



M E M O R A N D U M

TO: ALL RESERVATION AGENTS                      FROM: GUY  
AT: RESERVATIONS                                      AT: RESERVATIONS  
SUBJECT: ESTABLISHMENT OF NEW RESERVATIONS FACILITY

DATE: JUNE 26, 1985

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During the last year, it has become increasingly evident that the expansion in the volume of calls received by PSA is stretching our Scripps Reservations facility and the staff to the breaking point. I am aware of the pressure that this expansion of work has placed on each of you.

It is clear that the expansion of PSA's flight schedule for 1985 and 1986 will further increase the already overburdened reservations system that is currently in place. For this reason, over the last several months, we have been studying the technical aspects of how best to expand the reservation capacity to respond to the growth of our Airline. After careful consideration of all relevant factors, PSA has determined that the best interests of the Company require the establishment of a second Reservations Center.

The Reservations Center will be located in the Reno, Nevada, area. It is PSA's current intent to have the new Center operational beginning in November 1985. Details regarding the construction, staffing, and integration of the Center are currently being developed and finalized. In addition, we have given notice to Local 2707 of the Company's establishment of the new facility pursuant to the provisions of Article 18, Section G, and I expect that further discussions will follow regarding the effects of the new Center on agents at the Scripps facility.

There are a number of economic factors which make the establishment of a second Center in the northern sector of the PSA route structure the most efficient approach to responding to the increased call volume. Among the factors which affected the Company's decision were:

1. The substantial increase in the cost of leasing telephone lines to transmit calls from cities in the northern half of PSA's route structure to San Diego;
2. The absence of cost-efficient expansion capability at the Scripps Ranch facility;
3. The emphasis in PSA's route expansion on cities in the northern half of PSA's route structure.

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