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Japan-Saipan Case Route Still Up In The Air

The Marianas District Legislature voted Thursday afternoon in committee to table a resolution that would have indicated a choice of Air Micronesia over Pan Am in the current Saipan-Japan route case. The vote of 2 to 1 to table the measure came after all day arguments in committee on Thursday, based on testimony heard Wednesday night in a four and a half hour public hearing.

The public hearing Wednesday night, before a standing-room-only audience, gave interested parties an idea of what the actual Civil Aeronautics Board hearings will be like which have been postponed now until November.

Most of the testimony appeared to favor Pan Am over both Air Micronesia and Northwest Orient Air Lines.

There were actually three resolutions under hearing Wednesday night. One asked the legislature to rescind the 1971 action of the body in supporting Pan Am and notify the CAB that the Marianas District now favors Air Micronesia.

A second one favored Pan Am directly, while a third asked that Northwest be given the route. The sponsor of the Northwest resolution, Congressman Manuel Muna, withdrew his resolution after a letter was read into the

hearing indicating that Northwest wanted no part of the political fight now raging throughout Micronesia over the route case.

The resolution favoring Air Micronesia was originally introduced by Congressman Santiago J. Megofna (Saipan) and Julian S. Calvo (Rota). When the resolution was distributed Wednesday night it was noted that Megofna's name had been removed as a sponsor.

The congressman himself was not in the audience and there was no explanation from the committee except that Megofna asked that his name be removed as a sponsor because he could no longer support the intent of the measure.

Ernest Milne, President of the Saipan Chamber of Commerce, testified in favor of Air Micronesia, advising the committee that he was testifying on behalf of the Chamber.

During testimony on the resolution favoring Pan Am, David M. Sablan, who is associated with Pan Am in a hotel project, challenged Milne's authority to speak on behalf of the Chamber.

Milne justified his position with the advice that the Chamber of Commerce "about a year ago" adopted a resolution

favoring Air Micronesia. Sablan challenged that resolution with the charge that the Chamber acted without a quorum present.

Milne conceded that the Chamber had not taken up the matter of the air route subsequent to the introduction of the three resolutions being aired Wednesday night.

Committee Chairman Ignacio Dela Cruz ruled that Milne's testimony be stricken from the record "unless and until it can be shown that he is speaking for the Chamber."

Sablan had earlier challenged the ethics of Congressman John Diaz to sit on the Committee hearing the three resolutions because Diaz is the assistant manager for Air Micronesia in Saipan. The chair took no action on Sablan's protest. Diaz himself made no statements and asked no questions during the hearing.

During the Committee meeting Thursday, however, Diaz said he would resign from Air Micronesia. The Chairman of the Committee, however, ruled that Diaz would not be able to vote on the measure in committee unless he could show a severance pay check from Air Micronesia. Diaz could not produce it and he was not allowed to vote on the measure.

Also disqualified from voting were Congressman Larry Guerrero and Congressman Manuel Muna, both of whom are associated with the United Micronesian Development Company (UMDA), the major investor in Air Micronesia.

The first speaker Thursday evening was Barrie Duggan, Vice President and General Manager of Air Micronesia. Duggan recapped the history of Air Micronesia which started in May, 1968. He also advised that Air Micronesia now has 97 Micronesians in the airline's payroll, plus 55 other Micronesians who work indirectly for the company through sub contractors in the various districts.

Duggan advised the committee of the investment structure of Air Micronesia, which includes shares held by Aloha Air Lines, UMDA and Continental Air Lines, as well as individual share holders throughout Micronesia. There are over 10,000 Micronesians who have indirect interest in the company through the various cooperatives, Duggan testified.

Air Micronesia owns one DC-6AB aircraft and there are now plans to transfer one Boeing 727 Jet to Air Micronesia ownership, Duggan said. Further, the airline is now awaiting certain legal documentation to transfer Air Micronesia's location of incorporation from the state of Nevada to the Trust Territory, the airline executive said.

Looking into the future, Duggan charged that the administrative law judge recommended Pan Am for the route because of Pan Am's financial condition. "No consideration was given by the hearing judge to the economic stability and self sufficiency of the Marianas and the other five districts," Duggan said.

"Pan Am says they will keep the present fare from Guam to Japan. Our proposal is to lower the fare between Saipan and Japan," Duggan stated.

Duggan also outlined for the committee the economic boost Air Micronesia would give to the local economy and the type of aircraft they plan to use.

Duggan, who was supported by his predecessor, Don Beck,

who travelled to Saipan from Los Angeles for the hearings, and Joe Smith, Air Mike public relations officer.

