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REDUCED AIR FARES FOR THE ELDERLY, YOUTH, AND HANDICAPPED

GOVERNMENT

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THE KANSAS STATE UNIVERSITY

HEARING BEFORE THE SUBCOMMITTEE ON AVIATION OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

H.R. 15026

TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO AUTHORIZE REDUCED FARE TRANSPORTATION ON SPACE-
AVAILABLE BASIS FOR ELDERLY PERSONS, YOUNG
PERSONS, AND HANDICAPPED PERSONS

AUGUST 10, 1976

Printed for the use of the Committee on Public Works and Transportation



U.S. GOVERNMENT PRINTING OFFICE

77-496

WASHINGTON : 1976

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94TH CONGRESS
2D SESSION

H. R. 15026

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1976

Mr. ANDERSON of California (for himself, Mr. SNYDER, Mrs. LLOYD of Tennessee, Mr. HENDERSON, Mr. JOHNSON of California, Mr. HAMMERSCHMIDT, Mr. RONCALIO, Mr. MINETA, Mr. WRIGHT, Mr. ABDNOR, Mr. COCHRAN, Mr. HAGEDORN, Mr. TAYLOR of Missouri, Mr. GOLDWATER, and Mr. WALSH) introduced the following bill; which was referred to the Committee on Public Works and Transportation

A BILL

To amend the Federal Aviation Act of 1958 to authorize reduced fare transportation on space-available basis for elderly persons, young persons, and handicapped persons.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That section 403 (b) (1) of the Federal Aviation Act of
- 4 1958 is amended by striking out the last sentence and insert-
- 5 ing in lieu thereof the following: "Any air carrier or foreign
- 6 air carrier, under such terms and conditions as the Board
- 7 may prescribe, may grant reduced-rate transportation on a
- 8 space-available basis to ministers of religion, to persons who

I

1 are sixty-five years of age or older or twenty-one years of
2 age or younger, and to handicapped persons and when the
3 handicapped person requires an attendant, to such attendant.
4 For the purposes of this subsection the term 'handicapped
5 persons' means persons who have severely impaired vision
6 or hearing, and other physically or mentally handicapped
7 persons as defined by the Board."

REDUCED AIR FARES FOR THE ELDERLY, YOUTH, AND HANDICAPPED

TUESDAY, AUGUST 10, 1976

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AVIATION
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C.

The subcommittee met, pursuant to call, in room 2167 of the Rayburn House Office Building, at 11:02 a.m., Hon. Glenn M. Anderson (chairman of the subcommittee) presiding.

MR. ANDERSON. The meeting of the Aviation Subcommittee will come to order.

Today the Aviation Subcommittee is beginning hearings on legislation to allow the airlines to offer reduced fares to elderly persons, young persons, and handicapped persons. Mr. Snyder and I have introduced legislation to permit these reduced fares. Our bill, H.R. 15026, is cosponsored by many of our colleagues on the Public Works Committee—Mrs. Lloyd, Mr. Henderson, Mr. Johnson, Mr. Hammer-schmidt, Mr. Roncalio, Mr. Mineta, Mr. Wright, Mr. Abdnor, Mr. Cochran, Mr. Hagedorn, Mr. Taylor, Mr. Goldwater, and Mr. Walsh. H.R. 15026 is designed to make air transportation more widely available to the public. Every citizen needs the mobility which air transportation affords. Unfortunately, however, inflation has placed air transportation well beyond the reach of many consumers. The problem is particularly severe for the elderly, the young, and the handicapped. Members of these groups tend to have below-average incomes and, in many cases, members of these groups are particularly dependent upon public transportation because they are unable to drive private automobiles.

There have been a number of successful experiments with reduced fares for the elderly. Hawaiian Air Lines offered reduced fares for senior citizens for 7 years, 1967 to 1973. While this fare was in effect, the carrier's senior citizen traffic grew 340 percent, while its overall traffic was growing only 80 percent.

In Canada, reduced fares for the elderly have been offered by domestic airlines for the past 8 years. These fares have sometimes been offered on a standby basis, and sometimes on a reserved-seat basis. The discounts have ranged from 10 to 50 percent.

Since the carriers have offered these fares voluntarily, it is reasonable to infer that the fares have been economically successful.

Under the Federal Aviation Act of 1958, as interpreted by the Civil Aeronautics Board, and the courts, reduced fares for deserving groups are presumed to be discriminatory. The fares are unlawful unless they are justified by extraordinary economic circumstances.

Our bill would remove this presumption of unlawful discrimination and allow the CAB to approve these fares.

Are there comments from other members? Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Mr. Chairman, I fully concur with your introductory remarks on H.R. 15026, a bill to give reduced air fares on a space available basis for the elderly, handicapped, and the youth of America.

Some would oppose H.R. 15026—not the concept but the approach. We are simply trying to find a way to give those citizens on a low, fixed income an avenue of transport previously denied them. I think H.R. 15026 is a way to approach this goal.

I would remind you, Mr. Chairman, this is also a way for the air carriers to fill those heretofore empty seats that have been of no benefit to anyone—and can do nothing but result in additional income for the airlines as well as provide a much needed source of transport for that segment of our population that truly has a need for reduced fare consideration.

Mr. ANDERSON. Thank you, Mr. Hammerschmidt. Mr. Clausen?

Mr. CLAUSEN. Mr. Chairman, I appreciate this opportunity to speak in support of the legislation being considered by the Aviation Subcommittee during this hearing today to authorize reduced air fare transportation on a space-available basis for elderly persons, young persons, and handicapped persons.

Proposals of this type have been before the Congress for many years. As you know, the other body has passed such bills, but they invariably have died in the House. Now that the Committee on Public Works and Transportation has jurisdiction over aviation legislation I am convinced that we have a golden opportunity to move a bill which will provide these reduced fares.

I, for one, have been working for the enactment of such legislation for years. In addition to the bill I have introduced just this week, I have introduced similar measures in previous Congresses. And, Mr. Chairman, I would like to commend you especially, for your leadership in scheduling these hearings in order that we might at long last address ourselves to the need for this reform.

Mr. Chairman, we are discussing here a rather simple proposition. We are saying to the airlines that they may provide air transportation at reduced rates to those over 65, to those under 21, and to the handicapped. This is permissive legislation. It does not mandate that reduced fares shall be granted. Nor does it mandate the amount of any reduced fare which is offered. And it leaves to the Civil Aeronautics Boards the definition of "handicapped" for purposes of this legislation.

Mr. Chairman, I firmly believe this is a reasonable and responsible approach to this legislation. It allows the CAB flexibility to set the rates according to the current market pressures and allows our airlines a method by which they can fill otherwise empty seats. In fact, an average of 45 percent of the seats on major airlines go unoccupied. The experience in Hawaii, where intrastate airlines offer reduced rates to senior citizens has been an overwhelming success. While Hawaiian Airlines' overall traffic grew by about 80 percent between 1968 and 1973, senior citizen fare traffic grew 338 percent, or more than four

times faster than the overall growth rate. These reduced rates generated more than \$250,000 for Hawaiian Airlines, of which only about \$70,000—less than 30 percent—was needed to meet the actual additional costs of carrying the senior citizen passengers. More than \$180,000, or some 70 percent, was available to offset overhead costs as well.

This new rate structure will allow these senior citizens, many of whom must live on limited fixed incomes and are deprived of the opportunity to travel, a new mobility. It will help our young people, most of whom are students and have not yet begun their careers and have little or no resources. And finally, it will assist the handicapped. As a group these people do not have anywhere near the earning capacity of those not similarly afflicted. Except for a relatively few they cannot operate motor vehicles and must depend solely on public transportation or stay at home. We have charted the way for the handicapped in the Urban Mass Transit Act, and I am convinced that we must move in this direction in the case of air transportation as well.

Mr. Chairman, again I wish to express my appreciation to you for affording me the opportunity to appear before the Aviation Subcommittee today to discuss this important legislation. I hope that you and your colleagues will see your way clear to report a bill to the full committee without delay. Once it is before the full committee you may be assured of my tireless efforts to move it on to the floor. We have a chance to go all the way this year—and I believe we can do it if we all pitch in.

Mr. ANDERSON. We are pleased now to have our colleague, Congressman Spark Matsunaga. Congressman Matsunaga is chairman of the Subcommittee on Federal, State, and Community Services of the Select Committee on Aging. Under Congressman Matsunaga's leadership, the committee has completed a landmark report entitled "Senior Transportation Ticket to Dignity." The report will be of great help to us as we consider the needs of the elderly for improved access to air transportation.

We are very happy to have the distinguished Congressman here with us today.

TESTIMONY OF HON. SPARK M. MATSUNAGA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mr. MATSUNAGA. Thank you very much, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to testify before you in behalf of H.R. 15091, a bill which I introduced to permit airlines to offer reduced fares on a space-available basis to persons aged 60 or over, and other similar bills which the chairman and others have introduced.

I appreciate it because I realize that the time of the 94th Congress is growing very short and scheduling hearings is an increasingly difficult task. I appreciate it doubly because I have the chance to testify before a panel chaired by one of the most distinguished Members of the House of Representatives, my good friend from California, Glenn Anderson.

Now, Mr. Chairman and members of the subcommittee, I appear this morning in behalf of the House Select Committee on Aging. As most of you know, and as the chairman has indicated, I am chairman of that committee's Subcommittee on Federal, State, and Community Services. Eighteen of my colleagues on that committee have joined me in sponsoring H.R. 15091, including, I am happy to say, a member of this subcommittee, the gentlewoman from Tennessee, Mrs. Lloyd, who serves ably on both the Aging Committee and this Aviation Subcommittee. I note that Congressman Hammerschmidt is also present on the subcommittee, and also a member of the Select Committee on Aging, and a very greatly contributing member.

Now, the terms of H.R. 15091 are quite direct. It would explicitly permit the Civil Aeronautics Board to approve reduced fares proposed by the airlines for the elderly. This legislation, if enacted, would implement directly the recommendation my subcommittee made in its recent report on the transportation difficulties of older Americans. Copies of the report have been made available to your subcommittee.

But this is not a new issue, as the subcommittee well knows. I have introduced bills similar to H.R. 15091 in several previous Congresses, as have a number of Congressmen, but none has ever been passed by the House. Many of these bills, like the recent one sponsored by many members of the Aviation Subcommittee, would authorize discount standby fares for other groups, as well as the elderly. Such proposals have merit, and I know the subcommittee will give every consideration to them.

But the proposal to permit reduced fares for the elderly is of such obvious merit and broad appeal, that I trust it will not be grounded by more controversial plans to benefit other groups.

At the outset, Mr. Chairman, and members of the subcommittee, let me point out that reduced air fares for the elderly is not an abstract idea that someone conjured up as an attention-getting gimmick. We have more than 7 years' actual experience with such a system. That experience, Mr. Chairman, was gained in my home State of Hawaii. Since I believe the Hawaii experience to be almost dispositive of many of the arguments raised by those who opposed reduced fares for the elderly, permit me to describe that experience briefly.

Senior citizen fares were begun by Hawaiian Airlines, an inter-island carrier, in June 1967. They permitted standby travel at 50 percent of the full fare by persons 65 years and over holding an airline-issued senior citizen card. The card cost the purchaser \$5.

A similar plan was instituted by the other interisland carrier, Aloha Airlines.

The fares remained in effect until October 1974, when the Hawaii Airlines withdrew them in the face of the CAB's threat of costly, lengthy regulatory proceedings.

During those 7 years of operation, the senior citizen fares were a resounding success, not only for the elderly, but also for the airlines involved and the general public.

Most important to me and other members of the Select Committee on Aging, the Hawaiian fares were good for older Americans.

The clearest evidence of this is the response of the elderly to the fares. While Hawaiian Airlines' overall traffic grew by about 80 per-

cent between 1968 and 1973, senior citizen fare traffic grew 338 percent, or more than four times faster than the overall growth rate.

Elderly citizens in Hawaii found it possible to be reunited with their families on other islands, seek out special medical help not available everywhere in the State, and generally have more access to the economic and governmental centers of Hawaii.

Continuing evidence exists of the program's popularity among Hawaii's elderly. When my Subcommittee on Aging held hearings in Hawaii last fall, witness after witness mentioned the need for reinstatement of reduced air fares as a top priority item.

Incidentally, Hawaiian Airlines has applied for permission to begin a new discount plan for the elderly, with a 35-percent instead of 50-percent discount, and it has been pending before the CAB for more than 1½ years.

MR. ANDERSON. Congressman, I think maybe we had better break now so we can make that rollcall. We will recess now and be back within 15 minutes.

[The subcommittee recessed briefly.]

MR. ANDERSON. The meeting of the subcommittee will come to order. Spark, you know where you left off; just go right on.

MR. MATSUNAGA. Thank you, Mr. Chairman. As I was saying, the Hawaiian Airlines has applied for permission to begin a new discount plan for the elderly, with a 35-percent instead of 50-percent discount, and it has been pending before the CAB for more than 1½ years.

Now, what of the effect on the airlines? I have complete data on Hawaiian Airlines experience, because they were collected in support of the request for reinstatement now pending before the CAB.

In the year ending September 30, 1974, senior citizen fares generated more than \$250,000 for Hawaiian, of which only about \$70,000—less than 30 percent—was needed to meet the actual additional costs of carrying the senior citizen passengers. More than \$180,000, or some 70 percent, was available to offset overhead costs as well.

At the same time, however, the senior citizen fare contributed just half a percent to the load factor of Hawaiian in 1973. On a typical 200-seat flight on Hawaiian in 1973, 128 seats were filled with regular paying passengers, 71 were empty, and only one was filled through the discount fare for the elderly. As a consequence, Hawaiian did not have to worry about discount-fare seniors requiring more planes and other equipment.

Hawaiian estimated that about two-thirds of those using the senior citizen fare were new customers. The airline described the fare as "far more developmental and generative than the youth standby fare."

The benefit of the senior citizen fare to the carrier, therefore, is clear.

The benefit to the general public, Mr. Chairman and members of the subcommittee, is also clear from the facts I have just recited. In these days of skyrocketing fuel costs and increases in other airline expenses, senior citizen fares more than met the out-of-pocket costs associated with them, and made a significant contribution toward meeting other costs. The impact on other passenger fares was very direct: Every dollar Hawaiian received from a senior citizen, who

filled an otherwise empty seat, was a dollar that did not need to be extracted by increasing fares to all other passengers.

Simply stated, H.R. 15091 would permit airlines everywhere in the United States to apply for fares similar to those the Hawaii local carriers offered from 1967 through 1974. The subcommittee should note that my bill defines elderly to mean anyone aged 60 or over, rather than 65. This is meant to make the bill consistent with other legislation dealing with the elderly, such as the nutrition program under the Older Americans Act. Whatever bill this distinguished panel decides to report, I urge that the lower age limit of 60 be incorporated.

There are several other points that the subcommittee should note:

First, there is nothing mandatory about the legislation. No airline would be forced to offer reduced fare to the elderly. Moreover, if they so decided, airlines could restrict the days or times during which the reduced fares could be made available.

Second, it has been said that there are fewer empty seats these days because of schedule curtailments. The fact remains that in 1975, the average flight was only 54 percent filled. Although I understand those figures have risen somewhat during 1976, I wish to remind the subcommittee that the Hawaii carriers have some of the highest load factors of any airline in the country. The Hawaiian Airlines average load factor in 1973 was 64.3 percent, and the senior citizen fare passenger contributed only five-tenths of 1 percent of that total.

Third, I have heard some critics assert that standby fares would result in many senior citizens suffering grave inconvenience if they arrived at airports and found no seats available. I can only tell the subcommittee that that was not the case in Hawaii during the 7 years the standby fares were in effect there.

It is my understanding, although I don't really understand it, the major airlines are planning to oppose these standby fares for the elderly. It strikes me, Mr. Chairman and members of the subcommittee, that enacting my bill may be like forcing a child to swallow a bitter-tasting medicine: after the immediate cries fade away, the sick child will be much better off for having swallowed it. The child may even thank you for having been so forceful.

The logic behind H.R. 15091 is powerful and persuasive. It is good economic policy; it is good transportation policy; and it is good social policy. I urge the subcommittee to act swiftly and positively on this long-delayed legislation.

I thank you very much, Mr. Chairman and members of the subcommittee.

Mr. ANDERSON. I thank my colleague for an excellent presentation, and I want to congratulate you on the great deal of time and work and effort that you and your subcommittee have put into this.

Mr. JOHNSON, do you have any questions?

Mr. JOHNSON. I just want to welcome my colleague here. As always, you have done your homework and you have a very positive statement here, and a lot of facts and figures. Thank you for that type of testimony to put into the record.

Mr. MATSUNAGA. Thank you very much.

Mr. ANDERSON. And we are sorry we had to interrupt your testimony for the votes, but we didn't have much control over that.

Thank you very much.

Mr. MATSUNAGA. Thank you.

Mr. ANDERSON. I am informed that Mr. Addabbo cannot be here because of an Appropriations Committee meeting. I understand his legislative assistant, Mr. Irving Maness, is here.

Mr. MANESS. Yes, Mr. Chairman.

Mr. ANDERSON. Mr. Maness, we have Mr. Addabbo's statement, it will be made a matter of the record at this point.

[The statement referred to follows:]

STATEMENT OF HON. JOSEPH P. ADDABBO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman: I thank you and the other members of the subcommittee for your invitation to testify before you today. I am especially gratified that you have scheduled hearings on proposals to provide reduced air fares for groups of citizens who ordinarily could not afford to pay full fare.

In this Congress, I sponsored H.R. 4360, a measure to provide half fare air transportation for disabled veterans. I had introduced a similar measure in the previous Congress as well.

The intent of that bill is embodied in the new bill which has been jointly offered by Chairman Anderson and ranking minority Member, Mr. Snyder. That bill, in fact, goes further by authorizing the CAB to provide for discounted air fares for youth and elderly consumers, as well for all handicapped persons.

In essence, the principle is the same—utilizing space that all airlines have on many flights to provide an opportunity for groups of citizens whose income levels ordinarily do not allow them the luxury of flying.

There is precedent for this, since the Congress has made it part of federal mass transit law that reduced fares be made available to the elderly, handicapped and to students I believe that designation by Congress was a proper one which ought to now be extended to the operation of the Nation's airlines as well.

I am not greatly concerned with how the Subcommittee decides to do this; those are questions best left to the Members of the Subcommittee. What is important, in my view, is that the Subcommittee make it abundantly clear to the regulatory agencies as well as the airlines that the concept of reduced fares to groups of citizens such as the elderly, handicapped and students is one on which the Congress agrees must and should be implemented as soon as possible.

I am firmly convinced that if any of the bills presently pending before you were to be brought to the Floor of the House for consideration tomorrow, it would be overwhelmingly approved. As it should be.

A year ago when I was preparing the background for introduction of my bill, I wrote to a number of airlines to gauge their views on the proposed bill. As I recall, the airlines generally offered no specific objections to the bill except to state that they would prefer to offer discount rates across the board, rather than to specific groups of potential consumers. I can understand that reluctance. Rates which apply only to specific groups of consumers mean that specifications for eligibility must be determined and means of producing personal eligibility must be agreed to, and implemented.

