UNITED STATES
DEPARTMENT of the INTERIOR
★ news release

OFFICE OF THE SECRETARY Milner 343-4736

For Release January 18, 1968

TRUST TERRITORY AIR SERVICE AGREEMENT CONCLUDED WITH CONTINENTAL AIRLINES

Secretary of the Interior Stewart L. Udall announced today that an agreement has been formally concluded between the Trust Territory of the Pacific Islands and Continental Airlines for airline services during the next five years.

"The new service will vastly improve transportation and communication in this area and will be a major spur to economic development," Secretary Udall said today. Continental will operate through a partnership with Aloha Airlines of Hawaii and United Micronesian Development Association. UMDA is a Trust Territory corporation representing business interests throughout all parts of the Trust Territory.

Continental is committed to the construction of hotels in each of the six districts of the Trust Territory and to a vigorous program of travel promotion. An important element of Continental's undertaking is the training of Micronesians in the airline and related hotel operations.

Secretary Udall first announced the selection of Continental on November 10, 1967, following careful evaluation of proposals from several airlines and extended negotiations with all interested carriers. Execution of the agreement was postponed to afford the General Accounting Office an opportunity to consider a protest filed by one of the unsuccessful bidders.

The agreement was signed after General Accounting Office completed its review of the record of the proposals and negotiations and denied the protest.

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