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Pan Am Offers To Fill Air Mike Gap

Pan American told the Civil Aeronautics Board Thursday that they were prepared to take over "the privilege of Micronesian service if Continental wants to stop providing it."

Speaking for PanAm at the hearing to determine a carrier for the Japan via Saipan route was Attorney Jerry Ryan. Ryan's statement was prompted by an earlier statement from Continental that the Micronesia route alone was not enough, that the future expansion of Air Micronesia depended on obtaining the Japan route.

Ryan further told the board that Continental's mission was "to act as a local service carrier within Micronesia." He said a grant to Continental of the Japan route would "change that mission and would result in serious service reductions by Air Micronesia in the islands."

The oral arguments Thursday in Washington was the last step before a final board decision, which is subject to approval by the president. CAB Law Judge Milton Shapiro recommended PanAm for the route and that

recommendation is also now before the CAB.

"In the international field our national public interest requires that the board aim at a decision which will allow the American flag effort to excel in the marketplace," Ryan asserted.

PanAm currently operates between Japan and Guam in competition with Japan Air Lines. If awarded the new route, Ryan said, PanAm will provide, during the peak season, daily service over an Osaka/Guam/Saipan/Tokyo/Osaka routing and a second daily flight O s a k a / T o k y o / Saipan/Guam/Osaka.

Ryan noted that JAL enjoys a powerful advantage in the Japanese market place, where most of the traffic originates. The attorney contended that PanAm is the only carrier which can effectively compete with the foreign air line. He said that PanAm has served Japan for over 25 years and that the President of JAL has stated publicly that PanAm is JAL's strongest competitor.

"On the other hand," Ryan continued, "Continental simply

could not hope to compete with JAL. It has no established identity in the market, and no history of service."

The need to choose an effective carrier to compete with JAL "is also dictated by balance of payments considerations. This is a market of foreign resident travel to U.S. Territory and, therefore, it is a vital method whereby foreign currency can be earned.

"It would be foolish indeed to let JAL capture that currency," Ryan concluded.