

MAR 2 1972

EXECUTIVE

PR13-1ST51  
CA7 Japan - U.S.  
ST5111

Dear Mr. Speaker:

The President has asked that I reply to your letter of December 11 concerning the establishment of direct air service between the Trust Territory of the Pacific Island and Japan. I fully share your views that the early establishment of such services will be an important stimulus to the development of the Micronesian economy. It was with this consideration in mind that the United States Government sought and obtained an assurance from the Government of Japan in 1969 that U.S. airlines have authority under the U.S. - Japan Civil Air Transport Agreement to operate Micronesia-Japan air service.

Under the United States system of government, the Civil Aeronautics Board has the responsibility of determining, after a public hearing, whether U.S. airline service over an international route would be in the public interest. After making that determination, the Civil Aeronautics Board recommends to the President the airline to be granted the new international route authority. At present, two U.S. airlines, Pan American and Continental/Air Micronesia, have applied to the Civil Aeronautics Board for authority to operate scheduled services between Saipan and Japan. Action on these applications had been deferred, I understand, pending the conclusion of the Pacific Island Local Service Investigation, the results of which, it was believed, might have a bearing on the applications. The Pacific Islands Local Service Investigation has now been completed and the Civil Aeronautics Board is in position to consider action on the pending requests.

I would like to thank you for giving us your views on this important matter. They shall be taken into account when the President reviews the recommendation submitted to him by the Civil Aeronautics Board.

Sincerely,

*PM*  
Peter M. Flanigan  
Assistant to the  
President

Honorable Atlan Anien  
Speaker  
Marshall Islands District Legislature  
Majuro, Marshall Islands

PMFlanigan:BRain-State:RErb:ljs 2/29/72

*Fourteen (14) letters attached - Green Copies used for*