



## CIVIL AERONAUTICS BOARD

WASHINGTON 25, D.C.

IN REPLY REFER TO: B-50  
ICE-61-4-66

December 14, 1961

AIR MAIL

Mr. Shields B. Craft, President  
Standard Airways, Inc.  
Lockheed Air Terminal  
Burbank, California

Dear Mr. Craft:

This is in reply to your letter of December 5, 1961 concerning the proposed flights between Seattle/Portland and Honolulu in conjunction with Odyssey International.

The Bureau has in its possession copies of correspondence exchanged between Standard and Odyssey in October 1961 which is somewhat at variance with the statements contained in your December 5 letter. I refer specifically to a letter from Joel Eisenberg of Odyssey to you dated October 16, 1961 in which his intent to involve Standard in an illegal operation is evident from his request. He states in the third paragraph of this letter, "Naturally, they will want this flown on a common carriage, individually ticketed basis rather than a charter so that they can sell to the general public, but they wish to pay a flat charter price for the flights." In the final paragraph he also states, "This will be at least a twelve-trip series, and I feel sure that they will absorb one of the ferry legs if you can do something with the other."

On October 19, 1961 Standard's Vice President, Operations, A. J. Baughman, wrote Odyssey and did in fact commit Standard to a per-seat rate of \$136.20 with a guarantee of 81 passengers on each flight. There is no tariff rate of \$136.20 currently on file with the Board covering transportation on Standard from Seattle or Portland to Honolulu and return. In our opinion, this arrangement is actually a charter arrangement based on a guaranteed per-seat charge and is violative of the Board's charter regulations.

The following concerns the three specific questions asked in your letter:

Mr. Shields B. Craft (2)

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- 1.) Standard may accept individually ticketed passengers from a General Agent who offers tour packages to other agents provided there are on file with the Board agreements with the General Agent and the sub-agents which clearly explain the nature of the services to be provided by the General Agent and the sub-agents and provided all of the ticketing and other requirements under which Standard is permitted to operate are adhered to.
- 2.) Standard would not be prohibited from offering the General Agent an override commission provided an agreement with this agent was filed with the Board which would reflect the unusual services this agent performs on behalf of Standard which would warrant the override commission.
- 3.) If the tickets issued were sold in conformance to the carriers' applicable tariffs on file at the time of sale and if there are no private arrangements which would change the classification of the services being rendered, the agent could properly sell tickets on behalf of Standard or certificated route carriers. However, he must be acting as agent of the carrier and must sell the tickets on the basis of firm reservations. If the agent held out the transportation in his own name, rather than as agent for the carrier, he might be considered an indirect air carrier and might expose himself to prosecution for unauthorized indirect air transportation.

The above answers are directed specifically to the questions as you phrased them in your letter. In no circumstances can we interpret your questions or our answers as in any way permitting the arrangement discovered by our inspection of your files and correspondence, and referred to in the earlier paragraphs of this letter.

Sincerely yours,



Director  
Bureau of Enforcement