

Pinnacle Airlines hits restart button, changes name to Endeavor Air

By **Liz Fedor** | 06/19/13



REUTERS/Jeff Haynes

Pinnacle is now a Delta subsidiary and its pilots exclusively fly Delta Connection regional flights.

After a painful 13-month bankruptcy that played out in a New York courthouse, Pinnacle Airlines is revamping itself in the Twin Cities.

The regional carrier recently moved its headquarters to the Minneapolis-St. Paul

International Airport, leaving Memphis where former Pinnacle executives struggled to merge Pinnacle, Mesaba and Colgan airlines into one well-functioning airline.

Delta Air Lines provided the financing to allow Pinnacle Airlines to emerge from bankruptcy on May 1, and Delta is supplying the executives to transform the carrier.

Pinnacle is now a Delta subsidiary and its pilots exclusively fly Delta Connection regional flights. Management's desire to give the regional airline a rebirth is so strong that Pinnacle recently announced it will change its name to Endeavor Air.

Pinnacle employees have been voting on a new logo design. It will be unveiled on June 26 during a ribbon-cutting ceremony for Endeavor Air that will be held at a Twin Cities' airport building near Interstate 494.



Re-branding is typically done for a consumer audience, but in this case the new airline name and logo may be targeted more directly at the Pinnacle employees.

It appears that the new executive team is trying to build a new culture for the airline after a bruising and chaotic period for Pinnacle employees.

The carrier lost its flying contracts with United and US Airways, Pinnacle employees agreed to concessions during bankruptcy and Delta is reducing Pinnacle's fleet.

At one phase of the Pinnacle labor negotiations, the frustrations of union pilots went well beyond proposed pay cuts. Several pilots were getting paychecks that weren't accurate, so they had the added stress of not knowing when they would get their money to pay their mortgages and other bills.

Better workplace

Delta, which emphasizes on-time flights and employee engagement, clearly expects the new team of Pinnacle executives to construct a better airline and workplace.

Delta is phasing out Pinnacle's 50-seat aircraft, because its leadership has emphasized that the economics of those planes don't work with high fuel prices.

As part of a three-way deal involving Pinnacle, Delta and the pilots union, Pinnacle gets to keep 41 76-seat regional jets and Delta will allocate 40 more large regional jets to Pinnacle.

The new Canadair Regional Jets, known as CRJ-900s, are scheduled to start arriving in September. Pinnacle spokesman Joe Williams said that the first 12 planes are expected to arrive by the end of this year and an additional 28 are set for delivery in 2014. Passengers who fly on the 76-seaters will have access to first-class cabins.

In January, Minnesota's Department of Employment and Economic Development acknowledged that Pinnacle would receive a \$550,000 forgivable loan for moving its headquarters to the Twin Cities.

In the scheme of Delta's finances, that's not a huge figure. Multiple Delta Connection regional carriers transport Delta passengers to hubs, where they make connections to fly to larger U.S. and international cities. In the middle of last year, Delta had 343 50-seaters in its fleet and it plans to reduce that number substantially. By removing 50-seaters from Pinnacle and other regional carriers, Delta has estimated it expects to save more than \$400 million over three years. That savings includes avoiding expensive maintenance work.

New executive team

In a May communication to Delta employees, Delta CEO Richard Anderson said: "Regional flying is and will continue to be an important part of our network." He highlighted the importance of new Pinnacle President Ryan Gumm and other new leaders to ensure that "we provide a good service to our customers."

Gumm, who has worked as a pilot, served in top management roles at Delta Private Jets and Comair, a Delta regional airline subsidiary. Pinnacle's chief financial officer and chief operating officer both have extensive management experience with Delta.

Pinnacle's new chief administrative officer is Mike Becker, who had a long career at Eagan-based Northwest Airlines. Becker led human resources at Northwest and served as a Delta executive following the Delta-Northwest merger.

Minnesota's prominent role in the aviation world took a major hit when Northwest was absorbed by Atlanta-based Delta in 2008. The state's status slipped again when Memphis-based Pinnacle bought Eagan-based Mesaba for \$62 million in 2010.

Now Minnesotans can watch the rebuilding of Pinnacle Airlines, which soon will have a new name.

In a memo to employees, Gumm said that Endeavor Air was chosen because it represents innovation, excitement and the adventure of a journey.

It may also symbolize an olive branch to employees. In the memo, Gumm wrote: "Endeavor Air represents the starting point for redefining our airline and from here we will blend the best of what we know with new ideas aimed at making Endeavor Air the best place to work in the regional industry."

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