

federal register

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PART V



DEPARTMENT OF TRANSPORTATION

Office of the Secretary



INTERNATIONAL AIR TRANSPORTATION POLICY STATEMENT IMPLEMENTATION PLAN

Requests for Public Comment

**DEPARTMENT OF
TRANSPORTATION**

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[Notice No. 77-1]

**INTERNATIONAL AIR TRANSPORTATION
POLICY STATEMENT IMPLEMENTATION
PLAN**

Request for Public Comment

The purpose of this notice is to set forth the Department of Transportation plan for implementing the International Air Transportation Policy Statement and to request public comment. On September 8, 1976, President Ford issued a new Statement of International Air Transportation Policy of the United States. This statement explicitly superseded the 1970 international aviation policy statement. The world of international aviation has changed substantially since 1970, and both the role and the philosophy of the United States have been challenged. The new policy reflects the changes that have taken place and the present U.S. positions.

The primary goal in formulating new policy has been the interest of the U.S. consumer in having available both regularly scheduled passenger and cargo services and low-cost charter service options. Another principal concern is to assure that well-managed, efficient U.S. airlines can earn a reasonable return on investment.

The policies contained in the Statement envision a revitalized U.S. international aviation system. Policies are truly meaningful, however, only when they are implemented. Accordingly, the group of government agencies and departments which developed the Policy Statement have listed the key actions, as shown below, that need to be applied in such areas as routes and competition, fares and rates, roles of scheduled and charter operations, excess capacity, unfair competitive practices, and safety and environmental considerations. These actions have been organized under five broad functions (actions before the Civil Aeronautics Board, bilateral negotiations, legislative and regulatory changes, research studies and projects, and coordination with air carriers and other organizations). The lead agency (which is underlined> and other agencies involved in the implementation are listed, as well as dates for action. It is anticipated that the lead agencies ultimately will develop a more definitive treatment of the specific issues and actions involved, as well as more precise timing for action. Actions having a high priority are designated with an asterisk.

There may be other issues which the Executive Branch of the Government should be addressing, or some of the tentative positions may not be the appropriate ones. Thus the need for comment and reactions. Air carriers, air travelers, and other interested parties are invited to comment on the implementation of the Policy Statement. Policy is an evolving process, and the evolution of international aviation policy will depend heavily upon the views, support, and ef-

forts of U.S. airlines, air travelers, and the public. Written comments and requests for copies of the Statement of International Air Transportation Policy should be addressed to:

John B. Flynn, Director, Air Transportation Policy Staff, Department of Transportation, 400 Seventh Street, N.W., Room 10304, Washington, D.C. 20590 (202-426-4428)

Comments received before March 1, 1977, will be considered. Comments received after March 1, 1977, will be considered to the extent practicable.

Issued in Washington, D.C. on January 18, 1977.

