

The background of the cover is a photograph of a red Virgin Express aircraft on a tarmac. The aircraft is the central focus, with its tail fin visible on the left and its cabin door open on the right. The word "Virgin" is written in a white script font on the side of the fuselage, and "EXPRESS" is written in a white block font below it. Behind the title "LATITUDE", there is a black wireframe globe. The title "LATITUDE" is in a large, white, serif font with a black outline. The overall scene is set against a clear sky and a green field in the background.

LATITUDE

The In-Flight Magazine of SimAirline.net

March 2007

Final Days for Virgin Express

ALSO INSIDE:

Interchange Flights Debut

Franchise Changes at British Airways

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The Virgin Express name disappears from the skies this month after the airline's merger to form Brussels Airlines.

Cover Photo: Chris Sheldon

A Virgin Express 737-300 in Shannon wearing the airline's original livery



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VIEWPOINT

I would like to apologize for the SimAirline.net website being unavailable at the end of the last month. The website was unavailable for approximately 80 hours. The problem was related to our inability to renew our domain name (i.e., simairline.net) because our website and domain name hosting provider had not properly transferred our domain name when we switched fifteen months ago. As a result, we had no information regarding when our domain name was due to expire until after the fact. I am truly sorry for the downtime, and I do not expect this to be a problem in the future.

Every year, March marks the beginning of the summer timetable for most of our airlines, and is a time of major expansion. This March however, we will be experiencing a loss: Virgin Express will no longer exist in the real world once it completes its merger to form Brussels Airlines on 25 March. Our feature article in this month's *Latitude* looks back at the airline's eleven-year history and outlines the changes that will be made to our Virgin Express operations at Virgin International Airways as a result.

SimAirline.net will be losing another part of our operations next month as well: the operations of Big Sky Airlines within Montana will no longer be offered. These routes were originally offered as part of Northwest Virtual because Big Sky was partially owned by Northwest. As part of Northwest's bankruptcy restructuring, this ownership structure will no longer exist as of 15 April. For simplicity, Big Sky will remain a part of Northwest's operations through the end of that month. However, part of Big Sky will still be at SimAirline.net: next month the airline will begin flying under the Delta Connection banner from Boston.



Virgin Express will remain a part of SimAirline.net's operations, but in reduced form.

As a reminder, daylight saving time changes begin in the next few weeks for many countries around the world, so please be aware of these changes and file your PIREPs as soon as possible after flying the route. Time zone transitions are listed in this issue's "Tail Section." As always, we encourage pilots to check [The World Time Server](#) for the latest and most accurate information.

Happy Flying!

Aaron Robinson

aaron.robinson@simairline.net

AOL Instant Messenger: SimAirlineNet

NEWS BRIEFS

Virgin Blue Formalizes Longhaul Plans

After five years of talking about longhaul routes, Virgin Blue is finally moving forward, with the announcement that the airline is in negotiations with Boeing for between seven and thirteen 777-300ERs for longhaul service, initially to the U.S.

Alitalia Bid Update, Leadership Changes Made

The Italian government reduced the number of possible bidders for Alitalia to five: AP Holding (led by rival airline Air One's Carlo Toto), Management & Capitali, MatlinPatterson Global Advisers, Texas Pacific Group (part of recent consortia to buy both Qantas and Sabre), and UniCredit. All five must submit nonbinding offers, including a turnaround plan, by April. The Alitalia board of directors was replaced by a new five-person board, removing CEO Giancarlo Cimoli from the chairman position and replacing him with Banca di Roma Chairman Berardino Libonati.

Bangkok's Don Muang Airport to Reopen

Thai Prime Minister Surayud Chulamont ordered the reopening of Bangkok's old airport, Don Muang, to prevent overcrowding at the new Suvarnabhumi airport, which opened on 15 September. Don Muang should be ready for reopening by 1 April. Thai will be moving some domestic operations back to the old facility.

Continental, Northwest Share Profits with Employees

Following successful years, Continental Airlines and Northwest Airlines distributed profit-sharing checks to their employees. Continental shared \$111 million of the \$343 million earned in 2006, while Northwest doled out \$44 million after reporting an annual operating profit of \$301 million. Both reported their first annual operating profit since 2000.

