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New York Airways Collection - "The Issues and Challenges of Air Transportation: A Symposium in the Public Interest...", 1961

Extracted on Apr-18-2024 09:58:16

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In the early stages of the growth of the feeder, then local service carriers, there undoubtedly was good reason to consider them as a separate group. Size was a major factor. I would like to point out to you, however, that the regional carriers have recently achieved a growth which rivals the smaller trunk airlines.

For example, North Central Airlines, a regional, employed 2,150 in 1960; Northeast Airlines, a trunk, employed 2,500. As a further example, Mohawk Airlines is twice as large today as Northeast Airlines would be without the Miami route. Continental Airlines, a regional carrier, carried 1,000,000; and Northeast carried 1,400,000.

In 1962, with the integration of the air traffic formerly carried by Eastern Airlines in eight cities in upstate New York and in Vermont, Mohawk Airlines will carry 1,000,000 passengers. We will operate at least 32 aircraft, one more than Northeast Airlines operated in 1960 and the same number of airplanes operated by Continental in that year.

Coupling the dramatic growth in 15 years with the comparison of traffic in the first six months of 1961, it will be obvious to you, I believe, that we not only should be, but must be considered to be full partners in the air transport industry of the United States and not just junior partners, bus leaguers, or second-raters.

Looked at as an industry segment, our safety record, our on-time performance, and our responsiveness to public service requirements clearly equal that of the domestic trunk airlines.

Having achieved first class citizen stature as we have, and status as we must, there is one other area of major concern in this "regulation by definition" picture. This is the tendency toward state in addition to the federal regulation which is already so overpowering. We have watched with great interest and concern and the business of state regulation in California, Nevada, Nebraska, Pennsylvania and now in the state of Vermont. Not only are service patterns and fare levels in those states subject to review by the Federal Government but they are also subject to review by state authorities. One of the major points made in Project Horizon, President Kennedy's report on aviation matters, is that "As the airlines' operation grow in size and complexity, it becomes mandatory that regulatory controls be eliminated to the maximum extent consistent with the public interest so that business incentives and competition may play a more influential role in the regulation of rates and services." It does not make sense to add state controls while at the same time proposing to decrease those at the federal level.

Overhead costs are already exorbitant. This is a critical part of the cost picture in short-haul transportation as anyone knows who has followed the financial difficulties encountered by the railroads and buses engaged in this segment of the transportation business. Our survival will be in

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For example, North Central Airlines, a regional, employed 2,150 in 1960; Northeast Airlines, a trunk, employed 2,500; Continental Airlines, also a trunk, employed 2,500. As a further example, Mohawk Airlines is twice as large today as Northeast Airlines would be without the Miami route. Continental Airlines in 1960 carried 1,000,000 revenue passengers; North Central Airlines, a regional carrier, carried 1,000,000; and Northeast carried 1,400,000.

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