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New York Airways Collection - Reports, Annual Reports, 1956-1958

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NON-SUBSIDY REVENUES. Your Company has succeeded in increasing its commercial revenues (i.e., from sources other than government subsidy) to levels not previously attained in scheduled helicopter transportation. In 1956, these revenues increased 40% over 1955, and since 1954 (the first full year of passenger operations) they have increased 119%.

It is expected that this growth will continue. Nonetheless, the additional expenses involved in the conduct of the Company's expanded services mean that for some time to come the Company will remain dependent for the bulk of its revenues on subsidy payments by the Civil Aeronautics Board. Under the Civil Aeronautics Act, these payments are made available to air carriers which are not yet in a position to operate on a self-sustaining basis through the generation of commercial revenues alone, and are provided in the form of payments for the carriage of the United States mail.

SUBSIDY POSITION. During 1955, the Company had been operating under a rate of mail payment established by the Civil Aeronautics Board in the Summer of 1954. In the fore part of 1956, the Board reopened this rate for review and redetermination, effective from February 3, 1956 forward. In the meantime, the Company has been operating under temporary mail rates. These temporary rates have not been adequate to cover the increased expenses resulting from the acquisition of new equipment and the expansion of operations previously described. However, they serve only as a basis for interim payment pending retroactive adjustment upon completion of the review proceedings.

These proceedings are still pending. Accordingly, it is not yet possible to present a definitive profit and loss statement for the year 1956, since the Company's actual mail revenues cannot now be ascertained. When the final results are known,

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