

# Bush Air Routes To Continue Under Subsidy

Alaska's bush air routes, the lifelines which tie remote villages to the outside world, will continue under the subsidized jurisdiction of the Civil Aeronautics Board, according to a decision released this week by CAB examiner Merritt Ruhlen.

"Although air transportation is no doubt needed in many areas which cannot economically support it, nowhere is such service needed more than in rural Alaska," the examiner wrote in his opinion.

He strongly rejected the proposal by the Bureau of Operating Rights that the CAB suspend the bush routes served by Wien Consolidated Airlines and Alaska Airlines.

They would be replaced, the BOA opinion held, by air taxis who could operate under state control—without federal subsidy.

"Relegating the small Alaskan communities to service only by the air taxis places all of the costs on the local traveler or shipper, the person who can least afford it. Furthermore, due to the unfavorable operating conditions, unsubsidized air taxi

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fares are extremely higher."

If the CAB can subsidize service to other small communities in the lower 48 which do have alternate means of travel and communication, the examiner noted in his opinion, the Alaska case with its lack of alternatives is certainly qualified.

Of the various possibilities outlined by groups who testified at the Civil Aeronautics Board Alaska Route Hearings in Washington, D.C., Anchorage, Fairbanks and Ketchikan, the examiner favored continued certification of regional carriers to serve bush routes.

"Service by the regional carrier directly or through equitable subcontracts with the air taxis is the best available at minimal cost.

"The regional carrier has sufficient size to minimize its unit costs and it has the sufficient strength and revenues to either provide the necessary service or to provide back-up support for a subcontracting air taxi."

The examiner questioned, however, whether the CAB now exercises enough control over the many bush routes Wien Consolidated and Alaska Airlines subcontract to smaller carriers.

"In any event, the board should review all Alaskan air taxi subcontracts to see whether they provide adequate protection for the public and the air taxis in accordance with the policies and principles herein set forth."

These policies include provisions for contracts which would not only comply with present CAB insurance regulations for air taxis but be: of sufficient duration to justify investments by the air taxis in equipment and facilities; provide that the air taxis be paid sufficient subsidy to support adequate service; provide that the certificated carrier furnish back-up support; and that the public be informed of the air taxi operation and given opportunity to voice its views.

The examiner orders two further investigations.

The first is an ancillary rate proceeding to determine the future subsidy needs of Wien Consolidated Airlines, Inc. and Alaska Airlines, Inc. Both of these airlines received increased trunk route operating authority in the examiner's decision which may affect their future needs for

federal subsidies.

Second, a proceeding is instituted to "determine whether subcontracts by certificated carriers to Alaska air taxis for the operation of bush route segments provide adequate protection for the public and the subcontracting air taxis."

Another bush procedure in question is the present '25 mile rule' which allows bush carriers to serve any point not already served within 25 miles of their routes.

This flexible service and the irregular route authority allow airlines to change their service as small communities move—to serve mining camps, hunting camps and other mobile population groups.

Its weakness, the examiner suggests, is that the method provides service at the discretion of the carrier alone and might better be replaced by more flexible procedures for authorizing changes in bush service.

An operating certificate owned by Howard J. Mays is cancelled in the examiner's decision. This affects Munz Northern Airways, now operated by Richard Gallagher in Nome which will continue to operate under state authority.

Larger communities—the towns and cities in Alaska—are affected by the CAB examiner's decisions on major trunk routes which realign the airline route structure serving Alaska.

The decision suspends Pan American Airline's Portland-Seattle-Fairbanks route and other Alaskan routes except for its New York-Alaska-Tokyo global route. It also suspends Western Airlines' Southeast Alaska air routes and replaces both with increased routes to Alaska Airlines and Wien Consolidated Airlines.

Wien Consolidated Airlines also received more permanent authority to serve the Alaskan North Slope and Deadhorse oil production areas from Fairbanks—an area which Wien has traditionally served and which it has been serving under temporary operating authority.

At the present time, the examiner's decisions are under appeal to the full board and will not be implemented until the Board examines the proposals and reaches a final decision.