However, I believe the problems of doing so are not so considerable as to offset to the consumer the benefits. Too often, the special discount tickets offered by the airlines simply could not be used by either the elderly, the handicapped or students, simply because they might not be able to travel within certain hours or upon designated days.

I must add that while I have considerable sympathy for the problems encountered by the airlines in most cases, I believe the public good to be derived from discounted tickets for the elderly, handicapped and the students far outweighs any potential problems that might surface from implementation of the program.

All of us serving in this body are only too aware of what the Nation's economic upheavals in recent years have done to those who must live on fixed incomes. There is not a day that passes that one of us does not receive a letter from a citizen who simply cannot cope with the problems of trying to make a few dollars stretch to cover all the price increases he has encountered.

In the bills that are before you today, we have the opportunity to provide some relief for at least some of the people who have been hit hardest by inflation over the last few years. We ought to gladly move to help those persons who have been disabled through military service. We can help those who have been disabled through disease or injury. We ought to extend relief to retired persons who generally have the time and the desire to travel but all too often no longer have the money to do so. And we can assist our students—our Nation's hope for the future, if you will—by broadening their range of experience by allowing reduced fares.

The need has long existed. I believe the time has finally come to bring these changes into being, and I suggest that the procedures offered under the Anderson-Snyder bill is a practical means for doing just that. I believe the people of this Nation will support this bill with enthusiasm, and I would urge action by the Subcommittee as soon as possible. Thank you.

TESTIMONY OF IRVING MANESS ON BEHALF OF HON. JOSEPH P. ADDABBO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MANESS. Mr. Chairman, the Congressman is extremely apologetic for his inability to attend. The special meeting of the Appropriations Committee was called, and he being a member of that committee had to attend. He has asked, with your permission, without any objections, as you have indicated, that his statement be made a part of the record.

Mr. ANDERSON. It will be made a matter of the record.

Mr. MANESS. And, Mr. Chairman, he has also asked, if I may, to summarize a small portion of his statement.

Mr. Addabbo thanks you and other members of the subcommittee for your kind invitation to testify before you today. In this Congress, Mr. Addabbo sponsored H.R. 4360, a measure to provide half-fare air transportation for disabled veterans. The intent of that bill is embodied in the new bill which has been jointly offered by your subcommittee. Your bill, in fact, goes further by authorizing the CAB to provide for discounted air fares to youth and elderly consumers, as well as the handicapped.

There is precedent for this, since the Congress has made it part of Federal mass-transit law that reduced fares be made available to elderly, handicapped, and to students. What is important in Congressman Addabbo's view is that the subcommittee make it abundantly clear to the regulatory agencies as well as the airlines that the concept of reduced fares to groups of citizens such as the elderly, the handicapped, and students is one in which the Congress agrees must and should be implemented as soon as possible.

About 1 year ago, when Mr. Addabbo was preparing the background for the introduction of his bill, he wrote to a number of airlines to gauge their views on the proposed bill. As he recalls, the airlines, generally, offered no specific objections to the bill except to state that they would prefer to offer discount rates across the board rather than to specific groups of potential consumers.

Too often these special discount tickets offered by the airlines simply could not be used by either the elderly, handicapped, or students, simply because they might not be able to travel within certain hours or upon designated days.

In the bills that are before you today, Congress has the opportunity to provide some relief for at least some of the people who have

been hit hardest by inflation over the last few years. Congress should gladly move to help those persons who have been disabled through military service. We can help those who have been disabled through disease or injury. We ought to extend relief to retired persons who generally have the time and the desire to travel but all too often no longer have the money to do so. And we can assist our students—our Nation's hope for the future, if you will—by broadening their range of experience by allowing reduced fares.

Mr. Addabbo suggests that the procedure offered under your bill, your subcommittee bill, is a practical means for doing just that, and he would urge action by the subcommittee as soon as possible.

Thank you very, very much, Mr. Chairman and members of the subcommittee.

Mr. ANDERSON. Thank you, Mr. Maness, for your statement, and thank Mr. Addabbo for his very nice remarks about our bill, and we appreciate your contribution.

Mr. Johnson, do you have anything?

Mr. JOHNSON. No questions.

Mr. MANESS. Thank you very much, Mr. Chairman and members of the subcommittee.

Mr. ANDERSON. At this time we will recess until 2 o'clock.

[The subcommittee recessed at 11:48 a.m., to reconvene at 2 p.m. the same day.]

AFTERNOON SESSION

[The subcommittee reconvened at 2:15 p.m., pursuant to recess, Hon. Glenn M. Anderson (chairman of the subcommittee) presiding.]

Mr. ANDERSON. The meeting of the Aviation Subcommittee will come to order.

Our first witness will be Mr. James Gashel, chief of the Washington Office of the National Federation of the Blind. Mr. Gashel, we have your remarks before us and they will be made a matter of the record. If you wish to you may extemporize. Your remarks, however, will be made a matter of the record.

[The statement was received for the record:]

STATEMENT OF JAMES GASHEL, REPRESENTING THE NATIONAL FEDERATION OF THE BLIND

Mr. Chairman, my name is James Gashel. I represent the National Federation of the Blind. Our address here in Washington is Suite 212, 1346 Connecticut Avenue NW, Washington, D.C. 20036.

The National Federation of the Blind is a membership organization of blind persons. We have more than 50,000 members and 600 local chapters. There is a state affiliate of the National Federation of the Blind in each of the fifty states and the District of Columbia. You will find a local chapter of ours in almost every sizable population area in the United States. We are the blind speaking for themselves.

In 1940 the blind organized the National Federation of the Blind to provide a vehicle of self-expression and self determination because, frankly, those who would seek to protect us—those agencies, such as the American Foundation for the Blind, who would seek to "care" for us—had set themselves up as self-styled experts on the blind and thus acted as unappointed spokesmen in the field, before legislatures, and before the Congress. Today, in the democratic spirit, we, the blind, have put this to an end—now we speak for ourselves.

Mr. Chairman, we are here, today, to discuss with the Subcommittee HR 14866 and similar bills introduced in the 94th Congress which would amend the Federal Aviation Act of 1958 by authorizing reduced fare transportation

on a space available basis for elderly persons, young persons, and handicapped persons. My appearance this morning is for the purpose of speaking to this legislation as it affects the latter of these groups, and specifically, the blind, since visual impairment is categorically classified as a handicap in the definition section of HR 14866.

We oppose enactment of HR 14866 as it is presently written. We appreciate the motivation and intent of the Chairman and others who have joined in introducing this legislation now, and in the past, but we say "no thanks." We do not wish to be included. The National Federation of the Blind adopted this position formally by resolution twelve years ago. I am submitting a copy of that resolution attached to this testimony, and I ask that it be printed in the record. If there has been any change in our position during the intervening years, it is that we have become even more convinced that our opposing position is the right position.

Mr. Chairman, we do not want reduced fares for the blind on airlines. It is not sound public policy, and it is not good for the blind. Proponents of reduced air fares for the blind and handicapped argue for them generally on the basis that severely physically and visually impaired persons may often need to be accompanied by an attendant or sighted guide. When he appeared before the Subcommittee on Aviation of the Committee on Commerce in the Senate in 1972, Irvin P. Schloss, the representative of the American Foundation for the Blind, made the argument like this: "Lack of adequate mobility is one of the major handicapping effects of blindness. Some blind persons learn to get around efficiently using a cane as a mobility tool. Others prefer to use a trained dog guide. But by far the largest number of blind people in the United States cannot use a cane or dog guide safely and effectively and must depend exclusively on assistance from a sighted person, especially in a strange area."

Proponents further argue that authorizing reduced air fare for the handicapped and blind is only a logical progression of policy already established by the Congress when, in 1927, the Interstate Commerce Act was amended to authorize railroads and over-the-road carriers to permit a blind person and sighted guide to travel two for the price of one ticket. They say that the time has now come to provide the same specific legislative authority for airlines.

But, we disagree. In fact, Mr. Chairman, we hope that the time will never come when such a policy is necessary. As a matter of general policy and widespread practice, the commercial air carriers in this Country have instituted procedures which are designed to meet the needs of most of the traveling public. Passenger service agents, ground and airport personnel, and flight crews, all are schooled to provide assistance to those in need. In the larger air terminals, where transfers are typically made, special ground personnel are readily available to serve as escorts. They often have special electric carts for added convenience. I have even seen them wisking away with members of Congress who are rushing to make a quick plane change.

The point is simple. The argument that the blind cannot travel about and need sighted help—an argument which may have been valid in 1927 when it was applied to surface transportation—is not valid in 1976 when it is applied to travel by air. The times are different. The conditions are different. Particularly the level of assistance provided where it is needed is different.

Under the present operating procedures of most airlines, independent mobility is not required. The traveler need not even be able to put one foot ahead of the other. The blind passenger who comes to the airport, by taxi or other convenience can be escorted from curbside, through checkin to the gate, and onto the plane. If a transfer is to be made, agents will be notified and someone will be on hand to help. If a lengthy layover is involved, airline personnel will see to it that the passenger is made comfortable. Once at the airport of his destination, the blind traveler can be assisted with reclaiming baggage and securing a taxi or other ground transportation.

Mr. Chairman, as a blind person and as a representative of a large national organization, I speak from more than just a little personal experience. I fly thousands of miles annually. I do it safely. I usually do it alone. Personally, since I have been the happy beneficiary of the modern techniques for teaching mobility to the blind (which incidentally have been developed since 1927), I prefer not to use the assistance which the airlines offer, but it is always there and available if I want or need it. It is available to you if you want or need it. It is available to anyone who wants or needs it. And don't you think for one minute that we do not pay for it—all of us who use the airlines do. Somebody

has to pay the bill. Personal travel assistance provided by airlines is not benevolence—it is a service, and it is provided to all—the sighted as well as the blind. This is the way it should be.

Proponents say the blind and the handicapped cannot travel alone so they need constant companions and personal attendants. They say that such service is expensive for the handicapped, and they ask those of us who can travel alone to pay for it. When you cut through all of the nice talk about the handicapped and how everybody ought to help them, you get down to the reality that what they are arguing for is a subsidy—plain and simple.

The National Federation of the Blind has never been opposed to subsidies when there is a real need which can be met. The principle of subsidies to particular groups is longstanding and firmly established in America. Frequently you will find us arguing before committees of the Congress for subsidies, but hopefully you will find us doing this only when there is a real need and only when it can be justified.

In the case of subsidizing those who cannot travel alone on airlines, we think there is not a real need for such a subsidy, and we think it cannot be justified. I have already discussed the lack of need, but there are many other substantial reasons for rejecting reduced airfares for the handicapped.

In the first place, simple justice and good sense demands that subsidies, where they are needed, should be made available by the government in cash as a matter of right. They should not come from this or that private industry or individual in kind as a matter of charity. We are more interested in creating a climate of public opinion and having readily available the necessary resources which will better enable us to earn a dollar than we are in fostering attitudes of custodial care which persuade one to give us a quarter. We would much rather hear talk of jobs and opportunities (including employment opportunities with the airlines) than calls for attendants, guides, and reduced fares, and we believe that the latter tends to render the former less likely.

Second (and a related point), it is inevitable that reduced airfares for the handicapped will lend credence to the erroneous notion often already exhibited by airline personnel that we cannot travel by ourselves. The assistance which they are willing to provide us is helpful to some, but not wanted by others. Nevertheless, the presumption seems to be that all of us need help, so we have it thrust upon us and have to battle our way to independence. Proponents of the reduced fare argue for specific legislative language assuring the right of blind persons to travel alone, but such assurances will predictably do little to erase the stereotype that the blind cannot care for themselves—a stereotype already too firmly entrenched.

Even today without the reduced airfare and with all the assistance which is provided, blind persons are victimized by discriminatory practices of some air-carriers and flight crews. Two blind residents of the District of Columbia (husband and wife) were recently forced to fly on separate planes because (according to the airline) there was only one flight attendant on each aircraft. Another blind traveler was forced to sign a form which sought to relieve the airline of all ordinary liability and stated that he could be removed from the flight at any point—presumably on the ground; although this was left unspecified. I was personally denied a flight after I had paid my full fare, boarded myself, found my seat, and strapped myself in. The reason (according to the pilot) was that my long cane (which I wanted to keep with me at my seat in the event of an emergency) was considered a hazard. The pilot suggested putting it in the cockpit, which was unacceptable to me and potentially more hazardous to all 173 passengers on board. Nothing must be done to increase the incidents of such discrimination. In fact, this Committee should take an early opportunity to investigate such discriminatory practices of air carriers and through specific legislation this behavior must be prohibited.

Third, as I have observed earlier, modern mobility techniques enable blind persons to travel about with ease and independence. These techniques are known, and they are teachable. In 1927, when the Interstate Commerce Act was amended, this was not the case. Under the present circumstances though, the airlines and the traveling public who are expected to pay full fare might reasonably ask why they should be further expected to subsidize guides for blind persons. If the response is that some blind people need guides, the answer is, indeed they do, but wouldn't it be better to subsidize mobility instruction programs which would enable them to be much more independent and self-

sufficient than they can be relying on a sighted guide? After all, what the blind need is a hand up, not a handout. Sound economics tells us this.

Fourth, subsidizing airfares for the blind may also be considered antithetical to the objective of independence through appropriate training. The professionals in work for the blind make much of their modern methodology and their advanced degrees, and they talk a great deal of preparing the blind for independent living. Thus it bothers us considerably to hear them argue for reduced fares and admit, as Mr. Schloss did, that "... by far the largest number of blind people in the United States cannot use a cane or dog guide safely and effectively and depend exclusively on assistance from a sighted person..."

We contend that this is a depressing copout. If the statement is true, then it tells us something about what the professionals are doing (or shall I say not doing) with our tax dollars and the contributions which they constantly solicit from us. If the Schloss statement is true, then we ought to improve the training. Most certainly we ought not to spend our resources, scarce as they are, on efforts such as reduced fares which give tacit admission to a theory that says "we cannot do any better for the poor, unfortunate blind." Mr. Chairman, if the professionals can't do better for us, we can, and we are prepared, to do better for ourselves. Furthermore, we ask you not to subsidize their incompetence and thereby perpetuate a system which keeps us dependent.

Fifth, one of the major arguments for extending reduced fare service to the youth and the elderly is an economic one—that is, it is recognized that such individuals face a serious economic barrier in fully utilizing the airlines. Usually this argument has not been a major one advanced with respect to the blind. I have already spoken some about the principle of subsidies. We are for them, when they are proper. As a group, the blind are depressed economically, but we do not believe that reduced fare airline travel constitutes a meaningful shot in the arm to the blind who need it most. Furthermore, we believe that such a subsidy has a heavy pricetag attached. We are not prepared to submit willingly to the stereotype which sees us as dependent.

We want jobs, we want opportunities, we want to fly, and we want independence. Where subsidies are needed, we want them too, but they should be in cash and they should be provided by the government as a matter of right. We strongly support HR 281, now before the Committee on Ways and Means, which would provide an insurance payment against the costs of blindness. It would be meaningful, and it is entirely consistent with our present position opposing the subsidy of reduced fare in air travel.

Mr. Chairman and members of the Subcommittee, we hope you will support this legislation and urge all of your colleagues to do so.

Mr. Chairman, the blind are not looking for charity. We want and demand equality and opportunity. As American citizens, we deserve to have our equal rights and we share the burden of equal responsibilities. It has been our experience that sometimes we have to ask the Congress and the courts to help us secure recognition of our rights as free and fully capable citizens. We are never reluctant to do that, and we will continue to come to you when we are being denied our rightful places. We expect you to help us and to join with us in preventing the discriminations which occur. We also expect to meet our responsibilities as citizens, and we think you should insist that we do this. It is good for us, it is good for the Country, and, Mr. Chairman, it is right.

NATIONAL FEDERATION OF THE BLIND

RESOLUTION ADOPTED AT THE TWENTY-FOURTH ANNUAL CONVENTION—1964

Whereas, certain measures have been introduced in Congress to allow airlines to provide transportation to a blind person and his sighted guide for only one fare; and

Whereas, these measures were considered in public hearings conducted by the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce, House of Representatives, and in such public hearings were supported by representatives of organizations and agencies for the blind; and

Whereas, airlines provide adequately both in airports and on planes for the safe and convenient travel of blind persons traveling alone, thus making it unnecessary that they be accompanied by a sighted companion; and

Whereas, since the "two for one" plane fare proposals are not justified by necessity and therefore amount to proposals to grant blind persons special and privileged status based upon the existence of blindness and not upon need; and

Whereas, such legislation would serve to perpetuate the stereotype concept of blind people as helpless and dependent and thus such proposals are detrimental to the best interests of blind people; and

Whereas, since the National Federation of the Blind has as its cornerstone objective the repudiation and discrediting of such discriminatory and disadvantageous concepts, and has only sought since its founding and does only seek now equal and fair treatment for blind persons when such treatment is denied to them by law, practice, or circumstances, and therefore the "two for one" plane fare proposals are contrary to the purposes and philosophy of the organized blind, now, therefore, be it

Resolved by the National Federation of the Blind in convention assembled this 3d day of July 1964, in the city of Phoenix, Ariz., That this organization condemns and rejects the "two for one" plane fare proposals now pending before Congress and deplores their endorsement and support in Congressional hearings by representatives of organizations and agencies for the blind, and it orders and directs its officers and staff to oppose such proposals by the presentation of testimony in Congressional hearings and all other ways possible and feasible.

TESTIMONY OF JAMES GASHEL, CHIEF OF THE WASHINGTON OFFICE, NATIONAL FEDERATION OF THE BLIND

Mr. GASHEL. Thank you, Mr. Chairman. I would like to summarize my statement. My name is James Gashel. I am chief of the Washington Office of the National Federation of the Blind. Our address is Suite 212, 1346 Connecticut Avenue, Northwest, Washington, D.C.

I appreciate your accommodating me, since it is rather unique, but on this occasion I, myself, have to catch an airline flight in just a matter of minutes.

Mr. Chairman, the National Federation of the Blind is a membership organization of more than 50,000 blind persons. We are located everywhere in the country with a State affiliate in the District of Columbia and all 50 States, and with more than 600 local chapters. We are indeed the blind speaking for themselves.

In 1940, we organized the National Federation of the Blind because, frankly, there were organizations and agencies in the field for work with the blind who very often served as the sort of self-appointed spokesmen for the blind. But there was no organization of the blind themselves to speak for themselves. This is the unique role and the function of the National Federation of the Blind. Today, we speak for ourselves.

Now, of course, we are here to talk about H.R. 14866, the bill which would amend the Federal Aviation Act of 1958, to provide for reduced transportation by air on a space-available basis for elderly persons, young persons, and handicapped persons. My purpose here today, Mr. Chairman, is to speak to the effect of this legislation on the latter of these three groups, that is, the handicapped, and specifically to speak to this legislation as it affects the blind.

Mr. Chairman, we oppose enactment of H.R. 14866 as it is currently written. This position taken by the National Federation of the Blind is a long-standing, firmly established policy of our organization. It was adopted originally by formal resolution in 1964. I have attached a copy of that resolution, and I hope it will be made part of the printed record.

Now, this opposition to the reduced air fare concept, it seems to me, is a position which we are even more convinced about today than we were when we adopted it in 1964. We do not think that reduced air fares for the blind is sound public policy, and it most certainly is not in the best interests of the blind themselves.