Duggan's testimony was followed by Remedios Cabrera, supervisor for reservations for Air Micronesia Saipan. She told the committee she was speaking for all Air Micronesia employees in asking the committee to act favorably on the resolution for Air Micronesia. There were three other persons who testified on behalf of Air Micronesia.

Included among those testifying for Pan American were Tony Mareham, who said he was representing a committee known as the Concerned Micronesians. Mareham said the committee exists to assist the lawmakers in arriving at intelligent decisions in matters that directly concern the people.

Mareham said his committee has concluded that the young people of the Marianas would benefit most by the selection of Pan American.

Also testifying in favor of Pan Am were Congressman Herman Q. Guerrero, of the Congress of Micronesia and Fernando Benevente, commissioner of the village of San Antonio.

Probably one of the most emotional talks, however, came from Senator Olympio Borja, of the Congress of Micronesia.

Senator Borja told the committee that he was a staunch supporter for Air Micronesia for the Micronesia route. However, for the Saipan/Japan route he felt Pan Am was the better selection. He outlined his reasons which ranged from what he described as better equipment and better service, to Pan Am's greater experience in the airline industry as well as tourist promotion techniques.

Borja also severely criticized Air Micronesia's performance for the past five years in the areas of passenger service and cargo.

Speaking in Chamorro, Borja became highly emotional when he challenged the ethics used in the Congress of Micronesia during the last session in ramming through a resolution during the last hours of the session. The resolution favored

Air Micronesia and was introduced by Sen. Andon Amaraiich, of Truk.

Later in the evening Congressman Herman Q. Guerrero read into the record from the COM's legal counsel, Kaleh Udol, charging that the resolution in the COM was adopted inconsistent with the rules of that body.

Borja told the district committee that the political status and future desires of the Marianas are different from those of the other five districts of Micronesia and the Marianas should not be directed by the other districts.

Pounding the table and shaking his finger, Senator Borja also challenged the ethics of Air Micronesia in their fight to win support in the Marianas. At the end of his talk, the political leader received a loud round of applause from the audience.

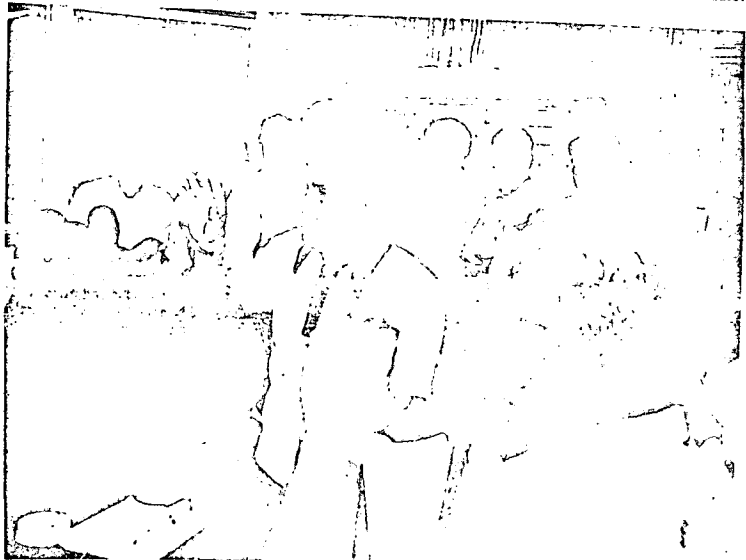
Following Borja, Jose T. Tenorio, one of Saipan's leading businessmen, came to the defense of Air Micronesia, also speaking in the vernacular. Tenorio (JoTen) attempted to answer both Borja and Sablan point by point, and though tempers were not lost it was obvious both sides had strong opinions.

One of the most prominent persons to testify was Morio Saegusa, President of Yusen Air and Sea Service Company, the third largest travel organization in the Pacific area.

Saegusa is also president of Diamond Tours, one of the top three travel wholesale companies in Japan, and is a former director of the Japan Association of Travel Agents, and the current president of the Transportation Club of Japan.

"The experts of my Company have watched with interest the development of the service to Saipan route case as it provides a great potential for the future," Saegusa advised.

"The carriers showing the most interest are Pan American and Continental. Both are airlines and both have air planes. But, we feel that is the end of their likeness. Pan Am is truly an international carrier already serving points in Japan," he continued.



AIRLINES TESTIMONY -- Marianas Congressman Albert Camacho testified during the public hearing on Saipan held to discuss the current Saipan-Japan route case, during the standing-room only meeting. (Sunday News Photo)