Power8 Restructuring at Airbus Approved

Airbus parent EADS approved Airbus' proposed Power8 restructuring, which includes 10,000 job cuts, closing or selling three plants, spinning off three plants, and outsourcing half of all A350 production. The cuts are intended to increase productivity by 16% and eventually cut annual costs by €2.1 billion, with €5 billion in cumulative savings by 2010. Airbus CEO Louis Gallois also pointed out that part of Airbus' declining performance has been the falling value of the U.S. dollar, which has "led to a 20% of loss of competitiveness in only six years."

CRJ Stretched Again, to -1000

Canadair announced that it will develop a 100-seat version of its CRJ product line by stretching the CRJ-900 (90 seats) an additional 9.8 ft. Thirty-eight orders have been placed for the new version, with entry into service due in late 2009. The company expects the CRJ-1000 not to compete with the proposed C-Series because the two are designed for different operators—regional vs. mainline.

Interchanges Come to Pan American



Ted Miley

This month, Pan American will expand its reach domestically rather than abroad with the addition of four interchanges, an early form of codesharing between airlines. Prior to U.S. airline deregulation, the Civil Aeronautics Board was faced with a dilemma: passengers needed to be provided with direct, same-plane service between distant cities, but airlines needed to be protected from destructive competition to build up the usefulness of the domestic system.

Thus interchanges were born, under which an airline could offer service to destinations outside of its network by swapping personnel and equipment between the two networks. For instance, because in its early history, Delta Air Lines did not have rights west of Texas, it entered an interchange agreement with American Airlines to combine certain parts of their networks.

A Delta passenger (and crew) in Miami could therefore fly on a Delta DC-6, Miami-Atlanta-Dallas-Los Angeles, even though Delta could not technically serve Los Angeles. Likewise, an American passenger (and crew) could fly the same route on an American Constellation, even though American was likewise excluded from Atlanta and Miami.

While interchanges occurred mostly on domestic routes, Pan American began offering interchanges in the 1960s to garner more passengers for its overseas flights. Their domestic partners benefited by being able to offer additional service to their limited overseas networks. It eventually reached interchange agreements with four different airlines, Braniff, Delta, National, and Northwest Orient, all four of which will be recreated at Pan American Virtual. For ease of use, interchange aircraft will only be allowed on domestic segments.

Braniff interchanged with Pan American on its Chicago-Dallas-Houston route with the 707. Braniff passengers were able to fly via the interchange onwards to either Europe or Latin America, and Pan American customers were able to fly the growing metropolis in north Texas. Braniff would later go on to purchase Pan American's subsidiary Panagra.

Delta's interchange with Pan American was on a New Orleans-Atlanta-Washington route with former Pan American DC-8s, and provided Pan American with access to Atlanta, as well as a transatlantic route for New Orleans.

National DC-8s will be offered to connect Pan American's two primary gateways, Miami and New York Kennedy. Service continues onwards to Panama City and to Panagra's routes down to South America.

Finally, Northwest Orient 707s will extend Pan American's London Heathrow-Detroit route onward to Minneapolis/St. Paul.



Bob Garrard

Adieu, vaarwel, goodbye...



Omar Saffee

The Virgin Express callsign and name will no longer grace Europe's skies after 25 March, when the airline's merger with SN Brussels Airlines, the successor to Sabena, finally takes place. The airline's bright red aircraft have already been repainted into the white, blue, and gray of the new Brussels Airlines.

While Virgin Express will be departing in the real world, its virtual counterpart at SimAirline.net, active since the organization opened in 2000, will remain open, but in reduced form. Both airlines centered their operations in Brussels, and Sabena outsourced its flights to Barcelona, London, and Rome to Virgin Express, dropping its own service to those cities (except for London City Airport) altogether.

The reduced Virgin Express operations will focus solely on those routes, effective 25 March. From Brussels, Sabena also flew to sixteen of Virgin Express' other twenty-one cities from Brussels, and offered higher frequencies on all of those routes.

"Virgin Express' operations are largely duplicative of our network at Sabena Virtual," points out Managing Director Aaron Robinson. "We felt it was in the best interests of the organization to restructure our Virgin Express network in favor of Sabena Virtual's greater options."