Proponents argue this way. They say, first of all, that the blind are generally restricted in their travel and that we need to go about with sighted guides. They also argue that the reduced air fare concept proposed today is a logical extension of what was done by the Congress in 1927 when the Interstate Commerce Act was amended to provide that blind persons could travel with a sighted guide on over-the-road vehicles, interstate carriers, two for the price of one.

Our response goes something like this. First of all, in the case of the airlines, the service which might otherwise be provided by a sighted guide for those persons who need it is made available by the airlines. The airlines are fully established and set up with procedures to provide guide service, attendant service, what have you, to any blind person traveling alone and feeling the need for assistance; especially this is true at the major terminals where changes must be made—but actually at any small airport, the agents and ground people are well-established and very helpful in this regard.

At the major airports they have electric carts which will whisk one about, if he wants it, and I have seen them taking Congressmen around from time to time to catch a flight quickly. So this service is available.

Really, the point is that this service is available to all people, not just the blind—but to everyone. Independent mobility for anyone—sighted, blind, persons in wheelchairs, what have you—is not required. To travel on the airlines one need not have the ability to put one foot ahead of the other. I can tell you from personal experience, traveling thousands of miles each year, that this service is available; the assistance is also optional, which is important to me, since I don't find it necessary to use, but it is available to one and all.

In 1927, when the argument was used about sighted guides for blind persons, it might have been a valid argument for surface transportation. But in 1976, when the argument is applied to travel by air, it is not valid. And we hope it never becomes valid.

This proposal also amounts, I think, to a subsidy, plain and simple. That is really the only way you can look at it. The National Federation of the Blind is not opposed to subsidies. We, in fact, support many of them before various committees of the Congress.

But there is no need for this subsidy. And I don't think it can be justified.

I think I have talked about the need, or the lack thereof, but let's now turn to the matter of how this subsidy cannot be justified. Subsidies, where they are needed, should be provided, but they should be made available by the Government in cash as a matter of right. Subsidies ought not, it seems to us, to be provided by this or that private industry or individual, in kind, and as a matter of charity.

Actually, we are more interested in creating a climate of public opinion and having the ready resources available and necessary which will help us be better able to earn a dollar than we are in fostering the, I guess you would say, negative social attitude of custodial care, which

persuades people that what they really ought to do is give us a quarter rather than let us earn a dollar.

We would much rather hear talk here in this subcommittee of jobs and job opportunities, including job opportunities with the airlines, which are extremely limited right now, than we would rather hear calls about attendants, guide service, and reduced fares.

And we think that the latter, that is, the talk of attendants, reduced fares, and so forth, makes the former, that is, the reality of jobs less likely. Reduced fares for the handicapped will tend to lend credence to the erroneous notion that we can't travel by ourselves.

In fact, one of the things that we currently find on airline travel is that sometimes one encounters over-assistance rather than the appropriate amount of assistance. Personally, when I travel on the airlines, I do it independently by myself and I only require assistance in extreme quick-change cases, where anyone might.

However, I often find myself having to fend off the people who want to grab my arm and take me from one gate to another when I really want to roam about the airport by myself.

So we must not do anything in passing legislation which is going to increase the stereotype that the blind cannot travel.

One of the effects of this stereotype is what we would call open and flagrant discrimination against the blind. I would just like to give you a couple of examples, because I think this subcommittee ought to be addressing itself to these issues.

Less than a year ago, two blind friends of mine, leaving the Washington, D.C., National Airport, going to Philadelphia, both blind, husband and wife, were told that they could not fly on the same airplane. Reason: there was only one flight attendant per airplane; hence, only one blind person could fly on one airplane.

They protested; they were unsuccessful; they took different flights. That is discrimination.

Second. A blind resident of the State of Maine was traveling to our national convention, July 1975; sought to board an airline in New England; was forced to sign a form, which he got a copy of, thank goodness, which form said that he was waiving all ordinary liability in the event of an accident or some tragedy; that the airline, at its own discretion, could carry him on or off the airplane; and that, further, the airline could put him off at any point—presumably they would land to do it, although the form didn't specify that.

Third: Blind persons traveling with dog guides are almost as a matter of regular procedure required to sit in the bulkhead seats, I suppose because it is reasoned that these are wider seats, although I am not sure of the reason. The problem comes where the blind person objects to sitting in the bulkhead seat because that is not a smoking section ordinarily, and some blind persons who use dog guides do indeed smoke. Something needs to be done about it.

Fourth: A problem which I have personally experienced. Increasingly, the airlines, despite talk from the FAA to the contrary, have been attempting to require us to give up our canes, to place them in closets or what have you on regularly scheduled flights, when blind persons would rather keep their canes with them in their seats so that they would be available to make an expeditious emergency exit.

I myself was prevented from flying on a scheduled airline because I told the pilot that I would not give up my cane after he insisted on taking it and putting it in the cockpit with him. He suggested that it would be a hazard back there at my seat; it might fly around and hit some passengers; I made a countersuggestion that it would be more dangerous to all 200 of us in the cockpit; he didn't seem to agree.

That is the kind of problem that we have to face, the kind of discrimination which is now occurring; and it is the kind of thing that needs to be corrected, and I hope this subcommittee will address itself to those problems at an early date.

Let me go on to the next point, which is that modern mobility techniques have been developed since 1927 which further make the argument about reduced fares invalid. These modern mobility techniques, the use of the long cane, the dog guide, or some other guidance device, are known and they are teachable. The airlines and the traveling public, it seems to us, might reasonably ask this subcommittee why they should be expected to pay for assistance to the blind when the appropriate kinds of training are now available so that blind persons can travel alone. Of course, some blind persons do need guides, but wouldn't it be better to place our subsidies into programs which would teach them the skills of independent mobility than it would be to subsidize reduced fares so that they would continue to use their guides?

What the blind need is a hand up not a handout.

The next point is a related one, I think, and that is that subsidizing reduced air fares for the blind may be considered antithetical to the objective of training blind persons to travel about independently. We who are blind hear a lot of talk from the professionals in this field about preparing us for independent living. Now, frankly, it distresses us a great deal when we hear agencies, such as the American Foundation for the Blind, coming before this subcommittee to argue for reduced fares. In 1972, before a Senate committee, Mr. Schloss, the representative of the American Foundation for the Blind, made a statement something like this. He said—and I quote:

*** by far the largest number of blind people in the United States cannot use a cane or dog guide safely and effectively and depend exclusively on assistance from a sighted person ***.

We contend that this statement by the American Foundation for the Blind is a depressing copout. If the statement is true, then it tells us something about what the professionals in the field of work with the blind are doing—or, shall I say, what they are not doing with our tax dollars and the contributions which they are always soliciting from us. We should not further subsidize their incompetence. We need to improve the training programs for blind persons where they do not exist. We need to teach those who cannot travel now independently to do so in the future. We ought not to spend our resources, scarce as they are, on policies which admit the theory that we are doing all we can for the poor, poor blind.

If the professionals cannot do better for the blind, Mr. Chairman, I think we can do better for ourselves, and we need the help of this subcommittee to do it. We ask you not to subsidize professional incompetence and thereby perpetuate the system which tends to keep the blind down and to keep us out.

Then, I guess, finally, is the economic consideration. When this legislation is proposed for the elderly and youth, it is usually based on economic arguments. This isn't the primary argument usually for the handicapped. But it is, when talking about the legislation for the elderly and the youth. We don't oppose this legislation on that basis, but we do for ourselves. And what we say is that this is a poor way to provide welfare.

Reduced air fares would not be a meaningful shot in the arm to the people who really need it most. Also, I think you have to consider that reduced air fares have a heavy price tag attached to them. If we go about substantiating negative stereotypes about the blind, there will be less jobs, less opportunities, and more tax dollars into welfare. We can't have it both ways. We want jobs, we want opportunities, we want to fly as equal people, and we want independence. Where subsidies are needed, we want them, too. But they should be in cash, they should be provided by the Government, and they should be provided as a matter of right.

Mr. Chairman, we often find ourselves coming before the committees of the Congress to talk about equality of opportunity and equal rights. We are pleased to come before the committees of the Congress, too, to talk about equal responsibilities. We expect you to help us get our equal rights. And I think you should expect us to accept our equal responsibilities. It is only just and it is only right.

Thank you very much.

Mr. ANDERSON. Well, thank you, Mr. Gashel. I want to thank you for appearing before us today and telling us the very real problems which face you every day. That was an outstanding statement and I appreciate it very much.

I expect that as soon as possible we will examine in great depth some of the problems which you so splendidly expressed.

Now, I have a couple of questions.

If H.R. 14866 were enacted, and the airlines offered a reduced standby fare for the handicapped, would there be a substantial increase in travel by the blind?

Mr. GASHEL. I don't believe there would, Mr. Chairman. The American Foundation for the Blind, which has administered sort of a program of two-for-one fares, that is, persons traveling with sighted guides on over-the-road transportation, says that from 20,000 to 30,000 people a year use this. I don't know—that wouldn't much affect the airlines one way or the other, I suppose. And I doubt that as many people would use it.

It is hard to tell.

Mr. ANDERSON. Would blind persons be likely to use a reduced fare which was only offered on a space-available standby basis, or would some of them rather instead pay the full fare?

Mr. GASHEL. Mr. Chairman, most of us, I think, would rather pay the full fare. Perhaps—you are certainly aware of the fact that on transit buses in major cities—District of Columbia and the major transit systems in the country—there is a provision now as part of the Urban Mass Transit Act which is that such systems receiving Federal financial assistance under the act must provide reduced-rate transportation during nonpeak periods, half-fare transportation, generally.

Our people oppose that and, although the option is available, most of us never take it. I don't personally. I think only those in extreme financial need do. And you would probably expect more of that on the surface transportation, especially public transit, than you would in the airlines.

Mr. ANDERSON. Now, the FAA has proposed rulemaking which, as I understand it, will allow blind persons to travel without attendance, so long as they could not sit in the two seats adjacent to an exit.

Has your organization taken any position on this proposal?

Mr. GASHIEL. We commend the FAA for recognizing, at least in its proposed rules of July 1974, that the blind were not to be considered handicapped for purposes of air travel. We commend them for that, we have said that all along. However, we vigorously oppose the provision that we can't sit in exist-row seats. We oppose that because fests have been conducted by the FAA, themselves, which show that blind people can make exits from aircraft as rapidly as anyone else. We argue that you can't tell when a person approaches the gate whether or not that person is going to be an effective person to sit in the exit-row seat—they may panic or what have you. But the judgment is made solely on the basis of sight, and it is reasoned that if you can't see, you can't get out rapidly. As I say, the FAA has tested that and they have found that that isn't so, yet they continue to advise the airlines not to permit blind persons to sit in exit-row seats and we think that that is wrong.

Further, we argue that at least half of the time it is night or, in many accidents, there may be smoke involved and what not. Blind people are used to operating without being able to see. And so we figure we can get out of there as quickly as anyone else and, indeed, can lead a bunch of sighted guys out of there, too.

Mr. ANDERSON. In your testimony, you refer to modern mobility techniques to enable blind persons to travel. Could you describe these techniques?

Mr. GASHIEL. Yes, sir, I can describe and demonstrate them for you, if necessary. One of those is the use of a long cane. I will get mine.

The cane which I have here is a 61-inch cane, fiberglass. I use it in front of me in an arcing fashion. It is called the Hoover cane technique. It will warn me of any obstacle in the path two steps ahead or three steps ahead and will allow me to avoid that obstacle.

Now, of course, with many years of experience traveling about, I feel confident to travel anywhere I want to in the entire United States, and you should see my agenda for the next 3 days and you will see that I am going to do just that. That is one technique.

The use of the dog guide is another effective means of mobility where a blind person uses a trained dog. They use various types, German shepherds, golden retrievers, Labradors, and so forth, to travel about. These dogs are especially trained to travel with blind persons, and are alert to stopping for obstacles, going around obstacles, and so forth.

Mr. ANDERSON. Do you have any data on income levels of the blind and other physically handicapped?

Mr. GASHIEL. I do with respect to the blind. The Department of Health, Education, and Welfare has estimated that 70 percent of the employable blind population is either unemployed or underemployed.

Further, I have seen reports in the media which indicate that income in this country lost annually due to blindness is more than \$1 billion. I don't know that anyone has ever done a study on the average income for blind persons in this country. Those figures indicate that it is lower than the average. Let me say that there are several thousand blind persons, close to 4,000, who operate vending facilities on Federal and non-Federal property in this country. Their average annual income is somewhat in excess of \$8,000 but, you see, that group is employed, regularly employed. Their income would be higher than the average income of blind persons, which may be more in the neighborhood of \$4,000 to \$5,000, Mr. Chairman.

Mr. ANDERSON. Thank you, Mr. Gashel. Are these any other questions?

Thank you for a very, very excellent presentation, we appreciate your being here.

Mr. GASHEL. Thank you, sir.

Mr. ANDERSON. Congressman Bob Wilson, my colleague from California, who is the ranking member of the Select Committee on Aging, was scheduled to appear on behalf of this legislation—he was here this morning. However, Representative Wilson had an important meeting with the Armed Services Committee of which he is an effective and senior member. On his behalf I will insure that his persuasive and informative statement will be made a part of the record.

[The statement referred to follows:]

STATEMENT OF HON. BOB WILSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman: I would like to express my appreciation for your allowing me the time to present testimony relating to the application of "reduced air fares for our most deserving elderly population."

The Subcommittee on Federal, State and Community Services of the House Select Committee on Aging, of which I am Ranking Minority Member, recently issued a report of its findings and recommendations relative to the transportation needs of the elderly. These recommendations were made by the Subcommittee only after they had conducted extensive hearings on these unique transportation problems. Adequate transportation is central to all other services, such as nutrition, health care and other programs. Without adequate transportation, our older citizens are oftentimes forced to live in isolation and loneliness.

One of the recommendations our Subcommittee emphasized in its study was the need for passage of legislation which would reaffirm the power of the Civil Aeronautics Board to permit the airlines to offer reduced standby fares for the elderly during non-peak travel times, thus enabling them to fill an otherwise empty seat. This legislation envisions no expenditures of funds by the Federal Government and would work very much to the advantage of both senior citizens and the transportation industry. With reduced fares, many elderly people would be able to stretch their finances and visit distant loved ones.

Once grandparents lived in close proximity to their children and grandchildren throughout their lives, however, this is no longer the case today. In our highly mobile, transcient society, families are often dispersed from coast to coast, separated by thousands of miles.

Due to our severely eroded economy, the elderly have barely enough income to provide for the mere essentials of life. For example, in 1973 the median income for elderly households was under \$4600 compared to the national average of \$10,500. This, when compounded by the increase in inflation of 82% over a nine year period of time, as shown by the Consumer Price Index, leaves little doubt as to why the elderly find it very difficult to manage to pay the fares now charged for air transportation. A survey by a major airline showed that only 5% of its passengers were 65 years of age or older, yet senior citizens account for over 10% of our general population.

The Committee report points out that a number of Federal programs include special provisions designed to make transportation more widely available to the elderly. In air transportation, there are no such programs and under existing law the Civil Aeronautics Board is limited in its ability to authorize reduced fare transportation for this deserving group. As a consequence, there are no reduced fare programs currently in effect for the elderly. Such a program was in operation in Hawaii from 1967 to 1974 when it was abandoned to avoid a lengthy challenge by the Civil Aeronautics Board as "unduly discriminatory." During its operation, the reduced fare program was quite successful, and the air carrier experienced an enormous increase in senior citizen customers who utilized the otherwise empty seats. Cost considerations are complex and in the final analysis the responsibility for this, and the decision on cost-effectiveness, will rest solely with the airlines themselves. The report recommends that Congress "reaffirm the power of the Civil Aeronautics Board to give the airlines the authority to decide on discount standby fares for the elderly."

This legislation would be a major step in relieving the terrible feelings of desolation and abandonment which beset so many elderly. In addition, I want to urge that you consider the inclusion of the handicapped in the bill, since the financial and emotional problems besetting the elderly and the handicapped are often so similar.

Retirement should be the "golden years" when one can relax and enjoy the fruits of a lifetime of toil. We are always talking and asking "what needs to be done to help our elderly population." Well, here is one answer—the time has come to stop talking and asking and start doing.

During the last Congress, the Senate approved legislation authorizing reduced air fares for the elderly and handicapped. I introduced a companion bill, but, unfortunately, we did not get anywhere in the House. The time is ripe and I urge the Subcommittee's favorable consideration.

Thank you, Mr. Chairman, and Committee Members.

Mr. ANDERSON. Our next witness is Mr. James Deegan, chief, Passenger and Cargo Rates Division, Civil Aeronautics Board.

Mr. Deegan?

TESTIMONY OF JAMES DEEGAN, CHIEF, PASSENGER AND CARGO RATES DIVISION, CIVIL AERONAUTICS BOARD

Mr. DEEGAN. Thank you, Mr. Chairman. It is my pleasure to appear before you today to offer the Board's views with respect to H.R. 14866, a bill that would amend section 403(b) of the Federal Aviation Act to authorize standby service at reduced fares for elderly persons, young persons, and the handicapped. Like its numerous predecessors, introduced in both the House and the Senate over the last four or five sessions, this bill before you presents a host of interrelated questions involving social, economic, and legal policy. Moreover, the question of reduced fares for particular classes of persons is as controversial as it is complex. It is a subject which the Board has, therefore, endeavored to subject to the fullest possible factual scrutiny so that its own determinations, pursuant to its responsibilities under the Federal Aviation Act, would proceed on as objective a basis as possible. It is in this spirit that I welcome the opportunity to summarize for you what we have already learned.

Let me begin by summarizing the current status of special fares for these groups. With regard to reduced fares for youths, domestic fares for these persons have been canceled. Those fares were investigated in the comprehensive discount fares phase of the domestic passenger-fare investigation which specifically focused on youth reservation and youth standby fares as well as certain other fares. On the basis of a voluminous record, the Board found that in the short run the youth reser-

vation fares, and in the long run both the youth reservation and standby fares, result in an unreasonable burden on the normal fare level and are unjustly discriminatory because they are limited to specific classes of persons without an overriding economic justification. Accordingly, the Board ordered a phased cancellation of those fares. The Board also ordered an investigation of youth fares filed in international air transportation, an issue which has recently been folded into a broader investigation of all North Atlantic fares. I should point out that there are some youth fares presently available over the North Atlantic. For a period of time, the Board had disapproved the international agreements providing for these fares, on the ground that it was not in the public interest to allow discriminatory fares. However, the youth fares were made available from Canada to Europe and were causing serious traffic diversion from our own carriers. Because of this compelling competitive circumstance, the Board reluctantly decided to permit those youth fares to be reinstated while a formal investigation of this matter is pending.

Turning to the elderly, there are no special fares limited to this group in effect at the present time. However, so-called senior citizen fares have been proposed for intra-Hawaiian travel, and the Board ordered an investigation into those proposals. A hearing has been held, and the record in that proceeding, together with the trial judge's initial decision, is now before the Board for review and final determination.