**WILLIAM T. COLEMAN, Jr.,
Secretary of Transportation.**

Implementation of the international air transportation policy statement

	Actions	Action agencies	Action dates
A. Participation in CAB proceedings:			
1. Routes:			
	*Establish and apply commercial (economic) viability standard in international route cases.	DOT	Early 1977.
	*Participate in major international route cases, review CAB decisions and assess commercial viability of awards and their impact on the U.S. international route network.	DOT	1977.
	Stress importance of new gateways and area service concepts in cases coming before the CAB.	DOT	1977.
	Push for more expeditious handling of international route cases, particularly those routes negotiated in the 1974 United States-Canada bilateral agreement.	DOT-DOS	Early 1977.
	Support U.S. carriers' applications for domestic fill-up rights.	DOT-DOS	Do.
2. Rates:			
(a) Support:			
	*Establishment of cost-related scheduled and charter fares.	DOT-DOC/CIEP	1977.
	Establishment of high-weight breaks.	DOT-DOC/CIEP	1977.
	Full consideration of filings involving part-charter passenger and cargo tariffs.	DOT-DOC	1977.
	Concept of off-peak pricing.	DOT-DOC	1977.
	Full consideration of filings involving intermodality and all-cargo scheduling and routing flexibility.	DOT-DOC	Early 1977.
(b) Review:			
	Major tariff filings and call for suspensions of tariffs which appear noncompensatory or attempt to increase the share of cargo moving on specific commodity rates.	DOT-DOC/CIEP	Do.
	Administrative Law Judge's pending decision in Transatlantic, Transpacific and Latin American Mail Rates (docket 26487).	DOT	Do.
	CAB order 76-10-11 denying temporary international mail rates.	DOT	Do.
3. Other:			
(a) Support:			
	Full consideration of blocked-space and equipment interchange agreements.	DOT	1977.
	Relaxation of U.S. scheduled carrier off-route charter restrictions in docket 28698 rulemaking proceeding.	DOT	Early 1977.
	Carrier establishment of independent commission structure through presentation of exhibits in the Travel Agency Commission Investigation (docket 28672).	DOT	Do.
(b) Review:			
	Capacity limitation agreements filed with CAB to determine that they meet the standards called for in the statement.	DOT	1977.
	Carrier commission filings to determine full compliance with filing requirements (docket 28460).	DOT	Early 1977.
B. Bilateral negotiations:			
	*Strive to prevent erosion of Bermuda principles in negotiations. Implementation includes conduct of economic analyses and exchange of economic papers.	DOS-DOT/DOC/CIEP	1977.
	Stress the need to consider fair and equal opportunities to compete for benefits and not just the estimated balance of benefits.	DOS-DOT	1977.
	Seek to obtain more liberal charter rights for U.S. carriers consistent with the need to assure that essential levels of scheduled service are maintained, and ensure equitable treatment of U.S. charters.	DOS-DOT	1977.
	Avoid government negotiation of fares, but stress the importance of cost-related fares.	DOS-DOT	1977.
C. Changes in legislation and regulations:			
1. Legislation:			
	Considered support of legislation similar to H.R. 7017 which would give public at least a 30-day notice of tariff changes.	DOT	Early 1977.
	Testify regarding the merits of an anticipated travel agent self-regulation bill which is expected to be introduced during this session of Congress.	DOT	Do.
2. Regulations:			
	Propose to CAB elimination of affinity charters and TGC's when it appears that ABC's and OTC's are viable concepts.	DOT	Late 1977.
	File a petition for rulemaking with CAB to remove the prohibition against split charters.	DOT	Early 1977.
D. Studies and research projects:			
1. Routes:			
	*Develop prototype of an economic and efficient U.S. international route network for guidance in bilateral negotiations.	DOT	Mid-1977.
	*Conduct economic analysis to determine U.S. position in bilateral negotiations.	DOT-DOC/CIEP/DOC	1977.
	Determine whether charter services generally should be part of bilateral agreements and ways of preventing foreign charter restrictions.	DOT-DOC/CIEP	1977.
2. Costs: *Develop appropriate cost criteria for scheduled and charter fares and introduce in CAB proceedings.			
3. Capacity:			
	*Develop criteria for determining what is excess capacity under Bermuda principles and how extensively the public interest requires 5th freedom operations.	DOT-DOS/CIEP	Do.
	*Formalize position regarding extensive foreign carrier 6th-freedom capacity, including possible renegotiation of agreements, and implementation of pt. 213 (of CAB economic regulations) actions.	DOS-DOT/CIEP	Do.

Actions	Action agencies	Action dates
4. Discrimination: *Complete a review of the facts in serious discrimination cases to determine what action the Secretary of Transportation should take.	DOT:DOC	Do.
Study the economic impact of discriminatory practices by foreign carriers.	DOT:DOS	1977.
5. Other:		
Study the matter of IATA surcharges to adequately reflect currency exchange rates.	DOT:CIEP	Early 1977.
Develop a report on conclusions and recommendations resulting from an evaluation of a survey of U.S. diplomatic posts concerning airport security in host countries.	DOT:DOS	1977.
Monitor international airport/airway charges and determine whether to take steps to impose compensatory charges on foreign carriers failing to pay landing fees in home countries.	DOT:DOS	1977.
E. Coordination with carriers, U.S. Government agencies and international organizations:		
1. Carriers:		
*Encourage United States and foreign carriers to reduce any wasteful capacity on a voluntary basis.	DOT:DOS CIEP	1977.
Determine with U.S. carriers their need for 5th-freedom traffic.	DOT:DOS/DOC/ CIEP.	1977.
Encourage carrier filings of cost-related fares.	DOT	1977
Meet with U.S. carriers to discuss ways to facilitate the carriage of mail on charters when scheduled capacity is unavailable.	DOT	Early 1977.
2. U.S. Government agencies:		
Meet with Postal Service on feasibility of utilizing U.S. charter service for carriage of mail when U.S. scheduled flights are not available.	DOT	1977.
Consider greater commitment of the military, to the extent practicable, to civilian aircraft cargo shipments.	DOD:DOT	Early 1977.
3. International organizations:		
Assist the development of ICAO standards and recommended practices as well as guidance materials pertaining to handling and transport of hazardous materials.	DOT	1977.
Participate fully with the United Kingdom and France in supporting the proposed ozone monitoring program of ICAO.	DOT	1977.
Seek agreement through ICAO of international aircraft noise standards which are compatible with U.S. requirements.	DOT	1977.
Participate in the comprehensive review of ICAO Aviation Security Manual contemplated in 1977.	DOT	1977.

LEGEND.—CIEP, Council on International Economic Policy; DOC, Department of Commerce; DOD, Department of Defense; DOS, Department of State; DOT, Department of Transportation; ICAO, International Civil Aviation Organization.

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