	Passengers	Passenger Miles (millions)	Revenue (millions)	Profit (millions)
1996	1,811,003	1,753,529	€160.6	€0.1
1997	2,922,348	2,182,560	€227.6	€6.9
1998	3,554,825	2,286,768	€259.5	€0.6
1999	4,053,842	2,651,410	€290.5	(€5.7)
2000	3,814,689	2,495,154	€289.9	(€65.2)
2001	2,505,935	1,368,412	€212.1	€0.1
2002	2,472,284	1,763,578	€227.3	€0.4
2003	2,532,931	2,052,060	€207.1	(€19.1)
2004	2,051,059	1,700,569	€179.8	(€7.3)
2005	1,830,000	unavailable	€234.7	€3.0
2006	1,985,000	unavailable	unavailable	unavailable

Virgin Express reached its peak in 1999, but was soon forced to begin downsizing.

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Virgin Express began operations on 23 April 1996 after Sir Richard Branson bought EuroBelgian Airlines, a leisure operator, and rebranded the company. The airline originally focused on charter operations but later transitioned to focus almost exclusively on scheduled services by 2001.

Branson's original vision was to create a low-fare airline for Europe that would challenge and redefine what an airline could be, much like Virgin Atlantic had done successfully the decade before. Unfortunately, the airline did not see the same kind of success as its U.K. counterpart or Australia's Virgin Blue. Virgin Express flew almost exclusively 737-300s and -400s, and at its height, operated twenty-two of the type. It operates just ten today.

Why was Virgin Express unable to succeed, whereas other low-fare airlines in Europe could and did? Virgin



After several tries, Virgin Express and SN Brussels finally agreed to merge...

Express' brand was not the problem, but its decisions were.

Virgin Express was originally the only low-fare airline in continental Europe, but never expanded its position and eventually lost out to the likes of Air Berlin, easyJet, and Ryanair. Virgin Express initially took advantage of the open skies of Europe by offering service not involving Brussels, but eventually retreated to Brussels.

Plans for a hub at Cologne/Bonn were made in 2002 but later cancelled after Lufthansa and TUI announced plans to match Virgin Express' routes. A second possibility, domestic operations from Paris Orly, were scrapped the following year after insufficient slots were allocated to compete with Air France.

While Virgin Express originally operated to cities with a desirable mix of passengers, both business and leisure, it never took advantage of Sabena's collapse, and



eventually found itself crowded on both ends out by a rebounding SN Brussels Airlines and a growing Ryanair at Brussels Charleroi Airport. Virgin Express was eventually forced to focus almost solely on low-yielding Mediterranean routes.

While unsuccessful in most areas, Virgin Express was particularly outstanding in one: on-time performance. The airline was regularly one of the leaders in this category in Europe, and often had months with better than 90% on-time arrivals.

Virgin Express held merger talks with both Sabena and SN Brussels, but was never able to reach a deal until April 2005. Plans to merge were announced the following April, and the airline's new brand, Brussels Airlines, not reviving Sabena as widely speculated, was unveiled last November.



VA SPOTLIGHT



An A330-300 over Michigan

Northwest Airlines is the world's fifth largest airline and has been part of the world's most integrated airline alliance with KLM Royal Dutch Airlines since 1991. The airline also maintains an extensive Pacific network and offers the most international gateways and Asian destinations of any U.S. airline.

Northwest and KLM operate the only airline alliance with full antitrust immunity, allowing them to integrate their product and supply networks. Areas of integration include marketing, reservations, purchasing, ground handling, route networks, schedules, pricing, revenue sharing, frequent-flier programs, and an identical business class product.

All of Northwest's transpacific flights operate via Japan, either through Nagoya, Osaka Kansai, or, like most, via Tokyo Narita. Northwest has kept this Pacific strategy since it first began flights to Asia in 1947 because of its fifth-freedom rights, the ability to offer intra-Asia service, to Japanese passengers.

Domestically, Northwest's network is focused on the Midwest, where the airline maintains the largest market share of any airline. The airline is also strong on secondary transcontinental city-pairs, often offering the best connections thanks to its northern hubs in Detroit and Minneapolis/St. Paul.

Northwest has also expanded service to Hawaii dramatically in recent years, thanks to the introduction of the 757-300, which features the lowest per passenger

operating costs in the world. Additional gateways have been added (Anchorage and Portland), as well as new destinations in Hawaii (Kahului and Kona).

Northwest's regional partners are Mesaba Airlines and Pinnacle Airlines, both of which operate under the Northwest AirlinK banner. A third AirlinK carrier, wholly-owned Compass Airlines, will begin operations later this year.