With regard to transportation for the handicapped, the Board's efforts have been directed toward expanding the opportunities for such people to fly, consistent with the flight safety requirements of section 1111 of the Act. In August of 1974, the Board proposed adoption of a regulation which would require the carriers to carry all passengers who meet the technical safety rules set pursuant to the statute by the Federal Aviation Administration. The FAA has initiated its own rule-making proceedings on this matter, and further action by the Board must necessarily await final action by the FAA. To the extent that the Board has received public comments in favor of reduced fares for persons attending the handicapped in flight, or for the additional seats occupied by special equipment, it must be recognized that under the act the carriers themselves must initiate such fare changes.

As you know, Mr. Chairman, the Federal Aviation Act poses two broad types of questions with regard to carrier-proposed fare discounts for special classes of persons, such as the elderly, the young, and the handicapped. The first question is whether such fares are reasonable from an economic standpoint. The second question, of course, is whether there is any justification for the discrimination inherent in distinguishing among farepayers on the basis of the status of the class. Section 404(b) of the act prohibits unjust fare discriminations "in any respect whatsoever," and as the Court of Appeals for the Fifth Circuit said in a comprehensive 1967 decision dealing primarily with youth fares, "the rule of equality is the very core and essence of the fare structure in air transportation, and it should not be rendered a meaningless phrase by the use of spurious justifications for unjustly discriminatory rates."

According to the Fifth Circuit, and to other courts which have interpreted section 404(b), the range of factors which the Board may

consider in evaluating the justification of a prima facie discriminatory fare is "limited to those factors which Congress has by statute deemed material, and those factors which regulatory practice in the transportation industry has, through experience, found relevant." Factors such as age which are related to the status of the traffic but are unrelated to transportation may not be considered by the Board. Nor, in administering the rate discrimination provisions of our governing statute, are we empowered to take into account social policies which might be advanced as a basis for favoring one group over another. Those are for the Congress to consider. Stated simply, the present state of the law is that the Board may approve discriminatory fares if there are sufficient transportation-related factors to justify the discrimination, but the Board is not empowered to consider social policies to justify such fares.

Therefore, Mr. Chairman, if Congress wishes to enact this bill, it would do so essentially for considerations of social policy, not transportation policy. We recognize that such a judgment on social policy grounds is one for which Congress has special responsibility under our system.

In deciding whether factors of social policy require this kind of legislation, we would offer several items for your consideration. The first is the policy toward discount fares in general. After extensive investigation, the Board has found that discount fares which are not based on true cost savings had been burdening the full-fare passenger—that is, the airlines set normal fares above costs to offset and in effect subsidize the discount fares. At the same time, the Board found that discount fares have a useful role to play, particularly in meeting such problems as temporary overcapacity and seasonal fluctuations in traffic.

Under these circumstances, the Board decided that nondiscriminatory promotional or discount fares, available to all persons, should be allowed subject to an 18-month review, and to a demonstration that the fares at least meet certain added costs. At the same time the Board adopted a policy that normal fares should not be set above costs to offset and subsidize these discounts. That means that any losses which the carriers suffer as the result of providing uneconomic discount fares will be borne by the carriers' stockholders rather than by the passenger who travels on the regular fare. The Board has made this adjustment in passing on several recent industry fare increase proposals. As a result of these and other policies, a decision by the Congress not to enact legislation of the type under consideration here will not mean that air transportation bargains are not and will not be available. For instance, a number of carriers offer night coach fares that are typically 20 percent lower than normal fares. Night coach fares are available to anyone, not just a limited class, but they may be particularly attractive to the elderly and to the young, who often can be flexible about the time of day of their travel. In addition, the Board has recently been liberal in allowing the airlines to institute a variety of other discount fares, including group fares, excursion fares, and inclusive tour fares, at discounts ranging up to 30 percent off the normal coach fare for domestic travel, and even greater discounts internationally. Thus the Board has, we believe, taken a progressive approach in permitting discount fares to go into

effect and the latest statistics show that over 30 percent of all domestic coach traffic is traveling on discount fares. Besides these various discounts, which are available on scheduled flights, the Board has significantly expanded the availability of low-cost charters both domestically and internationally.

In the Board's view, it is better to encourage the airlines to offer these kinds of fares, which are available to all persons, rather than to allow fares which are restricted only to certain favored classes of persons.

Congress might also consider whether the proposed reduced fares for the elderly, the young, and the handicapped will in fact insure that deserving Americans who cannot travel by air for personal economic reasons will all of a sudden gain access to our air transportation system. As I mentioned earlier there are already a host of discount fares on scheduled service and low-cost charter trips available to the public at large. There is no assurance that discount fares for the special classes mentioned in this bill will be offered at materially lower levels. Thus, air transportation may still be beyond the reach of the truly needy persons in those groups. Therefore, it may turn out that this bill would primarily benefit the segments of the young, elderly, and handicapped, who are economically able to travel by air now leaving the truly disadvantaged—and all persons in the excluded groups—no better off than they now are.

There are also a number of specific aspects of the bill on which the Congress should focus.

First, the standby feature, which would be a statutory prerequisite for the offering of the proposed fares, will not by itself justify much, if any discount, and may, in fact, create a potential for abuse. With regard to the economics, the Board found in the discount fares case that a standby feature does not, on balance, reduce the carriers' non-capacity—or traffic handling—costs as had once been assumed. No party to that proceeding attempted to quantify any alleged reservation cost savings and, at the same time, some carriers indicated that standby passengers in the aggregate take up a more than proportionate share of staff time and facilities. And with regard to abuse, the existence of standby fares creates an incentive for individuals to make multiple reservations for fictitious persons to guarantee that empty seats will be available for standby travel. At best, this results in the displacement of full-fare passengers by discount passengers, and the denial of flight choice to persons who wish to reserve in advance and, at the worst, the complete waste of seats which may leave empty if there are insufficient standbys to fill them up. This kind of abuse would be particularly injurious during peak season and holiday periods when planes are already operating at very high-load factors. Another type of abuse which can result from a standby feature is what might be called a protective reservation. In this situation, a person eligible for a reduced-standby fare makes a reservation in his own name, and if he learns at the airport that empty seats are available, he simply cancels his reservation and flies on the standby fare.

Another practical problem. Mr. Chairman, concerns the provisions regarding the handicapped. I wish to point out that while the Interstate Commerce Act makes a special provision for the handicapped,

the bill before you is much more expansive. To be more specific, section 22 of the Interstate Commerce Act allows a seeing eye dog to accompany a blind person, or a necessary attendant to accompany a disabled person, without an extra charge. H.R. 14866, by contrast, would allow reduced fares both for attendants and for the handicapped persons as well. In addition, while section 22 is limited to the totally blind and the disabled, the provision before you is broadened to include physically and mentally handicapped. While this bill does allow the Board to define "handicapped" more specifically, I am afraid it will be difficult to draw that line, and also to determine which cases legitimately require attendants, in a way that would fulfill the intent of Congress without allowing for abuse of the privilege.

There is a third issue which you will have to judge and that is its precedential effect. Will special legislative authorizations for these groups prompt requests for similar allowances for other worthy groups of persons, leaving only the unorganized to pay the regular fares? If so, and if they are successful, the maintenance of a rational fare policy is considerably undermined, a situation which may have serious implications for the economics of the air transportation system.

Mr. Chairman, I have outlined the factors which, in light of our experience with discount fares, I believe the Congress should consider in deciding whether to enact this legislation.

There is one further point which should be emphasized. As I mentioned earlier, in considering the reasonableness of normal fares, the Board generally excludes the effect of discount fares, so that the full-fare passenger does not have to subsidize the discount traveler.

There are two exceptions to this policy. The Board does not exclude the effects of military-discount fares or the reduced fares charged to children under 12. With respect to military fares, the Board has found that these fares contribute to the national defense and has been reluctant to allow the carriers to cancel these fares. Children's fares, too, are regarded by the Board as a basic part of the fare structure. However, the fares authorized by H.R. 14866 would be optional on the part of the carriers and we would assume, absent a contrary direction from Congress, that youths, handicapped, and the elderly should not be subsidized by other passengers.

In conclusion, the Board has over the years consistently urged caution in adding new categories to those groups of persons already specified in section 403(b) as authorized to receive free or reduced fares in air transportation. The three categories of persons represent a substantial portion of the total population and their carriage at discount rates could have a significant impact on the economics of the air transportation system.

The Board's consideration of discount fares is necessarily based on transportation economics. The Federal Aviation Act precludes us from taking into account matters of social policy. Equality of treatment is at the core of our governing statute. I think that this policy of nondiscrimination is a sound policy and I wish to reiterate the Board's flexible attitude toward discount fares which are available to all persons. However, if the Congress should deem it appropriate to give special preference to these additional groups, I would hope that the Congress would be clear as to the impact these fares could have on the

normal-fare-paying passengers if Congress also directs the Board to allow these discounts to be offset by higher normal fares.

Thank you, Mr. Chairman.

Mr. ANDERSON. Now, as I understand your testimony, you believe that under present law the CAB could approve reduced fares for special groups in some circumstances.

Could you elaborate on the types of situations in which CAB could approve a reduced fare for a special group such as the elderly?

Mr. DEEGAN. The decisions that have interpreted the antidiscrimination provisions of our statute indicate that special fares for special groups can only be justified on the basis of transportation-related factors. I have great difficulty in concluding that any particular category of persons, such as blind, handicapped, or the elderly, would satisfy those standards. In other words, we have in the past authorized discount fares for groups of persons on the basis of the number in the group; we have authorized travel for groups, depending upon the period of time that the group has traveled. But all of those factors relate to the transportation. And any person is eligible to become a part of those groups.

I think that the pattern of the court cases would rather clearly indicate, Mr. Chairman, that segregating a group of persons for a special reduced fare on the basis of something unique to the group, such as a physical handicap or age, just would not meet the antidiscrimination standards of our statute as interpreted by the courts.

Mr. ANDERSON. In your testimony, you indicate that in the domestic passenger fare investigation, the CAB found that in the long run, discount standby fares for youth would result in higher basic fares.

Would you explain the basis for this finding? It would seem that if the discount fares were limited to filling otherwise empty seats and if the discount fares were high enough to cover the added cost of carrying the passengers, then the discount fares should not have any effect on the basic fares.

Mr. DEEGAN. You would expect, Mr. Chairman, that if you put a few passengers into empty seats that it really would not result in any burden on the regular-fare-paying passengers. But in that case, a case which involved extensive hearings and exhibits submitted by air carriers who were proponents of the youth fares and also the family fares that were being considered at that time, the Board determined that the number of new passengers that had been generated to air transportation because of the discount was not sufficient to outweigh the number of existing air transportation passengers who diverted to the lower fares, plus the added cost of the generated passengers.

What I am saying in effect is, you start out with a prevailing fare level. If you offer a discount, you have to have a sizable additional number of passengers generated by that discount to pick up and cover or match the loss of your existing traffic, which are diverted down to the lower fare; you also have to cover the cost of the generated passengers.

This has been referred to by the Board as a generation diversion profit impact test, and is applied to all discount fares. As I say, after extensive exhibits in that case concerning the youth standby, it was found that not sufficient new passengers were generated to cover the diversion.

Mr. ANDERSON. Is there any available data from which we could make a good estimate on the number of additional passengers who would travel if there were reduced standby fares for youth, the elderly, and the handicapped?

Mr. DEEGAN. The only data that I am aware of, Mr. Chairman, would be the historical data insofar as the youth are concerned. There are no data that I am aware of at all that would be useful in determining the number of handicapped that might travel.

And the same is essentially true about the elderly. As Congressman Matsunaga said this morning, there is a pending case involving intrastate senior citizen fares within Hawaii, but that would probably be a relatively small sample, and whether it would be valid on the mainland I just don't know.

And, as you are aware, that case is still pending before the Board.

We can, of course, relate the share that the elderly and the youth are of the total population. That might give some rough approximation. But I think as far as any hard data are concerned, there are none, Mr. Chairman.

Mr. ANDERSON. The American Council of the Blind has proposed that H.R. 14866, be amended to incorporate the definition of "visually impaired" from section 216(i) of the Social Security Act.

Do you have any comments on this proposal?

Mr. DEEGAN. I have looked at that section of the Social Security Act, Mr. Chairman. It is quite technically drawn, and I do not have an opinion.

I think that certainly were this legislation to pass and were the Board obliged to establish regulations defining the blind and the handicapped, for example, we would look very seriously to definitions that had been adopted by other agencies.

Mr. ANDERSON. Would you like to have more time?

Do you think the Board would like to supply an answer? We can keep the record open if you would like.

Mr. DEEGAN. Mr. Chairman, I think defining what qualifies as blind is something not directly within our expertise, and I really question whether we would be able to come up with anything better.

Obviously, it would require us to take a look at what other agencies who are concerned with that question had done.

If you think that would be—

Mr. ANDERSON. That is all right.

H.R. 14866, proposes to authorize reduced fares for three groups—persons over 65, persons under 21, and the physically handicapped.

As between these three groups, do you believe that the case for reduced fares is stronger for any one of the groups?

Mr. DEEGAN. I do not think I could get out of the building if I gave you a direct answer to that, Mr. Chairman.

Unfortunately, I have no experience that would be helpful to you in response.

Mr. ANDERSON. You discuss the CAB's policy for considering discount fares in setting basic fares.

As I understand it, in setting basic fares, the CAB assumes the discount fare passenger has paid the full fare.

Does not this policy mean that an airline offering discount fares will be assumed to have received fictitious revenues and that the air-

lines' actual revenues will inevitably fall short of a reasonable return on investment?

Mr. DEEGAN. The adjustments that are made in considering general fare level are essentially to eliminate the revenue, the traffic, and the cost of discount fare passengers, so that you have a system purely based on full-fare-paying passengers.

I think that that does not result in the situation you suggest.

If you would like us to provide a more full answer on how the discount fare adjustment works, we would be glad to do that.

Mr. ANDERSON. I think we would like to have that for the record.

If we enacted legislation allowing reduced fares for young persons, the elderly and the handicapped, what economic tests would the CAB use in deciding whether to allow these fares?

[The following was received for the record:]

CIVIL AERONAUTICS BOARD DISCOUNT FARE RATEMAKING ADJUSTMENT

In the Discount Fare phase of the *Domestic Passenger Fare Investigation*, (DPFI), Docket 21866-5, the Board concluded that the use of discount pricing techniques was not, *per se*, improper or unlawful. Consequently, the Board concluded that the carriers should be free to experiment with discount fares in short-term situations where necessary to develop new sources of traffic to mitigate temporary overcapacity problems. The Board was concerned, however, that discount pricing not continue to burden the general fare level, as the Board's findings in the DPFI indicated had been the case in the past.

In evaluating general fare level proposals, therefore, the Board restates the carriers' reported financial results to eliminate the impact of discount fares. This adjustment essentially consists of three basic steps. First, the discount fare traffic is separated into that which is estimated to be newly generated (or stimulated) by the existence of the discount fare, and that which is estimated to be diverted (or would have traveled in any event at a higher fare). Discount fare traffic and revenue information are reported to the Board monthly in special reports.

Second, the generated traffic and related revenues and costs are eliminated. The traffic and revenues eliminated are taken directly from the carriers discount fare reports. For example, if it is estimated that 30 percent of the reported traffic was generated, then 30 percent of the reported traffic and revenues are eliminated. Costs are eliminated on a fully-allocated basis. If, for example, the generated discount fare traffic which is eliminated accounts for 15 percent of total traffic, then 15 percent of the carriers total costs and related investment are eliminated.

Third, the adjustment for diverted traffic involves only revenues. No cost adjustment is made since it is assumed that the traffic would have traveled in any event and, hence, the cost of carrying the traffic would have been incurred whether or not any discount fare were available. With respect to revenue, the Board determines the revenue result had the diverted passengers paid full regular fares, and increases revenues accordingly.

The net effect of the various adjustments is to increase the carriers' rate of return on investment. The magnitude of the adjustment depends essentially on the volume of discount fare traffic and the average reduction in level of discount fares from regular full fares. In recent evaluations of revenue need, the discount fare adjustment has increased the domestic trunkline industry's rate of return on its scheduled passenger operations by about four points.

Mr. DEEGAN. Mr. Chairman, we have not regarded free or reduced transportation for the categories of persons named in section 403 of the act as a matter over which we have direct control.

In other words, we have not attempted to regulate in any way the level of reduced fares air carriers have provided for their employees. We have not attempted to regulate the discount that air carriers have afforded to ministers of religion, the category that is in the provision of section 403 that would be amended by H.R. 14866.

On the other hand, we would certainly intervene, I am sure, if the degree of discount became quite out of hand.

But, as a general matter, we have not. When the statute provides that free or reduced rate of transportation may be afforded, we have not attempted to regulate the degree of that reduction in price.

Mr. ANDERSON. Do you have any knowledge of the experience in Canada with reduced fares for the elderly in domestic markets?

Mr. DEEGAN. No, I have not.

Mr. ANDERSON. When the CAB allowed discount youth fares, what percentage of airline traffic used these fares?

Mr. DEEGAN. In the last year before the discount fares were phased out, the youth fares amounted to a little over 5 percent of total coach.

We have information on prior years. For example, it amounted to about 3.4 percent in 1966; about 5.5 percent in 1967; 6.7 percent in 1968; 7.1 percent in 1969; 6.7 percent in 1970; and 6.3 percent in 1971.

These latter data I am quoting to you from our decision in the discount phase case.

Mr. ANDERSON. What is the percentage of total airline traffic using discount fares today?

Mr. DEEGAN. For 1975, the percentage was 32 percent, 32.53 percent. The latest statistics I have are for the first quarter of 1976 when the discount fares were 30.4 percent.

I might add that the first quarter is usually low.

Mr. ANDERSON. Well, thank you, Mr. Deegan.

I think that completes your statement and the questions.

I have to get over and vote, and so we will recess and come back in 10 or 15 minutes and pick up the other three remaining witnesses.

Thank you very much, Mr. Deegan.

Mr. DEEGAN. Thank you very much, Mr. Chairman.

[Short recess.]

Mr. ANDERSON. The Aviation Subcommittee will come to order.

Our next witness will be Mr. Donald T. Bliss, acting general counsel, Department of Transportation.

TESTIMONY OF DONALD T. BLISS, ACTING GENERAL COUNSEL, U.S. DEPARTMENT OF TRANSPORTATION

Mr. BLISS. Thank you, Mr. Chairman.

It is a pleasure to be here today before the subcommittee to discuss H.R. 14866 and other bills that are designed to achieve a similar purpose.

We support fully actions by air carriers to provide low-cost service alternatives to people who cannot afford to fly at regular fares, including many older people, handicapped people and younger people who have less resources. We do believe, however, that there are more economically sound and broadly based ways of achieving this objective than those proposed in this bill.

Foremost among these is the administration's proposed Aviation Act of 1975, or some similar alternative such as the Anderson-Snyder bill. Pending enactment of these broader reforms, we would favor action by air carriers for low-cost service in off-peak hours that are available not only to the elderly, handicapped, and youth, but to any air traveler who wishes to take advantage of it.

Air transportation is vital or potentially vital to every American citizen. Eighty percent of all intercity common carrier passenger miles is performed by our Nation's airlines. We can reminisce about the glories of a leisurely drive across the country, but if the purpose of your cross-country trip is to attend to an emergency, to apply for a new job, to attend a business meeting, or to enjoy a limited vacation period, most likely you will make your cross-country trip and many other intercity trips by air.

