

Passenger and freight rates increased

Mr. Raymond I. Petersen, chairman of the board and president of Wien Air Alaska, confirmed July 30 that the airline has received approval from the Civil Aeronautics Board for a 6 per cent general increase in passenger fares and freight rates.

Alaskan passenger fares went into effect on Aug. 1, with the exception of fares between Anchorage and Fairbanks and Fairbanks and Juneau. The airline asked for and received permission to postpone putting those rate increases into effect until a later date. Canadian passenger fares went into effect Aug. 5.

While the majority of the freight rate increases were approved, the board did suspend certain priority reserved freight rates and premium rates for items of a special nature. The new freight rates also went into effect on Aug. 1.

Mr. Petersen pointed out that the airline had not requested general increases since December 1973. He mentioned that since that time, inflationary pressures have been strongly resisted by the airline, but "It is now apparent that we cannot stem the ever-increasing costs of providing service without this tariff relief."

During the past year, the airline has experienced a fuel cost increase of 62 per cent or \$3,000,000 while labor costs rose by over \$2,000,000. Besides those two huge cost increases, Petersen cited recent legislative action on workman's compensation which will raise Wien's insurance premiums by an estimated \$300,000 per year.