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OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 3, 1974

Secretary of Transportation Claude S. Brinegar is appealing to American travel agents and shippers to use U.S. flag air carriers in booking international flights and cargo shipments.

The Secretary's appeal is made in connection with the Federal Government's program to aid our international air carriers which are caught in a one-sided competitive struggle against foreign government-owned and government-subsidized carriers. This competitive struggle centers in the North Atlantic where U.S. lines face the competition of the foreign carriers which may not be required to make a profit. The two largest of the U.S. international lines, Transworld Airlines and Pan American World Airways, have been hardest hit. The current program of Federal support was initiated as an alternative to a cash subsidy requested by Pan American as a means of surviving.

I am enclosing two statements the Secretary has made in the hope they can be used to further the government's program for supporting U.S. flag carriers. The continued viability of these lines is important to our national welfare.

A handwritten signature in black ink that reads "H. David Crowther". The signature is written in a cursive, flowing style.

H. David Crowther
Assistant to the Secretary
and
Director of Public Affairs

Enclosures

STATEMENT OF SECRETARY OF TRANSPORTATION BRINEGAR
TO THE UNITED STATES TRAVEL AGENCY INDUSTRY
OCTOBER 2, 1974

This is an urgent appeal to you and all others of the more than 10,000 United States travel agents.

Some of the United States flag scheduled and supplemental air carriers are currently experiencing severe financial difficulties. Because of the tremendous importance of the travel agency industry in the field of travel and tourism, you, as a travel agent, can play a crucial role in helping our international carriers during this most difficult period.

The interdependence of our airlines and the travel agent community is clear. For example, of Pan American's \$1.6 billion in system-wide sales, travel agents account for more than 60 percent or a total of \$960 million. Of Trans World Airline's \$1.4 billion in system-wide sales, travel agents account for \$610 million or 45 percent. With respect to the Transatlantic operations of these two carriers, United States travel agents account for over 62 percent of sales producing for Pan American \$440 million and for Trans World Airlines \$300 million annually.

The continued viability of these and other important U. S. international airlines is, in large part, dependent upon the continued, solid support from United States travel agents. This support can best be manifested by expansion of your efforts to use the services of U. S. flag carriers only in those instances where the services provided clearly meet the needs of your clients.

Although U. S. citizens constitute over 60 percent of those flying overseas to and from the United States, U. S. flag carriers carry a far smaller share. A balancing of these ratios would add some \$200 million a year in new revenues to U. S. flag carriers.

Our U. S. flag airline system is an important national asset. It needs your continuing support.