Air transportation is fast and it is convenient. Unfortunately, air transportation is also quite expensive, and its cost is taking it increasingly out of the reach of many of our citizens. Current studies show that a significant percent of all people in this country have never flown. For the elderly and the handicapped, this is a particularly burdensome problem for although they may have the greatest need for public transportation, including air transportation, they often are among the groups that are least able to pay for it.

For many of us, if air transportation is not available, there are many alternatives, the most prominent being the private automobile. But there are fewer alternatives for the elderly and the handicapped, and there are often fewer resources to pay for these alternatives.

The Department is committed to improving the quality of transportation sources available to the elderly and the handicapped. The report by the Select Committee on Aging referred to by Chairman Anderson in his statement introducing H.R. 14866 contained an extensive list of the Department's activities. These activities range from special programs to deal with the problems of the rural aged to the development of buses which are specially equipped to board the elderly and persons in wheelchairs. The Urban Mass Transportation Administration has programed approximately \$1.6 million in demonstration programs for the elderly and the handicapped for fiscal years 1975 and 1976, and over \$20 million in capital grants for each of those 2 years. In the aviation area, the Federal Aviation Administration has instituted a rulemaking to increase the access of the handicapped to airplanes. DOT has also worked to improve airport terminal accommodations, as well as accommodations for enplaning, en route comfort, and deplaning of the handicapped.

We firmly believe that the opportunity for inexpensive air travel should be expanded for the elderly and for the handicapped. But we also believe that it should be expanded for other groups in our society who need to travel or want to travel but do not have enough resources to travel. Needless to say, all people with low incomes are not elderly or handicapped or youthful, and all handicapped, elderly, and youth are not with low incomes. The problems here are fares that are too high and people without the resources to pay for those fares.

We do not believe that the availability of reduced rate air fares should be limited to just the elderly, the handicapped, and youth, when we have the alternative, if we will act, of lower fares for all.

Today, airlines have authority to institute standby fares and off-peak fares. Needless to say, these fares would be especially attractive to the groups referred to in the bill under consideration today. A few airlines have, in fact, instituted standby fares and there are some reduced offpeak fares. But the number of standby fares is very limited

and the restrictions applied to offpeak fares limit their use and availability substantially.

If there is a need for increasing the availability of reduced fares—and if they are profitable and I submit that they are, and that the experience of the intrastate carriers in Texas demonstrate they are—why have the carriers not engaged more extensively in such practices? The answer is that the existing regulatory system discourages such price reductions. It is competition which provides the incentives to lower fares, and it is competition—price competition—which is missing from today's interstate air system. We will not have that competition and we will not have those lower fares unless we open the existing system to more competition, to possible new entrants, and to more price competition. The existing system is virtually closed to new entrants and to true competition.

The administration's Aviation Act of 1975 would provide more competition in the airline industry, and it would lead to lower fares.

The bill recently introduced by yourself, Mr. Chairman, and Congressman Snyder, the Air Service Improvement Act of 1976, is different in form from the administration's bill, but its objectives and effects would be much the same. The bills introduced by Congressman Roncalio and Senator Kennedy would also provide far-reaching reform.

We simply should not seek a piecemeal approach to this problem or an approach that does not provide the same benefits to others equally in need of lower cost air services. The bill should not be seen as a bill that helps some and does not hurt others. The past history of special discounts for particular categories of individuals, such as youths, indicate that these special discounts caused the rest of the air fares to increase. This history is discussed in the Department's filing in phase 5 of the domestic fare investigation before the Board, and I would be most happy to submit a copy of that filing for the record.

But more important, to seek special relief for particular groups, no matter how worthy that group, will diminish the chance of reform that will benefit all.

I think that the recent hearings before this subcommittee indicate that we are on the brink of true reform and we should proceed vigorously to bring about major and comprehensive reforms that will bring about the benefit of lower cost air travel, not only to the handicapped, the elderly, and the youth, but to all.

Mr. Chairman, this completes my statement. I appreciate the opportunity to be here, and will be glad to respond to any questions you may have.

Mr. ANDERSON. Thank you, Mr. Bliss, for an excellent statement.

As I understand your testimony, you believe that basic regulatory reform legislation is preferable to legislation authorizing reduced fares for deserving groups.

If we decide against enacting basic reform legislation this session, would it then be desirable to enact legislation authorizing reduced fares for deserving groups?

Mr. BLISS. Mr. Chairman, I hope that is a hypothetical question. But, in the event it is not, I think there are better ways of achieving the result of lower cost fare opportunities for these groups than the legislation before you.

For example, if carriers would take advantage of the opportunity under the present system to offer off-peak or night coach fares, older Americans or younger Americans could take advantage of these fares, and these fare opportunities would not present the disadvantage of their being limited only to certain categories or groups of people. They would be available to anyone who wished to take advantage of them and could schedule their time in a way to take advantage of the lower price. These fares would also be cost related in the sense that each carrier would then have an opportunity to level out its peaks and troughs and to provide for better utilization of their equipment and facilities.

In addition, by providing night coach fare or off-peak fares, there would not be a burden on regular fare paying passengers, or would there be any problem of cross-subsidy or hidden subsidy involved in the provision of special fares to one of these particular groups.

So we think, even under the existing system, there are better alternatives.

Further, we think the subcommittee might well wish to explore ways in which we could make more flexible the pricing competition which currently exists under the system. Even if the subcommittee decided not to recommend comprehensive regulatory reform, there may be some ways in which greater pricing flexibility could be encouraged.

The approach of your bill is slightly different from that of the Administration, but each seeks to enable carriers to lower the fares to the level of direct cost, or 110 percent of direct cost, I believe, in your bill. Both bills would also seek ways of encouraging new entry by innovative carriers that would provide low-cost service for all Americans.

There are a number of things that could be done short of complete reform. We could expand the commuter exemptions so the commuter airlines which are not certificated could carry up to 55 passengers instead of 30.

We could prohibit some of the certificate restrictions that tend to keep down load factors and are less efficient, and we could provide for the sale of certificates or enable the entrance of new carriers in unserved markets.

We could liberalize the charter rules, for example, each of which would provide lower price options for the groups involved and for other Americans with less unnecessary restriction.

Mr. ANDERSON. In your testimony, you indicate that the FAA has instituted a rulemaking proceeding to increase the access of the handicapped to airplanes.

The FAA issued a notice of proposed rulemaking on July 5, 1974. When do you expect a final rule to be issued, and why is it taking so long to reach a decision?

Mr. BLISS. That is the kind of a question that a bureaucrat does not like to answer, and I wish that I could give you a definite date. The only date that I can give you is that we are working as quickly as possible to issue that rule as soon as we have all of the information that is necessary.

The rule itself has gone through what the FAA calls the regulatory council, which is the final step before it is submitted to the Federal

Aviation Administrator, and it will now be presented to him for final approval before publication in the Federal Register.

Why has it taken so long?

It has taken this long because it is an extremely complex question, and one in which there are substantial differences of opinion, even among those consumers whom the rule is intended to benefit, those who are handicapped.

After the FAA published its notice, they held six hearings around the country to listen to the views of the handicapped, the carriers and others. I think the very eloquent testimony earlier by Mr. Gashel makes clear that there are some very difficult problems that had not been foreseen by those of us in government, and through these public hearings, we have gained a much greater sensitivity to some of the requirements of handicapped people.

For example, the blind do not wish to be assisted in every instance. And people who deal with the blind in airports need to understand that sometimes assistance is not desired or necessary, and should seek to find out whether it is necessary before offering it.

We find out, for example, from Mr. Gashel that the blind do not like to be assigned to bulkhead seats arbitrarily. On the other hand, in many airplanes, this is the only place where you have the space for the seeing eye dog to sit comfortably where it does not disturb other passengers.

We heard in one instance he was refused the opportunity to bring a cane onboard the airplane. The FAA has looked at this and in their notice of proposed rulemaking, they suggested that all handicapped people be allowed to bring to their seat crutches or other instruments for mobility. After certain tests of emergency evacuation by the handicapped and after evaluating the data from several accidents, the FAA concluded that crutches could be an impediment to quick evacuation, whereas a white cane would not be.

One of the reasons for the delay is the substantial testing that has taken place in the Oklahoma medical facility that is funded by the FAA, and this testing was designed to show how handicapped people would react in an emergency situation and how they could be provided for in the safest way. The results of this test indicate that much of what we thought was true in the notice of proposed rulemaking was not, in fact, the case.

Therefore, more analysis has been necessary in order to determine what the proper course of action is.

This all, unfortunately, has taken time, but I think it has been time well spent. The results of the study in Oklahoma has given us much greater understanding of the realities of the situation, of the emergency situation.

Of the 2,500 comments that came on the notice of proposed rulemaking, most of them were negative. This required a substantial rethinking about many of our attitudes about how to approach this particular issue.

We will shortly issue not only a final rule, but will be issuing an advisory circular which will be for the purpose of explaining to FAA and the employees in airlines what we learned about the way to offer assistance to handicapped people in a way that respects their dignity and provides them service only as it is needed and not more.

When we have issued this rule, which will be shortly, I am sure we will have defined a careful balance between the legal requirement that the FAA is required to uphold, namely that they cannot admit people into air transportation where this would or might be inimical to the safety of the flight and then, on the other hand, to meet the legal requirements that say they cannot discriminate against any passenger.

I am sure shortly we will have a rule that will be fair and will be the result of substantial participation by those whom it is intended to benefit.

Mr. ANDERSON. In your answer you kept referring to having this rule shortly. Does shortly mean 60 days or 6 months? What are you really thinking of when you use the term "shortly"?

Mr. BLISS. My definition of "shortly" would be more along the lines of 60 days.

As you know, however, it is the Federal Aviation Administrator who has the authority to publish this rule, and I would not want to speak for him on this.

As you also know, my boss, the Secretary of Transportation, is fond of making deadlines and, as one who often has to comply with those deadlines under very difficult circumstances, I guess I am reluctant to try to name a specific date, but shortly to me means a couple of months.

Mr. ANDERSON. I hope shortly means a couple of months. Very good.

The American Council of the Blind has proposed that H.R. 14866 be amended to incorporate the definition of visually impaired from section 216(i) of the Social Security Act.

Do you have any comments on this proposal?

Mr. BLISS. To the extent of my limited knowledge about the technical validity of the definition, it appears to be a reasonable idea.

For one thing, the test provided in the Social Security Act is a well-proven one and one related to replacing lost income as a result of a disability.

So, to the extent that the purpose of providing low-cost service to the handicapped is related to their inability to pay the full fare, it would make sense to use a test that is related to income loss and also a test that has well defined restrictions.

One of the problems generally in dealing with transportation for the handicapped and dealing with this bill is the numerous different definitions of "handicapped" that exist in different statutes.

The definition that has been used by the Urban Mass Transit Administration, for example, is significantly broader. It certainly would be a good contribution, I think, to better transportation for the handicapped if there were agreement about a definition which had general acceptance and was applicable in all the programs that serve these individuals.

Mr. ANDERSON. H.R. 14866 proposes to authorize reduced fares for three groups—persons over 65, persons under 21, and physically handicapped.

As between these three groups, would you believe that the case for reduced fares is stronger for any one of the groups?

Mr. BLISS. That is a question I think we need to give some thought to.

There are four criteria that I would apply in trying to rate the groups although, as the previous witnesses have said, this is a dangerous job to undertake.

The first criterion would be the availability of alternative transportation.

The second would be the general economic resources of people within that group.

The third would be the potential burden or cross-subsidy on regular paying passengers that might result from the offering of special discounts for a particular group.

The fourth would be the facility with which a space available or standby service might be used by that group.

These criteria could be used to evaluate the benefits of service for each of these categories. For example, on the alternative of available transportation modes, clearly the handicapped would have the least access of the three groups to available transportation. The elderly would rank second under this criterion, and the youth would probably have the greatest access to alternative transportation. They would have access to an automobile; whereas, in many cases, the handicapped or elderly would not have that advantage.

In terms of economic resources, I think a substantial proportion of the elderly population are below the poverty line; the mean income of the elderly would be significantly lower than perhaps the youth who are often supported by people who can afford to pay the full fare even if the youth themselves cannot do so.

The handicapped probably would fall in between.

With respect to the potential burden or cross-subsidy that might result on regular paying passengers as a result of offering this special fare, I think the handicapped would pose the least problem here because it is a smaller group.

I think by the definition used in the Department of Transportation, there are 13,400,000 handicapped Americans. That is 6 percent of the population.

I rank them this way because the burden on regular fare paying passengers would essentially be a function of the number of people who would take advantage of the service. The more people that did, the greater the pressure would be to increase the regular fares in order that the average fares might provide for the costs and a reasonable rate of return on investment.

The second category here would be the elderly. There are 20 million Americans over 65 according to the 1970 census, within the definition of your bill. That is 10 percent of the population.

Then there are 113 million young people under 21 or 39 percent of the population, which would have the greatest impact on increasing fares for the regular paying passengers.

In terms of the facility or the ability to use the standby service, I would say the young people probably could use it better because, in most instances, particularly if they are older, say the 18 to 21 range, they would be able to adjust to the inconveniences of waiting around in airports or missed flights, or finding alternative transportation if they could not get on the airplane.

This might provide a substantial inconvenience for elderly Americans or for handicapped Americans, and might not prove to be the

best kind of discount or low-cost fare service that really meets their needs.

When you put all this together, I suppose that the handicapped and the elderly would have a slight advantage over the youth in terms of social benefits that would justify the special fares.

Mr. ANDERSON. If we do decide to authorize reduced fares for the elderly, youth, and the handicapped, should these fares be limited to standby services?

Mr. BLISS. Our position would be that they should not be limited to standby services, and they should not really be limited to these three categories.

In fact, as the numbers I have just mentioned indicate, these three categories constitute 55 percent of the population in the United States today, and if low-cost fares are a viable alternative and if they make economic sense for the airlines, and we believe they do, then why should these fares not be available to others?

Not only would we say that the fares should not be limited to standby, but we would say that they should not be limited to the three categories involved.

Mr. ANDERSON. Our bill, H.R. 14866 identifies the elderly as persons 65 years of age or older.

This morning Congressman Matsunaga stressed the age of 60 as being the proper age.

If we decide to enact legislation authorizing reduced air fares for the elderly, would it be more appropriate to use age 60 or age 65 as the age of eligibility?

Mr. BLISS. Since neither age limit really has any relationship to the cost of providing the service or to a transportation related consideration in determining whether or not a particular low-cost fare is in the interest of a well-managed carrier, it is very difficult to answer that question.

I guess the answer would be it would make more sense to limit the category to those who, in fact, would be more likely to be retired and, in fact, would be more likely to have the economic need. Many people in the 60 to 65 bracket would still be gainfully employed and would be more likely to be able to pay the full fare.

But the question illustrates the difficulties that arise—the difficulties of definition, of where to draw the line—when we attempt to create categories which have no relationship to the economics of air travel and, for that reason, we would favor abolishing the age limitation altogether and provide the low-cost service for older people of any age or younger people of any age.

Mr. ANDERSON. Mr. FARY?

Mr. FARY. Thank you, Mr. Chairman.

Mr. BLISS, under the Urban Mass Transportation Act of 1964 as amended, recipients of Federal grants must give reduced fares on off-peak hours to the elderly and handicapped.

Is this working satisfactorily? Does it have any applicability to air transportation?

Mr. BLISS. Whether or not this has worked satisfactorily is still an open issue, as far as we are concerned.

The Urban Mass Transit Administration is sponsoring a major national study. This study is on the research of transportation prob-

lems of the handicapped, and the purpose of it is to determine whether or not this program and others like it are effective. We are also funding three different university-sponsored projects that are designed to look at the cost functions of public transportation systems for the elderly and handicapped; they are designed to determine whether or not this is a successful program.

We have some experience now in about 125 different communities where these half-rate fares have been provided in off-peak hours for the elderly and handicapped under section 5(m). We set up the study last year and this year we are in the process of collecting the data and intend to make the analysis over the rest of this year, in order to draw the conclusions that you are requesting.

We certainly will keep you and this subcommittee informed on what those conclusions are.

It would be premature on the basis of the data we have received thus far to draw any conclusions other than that the results have been very mixed among the different communities.

Some communities have indicated that there has been an increase in passengers and others have indicated a falloff in revenues as a result of these reduced fares.

We would want to look at the results we achieved from this study in the context of several important policies of the Department of Transportation.

One of these is the importance we place on local option or local priorities in the determination of how to best provide transportation for the citizens of the urban community.

We recently, as you know, issued regulations that require transportation system planning, both highway and mass transit, and a substantial part of this planning is to meet the needs of the elderly and the handicapped in an urban area.

As we provide this kind of local flexibility and provide the management and the planning assistance to communities to make these transportation decisions, the question is whether this sort of subsidy helps them achieve this objective or whether there are other ways in which that community could better use the resources that are being provided through Federal subsidy in order to meet the needs of the handicapped.

We have demonstrated projects. We have funding for nonprofit organizations that provide services directly to the elderly and handicapped. In some instances, for some communities, this may be better, more cost-effective, and more efficient than the services they would get through regular public transportation facilities.

Not only are we interested in finding out what the experience of the communities has been and will continue to be during the course of the study, but we are interested in comparing this approach to other approaches that we are presently observing as demonstrations that are conducted also with Federal funding.

Mr. FARY. Does the Department have any opinion on reduced fares for children under 12, and are reduced fares for the elderly distinguishable?

Mr. BLISS. Yes.

Our view about reduced fares for children under 12 is as follows:

We believe this is basically part of the transportation structure in aviation. This has been traditional. It is accepted practice and we

believe in it and we support it. We support it because we presume that since it has been established and people have relied upon it for so long, that it ought to be continued.

However, we have never done any economic analysis of the effect of the discount that is provided for children under 12, and I suppose if we did we would have to look at it in the same economic sense and apply the same principles that we are applying to the issues presented by this bill.

We would not extend our concern about the new categories created in this bill to that issue at this time, but, then again, we really have not done an economic analysis of it.

I think I neglected to answer the second part of your earlier question, that is, whether or not our experience with UMTA has any applicability in air transportation.

I think it really does not, not at least at this time. I think there are different issues involved when we are talking about Federal dollars that are being used to subsidize public transportation and where the Congress decides, as a question of social policy, that those dollars should pay for half fares for older and handicapped people. That is an expression of the Congress we will support and will implement.

In the case of private air carriers, we are not talking about a Federal subsidy. We are talking about private carriers who are competing under a system where they try to provide the most economic service and attract the most passengers.

I think it is improper for the Federal Government to be suggesting to these carriers that they should get into the business of providing for cross subsidies or, in a sense, doing our job, implementing social policy indirectly.

If we need to provide more transportation opportunities for poor people, whether they are older or handicapped, we should face that issue directly through some income transfer or income maintenance program, rather than seek to have the carriers do it indirectly.

Mr. FARY. All right.

Thank you, Mr. Bliss.

The last question is: Are the reduced fares for the elderly distinguishable?

Did you answer that?

Mr. BLISS. Are they distinguishable?

Mr. FARY. Are they distinguishable?

Mr. BLISS. From the other two categories?

Mr. FARY. Yes.