While still in Chapter 11 bankruptcy, Northwest is currently expecting to emerge from bankruptcy in the second quarter of this year. A fleet renewal is ongoing but incomplete; A330s have replaced all DC-10s, the 787 will enter service in 2008, and the CRJ-900 and E-175 will begin flying for Compass and Mesaba, respectively, in the coming months. The airline has not yet made firm plans to replace its 747-200s or DC-9s, but will be in the coming years.

Interesting Facts:

- Northwest is the only U.S. airline to maintain hubs abroad in both Asia and Europe.
- Northwest will be the first airline in North America to operate the 787.
- Despite having never ordered a single DC-9, Northwest operates over a third of all active DC-9s.
- Within the next year, Northwest will operate the largest A330 fleet in the world.



A DC-9-30 departing Atlanta



SWITCHING SIDES

Russell Collins

British Airways is now facing the imminent loss of two of its six remaining franchise partners, after rival BMI announced its purchase of British Mediterranean Airways (BMED) on 5 February for a mere £30 million. In November, British Airways also announced the sale of troubled regional subsidiary BA Connect to FlyBe.

BMED will continue its franchise agreement with British Airways until the end of the summer timetable in 2007, at which point it will transition to join the BMI network. BMED currently flies three A320s and five A321s from London Heathrow to eighteen medium-haul destinations, most in the Middle East and Central Asia.

British Airways has not yet indicated if it will offer continue to offer service to any of these destinations after the franchise agreement ends, but with important destinations like Beirut and Tehran that feed to the airline's longhaul network, service will likely continue.

Indeed, the 21 February purchases of four A320s and four 777-200ERs suggest that at least part of the network would be retained. While the 777s would be unlikely candidates to replace BMED A321s, the routes could be upped to 757s or 767s, with the extra 777s replacing the smaller aircraft's capacity.

Even before BMED departs from British Airways, the majority of BA Connect's regional network will be transferred to FlyBe, a successful regional carrier. While British Airways will retain a 15% ownership stake in the company, it will remain entirely outside of the British Airways network. Only a small fleet of Avro RJ100s to serve high-yielding routes from London City Airport will remain.

Under the leadership of Rod Eddington and now Willie Walsh, British Airways has been steadily refocusing its operations around its global network rather than its shorthaul and regional networks, which have suffered in profitability over the last decade.

Since the departure of CEO Robert Ayling, British Airways has ended its franchise agreements with no fewer than six other partners: Air Liberte, BASE Airlines, British World Airlines, Deutsche BA, Maersk Air, and Regional Air.

While only three of these partners actually operated within the U.K., the British Airways network at home has steadily declined and the airline has become criticized as "London Airways," refusing to look beyond southeast England. Ironically, one of Ayling's goals was to transform the airline into more of a world airline and less of a British one, although his strategy was through the much-derided 'World Tails' rebranding.

Virtual British Airways will be largely unaffected by the real-life losses of BA Connect and BMED. "We plan to continue offering all routes of these two partners, regardless of if they continue to be offered in real life or not," says Managing Director Aaron Robinson. "SimAirline.net is committed to offering as many domestic and international routes to its British pilots as possible."

Over the coming months, Virtual British Airways will be reviewing and expanding its regional operations. Additional routes and destinations will be opened up as a result of the addition of smaller aircraft from airlines that were formerly British Airways franchise partners.

HUB FOCUS

Tokyo International Airport (HND/RJTT)

Tokyo International Airport, better known as Haneda, handled 64.4 million passengers in 2006, the fourth most passengers in the world in 2006. It is also the largest hub for All Nippon Airways.

The primary airport for Tokyo prior to the opening of Narita in 1978, the airport serves almost exclusively domestic flights. An agreement between the Japanese and South Korean governments though, allowed city-to-city service between Haneda and Seoul Gimpo Airport, which had a similar background. One daily flight was allotted each to ANA, Asiana, JAL, and Korean Air. A second daily flight was granted to all four in 2005.

At Haneda, ANA flies primarily from the recently opened Terminal 2, although the flights to Seoul depart from the smaller International Terminal. ANA Virtual offers service to 34 domestic destinations from Haneda, including seventeen daily flights to Fukuoka, fifteen daily flights to Sapporo Chitose, and fourteen daily flights to Osaka Itami. Of those flights, only four



Joe Jones

The control tower at HND

are not operated by a 747 or 777.

