

Cascade employees propose buy-out

By SARAH JENKINS
Of the Union-Bulletin

In less than three months, the 170 or so Walla Walla employees of Cascade Airways Inc. may become stockholders and owners of the company they now work for.

Tim Komberec, flight operations director in Walla Walla, said today employees of the Spokane-based company have proposed a buy-out plan that would give them control of the airline.

Under the plan now being considered by Cascade President Brook Fox, wage withholdings would allow employees to purchase 51 percent of the company's stock.

The federally regulated buy-out might cost employees around \$3 million, Komberec said, but no exact figure has been set yet.

"We're now at the point for the labor groups to agree that they do want to buy the company," Komberec said. "We're shooting for a target date in mid July to actually have the employees buy the airline."

The buy-out plan came on the heels of the now-defunct purchase agreement with Horizon Airlines.

The two airlines started discussions March 25, with Horizon offering to buy the outstanding shares of stock held by American Investors Corp., Cascade's parent company.

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But a week ago, both companies agreed to suspend further talks and allow the purchase agreement to expire.

At that time, Komberec said, employee and management representatives for Cascade met to discuss a possible buy-out.

"It's something that the employees have wanted to do for a long time," Komberec said. "There's no better incentive for a worker than to own part of the company."

It had been rumored that the Horizon purchase

plan fell through because of Cascade's financial condition, which also led to the company's interest in an employee buy-out.

Komberec, however, denied that. "It's fair to say that the last two years have been tough for the entire industry," he said. "But we're in no worse trouble than any other regional airline our size. We're in no worse trouble than Horizon."

In fact, Komberec called 1983 "the turning point."

"I see a lot of positive things happening now, both for us and for the entire industry," he said. Cascade is in the midst of a cost-cutting program and is increasing its flight efficiency, at the same time its ridership is increasing, he added.

Another "very positive thing" would be the buy-out, Komberec said. "I see this whole trend as one of the most enthusiastic things happening in American industry today."

Fox, in Walla Walla earlier this week to brief the employees here on the proposal, agreed.

"It is simply a vehicle which we feel would establish a lot better employee relations with the company and certainly give them a large future stake in making sure the company maintains excellent service," Fox said.

The meeting in Walla Walla was the first in a series of sessions planned with Cascade employees in Pasco, Spokane, Seattle and Boise.