Mr. BLISS. I think that they are distinguishable in the sense that more elderly people have less resources, perhaps, than young people to pay the full fare, and in that sense it might be, from the standpoint of social policy, a greater need.

But, generally, we do not believe that we should implement such policy through this kind of regulatory action, even though it is permissive. Lower cost alternatives will be provided to the elderly and to other Americans simply and more fairly through the introduction of more price competition, and by the opportunity for new and innovative carriers to seek out new markets and design services for those markets. As the Southwest Airlines in Texas has demonstrated, we will have lower cost travel available to the elderly and to others if we

have a more flexible regulatory system, and we would prefer to take this approach rather than the approach of special treatment for any particular group.

Mr. FARY. Thank you, Mr. Bliss.

That is all the questions that I have, Mr. Chairman.

Mr. ANDERSON. Thank you, Mr. Bliss, for an excellent statement.

Mr. BLISS. Thank you.

Mr. ANDERSON. I notice that our colleague Mr. Randall of Missouri is here. Mr. Randall?

TESTIMONY OF HON. WILLIAM J. RANDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. RANDALL. Thank you, Mr. Chairman. As you know, I am the chairman of the House Select Committee on Aging. I understand that Mr. Matsunaga was here earlier.

The House created the Select Committee on Aging at the beginning of the 94th Congress.

We considered the type of legislation. As the chairman and the members so well know, we do not have any legislative authority, although we are proud of the fact we have been legislating some.

I have just come from the floor and the HEW appropriation bill, and we can legislate a little bit in the matter of appropriations, and we stood shoulder to shoulder and made some progress there.

This item in point, the bill before you, we have discussed. We have discussed it in the full committee and we are supporting it. We hope that there can be some action on it in this Congress before we adjourn.

I do not know what has been said. I suppose all of the arguments for the legislation have already been pronounced.

What we are talking about here is the privilege to those in their retirement simply without the income of those who are in their earning days and this kind of a reduced rate transportation space available is a privilege or an option which should have been made available long ago.

In the twilight years and the sunset years of our aging population, the facts will show that most of them, virtually all of them, are on fixed income and have limited incomes, and this kind of thing here would make not only life more pleasant, happier, but will certainly, in those cases where transportation is a necessity, rather than simply something that is convenient or a pleasure, will certainly be of great assistance and help to those who are on fixed incomes.

We congratulate you and I can assure you that without exception there are 28 members of that select committee that are going to be ready, standing shoulder to shoulder, if we can get legislation to the floor.

Mr. ANDERSON. Thank you, Mr. Randall, for a very excellent statement. We appreciate your contribution here.

Mr. Taylor?

Mr. TAYLOR. Mr. Chairman, I, too, would like to take this opportunity of expressing my appreciation to my good friend and colleague from Missouri, Bill Randall, for his testimony before this subcommittee.

I think most of you know that Bill is retiring at the end of this session of Congress, after nine terms of service to the people of his district, and to Missouri. He has made many contributions during his tenure of office in the Congress, but especially, I think, he will be remembered for his determined efforts on behalf of the problems of the aging of this Nation, and I know of no Member of Congress who is more dedicated to solving the problems of the aging and who has contributed more and has made more of an effort in that direction than has Bill Randall. I want to thank my distinguished colleague for being with us before this subcommittee this afternoon.

Thank you, Mr. Chairman.

Mr. ANDERSON. Thank you very much.

Mr. Fary?

Mr. FARY. I have no other questions, Mr. Chairman.

Mr. ANDERSON. Our next witness today is Mr. Gabriel Phillips, vice president, Traffic Services, Air Transport Association of America.

Mr. Phillips, we have your prepared statement here, and it will be made a matter of the record.

[Prepared statement of Mr. Phillips follows:]

STATEMENT OF GABRIEL PHILLIPS, VICE PRESIDENT, TRAFFIC SERVICES, AIR
TRANSPORT ASSOCIATION OF AMERICA

My name is Gabriel Phillips. I am Vice President, Traffic Services of the Air Transport Association of America, the trade and service organization representing virtually all of the scheduled airlines of the United States. We appreciate the opportunity to appear before you today to submit views of our member airlines on H.R. 14866, which would authorize reduced fare transportation on a space-available basis for the elderly, youth and handicapped persons. There are a host of companion bills to authorize free and reduced rates or reduced rate transportation to one or all of the three special groups covered by H.R. 14866. The policy issue raised by all of them is the same—to legislate special fares for special groups from the general public.

While we have the strongest motivation and desire to encourage air travel by the elderly, youth and handicapped persons, we believe special legislation for this purpose is unwise policy and is unnecessary. For these reasons, we urge that it not be enacted.

We believe the overall public interest is better served in providing air transportation to the greatest number of people at reasonable and economic rates. Enactment of this legislation would almost surely result in the early introduction of preferential fares. These fares would result in an economic burden on the rest of the air traveling public. The proposed legislation would encourage a proliferation of similar proposals on behalf of other special groups. They would introduce the less than wholly desirable aspects of standby travel to groups, such as the elderly and the handicapped, less capable of coping with the potential uncertainty and delay involved in standby travel.

The claimed need arises, in part, from the Civil Aeronautics Board's action in its Domestic Passenger Fare Investigation finding fares of this type unjustly discriminatory and in violation of the Federal Aviation Act. More specifically, the Board found that the developmental benefits resulting from fares, such as youth and family plan fares, are insignificant and, in the long run, actually are an economic burden on the remaining segments of the traveling public. Despite this legal restraint on special fares of this kind, we hope to demonstrate that the variety of promotional and other low fare air services available to the public at large remove any need for special legislation that would reestablish discriminatory fares.

THE PERMISSIVE CHARACTER OF THE LEGISLATION IS MISLEADING

Although H.R. 14866 is written in permissive language—the airlines “may” provide free and reduced rate privileges for the youth, the elderly and the han-

dicapped, the practical effect is the same as if it were mandatory because enactment of this legislation would reflect Congressional policy on an assumed need and desirability for such special rate privileges.

While we do not believe that it was the intent of the sponsors of this legislation to force the airlines to establish unjustly discriminatory fares, we can certainly anticipate that the airlines would take seriously the dictates of Congress in this connection. Surely it would not be advocated unless it was expected to be implemented. Consequently, we have no doubt whatsoever that the airlines would be compelled by numerous forces and pressures, both public and competitive, to establish fares which have been found to be unjustly discriminatory.

THE LEGISLATION WOULD ECONOMICALLY BURDEN OTHER TRAVELERS

Implicit in this legislative concept is the belief that reduced rates for the youth, the elderly and the handicapped, are justified on some economic basis—either to help the airlines fill empty seats, or because these groups are precluded from enjoying the benefits of air transportation because of their particular economic situations. There is now a body of record establishing the fact that selective, special discounts of this kind have a significant, diversionary effect and thus will not necessarily fill empty seats. Moreover, after extensive investigation, a finding has been made that these fares are not only discriminatory but also impose a burden on those who are not eligible for discounts and pay standard fares.

In our view, the overall public interest will not be served if only certain segments of our society are to be the recipients of special-rate concessions as a consequence of Congressional policy.

THE LEGISLATION WOULD ENCOURAGE ADDITIONAL SPECIAL INTEREST PROPOSALS

Enactment of this legislation, its implementation, and the subsequent expansion of reduced rates to other groups would be economically harmful to the airline industry of this country. There is no question but that other equally influential or needy groups, like young widows on social security, persons on early retirement, the economically handicapped, etc., will feel entitled to seek similar recognition from Congress. And, no doubt they could generate considerable support.

The provisions of H.R. 14866 would permit about half of the American public to travel at free or reduced rates. Although we do not expect that all those eligible under these bills would utilize the reduced rates permitted, a great number undoubtedly would do so—including many who are not economically disadvantaged. To the extent that these reduced rates were used by those not in need of economic assistance, the result would be traffic diversion and airline revenue erosion. Thus, the broader question is whether these proposals primarily reflect social objectives.

It does not appear to be the intent of the report on senior transportation by the Select Committee on Aging's Subcommittee that the private sector, or indeed other travelers, should provide the economic assistance to the youth, the elderly and the handicapped that would result from Congressionally-sanctioned reduced air transport rates for these groups. Were that the case how could one distinguish the need to consider simultaneously the same kind of assistance for economically disadvantaged or other elements of the public, as well as assistance in connection with other goods and services relating to travel, such as ground transportation, communications, accommodations, etc.

While we are not in a position to express views on the social merits of extensive public assistance of this kind, we would respectfully suggest, however, that any such assistance, including reduced rates for the youth, the elderly and the handicapped, would reflect the establishment of broad social policy. And if Congress, for good and valid reasons, deems it desirable to establish such social policy then, as with all matters of social policy, Congress should recognize the public service function involved and the economic needs of those providing the service. In short, adoption of a social policy requires the assumption of a financial obligation—either by subsidizing the user or the provider.

In any event, Congress should expect to be confronted with similar legislative suggestions conforming to the precedent established if this legislation is adopted.

STANDBY TRAVEL NOT SUITABLE FOR THE ELDERLY AND HANDICAPPED AND HAS
OTHER DISADVANTAGES

H.R. 14866 envisages a standby arrangement for these special groups of travelers. When standby fares were available for youth in the past, complaints from concerned parents and others about the uncertainty and delay of standby travel were quite common. Certainly, the elderly and the handicapped are even less capable than youth of coping with this potential uncertainty and delay. Moreover, while it is true that there are empty seats on many flights, at certain times of peak travel this is not the case—periods involving hours of the day, days of the week, and months and seasons of the year. And, the dual pressures of the CAB's regulatory policies and the realities of present day airline economics are forcing higher average load factors in the airline system. This year, domestic trunk average load factors are approaching 60 percent on an annual basis and should get higher. The charter system operates at an 85 percent average load factor with nearly all operations at full-plane load levels. Thus, even at present average load levels, a high proportion of scheduled flights operate with 100 percent load factors. In view of this condition, travel on a standby arrangement would present considerable inconvenience and hardship for these groups—problems that are overcome by current reduced rate, reserved space programs of the airlines, which accommodate all segments of the traveling public on a non-discriminatory basis.

EXISTING REDUCED RATE, RESERVED SPACE PROGRAM FOR ACCOMMODATING ALL
SEGMENTS OF THE TRAVELING PUBLIC ARE ADEQUATE

Promotional or reduced rate fares are an important part of the airlines' total sales program. Such fares are designed to stimulate people to fly—people who would not do so otherwise, and to encourage air travel during slack or "non-peak" periods. The airlines now offer a broad range of promotional fares which are not restricted to designated groups. These promotional fares have brought air travel to millions of Americans and the airlines hope to continue to offer such fares to the general public whenever feasible. While such reduced fares contain, of necessity, certain specific conditions, the number of such fares is so widely available that the general traveling public, and the elderly, handicapped or youth, in particular, due to their greater flexibility, can take advantage of such fares without unduly restricting their travel plans. A brief description of the most commonly used promotional fares clearly illustrates that the airlines' offering of such fares represent a true bargain for the general traveling public. Representative examples of these bargains are:

1. Round-trip excursion fares are discounted 15 percent from high season day travel, 20 percent low season day travel, and 25 percent low season night travel.
2. Night coach fares are discounted 20 percent from regular coach fares.
3. Round-trip individual inclusive tour fares are discounted 20–25 percent.
4. Other excursion fares between specific locations are discounted 20–25 percent.
5. Group fares are discounted 20–30 percent.
6. Thrift trip fares are discounted 20 percent.
7. Commuter fares are discounted 10 percent.
8. Affinity group fares are discounted 30–60 percent.
9. Mini group fares are discounted 20 percent.
10. Weekend excursion plan fares are discounted 25 percent.
11. Group 10 fares are discounted 20–25 percent.

Attached is a table describing these fares and their special conditions in greater detail. And, they are being used to a great extent—particularly by the youth and elderly. One of our major carriers made a recent analysis of the use of its six major reduced fares by age group.

USE OF DISCOUNT FARES BY AGE CATEGORY (PERCENT)

	12 through 21 years	30 through 39 years	Over 65 years
Full fare.....	54	80	56
Reduced fare.....	46	20	44
Total.....	100	100	100

It found that 46 percent of its teenage passengers and 44 percent of its over 65 passengers used reduced fares.

Mr. Chairman, we have an extensive network of sales offices and over 12,000 travel agents who stand ready to assist these special travelers in finding the best low-fare service available for their needs on a reserved seat basis. Clearly, there is no need for special legislation.

While we commend the sponsors of these bills for their interest in assisting the youth, the elderly, and the handicapped, we sincerely believe that the best interests of these groups, and indeed the entire traveling public, can best be served by avoiding legislating fares confined to special groups—and encouraging the use of existing promotional fare possibilities that are available to the public at large.

Mr. Chairman, we thank the committee for allowing us to present the airlines' view today.

GENERALLY AVAILABLE REDUCED AIRLINE FARES

The following is a general list of special reduced fares currently offered by member carriers.

1. RULE 137 ROUND TRIP-EXCURSION FARES

Between All Points in U.S.

Season Fare Levels.

Reservations Required 14 Days Before Departure.

Day/Night Fare Levels.

Minimum Stay 7 Days.

Maximum Stay 30 Days.

Advance Purchase Required.

Individual Passenger Travel.

Percent Discount from Economy Fare: 15 Percent High Season Day Travel,
20 Percent Low Season Day Travel, 25 Percent Low Season Night Travel.

2. NIGHT COACH FARES

Most Night Flights Department Between 10 p.m. and 4 a.m.

Individual Passenger Travel.

Percent Discount from Economy Fare 20 Percent.

3. RULE 325 ROUND TRIP INDIVIDUAL INCLUSIVE TOUR FARES

Good At All Times Except Friday 2 p.m. to Midnight and Sunday 2 p.m. to Midnight.

Travel Not Permitted 1 Day at Thanksgiving, 4 Days at Christmas, 2 at New Years.

Minimum Stay 7 Days.

Maximum Stay 30 Days.

Tour Purchase Required.

Individual Passenger Travel.

Percent Discount From Economy Fare 20 to 25 Percent.

4. RULES

130 Other Excursion Fares.

158 To/From Specific Cities Including Hawaii, and

150 To/From Canada.

140 Minimum Travel Restriction Such as Weekends.

335 Only or Weekdays Only.

Individual Passenger Travel.

Percent Discount From Normal Economy Fares 20 to 25 Percent.

5. TOUR BASING EXCURSION FARE

Requires Purchase of Tour.

YE 30, KE 30.

20 Percent Discount Except To/From California and Arizona.

6. GROUP FARES

Requires Adherence to Minimum Group Size and May Require a Tour. Usually Booked Through a Tour Organizer, YG10 As An Example.
Discount Ranging from 20 to 30 Percent.

7. CHILD—33⅓ PERCENT DISCOUNT

Must Be An Accompanied Child Age 2 to 12.

8. THRIFT TRIP—20 PERCENT DISCOUNT

Round Trip Reservation Made and Tickets Purchased Prior to Origination. All Travel Accomplished On Saturdays Or Tuesdays. Return Travel Commencing Not Earlier Than 24 Hours Or Later Than 30 Days from Date of Origin Trip.

9. COMMUTER K—10 PERCENT DISCOUNT

One Way Available In Rear Section of Aircraft—Confirmed But Offering No Meal Service.

10. AFFINITY GROUP—130 PERCENT

160 Percent of Economy Group Round Trip Excursion Fares With Minimum/Maximum Stay Restrictions And Advance Booking/Ticketing Requirements.

11. MINI GROUP FARE

Group of 4 to 9 Qualifies By Purchasing Tickets On a Round Trip Basis and Remaining Together for Complete Itinerary. Tickets Must be Purchased 48 Hours Before Departure. Return No Sooner Than 3 Days and No Later Than 30 Days After Date Of Departure. Fare Not Applicable On Flights Between Noon and Midnight Friday Or From Noon Sunday to Noon Monday. 20 Percent Discount on Round Trip Fare.

12. WEEKEND EXCURSION PLAN

Leave Anytime On a Saturday. Return On a Saturday, Sunday Or Up To Noon Monday Within 30 Days of Departure. 50 Percent Discount on Return Portion of Round Trip Ticket.

13. GROUP 10 FARE

10 or More Persons Must Travel Together On Going Portion But May Return Individually. Tickets Must Be Purchased 48 Hours Before Departure. 20 Percent Discount On One Way Ticket and 50 Percent Discount On Return Portion of Round Trip Ticket.

TESTIMONY OF GABRIEL PHILLIPS, VICE PRESIDENT, TRAFFIC SERVICES, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. PHILLIPS. Mr. Chairman, thank you.

In the interest of time, I will summarize my statement very briefly.

Mr. ANDERSON. We were hoping you would, sir.

Mr. PHILLIPS. My name is Gabriel Phillips. I am vice president, Traffic Services of the Air Transport Association of America, the trade and service organization representing virtually all of the scheduled airlines of the United States. We appreciate the opportunity to appear before you today to submit views of our member airlines on H.R. 14866, which would authorize reduced-fare transportation on a space-available basis for the elderly, youth, and handicapped persons.

There are a host of companion bills to authorize free and reduced rates or reduced-rate transportation to one or all of the three special groups covered by H.R. 14866. The policy issue raised by all of them

is the same: to legislate special fares for special groups from the general public.

While we have the strongest motivation and desire to encourage air travel by the elderly, youth, and handicapped persons, we believe special legislation for this purpose is unwise policy and is unnecessary. For these reasons, we urge that it not be enacted.

We believe the overall public interest is better served in providing air transportation to the greatest number of people at reasonable and economic rates. Enactment of this legislation would almost surely result in the early introduction of preferential fares. These fares would result in an economic burden on the rest of the air traveling public.

The proposed legislation would encourage a proliferation of similar proposals on behalf of other special groups. They would introduce the less than wholly desirable aspects of standby travel to groups, such as the elderly and the handicapped, less capable of coping with the potential uncertainty and delay involved in standby travel.

The claimed need arises, in part, from the Civil Aeronautics Board's action in its domestic passenger fare investigation finding fares of this type unjustly discriminatory and in violation of the Federal Aviation Act.

More specifically, the Board found that the developmental benefits resulting from fares, such as youth and family-plan fares, are insignificant and, in the long run, actually are an economic burden on the remaining segments of the traveling public.

Despite this legal restraint on special fares of this kind, we hope to demonstrate that the variety of promotional and other low-fare air services available to the public at large remove any need for special legislation that would reestablish discriminatory fares.

Mr. Chairman, in passing through the rest of my testimony, I simply would like to call your attention to those arguments on the social policy aspects of this kind of legislation and note that it would be singling out air transportation among transportation modes and, indeed, among the private sector, generally, for the special burden of supporting this kind of social policy.

H.R. 14866 envisages a standby arrangement for these special groups of travelers. When standby fares were available for youth in the past, complaints from concerned parents and others about the uncertainty and delay of standby travel were quite common. Certainly, the elderly and the handicapped are even less capable than youth of coping with this potential uncertainty and delay.

Moreover, while it is true that there are empty seats on many flights, at certain times of peak travel this is not the case—periods involving hours of the day, days of the week, and months and seasons of the year.

And the dual pressures of the CAB's regulatory policies and the realities of present-day airline economics are forcing higher average-load factors in the airline system. This year, domestic trunk average-load factors are approaching 60 percent on an annual basis and should get higher.

