

## BER ACCUSES USOA OF 'TRAFFIC POOLING AGREEMENTS'

United States Overseas Airlines yesterday was charged with "participating in traffic pooling agreements" with the Transcontinental Airlines Agency (Skycoach) which CAB's Bureau of Economic Regulation has said is controlled by Irving and Ida Mae Hermann. BER attorney William Rosenblum said that the airline, although recently qualified by MATS, should not receive interim operating authority.

"USOA's compliance record tips the balance against the carrier and we do not believe that it should be found fit, willing and able to perform properly supplemental air transportation," Rosenblum said. Among other charges against the carrier, Rosenblum said that it has "held itself out, and operated, to a regularly scheduled carrier." He termed USOA's compliance with the Act "woefully lax," pointing to three cease and desist orders issued by CAB against the carrier in the past seven years. In 55 instances during 1960 and 1961 the carrier violated its CAB authorized ten-flight per-month frequency, Rosenblum said.

Two attorneys representing the carrier, G. Nathan Calkins and David Shapiro, flatly denied that pooling arrangements with the Skycoach agencies had been or are in existence. Calkins told the Board that USOA did not perform 55 excess flights, but four and that "this does not seem to us as something which would require the extermination of the carrier."

SHAPIRO SAID THE SAFETY RECORD of the airline includes flying two billion miles without a single passenger fatality and that its recent MATS qualification will enable it to "quickly" regain its former position of financial stability. The congressional mood was not that of a "lynch mob" when it passed the law, Shapiro said, but rather it was aroused and concerned with the safety of the airlines. At one point Calkins quipped that BER "has prosecution fever" and that there has been "no atmosphere of friendliness" between USOA management and "the Great Lakes combine." He said that USOA has even gone so far as to file complaints against the Great Lakes people and that "they in turn" have filed complaints against USOA.

L. Welsh Pogue, representing six domestic trunks, attacked USOA on financial grounds noting that it has "over a \$1 million working capital deficit." He labeled the airline "a most flagrant violator of the law" and noted that its financial "difficulties began long before MATS disapproval" last March. Pogue said that CAB was under no congressional requirement to grant the carrier a trial-type hearing and that USOA is "privileged" to be given a chance to present its case in oral argument.

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We were authorized to conduct 10 scheduled flights per month in 1955 - a crippling restriction - these VIPER bureaucrats then started counting each round trip as two - hence they came up accusing USOA of violating their vicious 10 trip per month limitation.

The effrontery of these vipers is only exceeded by their incompetence and arrogance. Of course we had financial problems directly caused by the CAB forcing the industry to a bread & water diet - then accusing us of being underweight.