In addition to Korean Air's service to Seoul Gimpo, Pan American flies to Tokyo Haneda as part of its daily round-the-world flight, and on sixteen weekly flights to several other destinations: Fairbanks, Guam, Hong Kong Kai Tak, Honolulu, Los Angeles, New York Kennedy, Osaka Itami, and San Francisco.

Interesting Facts:

- A fourth runway for Haneda is under construction and will allow even more capacity in 2009.
- Japan and China have agreed in principle to allow ANA and other airlines to operate city shuttle service from Haneda to Shanghai Hongqiao Airport.
- Haneda was the busiest airport in Asia in terms of aircraft movements until being passed by Beijing in 2004.
- Haneda flights on average carry over 200 passengers, while most airports can't reach 100 passengers per movement.



Takashi Takahashi

ANA flies over 200 flights a day from Terminal 2, most on widebodies.



Wings of the Future

Alexander Schindler

Blended winglets have grown enormously in popularity since their introduction in 1999 on the 737-800. While winglets have been around for decades, their attractiveness has increased dramatically in recent years due to the rising cost of fuel.

Blended winglets are now available direct from the factory on the 737-700/800/900, or for aircraft already in service, on the same models plus the 737-300/400/500 and 757-200. Retrofitting is done by Aviation Partners Boeing (APB), a joint venture between Aviation Partners, Inc. and Boeing Commercial Airplanes.

The principle behind winglets is that they reduce wing vortex concentration, and therefore the drag on the aircraft. Blended winglets differ from traditional winglets in that the angle change from wing to winglet is curved rather than angled, making them more effective.

The increased performance available from blended winglets provides the following benefits:

- improved climbs, especially useful for hot or high airports
- reduced fuel consumption and noise pollution
- reduced climb and cruise thrust
- improved cruise performance and range

Today over half of all 737NGs have blended winglets, including about 85% of new builds. APB has also begun winglet conversion for the 757, and is exploring options for the 767 and 777.

Blended winglets are not right for all airlines though, since aircraft need to be taken out of service, and the benefits are greatest for aircraft flying long sectors.

Many of SimAirline.net's airlines have opted to install blended winglets on their aircraft. Below is a look at which of our airlines operate aircraft with blended, or, in parentheses, which will in the near future.

737-300

(Continental,) Virgin Express

737-500

(Continental)

737-700

Alaska, ANA, Continental, Copa, (Delta,) Virgin Blue

737-700ER

(ANA)

737-800

Alaska, Continental, Copa, (KLM,) South African, Virgin Blue

737-900

(Alaska, Continental, KLM)

737-900ER

(Continental)

757-200

Continental, (Delta), Icelandair, Northwest

THE TAIL SECTION



Alaska Airlines

Alaska Airlines recently unveiled its latest special livery. Called "Starliner 75," the livery commemorates the airline's 75th anniversary that will be celebrated later this year. The livery was originally worn on the DC-3, which were branded as Starliners. The 737-800 that will wear the livery will enter service with the airline this month. The livery was chosen through company-wide voting.



Chris Coduto

New Retired Aircraft Available

Four additional retired aircraft became available at this month, all McDonnell Douglas models. The MD-11 is now available at both Alitalia Virtual and Delta Virtual, the DC-10-30 is now offered at Virtual British Airways, and the DC-8-62 can now be flown at Hawaiian Virtual.

Recent/Upcoming Daylight Saving Time Changes

- 25 February – Brazil
- 11 March – Bahamas, Bermuda, Canada, Chile, Cuba, Paraguay, U.S., Uruguay
- 17 March – New Zealand
- 25 March – Armenia, Australia, Azerbaijan, Cyprus, Europe, Georgia, Lebanon, Tunisia, Turkey
- 29 March – Jordan
- 30 March – Israel
- 31 March – Mongolia
- 1 April – Haiti, Iraq, Mexico, Namibia, Syria, Turks and Caicos
- 27 April – Egypt
- 6 May – Honduras

Please note that unlike recent years, the U.S. and Canada are observing daylight saving time before Europe and Mexico.

Content submissions for *The Tail Section* are encouraged and should be directed to latitude@simairline.net.