To illustrate, we commonly speak of the charter services as being full-plane load services, yet their systematic load factor is 85 percent,

so there is not much spread between what we have now and what the ultimate is in terms of load factors.

Thus, even at present average-load levels, a high proportion of scheduled flights operate with 100-percent load factors. In view of this condition, travel on a standby arrangement would present considerable inconvenience and hardship for these groups—problems that are overcome by current reduced rate, reserved-space programs of the airlines, which accommodate all segments of the traveling public on a nondiscriminatory basis.

Promotional or reduced-rate fares are an important part of the airlines' total sales program. Such fares are designed to stimulate people to fly—people who would not do otherwise, and to encourage air travel during slack or nonpeak periods.

The airlines now offer a broad range of promotional fares which are not restricted to designated groups. These promotional fares have brought air travel to millions of Americans and the airlines hope to continue to offer such fares to the general public whenever feasible. While such reduced fares contain, of necessity, certain specific conditions, the number of such fares is so widely available that the general traveling public, and the elderly, handicapped, or youth, in particular, due to their greater flexibility, can take advantage of such fares without unduly restricting their travel plans.

Mr. Chairman, I have attached to my statement a fairly detailed listing of the widely available discount fares and I will not repeat them. But I would say that these fares are being used to a great extent, particularly by the youth and elderly.

One of our major carriers made a recent analysis of the use of its six major reduced fares by age group. It found that 46 percent of its teenage passengers used these fares and 44 percent of its over-65 passengers used reduced fares.

We have an extensive network of sales offices. We have over 12,000 travel agents around the country who stand ready to assist these special travelers in finding the best low-fare service available for their needs on a reserved-seat basis. Clearly, we think there is no need for this legislation.

While we commend the sponsors of these bills for their interest in assisting the youth, the elderly, and the handicapped, we sincerely believe that the best interests of these groups, and indeed the entire traveling public, can best be served by avoiding legislating fares confined to special groups—and encouraging the use of existing promotional fare possibilities that are available to the public at large.

Mr. Chairman, we thank you and the subcommittee for allowing us to present the airlines view today.

I stand ready for any questions.

Mr. ANDERSON. Thank you, Mr. Phillips, for your statement. I have some questions here.

In your testimony you state that discount fares impose a burden on those who are not eligible for discounts and pay standard fares.

Could you explain why the fares impose a burden if they are limited to space-available service and cover the added cost of ticketing and transporting the standby passengers?

Mr. PHILLIPS. The economic rationale of my statement, Mr. Chairman, is that to the extent the standby passenger is a newly generated passenger, there is no question but he would be a net contribution to the airline system and would not burden anyone.

But, when you have broad categories, special groups, like this, you would include in that group people who now travel and who now use air service. They would be diverted from regular fare travel and take advantage of these special category fares. And, to the extent they would otherwise be traveling and are not newly generated, there is a net revenue loss to the airline which must be made up by those passengers who do not take advantage of this kind of fare possibility.

Mr. ANDERSON. Would discount fares for the elderly, and the handicapped, and the young be more of a burden on normal passengers than the other discount fares which the airlines now offer?

Mr. PHILLIPS. To the extent that the present promotional and other discount fares are designed to stimulate travel during offpeak and other periods and to the extent there are special conditions associated with those fares, Mr. Chairman, that are designed to minimize diversion from regular travelers, the regular widely available discount fares would be expected to be less diversionary.

You are speaking in generalities to some extent, and you are speaking about masses of people and you cannot avoid finding some instances where even the existing fares have some diversionary possibilities.

Mr. ANDERSON. Also in your testimony you give the results of the survey of the use of discount fares by young persons and the elderly.

Could you give us some background on the survey?

During what period was it taken?

Did the survey include all flights and all passengers carried during this period?

Mr. PHILLIPS. Mr. Chairman, this is a survey of a single airline member's most recent experience.

I must admit to you I do not have all the details of that survey, but I will be happy to provide them for you subsequently, if I may.

Mr. ANDERSON. The record will be kept open.

We would like to have you do that.

[Information received follows:]

AIR TRANSPORT ASSOCIATION OF AMERICA.

Washington, D.C., August 24, 1976.

HON. GLENN M. ANDERSON,

Subcommittee on Aviation, Committee on Public Works and Transportation,
U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN ANDERSON: During the course of my appearance before the Subcommittee on August 10, you asked for background on the survey of passengers set out in my testimony.

This is to advise that the example showing the percentages of age groups was provided by United Airlines. United conducts, on a quarterly basis, a system-wide in-flight survey. The survey consists of many types of questions, such as: What is your age? Are you traveling on a special fare? Did you make your reservations with United Airlines?

The survey results described in my testimony are the product of a survey conducted May 3-9, 1976 and was the result of 10,716 respondents.

I trust this additional information is responsive and will be helpful to the Committee during their further consideration of the pending legislation allowing for reduced rates for the youth, the elderly, and the handicapped.

Sincerely,

GABRIEL PHILLIPS.

Mr. ANDERSON. Have the airlines ever offered reduced standby fares for which all passengers were eligible?

If so, what was the experience with these fares?

Mr. PHILLIPS. The most common standby fare that we had in the past was for youth.

There may have been certain markets, Mr. Chairman, where there were standby fares generally available to the public, but I must admit I cannot recall.

Our experience with the youth travelers was a very unattractive one, particularly from the airline point of view, because it was the kind of travel that was subject to a lot of abuse. People would make multiple reservations to insure that they might have a seat available and, as a result, the airlines gradually abandoned standby travel and put in special positive-space fares for youth to avoid the abuses that were occurring.

Mr. ANDERSON. What did the airlines do at that time to discourage making a separate reservation under another name so they could also be able to hold onto their standby, which was, as I understood, a rather common practice?

Why do you not institute some type of a deposit so people would lose something if they give up a reservation?

Mr. PHILLIPS. The airlines, Mr. Chairman, briefly tried what was commonly known as no-show penalties, if you will, where a portion of the ticket purchased was forfeited if somebody did not cancel their reservation. It was an unattractive experience.

We are in the business of providing a service, and we do not like to make our customers unhappy.

The airlines recognize that, and they felt the only way to deal with it sensibly was simply not provide the kind of facility that would be subject to abuse. Now, we still have the problem of no-shows.

Mr. ANDERSON. Is that not a form of cross-subsidy, then?

For those who do show, then, they are having to pick up that extra cost for the person who did not show, and yet cost money by making the reservation and giving you a half-filled plane?

Mr. PHILLIPS. When we were operating in a period of fairly low-load factors, the burden was not so great. As we approach higher load factors, that is going to become more of a problem.

Reasonable men could characterize that as some cross-subsidy.

Mr. ANDERSON. Did the airlines continue to offer reduced standby fares for young people until the CAB outlawed these fares?

Mr. PHILLIPS. Yes, sir.

Mr. ANDERSON. The airlines are not proposing reduced fares for senior citizens at this time. Are the airlines not offering these fares because the airlines believe that the CAB would not approve these fares, or is it because the airlines believe that these fares would be economically unsound?

Mr. PHILLIPS. It is hard for me to answer that question because each airline may be motivated for different reasons.

Clearly, they are not all free. Under the present regulatory policy, it would not be approved.

Mr. ANDERSON. Mr. Taylor?

Mr. TAYLOR. Thank you.

Mr. Phillips, as I understand it, this would be voluntary. An airline may or may not participate in this reduced fare depending, of course, on what the CAB might decide to do.

They would have the authority. Do you foresee that an airline who deemed this to be unprofitable would be in a position where they would be forced to participate in this reduced air fare?

Mr. PHILLIPS. Yes, Mr. Taylor.

I address that in some detail in my prepared statement which has been made a part of the record.

When we did have standby fares for youth, I would venture to say that one or more airlines probably felt that they were uneconomic, but because of the competitive market forces they felt constrained to offer them in competitive markets. And almost as sure as I am sitting here if this legislation, even as it is drafted, in a permissive way, were enacted that if the first airline put in a special fare for one of the groups, the others would fall right behind.

Mr. TAYLOR. It seems to me this has got to the place where they require an awful lot of chaperoning by agencies.

On the one hand, you do not want it; and, on the other hand, you want these Federal agencies to tell you everything you can or cannot do. When they give you flexibility to make some deviations in pricing, you are opposed to it.

But, on the other hand, when it is permissive legislation, it is something that would be forced upon them, it would seem to me if the industry as a whole decided it was not the thing to do, they are all grown men, and they run a pretty big industry in this country, they should be able to make the determination on their own.

Mr. PHILLIPS. Yes, sir.

But, the nature of the industry is such that I am just predicting for you what will happen.

Mr. TAYLOR. I am in the retail automobile business. I wish that the Government would tell some of my competition they could not sell cars as cheap as they do. It would be better for us.

I do not believe they are ever going to do that for us.

It seems to me like we are getting a long ways from the free marketplace here when we come to the point where we have to set the minimum-maximum fares, but that is beside the point.

Have you examined the experience of the Canadian air carriers, which I understand have been participating in such a program for the elderly in their domestic crafts?

Mr. PHILLIPS. No, sir.

I would just simply note that the Canadian situation is somewhat different. The largest national carrier, Air Canada, which probably carries more than half of all air travel in Canada, is a client corporation and it is subject to subsidy. Therefore, whatever motivates it in the way of social policy is a little bit different consideration than we have to face.

Mr. TAYLOR. That is all, Mr. Chairman.

Mr. ANDERSON. Mr. Fary?

Mr. FARY. Mr. Phillips, as between the three groups mentioned in H.R. 14866, the young, the elderly, and the handicapped, do the air-

lines believe that any one of these groups has a better claim to reduced fares than the others?

Mr. PHILLIPS. Mr. Fary, we believe that all three of them, along with all the other members of the traveling public, should have the same claim to discount promotional travel.

Mr. FARY. Thank you, Mr. Phillips.

Mr. ANDERSON. Thank you, Mr. Phillips, for your presentation.

Mr. PHILLIPS. Thank you, sir.

Mr. ANDERSON. Our next witness is Cris Gray, American Council of the Blind.

Mr. Gray, we do have a statement of the American Council of the Blind, and I understand you are substituting for Mr. Reese Robrahn, and the statement as prepared for and by Mr. Robrahn will be made a matter of the record at this point.

[The statement referred to follows:]

STATEMENT OF THE AMERICAN COUNCIL OF THE BLIND

SUMMARY

The American Council of the Blind:

1. Favors the enactment of H.R. 14866 with amendment.
2. Favors the inclusion by reference of the definition of visually impaired in Section 216 of the Social Security Act.
3. Opposes the restricting of authorization to grant free or reduced fare concessions to a "space available" basis.
4. Favors amendments prohibiting air carriers from limiting travel by a blind or otherwise handicapped person who elects to travel alone or with or without an attendant.

STATEMENT

We concur generally in the remarks of Congressman Anderson in introducing H.R. 14866 on July 27, 1976. We would welcome special provisions for these categories of airline passengers. A suggested amendment to H.R. 14866 will appear at the end of this statement. We have not drafted amending language which would change the Bill's effect by providing a reservation status for blind and handicapped passengers instead of "space available", but we strongly urge the inclusion of such an amendment.

In 1927 Congress amended the Interstate Commerce Act to permit bus and rail carriers to grant free or reduced fares to a blind passenger traveling with a sighted attendant. Fare concessions were granted by all of the rail and bus carriers, and the arrangement has worked satisfactorily for the blind passengers and the carriers. The American Foundation for the Blind has at all times acted as the certifying agency to establish the eligibility of blind passengers for the authorized fare concessions. The Foundation's service has been provided without cost to the carriers and has been an accurate and convenient means of establishing eligibility, based upon the findings of ophthalmologists and optometrists. The Foundation still provides this service and issues identification cards and between 20,000 and 30,000 books of travel coupons per year to eligible blind persons for their use when bus or rail tickets are purchased. It has been the Foundation's experience in issuing these coupon books that less than seven percent (7%) of the eligible blind persons in the United States have applied for these books and that a smaller percentage use them.

The American Foundation for the Blind is willing to add to the existing service a similar function for the convenience of air lines at any time when free or reduced fare concessions are authorized and established.

The reasons which brought about the legislation pertaining to surface carriers were: to facilitate travel by blind persons; to relieve transportation employees of the necessity of assisting blind passengers; and to permit the blind passenger to have the assistance of a sighted person after reaching his destination. The concession generally granted by surface carriers was free transportation for the sighted attendant, but with no reduction in the fare of the blind passenger.

Thus the blind passenger was spared the double expense to which he would have been subjected if the existing law had not been enacted.

It is quite true that many blind persons travel by trains and buses without the assistance of sighted attendants, and the law does not require that blind passengers have sighted assistants when traveling. Nevertheless, many blind persons lack the experience, confidence, or ability to travel conveniently and safely alone either during the actual travel or up on arrival at a destination. Approximately two-thirds of those who come within the legal definition of blindness lost their sight after the age of sixty (60) years. While some of these persons adjust very well to traveling with impaired vision, many do not. We are pleased to report that younger persons in increasing numbers are becoming more efficient in traveling and have demonstrated their abilities; but we cannot forget those who want assistance for reasons of necessity, convenience, or safety.

The rationale for free or reduced fare concessions on surface carriers is equally applicable in the case of airlines. Generally, airline employees are quite helpful, but the fact remains that the assistance rendered by airline personnel for severely handicapped passengers is requiring an increasing amount of their time. More and more blind and other physically impaired persons (many of them with more than one impairment) are finding it necessary or desirable to travel by air. It is only equitable that handicapped passengers who need or want the assistance of an attendant should be spared the double expense which will continue to be imposed unless the legislation is enacted.

This kind of legislation imposed no economic hardship upon surface carriers, and it will not be costly for airlines. None of the surface or air carriers consistently sells all available seats. This legislation will increase the use of airlines by handicapped passengers. It is well understood that this legislation is permissive and that no airline will be required by these provisions to grant free or reduced fare concessions. We do not contend that mandatory legislation should be enacted, but we do point out to the Subcommittee and to any airlines which may oppose this legislation that citizens and taxpayers do have a vested interest in air transportation through the investment of tax dollars in municipally constructed airports and direct subsidies paid to airlines by the Civil Aeronautics Board and the U.S. Postal Service.

With particular respect to blind passengers, the Civil Aeronautics Board and the airlines will have no difficulty in determining who is "blind." The Social Security Act and the Internal Revenue Act both define the term, and it would probably be desirable to include that definition in this legislation. Sight loss is objectively measurable by ophthalmologists and optometrists, and such findings, when processed through the procedures employed by the American Foundation for the Blind, provide an orderly and accurate determination of eligibility without expense or inconvenience to the airlines.

It may be construed by some that such concessions should be granted on a "space available" basis only. The uncertainties which "space available" would create for the blind passengers and the airlines would be so undesirable that no concessions would ever be granted. Consider, for instance, the confusion and inconvenience which would exist in a busy airport where the passenger and his guide are waiting at the departure gate on a "stand by" basis, with their luggage, which cannot be checked until the passenger has a seat on the plane. No airline will want to face the inevitable consequence of having a blind passenger stranded in a strange airport because there is no available space on a flight. The surface carriers recognized from the first that such an uncertainty would make problems for them and therefore never used a "space available" rule. It is neither practical nor desirable to base the granting of free or reduced fare concessions on the availability of space. We know that such concessions will not have an adverse economic effect, but it is imperative that their use be trouble-free for the airlines.

The Federal Aviation Administration has on two occasions proposed regulations which would restrict air travel by handicapped persons. Moreover, the FAA entered into an agreement in 1962 with the Air Transport Association dealing with interline acceptance criteria for disabled persons under section 412 of the Act. Under this agreement and other rules of the FAA air carriers have been permitted to exclude handicapped persons for a variety of unjustifiable reasons or upon the arbitrary decision of airline personnel. The official rationale for excluding handicapped passengers is based on safety. With reference to the apprehensive assumptions about evacuating handicapped passengers, there is not in any event any guarantee by the government or an airline that any pas-

senger will be safely evacuated after a survivable accident. Handicapped passengers are as aware of the risks of flying as anyone else, and it is no solution merely to exclude such persons. Nor is it any solution to anybody's problem to exclude such persons on the speculative assumption that their presence might increase the risks for other passengers. This organization urges a revised governmental perspective, one which would regulate the airlines rather than the passengers. We request that the Subcommittee on Aviation review the regulations proposed by the FAA and the 1962 agreement with the Air Transport Association. We recommend that H.R. 14866 be amended to preclude the exclusion of handicapped passengers by airlines.

A number of incidents have occurred in which handicapped passengers have been excluded because they were not accompanied by attendants. We urge the Subcommittee to deal with this subject by amendment or by a definite policy statement in the committee report which will provide a legal base to prohibit such discrimination, whether or not a blind or handicapped passenger is accompanied by an attendant or whether or not such passenger is traveling at a free or reduced fare.

SUGGESTED AMENDMENT TO H.R. 14866

That the following language be inserted in the printed bill by adding a new subsection following line 5, page 2. "As used in this section the term "visually impaired" means visual acuity which is no better than that prescribed in the definition of blindness in section 216(i) of the Social Security Act. Nothing in this Act shall be construed to limit air travel by a blind or handicapped person traveling alone or with or without an attendant."

TESTIMONY OF CRIS GRAY, AMERICAN COUNCIL OF THE BLIND

Mr. GRAY. Thank you, Mr. Chairman.

I would like to make a few statements to the subcommittee this afternoon of an extemporaneous nature.

I would like to begin by discussing what we in the American Council of the Blind see as some of the historic aspects of H.R. 14866.

Beginning in 1927, with the amendments to the Interstate Commerce Act, surface carriers were allowed, as was noted earlier this afternoon, to give a two-for-one air fare to blind persons. The fare for blind persons remained the same, and an attendant was allowed to go with him free of charge.

At that time this was done to facilitate travel by blind persons, and to relieve transportation employees from the necessity of assisting blind passengers and to permit the blind passenger to have the assistance of a sighted person after reaching his destination.

We see this proposed legislation today as not only an extension of those amendments in 1927, but also a growth of service by the airlines to all people in the United States.

For one thing, this is not a two-for-one system as was the case in the 1927 amendments.

It is a system of reduced fares for the blind, the elderly, and for people under 21 years of age.

Also, dealing with the matter of assistants, they are not required here. It is not even necessary to have an assistant to get use of the fare.

But we do think that it is of some importance that two-thirds of the people who lost their sight do so at or after the age of 60 years, and they may need or feel they need to have an attendant because they have not had the experience; and, therefore, do not have the confidence or the ability to travel with convenience and safety.

Speaking for the blind, I think most do travel alone. Most do feel that they are quite capable. But there are some people who would like to have an alternative system.

I would also like to point out that as more and more people do travel by air, there is going to be less time to be allotted to each passenger by air service attendants.

We wonder if this might not create some difficulties.

Turning to the economic aspects of this bill, we do not believe there is really going to be any economic hardship here.

For one thing, this law is permissive. Nobody has to do anything if they do not want to. It simply allows airlines to offer a service. It does not force anyone to do anything.

Also, if all the space in an airline is not filled up consistently, it might be to an airline's economic advantage to fill more of it up.

