

STATEMENT OF RALPH COX, JR., PRESIDENT
UNITED STATES OVERSEAS AIRLINES, INC.

Before the

TRANSPORTATION AND AERONAUTICS SUBCOMMITTEE
OF THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

H. R. 7593

May 19, 1960

On behalf of United States Overseas Airlines, Inc., and myself as President, I wish to express appreciation to the members of this Committee for the opportunity to be heard in full support of H. R. 7593 and the amendments requested by the Civil Aeronautics Board. To emphasize the importance attaching to this hearing, USOA and all other Supplemental Air Carriers can assure you that over a period of some fourteen years, our segment of the air transport system has not enjoyed one single day of operating authority which was not subject to the chaotic uncertainties of Court appeal and complicated phases of a mammoth proceeding before our regulatory agency. That USOA and other members of this class have survived and prospered in the performance of true supplemental service, despite legal and economic attrition and lack of certification, bespeaks the soundness of the Civil Aeronautics Board's decision in 1959 and proves our public need.

I believe that my background and the circumstances leading to my entrance into the field of supplemental air transportation are fairly typical of others in our industry. In fact, as the Board has found, the supplemental industry was born of a public need following cessation of hostilities of World War II. It was during the period of awakening that air transportation had its start insofar as the average traveler was concerned. Thus, with the advent of air-coach travel, inaugurated by the Supplementals, a new era in air transportation began. USOA was one of those early beginners which stepped in to fill a public and military need.

My background in aviation dates from 1939 when I entered the United States Navy as an aviation cadet. Following my discharge from the Navy, I served with American Export Airlines, Inc., as Navigator, Second Officer and First Officer and with American Overseas Airlines, Inc., in the capacity of Captain. In January 1946, I entered the field of Irregular, now Supplemental Air Transportation with the purchase of one-half interest in the lease of a C-47 transport aircraft. That same year I purchased a C-54 aircraft from the War Assets Administration which I had converted to passenger configuration. It was in November, 1946, that I conducted my first independent flight from New York to Arabia under charter to the Arabian-American Oil Company. Expansion of operations continued over the ensuing years during the course of which we took on additional equipment and established a complete maintenance base at Wildwood, New Jersey. My company was initially known as Ocean Air Tradeways. United States Overseas Airlines, Inc. was incorporated in 1950. Since that time, although our operations have remained based in Wildwood, New Jersey, USOA has conducted its operations all over the world. Since its inception, I have continually served USOA in responsible executive positions, first as President, then as Executive Vice President, and, since August of 1959, again in the capacity of President. During this time the carrier has experienced a steady rate of growth.

United States Overseas Airlines, Inc. currently employs more than 500 people, including management, flight personnel, maintenance crews, field operating personnel, and airport and city ticket sales people. Our fleet of DC-6 and DC-4 aircraft spans the globe in the performance of charter and individually ticketed air transportation in both military augmentation and commercial operations. We have ticket offices and airport facilities at such major points as New York, Chicago, Detroit, Miami, Dallas, Los Angeles, San Francisco, Honolulu, Guam and Okinawa.

Our airline was one of the first to answer the call during the historic Berlin crisis and responded with equal effectiveness in the Korean conflict. United States Overseas Airlines is a member of the Civil Reserve Air Fleet and has committed its equipment to the Government for use in time of a national emergency.

Up to this time, USOA has expended thousands of dollars in the legal pursuit of a permanent form of operating authority to issue from the Civil Aeronautics Board. At this point, we can only express our extreme dismay at the recent decision of the U. S. Court of Appeals rendering virtually useless our eight-year effort, and reducing, in effect, our operating authority to its hectic posture of the 1940s. We are gratified that Congress has taken cognizance of our plight and we appreciate your interest in seeking ways and means of coming to our aid in this busy session.

