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NEWS from U.S. Senator Bob Dole

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CIVIL AERONAUTICS BOARD ISSUES LANDMARK DECISION TO SUPPORT WESTERN KANSAS COMMUTER AIR SERVICE

Washington, D.C. -- Senators Bob Dole and James B. Pearson and Representatives Keith Sebelius and Garner Shriver, Republicans of Kansas, announced today that the Civil Aeronautics Board intends to launch a two-year experimental program of Federal financial assistance to support commuter air carrier service to Hutchinson, Great Bend and Dodge City.

"In taking affirmative action on the joint application by Air Midwest, Inc., and the three affected Kansas communities, the CAB has issued a landmark decision which could lead to significant improvement in air service to small communities in rural areas throughout the nation. Under the Board's order, a pilot program of Federal support to Air Midwest, the commuter air carrier presently serving the Kansas communities, could begin as early as March 1, 1974", the Congressmen said in a joint release.

The CAB order would authorize about \$132,000 annually in Federal assistance to "flow through" Frontier Airlines, Inc., a local service airline with residual responsibility to serve the Kansas communities, in order to assure Air Midwest a rate of return on that service now performed at a loss to the company.

"Because Air Midwest cannot continue its present service obligations without assistance, Frontier Airlines would be required, under the law, to restore a minimum level of service to these communities in the absence of some relief. The probable Frontier subsidy for less actual service to the communities would be \$406,000 annually. Thus, by approving the innovative 'flow through' concept, the CAB not only has approved the petition of the affected communities, but also has saved the taxpayers some \$274,000 in annual local service subsidy payment obligation", the Congressmen said.

"We are pleased the Board felt it had adequate statutory authority to implement this concept at this time. It will provide a solid basis for an informed Congressional policy on improving air service to rural communities," the Congressmen concluded.

Senator Pearson was the original sponsor of a bill in the 92nd Congress to authorize explicitly an experiment comparable to the program announced today by the CAB.