACTED BY CARRIERS WITH A BROAD NETWORK, STRONG LOYALTY PROGRAM, FREQUENT SERVICE, UNIQUE PRODUCT OFFERINGS AND SO ON. BUT THAT PREMIUM WILL CERTAINLY NEVER BE AS ROBUST AS IT ONCE WAS.

EVERY AIRLINE NEEDS TO HAVE A REALISTIC UNDERSTANDING OF THE UNIQUE REVENUE POOLS THEY CAN ACCESS -- WHICH SOME OF THE LOWER COST CARRIERS CAN'T ACCESS -- AS WELL AS A RECOGNITION THAT THE COMPANY'S UNIQUE COSTS CANNOT EXCEED ITS UNIQUE REVENUES.

I CANNOT THINK OF A COMPANY -- EITHER IN THE AIRLINE INDUSTRY OR ANY OTHER HEAVILY UNIONIZED SEGMENT OF OUR ECONOMY -- THAT HAS MANAGED THE KIND OF RESTRUCTURING THAT AMERICAN HAS. AS A CONSEQUENCE OF THAT RESTRUCTURING, I BELIEVE AMERICAN IS POSITIONED TO BE A VIABLE COMPETITOR BOTH IN DOMESTIC AND INTERNATIONAL MARKETS.

HOWEVER, THE FINAL CHAPTER OF THIS SAGA CLEARLY HASN'T BEEN WRITTEN -- FOR AMERICAN OR ANY OTHER CARRIER. AMERICAN'S GARGANTUAN ACHIEVEMENT -- PULLING \$4 BILLION OF COSTS OUT OF A \$20 BILLION COMPANY -- IS JUST THE FIRST NECESSARY STEP. THEY ARE GOING TO HAVE TO SUSTAIN THEIR FOCUS ON CONTINUED BUSINESS TRANSFORMATION AND COST REDUCTION -- INDEFINITELY, AND MORE THAN LIKELY, FOREVER.

MOREOVER, TO BE TRULY SUCCESSFUL -- AND TO ASSURE THEIR SURVIVAL IN THE NEW ERA OF AIRLINE COMPETITION -- THE LEGACY CARRIERS ARE GOING TO HAVE TO LEAD, RATHER THAN FOLLOW, WHEN IT COMES TO AUTOMATION, SIMPLIFICATION AND PROCESS IMPROVEMENTS.

FOR THOSE CARRIERS WHO HAVE NOT YET GONE THROUGH THE SORT OF THE TRANSFORMATION AMERICAN HAS, THE HOUR IS GETTING LATE. WHETHER THEY'RE LANGUISHING IN BANKRUPTCY LIKE UNITED, WRESTLING WITH LABOR ISSUES LIKE DELTA, OR SIMPLY HAVEN'T STEPPED UP TO THE CHALLENGE OF RADICALLY CHANGING THEIR BUSINESS MODEL LIKE SOME OTHERS, IT'S CLEAR THAT NO CYCLICAL BOUNCE IS GOING TO BAIL THEM OUT. CHANGE OR PERISH IS THE RULE -- JUST AS IT HAS BEEN SINCE 1978.

GIVEN MY RATHER TOUGH ASSESSMENT OF WHAT NEEDS TO HAPPEN IN THE INDUSTRY, I SUPPOSE SOME OF YOU ARE CURIOUS AS TO WHAT -- BEYOND EITHER MASOCHISM, A LOVE OF PINEAPPLES, OR SOME COMBINATION OF THE TWO -- WOULD MOVE ME TO GET BACK INTO THE BUSINESS BY INVESTING IN HAWAIIAN AIRLINES,

ONE OF THE THINGS THAT APPEALS TO ME ABOUT HAWAIIAN IS THAT THEIR CHALLENGE IS IN MANY WAYS ANALOGOUS TO THAT OF THE LARGER LEGACY AIRLINES. AFTER ALL, IT'S BEEN AROUND FOR 75 YEARS. LIKE AMERICAN, THEY HAVE MANAGED TO PULL OFF AN IMPRESSIVE TRANSFORMATION OVER THE PAST COUPLE YEARS. THOUGH THEY DID LAND IN BANKRUPTCY, THAT IS PRIMARILY A CONSEQUENCE OF A DISPUTE BETWEEN THE AIRLINE AND ITS MAJOR AIRCRAFT LESSOR. THE MANAGEMENT HAS SUCCEEDED IN MAKING IMPORTANT CHANGES TO ITS FLEET, AND BUSINESS PROCESSES – AND MOST IMPORTANTLY, THE AIRLINE'S EMPLOYEES HAVE BEEN INVOLVED IN THE TRANSFORMATION PROCESS, AND HAVE AGREED TO CHANGES ON A CONSENSUAL BASIS. LIKE EVERY AIRLINE, HAWAIIAN HAS ITS CHALLENGES, BUT I AM VERY OPTIMISTIC ABOUT ITS FUTURE.

AS I SAID AT THE OUTSET, THE TIME I'VE SPENT RECENTLY IN HAWAII HAS NOT ONLY BEEN FUN – IT'S ALSO CAUSED ME TO FRAME SOME OF MY THINKING IN A NEW WAY. FOR EXAMPLE, I'M NOT MUCH OF A SURFER, BUT FROM WHAT I'VE SEEN, THE KEY SEEMS TO BE BALANCE, AND AN INNATE ABILITY TO ANTICIPATE AND RESPOND TO AN UNENDING SERIES OF WAVES – EACH OF WHICH HAS THE POTENTIAL TO DO YOU SOME SERIOUS HARM. TO ME THAT SOUNDS LIKE A PRETTY APT METAPHOR FOR THE AIRLINE BUSINESS – AND FOR THAT MATTER, JUST ABOUT ANY BUSINESS THESE DAYS.

I WANT TO WISH YOU ALL THE VERY BEST OF LUCK AS YOU RIDE THE WAVES. THANKS FOR THE OPPORTUNITY TO BE HERE, AND AT THIS POINT, IF ANYBODY'S GOT A QUESTION, I'LL DO MY BEST TO PROVIDE AN ANSWER.