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STATEMENT OF U.S. SECRETARY OF TRANSPORTATION BROCK ADAMS ON THE SIGNING OF THE UNITED STATES-UNITED KINGDOM AIR SERVICE AGREEMENT IN BERMUDA, JULY 23, 1977

Americans from every section of our country will find air travel cheaper and more convenient as a result of the new "Bermuda Agreement" signed today.

The American traveller is assured of either non-stop or one-stop flights to London from many more cities in the United States than in the past, as well as unprecedented flexibility to fly on to any point in the world. The United States has stood almost alone in the world for the principle of competition in the international marketplace. Although the British side had clearly sought a more restrictive agreement, our negotiators held firm for that principle. In certain respects, more competition is permitted under the new agreement than under the old.

For example, America's fast-growing "Sunbelt" will prove to be a substantial new market for international travel with the addition of three non-stop cities, Atlanta, Dallas-Ft. Worth, and Houston.

In a letter this week to the Civil Aeronautics Board, President Carter expressed his personal interest in starting this new service as quickly as possible. If the CAB acts promptly, non-stop flights from Atlanta and Dallas-Ft. Worth could begin as early as November 1.

The cost savings to passengers will come in several ways. One is through more direct access to Europe from all parts of the United States. Another is the joint government working group set up by the agreement that will, for the first time, monitor fare structures--seeking the lowest possible travel costs consistent with the economic health of the airlines.

A third way is through the continued insistence of the United States on liberal charter provisions. This country is determined to have charter service as a dependable option for air travellers. This agreement for the

first time recognizes the legal status of charter operations. Our job now is to conclude a bilateral charter provision as a full partner to this agreement by March 31, 1978 -- the date when the current memorandum of understanding on charters expires.

We must push forward with the final charter negotiations. They will begin in the fall, and they will be under the leadership of a knowledgeable and high-level team for the American side.

Another controversial subject has been the Concorde supersonic transport. The British government made it clear that it wished to change the provisions dealing with landing rights, and while President Carter and I have supported a trial for the Concorde to two American cities, we insisted that our airport operators maintain their existing rights. Therefore, the Concorde situation, from an international agreement viewpoint, stands exactly where it did under the old Bermuda Agreement.

There are a few other points worth stressing that resulted from these successful negotiations:

1) Those who ship goods to and from the United States will find that their air carriers now have greater freedom to take cargo where they want it and when they want it.

2) Flexibility that serves the public interest is a cornerstone of the new agreement. The CAB and the airlines will be able to decide what type of service is best for gateway cities to Great Britain and beyond.

3) The United States retains all of the long-haul rights, such as New Delhi, Tehran, and now Singapore, that were of importance to U.S. carriers.

From the start of these negotiations, the American side has wanted airlines to retain responsibility for establishing schedules they wish to fly. It is our view that an airline's share of the market should be determined by passenger choice rather than a government imposed formula. We will consult when the issue of excess capacity arises, but we have avoided giving either government the ability to unilaterally exercise control over the schedules of another nation's airlines.

The agreement also provides that a second U.S. flag airline may be added to any route where more than 600,000 passengers travel each year. This means that as markets grow, U.S. carriers will be able to serve them.

Special Ambassador Alan Boyd and his team have performed brilliantly over these trying months of very difficult negotiations. They deserve the nation's very sincere thanks.

As we now move on to the last unresolved issue, we feel that we have the commitment of the British government to work in harmony with us. We hope as soon as possible to reach a longer-term, liberal charter agreement that will protect the interests of the growing numbers of Americans who travel by air.

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