Mr. Chairman, I want to emphasize that the flexibility of our present varied operations is the only possible means through which our fleet may be maintained and expanded to supplement the demands of the general public and accommodate the needs of the military; therefore, we must make full use of our diversified ten-trip authority and charter rights in order to maintain our economic stability and growth. We must make full use of such avenues of revenue as military and civilian charter flights, which have included such recent examples as the transportation of 467 United States Air Force Academy third and fourth year cadets at one time from Colorado Springs to New York; the members (over 300) of the Senior Officers Class of the Armed Forces Staff College from Norfolk, Virginia to Cherry Point, North Carolina and the Hungarian refugees to havens all over the world during the Communist purge of Hungary. More recently USOA has performed numerous commercial charters for well-known domestic business

firms and is currently engaged in the performance of a steady flow of tours to our new State of Hawaii at rates readily available to the general public. USOA, together with other Supplementals provided in excess of 20% of the total passenger transportation to Hawaii in 1959 -- all at rates attractive to the average traveler and geared to generate and stimulate air travel. During the imminent summer season USOA and other Supplementals will carry hundreds of commercial charter trips to Europe and other foreign points. These charters will comprise student and study groups, choral societies, general business clubs and a wide variety of qualified groups which otherwise could not afford such a trip.

USOA is the holder of the U. S. Navy Quicktrans contract which involves the full-time utilization of eight of our cargo aircraft.

Our convertible aircraft which are used on our limited passenger route service are such that expandable cargo space is utilized on nearly every trip with fill-in shipments produced through our business relationships with the nation's domestic and international air freight forwarders. Thus, by this method our pressurized aircraft operations combine passenger and cargo movements -- all possible through full exploitation of our versatile authorization.

Mr. Chairman, our airline fulfills a public need. This is manifest from our actual operating statistics. Thus, our captains have accumulated a total flying time in excess of 390,000 hours in diversified operations throughout the entire world. During the year 1959 our total miles flown amounted to 6,795,640. Our revenue passenger miles were 206,000,350 out of a total in excess of 286,000,000 available seat miles. Throughout the same period we transported 170,719 passengers, both civilian and military, to points all over the world.

Mr. Chairman, a Supplemental Airline is unique in that it is a component of the only commercial ready reserve air fleet in this country. These carriers

are in the air day and night -- week in and week out -- month in and month out-- year in and year out. There are over 100 aircraft in our industry, including DC-3, DC-4, DC-6, C-46, 1049 Constellation and Boeing 377s. These aircraft are manned by highly qualified pilots and crews -- not restricted to fixed or routine type operations.

May I, at this point, present to the Committee, a typical example of the experience and qualifications of the average supplemental aircraft pilot in command.

He flew in World War II and the Korean hostilities as an Air Transport or Naval Air Transport Service pilot. This duty took him to all parts of the world and conditioned him to extremes in exercising his expert pilot capabilities. He is presently a commissioned reserve officer. He has current pilot certification of the highest order, recognized and authorized by the FAA and CAB. He is a qualified line check pilot and transition instructor. He is, more often than not, a combination pilot, navigator, engineer and dispatcher. In these pliant capacities he exercises his unique training proficiently where facilities might not be adequate or aircraft maintenance and navigational aids might be lacking. He is capable and employs his capability in the day-to-day transportation of cargo, ranging from shipments of live monkeys to highly technical assimilation and transport of vaccine such as hoof and mouth disease serum to distraught cattle areas over the world. His range of passenger service finds him employing his flexible talents to assignments varying from a coordinated movement of the U. S. War College classes to the provision of some ninety percent collectively of the total required airlift for the summer reserve training programs for all the armed services. He participated in such emergency situations as the Berlin and Korean airlifts -- and was responsible, in large

part for the lift requirements necessary to the construction of the Western Hemisphere DEW Line in the Arctic. He has the versatile ability to operate into and out of areas and airports -- remote and unfamiliar. In other words a supplemental air carrier pilot in command, based upon his flexible capabilities, can successfully and efficiently fly from any area or airport to any other area or airport, without further instructions except the carrier's original order to proceed from place to place. He needs only gas, oil and a capable aircraft.

United States Overseas Airlines desires to continue its part in the progressive development of this vital segment of the nation's air transport system. But to do so requires unequivocal license for the full range of authority found by the Civil Aeronautics Board to be in the public interest. Freed from the day-to-day harassment and the economic attrition of the longest administrative proceeding in the annals of law, our industry, with assurance, can foresee new vistas to be pioneered in this still infant field of commercial air transportation. Wherefore, we ask your earnest consideration and favorable action on H. R. 7593 and the amendments suggested by the Civil Aeronautics Board.