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Office of

SENATOR JAMES B. PEARSON

Kansas

FOR IMMEDIATE RELEASE

FRONTIER SERVICE TO SMALLER COMMUNITIES

Washington, D.C., December 1, 1969 - Senators James B. Pearson (R-Kan) and Robert Dole (R-Kan) today released the text of a letter in which they joined 13 other Senators to request a review of subsidy programs affecting Frontier Airlines. The letter emphasized the need for a "redirection" of these programs to keep smaller communities on Frontier's schedule.

Referring to a request by Frontier to suspend service to a number of smaller communities, the letter said, "This action comes at a time when our states have experienced accelerated abandonment of public transportation service. The railroads are discontinuing passenger trains and bus lines are eliminating or decreasing their service. If Frontier Airlines is permitted to discontinue its service without suitable replacements, many of these cities will be without public transportation. The situation is of such magnitude that we feel that it is deserving of the Senate Commerce Committee's immediate attention."

The letter addressed to Senator Warren Magnuson (D-Wash), Chairman of the Senate Commerce Committee, and dated November 26, 1969 was signed by Pearson, Dole and 13 other Western Senators. An identical letter went to Secor D. Browne, Chairman of the Civil Aeronautics Board.

The Senators asked for a "redirection" of the present subsidy provided to Frontier. "At the present time, Frontier, for its system-wide subsidized services, receives an average subsidy of approximately \$4 per passenger, when nearly twice the amount is actually required to maintain an economically sound carrier. This problem also involves consideration of high salary and maintenance costs serving points with relatively small load factors."

The text of the letter is as follows:

"Dear Mr. Chairman: In recent weeks, our attention has been brought to a developing crisis in public transportation for many cities in our eight-state area. Frontier Airlines is seeking authority to suspend commercial air service to a number of smaller communities. The airline has encountered tremendous financial losses and, in order to protect its fiscal soundness, they feel that it is necessary to abandon the unprofitable points on their routes. This action comes at a time when our states have experienced accelerated abandonment of public transportation service. The railroads are discontinuing passenger trains and bus lines are eliminating or decreasing their service. If Frontier Airlines is permitted to discontinue its service without suitable replacements, many of these cities will be without public transportation. The situation is of such magnitude that we feel that it is deserving of the Senate Commerce Committee's immediate attention.

In order to preserve the Frontier service now available, a long hard look should be given to the airline subsidy program. In recent years, these subsidies have been declining. In order to maintain air service to these deserving communities, it is important that we consider a redirection of the subsidy program. At the present time, Frontier, for its

system-wide subsidized services, receives an average subsidy of approximately \$4 per passenger when nearly twice the amount is actually required to maintain an economically sound carrier. This problem also involves consideration of high salary and maintenance costs serving points with relatively small load factors.

It has been proposed that third level carriers be relied upon for intra-state service. This suggests a close look at the relationships of third level carriers and the desirability of subsidizing intra-state airlines as a means of insuring adequate and improved air service to the less populated areas of this eight-state region.

The role of the growing and expanding feeder airlines is a matter of immediate importance in light of disappearing and inadequate surface transportation. Congress and the Executive must face up to the problem of what we do to assure these communities of continued air service.

As we are moving into the 1970's faced with the decrease in surface transportation, we will have to address ourselves to the local service of our communities and every method of procuring that service should be explored, including the criteria for subsidizing the local service lines.

The thought of utilization of intra-state third level carriers and perhaps, in some instances, the use of inter-state third level carriers subsidies may be involved but we must address ourselves primarily to the question of communities being downgraded and, in many instances, actually deprived of air service.

We ask that you take the lead in assisting us in attempting to resolve these problems which are so vital to the people of our states."