In support of this, I would like to remind you, Mr. Chairman, that 14 of the 18 major airlines did not want to give up the 1221 fares. We do not think there is a great deal of difference between that and the legislation before the subcommittee today.

For these basic reasons, we do support this legislation, and the American Council of the Blind would like also to suggest some matters to the subcommittee which we feel would make this an even stronger and better bill.

The first is a matter of which you are well aware. I have noticed you have been asking about it this afternoon.

This is the inclusion by reference of the definition of what is referred to in your bill as visually impaired and referred to as blindness in section 216 of the Social Security Act.

It is also used in the Internal Revenue Act.

We would like to point out that sight loss is something which is objectively measurable and any optometrist or ophthalmologist can do this.

If the use or the definition of the term "blind" as it has been done in other laws is used here, this will add to consistency and would make it unnecessary to promulgate a lot of new rules and regulations.

I think it would make it easier for the airlines if they can just fall back on a lot of other people's experience, and it would make it easier for us, too. We would not have to get into a lot of new categories and new definitions.

The next thing I would like to talk about is the fact that we oppose the restriction of authorization to grant freer reduced-fare concessions to a space-available basis. We think that use of this service should be as trouble-free as possible for the airlines and the passengers. We believe that if the restriction is to a space available, the airlines, because of fear of having people stranded in unfamiliar airports and unable to make connections, will simply allow this provision to sit and never be used.

Mr. ANDERSON. Mr. Gray, we are going to have to interrupt you now. We are in the middle of a vote. We have to go over and vote on the floor.

We will come right back and continue with your testimony. We have some questions to ask you.

We will stand in recess for roughly 10 or 15 minutes, at the most. [Short recess.]

Mr. ANDERSON. The subcommittee will come to order.

Mr. Gray, you were in the middle of your presentation, if you want to you can pick up where you were and finish before we ask our questions.

Mr. GRAY. Thank you, Mr. Chairman.

I was going over some of the amendments which the American Council of the Blind would like to see incorporated into this legislation. I was saying that we oppose the restricting of authorization to grant freer reduced fare concessions to a space-available basis.

We feel that use of this law should be as trouble-free for the airlines as possible and also for the people who are affected by the law.

We fear that the airlines facing the possibility of having blind persons or other handicapped persons stranded in strange and unfamiliar airports would either allow them to go through or more likely would not use this legislation at all, and would simply allow it to sit on the books and do nothing at all with it. If the space is there, and I assume that is partially why the legislation is coming up, then we feel it ought to be used.

My last point is that the American Council of the Blind favors an amendment prohibiting air carriers from limiting travel by a blind or otherwise handicapped person who elects to travel with or without an attendant.

This, we feel, may be one effect, one outgrowth of this legislation, and we hope that the subcommittee will consider this and take steps to see to it that this does not happen. In the past, airlines have been allowed to exclude handicapped persons without any particular justification, as has been mentioned here earlier this afternoon. The rationale, generally, is safety, either of the handicapped individual or of all the individuals on the plane. We would like to point out that nobody has a guarantee of evacuation or survival of an accident or of total safety on an airplane. If they did, there wouldn't be insurance programs that currently exist on airlines. We would like to advise in this matter the regulation of airlines, not airline passengers. We would advise that you amend to preclude this exclusion.

Also, we would like to make it clear that this legislation does not demand that a blind person or physically handicapped person fly with an attendant. They can if they want to, but if they don't want to, they can do it that way also. It would be permissive in this aspect as well as in all of its other aspects.

That is the major thrust of the statement by American Council of the Blind. We support this legislation. We feel that it is an extension and an improvement of the history of this kind of legislation. We feel that it is economically sound and that it is economically feasible, and also very beneficial for the groups that it is to serve. With the inclusion of a very few changes, we feel it can be a very excellent law in air transportation.

Thank you, and I would be happy to answer any questions.

Mr. ANDERSON. Thank you, Mr. Gray. I want to congratulate you on your presentation. I want to thank you for your expression of support.

Would you please give us some background on your organization and the membership that you represent?

Mr. GRAY. We are an organization of blind persons. We have 47 State and special interest affiliates. I might say a State affiliate is—it is probably understood by anyone, it is pretty self-explanatory—we will have special interest affiliates, though, mostly gather around types of employment. For example, there is the Randolph Sheppard Vendors of America. There is an organization of secretarial transcribers, an

organization of blind lawyers, and so on and so on. We feel that we are a democratic representative organization of blind people throughout the United States.

Mr. ANDERSON. Do you know of any studies on the income levels of the blind and other physically handicapped persons?

Mr. GRAY. No, I do not. It might be wise here, Mr. Chairman, to leave the record open and I can refer that question to Mr. Robrahn; he would be a lot more qualified than I am to answer that.

Mr. ANDERSON. We will keep the record open for you. We would like to have you submit it to us, say, within a week, if you could.

Mr. GRAY. Surely.

Mr. ANDERSON. Would the needs of the handicapped be satisfied by reduced fares which were available to all passengers for off-peak or standby service?

Mr. GRAY. I think there are certain problems with these types of services in that I know some of the ones I am familiar with personally only go to certain cities and are not an offering of real access by the airlines. From coast-to-coast you can fly at special hours and so on. I'm not sure if many of the programs that are currently available would offer access to a lot of places that are flown to by airlines.

Mr. ANDERSON. The FAA has proposed rulemaking which as I understand it would allow blind persons to travel without attendants, so long as they do not sit in the two seats adjacent to an exit. Has your organization taken any position on this proposal?

Mr. GRAY. We think that blind people ought to be able to sit anywhere they please just like other people in the United States. We don't like to be put in a category all of our own.

Mr. ANDERSON. Mr. Fary?

Mr. FARY. Thank you, Mr. Chairman.

Mr. GRAY, if H.R. 14866 is enacted and the airlines offered a reduced standby fare for the handicapped, would there be a substantial increase in travel by the blind?

Mr. GRAY. I really don't think there would be. It is a hard question to answer in some ways, but the American Foundation for the Blind has been offering travel cards and coupons since the 1927 amendments which allowed transportation on surface vehicles and so on. They have claimed that only about 7 percent of all blind people in the country use that service. I don't have any reason to believe it would be any higher for the airlines.

Mr. FARY. Would blind persons be likely to use a reduced fare which is only offered on a space-available standby basis?

Mr. GRAY. If it were actually offered to them by the airlines, I think there would be blind people who would use it; yes.

Mr. FARY. Thank you very much, Mr. Gray.

Mr. GRAY. Thank you.

Mr. ANDERSON. Thank you, Mr. Gray, for a very excellent statement. We appreciate your coming here.

Mr. GRAY. Thank you.

Mr. ANDERSON. Our next witness is Mr. John Martin, legislative consultant, National Retired Teachers Association/American Association of Retired Persons.

Mr. Martin, we do want to apologize for keeping you here so late.

Mr. MARTIN. We appreciate that, Mr. Chairman. This has been a good hearing and we have benefited from hearing the other witnesses.

Mr. ANDERSON. Your remarks will be made a part of the record. You can extemporize them or present them any way you wish. The floor is yours.

[The statement referred to follows:]

STATEMENT OF JOHN B. MARTIN, LEGISLATIVE CONSULTANT, NATIONAL RETIRED TEACHERS ASSOCIATION/AMERICAN ASSOCIATION OF RETIRED PERSONS

Mr. Chairman: I am John Martin, Legislative Consultant to the National Retired Teachers Association and the American Association of Retired Persons. Accompanying me this morning is Ms. Faye Mench, a Legislative Representative for the Associations.

I am pleased to be here this morning to represent the over 9.5 million older persons who are members of these Associations and to testify regarding their concern and interest in reduced air fares.

A real hardship faced by millions of older Americans and so often cited as one of the major concerns of the elderly, just behind inadequate income and the high cost of health care, is the lack of mobility caused by inadequate, inaccessible or expensive transportation. Living in a society which places great emphasis on mobility, older persons are at a distinct disadvantage. This is especially true with air travel. Older persons living on fixed, limited incomes simply cannot afford the luxury of traveling by air.

If air travel were brought within their financial reach, we believe more older persons would travel by air. With the increased mobility of the past several years, many older persons find themselves separated by several hundred miles from family and friends. Since air travel is quicker and thereby more convenient, reduced air fares for the elderly would provide them with an opportunity to maintain family ties and to avoid the isolation so common to older persons cut off from family and friends.

Our Associations have been ardent supporters of legislation to allow airlines to offer reduced fares to persons over age 65 on a stand-by space available basis. We believe that such a measure would be of economic benefit not only to airlines which choose to offer these reduced air fares, but also to other categories of airline passengers. As reduced fares encourage new passengers who otherwise could not afford to fly, there would be fewer empty seats. The additional revenue generated through the reduced fares would lessen the need to increase rates for other categories of passengers.

The experience of Hawaiian Airlines with senior fares indicates that reduced-rate, stand-by fares for older persons is a workable concept. As a result of this special fare for seniors, the rate of growth in passengers 65 and older was substantially higher (338% in the five years the program was in effect) than the rate of growth for passengers as a whole (80% for the same five year period). This increased growth in older passengers had no significant affect on the airlines' load capacity and it contributed positively to the reduction of the airlines' fixed costs.

Although the argument may be raised that the Hawaiian Airlines experience is unique, that its success lay mainly in the special situation faced by older persons living in Hawaii, nevertheless we cannot ignore the dramatic increase in passengers age 65 and older once the fare had been reduced to their range of financial practicality.

The key to increasing the opportunities in air travel for older persons then is directly related to the removal of economic barriers. Our Associations believe that financial considerations chiefly explain why such a small percentage of older persons travel by air, while they comprise 10.2 percent of the total population.

Our Associations are aware of the various national airlines efforts to develop special reduced fares which generally seek to fill empty seats during non-peak flying periods. The discounts offered plus the guarantee of a seat reservation may encourage some elderly to take advantage of the reduced rate. We are concerned, however, that the conditions which must be met to qualify for the reduced fare would similarly discourage others.

Our Associations are equally concerned that by flying on a space available basis an older person may be subject to some delay in reaching his destination.

We feel, however, that a minimal delay is preferable to not making the trip at all.

We applaud this Committee's interest in offering legislation to remedy the present imbalance between air fares and the income of older Americans. Success in your efforts will mean additional opportunities for older persons to continue as part of the mainstream of American life.

TESTIMONY OF JOHN MARTIN, LEGISLATIVE CONSULTANT, NATIONAL RETIRED TEACHERS ASSOCIATION/AMERICAN ASSOCIATION OF RETIRED PERSONS, ACCOMPANIED BY FAYE MENCH, LEGISLATIVE REPRESENTATIVE

Mr. MARTIN. I am John Martin, legislative consultant to the National Retired Teachers Association and the American Association of Retired Persons. Part of my background is also as U.S. Commissioner on Aging in HEW.

Accompanying me at this time is Mrs. Faye Mench, a legislative representative for the associations, who has done some considerable work on this problem.

We are glad to be here to represent the more than 9.5 million older persons who are members of these associations and to testify regarding their interest in reduced air fares.

I will summarize my statement and try to get it into a little shorter time and trust that my longer statement can be admitted in the record.

The fact of the matter is, Mr. Chairman, that the opportunity for air travel is very much needed by older people in this country. At the present time with the mobile condition of the population, families are spread all over the United States. In my own family, I have a son in Massachusetts and a daughter in New York, and one in Wisconsin. This is very common. Older people like to have the opportunity to meet with, to get together with members of their family from time to time. It lessens the sense of isolation, and we think that the opportunity for air travel is very much needed. At the same time air travel is expensive. It is a luxury kind of travel at the present rates. Older people are living on fixed incomes, most of them. Somewhere between 30 and 40 percent of the older people in this country, the people over 65, are in either the poor or the near-poor category. Therefore, they have difficulty in paying the rates which are now fixed for most air travel. As a result, we support H.R. 14866. We believe that reduced fare standby on a space-available basis is a desirable thing and necessary. We think also that it can benefit the airlines, that it can increase the amount of participation the amount of travel among older people and that it can help to hold down other rates insofar as it provides paying passengers instead of empty seats. We think it also results in a more efficient use of fuel and manpower and, therefore, is beneficial in this way, too.

The Hawaiian Airlines case is interesting and illustrative. As I think Congressman Matsunaga may have told you this morning, the 5-year period that standby reduced fares were available showed an increase of something like 338 percent for older passengers as compared with an increase for the general traveling passenger population of about 80 percent. At the same time, there was no real serious increase in the load factor so that there was no need for more equipment to carry the additional passengers, additional older people as passengers. The fact of the matter is that economic barriers keep older people from flying, and the present discount fares, while useful, provide conditions which

are difficult for older people to meet and which they may not want to meet. We think that discount fares are fine, but that there should also be reduced standby fares on a space-available basis. We don't think that this is discriminatory. It is very common to provide reduced fares for surface transportation, and we think this is really based on the fact that people who retire have a drop in income, all the way from 50 percent to two-thirds of their income while they are working. Though it ought not to be necessary to provide reduced fares for them, the fact is that they need it and we think they ought to have it and that they deserve that kind of treatment.

That concludes my statement, Mr. Chairman. We will be glad to answer questions.

Mr. ANDERSON. Thank you, Mr. Martin, for your statement.

Will the needs of the elderly be met by reduced fare standby service available to all persons?

Mr. MARTIN. Are you talking about discount fares, Mr. Chairman?

Mr. ANDERSON. Reduced fares on a standby service available, instead of just to select special groups, to all people?

Mr. MARTIN. Well, we would be very happy to see such a provision. We don't claim that this should be done for older people only. If it could be done for all passengers, that would be fine from our standpoint.

Mr. ANDERSON. Do you think that elderly persons would be willing to use standby service despite the inconvenience of it?

Mr. MARTIN. Yes, as a matter of fact, the experience in Hawaii is an indication of the fact that they not only would be willing to use it, but that they did use it very extensively in that situation. And we think that they would make good use of it.

Ms. MENCH. I think one of the points, Mr. Chairman, that has been made in the question of using standby for an older person is the inconvenience of long delays. I think you have to look at what happens, to what type of trip you are talking about. Are you talking about a cross-country trip, where there might be a 2- or 3-hour layover in midcountry or a shorter trip which might be a direct flight with no delays at all, compared to, say, the same trip across country by bus or one of the slower modes of transportation. If you are looking at it in those terms, then inconvenience means a different thing. I would say most elderly, if they were given an option, if they could afford to, would prefer 2-3 hours delay flying, to a 16-hour road trip on another slower mode of transportation.

Mr. ANDERSON. Persons opposing discount fares for special groups have argued that when these discount fares are made available to a number of deserving groups, regular fares tend to rise. There are two reasons generally given and I would like your comment on each. First: It is argued that the discount fares dilute revenues because these fares are used by some persons who would ordinarily pay full fares. Second: It is argued that discount fare passengers cost as much to carry as any other passengers, although it may seem that the discount passengers only fill empty seats, eventually enough seats are filled so that the airlines must buy additional airplanes. For this reason it is argued that discount fare passengers are no less expensive to transport than any other passengers.

Would you like to comment on these two?

Mr. MARTIN. Well, on the last first: It seems to us there has been no evidence that usage has risen or would rise to an extent where additional equipment would be necessary. This was not true in Hawaii. We believe that as long as the planes are flying with as many empty seats as they have today and as they have in the past, that the additional passengers can be added without adding sizable amounts of additional equipment. I have lost your first question.

Mr. ANDERSON. The first one, it is argued that discount fares dilute revenues because they are used by some passengers who would ordinarily pay full fares.

Mr. MARTIN. We think there would be some passengers who would normally use full fares who would use the reduced fares. But we also think that the increase in persons who would use the discount fare, who would not travel otherwise, should be sufficient to make up the difference, and so we don't think it would result in an additional burden on the airline, or that it would seriously dilute the fare revenue.

Ms. MENCH. I think another point here that needs to be made is the problem that exists with a lot of discount fares now. No. 1, they are complex and they involve several sets of conditions that must be met. Also, since they are basically promotional to fill empty seats during nonpeak flight times, they are subject to change. Sometimes you cannot even find a travel agent who is right up to date on various discounts available so they may ably inform the consumer as to what is the lowest price fare that he could use, and what conditions exist. Also, each airline may have the same basic fare discount, but each will have a little bit different twist. It is a complicated thing. I don't think the problem with people transferring from paying full fare to a discount fare will be of the proportion that we are led to believe.

Mr. ANDERSON. It has been argued that reduced fares for the elderly are undesirable because not all elderly persons are financially deprived. Do you have any comments on this argument?

Mr. MARTIN. Well, we think there should be various options available. And the fact that not all elderly are deprived should not be a reason for refusing to make such fares available to those who are. As I indicated, 30-40 percent of the elderly are in the poor or near-poor category and the poor category is on the basis of about \$3,000 a year income per couple. The near poor category is about 125 percent of that.

Some of the elderly above that level can certainly afford to pay the full fare, but most of them are people who are living on such an income level that they would not travel, would not travel by air at least, unless air travel were somewhat less expensive than it is today on a full fare basis.

Mr. ANDERSON. It has also been argued that if we allow reduced fares for the elderly, it will be necessary to make similar fares available to other deserving groups such as persons with low income. A proliferation of reduced fares will result in higher fares for regular passengers. Do you have any comments on these arguments?

Mr. MARTIN. It can be argued, I suppose, that you ought to have a lower fare for everyone who has less income. But in the case of the elderly, you are dealing with people who have had a long experience in this country and have contributed their full share to the welfare of the country and to its production. We think, in part, that reduced

fare is recognition of past service and that it is justified on this basis, if there were no other basis, so that we don't see this as an injustice. Also, we feel that the nonelderly who are in a much better position to use other forms of transportation, and do use surface transportation much more readily than the elderly.

Mr. ANDERSON. The next question I think you just partially answered, but I am going to state it anyway, in case you think of anything else. That is, is it fair to single out one group, such as elderly, for reduced fares which are not available for all passengers? I think you touched on that, you may want to broaden it.

Mr. MARTIN. I have already suggested the answer to that. We think there are some special considerations that ought to be taken into account in the case of the elderly. We are not opposing such reduced fares in the case of the blind or the disabled, and those groups have other considerations which justify the use of such fares in those cases.

Mr. ANDERSON. In our bill we specify the break at 65. Earlier today, Congressman Matsunaga suggested that 60 was the proper break. If we decide to enact legislation authorizing reduced air fares for the elderly, would it be more appropriate to use the age 60 or age 65 as the age of eligibility?

Mr. MARTIN. Well, if you use age 65, you are talking about 22 million people. If you use age 60, you are talking about slightly over 30 million people. It is a substantially bigger group of older people. It seems to me that we might perhaps better test it out at age 65, and then expand it if that proves to be acceptable—if the reduced fare proves to be as useful as we believe it will be, and not harmful to the air system.

Mr. ANDERSON. Mr. Taylor?

Mr. TAYLOR. Thank you very much, Mr. Chairman.

I take this opportunity to express my appreciation to my friend John Martin whom I have known for many years, here testifying before our subcommittee today. You indicate in your testimony that the Hawaiian Airlines program for reduced rates for senior citizens has been successful, and that I believe you stated that the increase of persons over 65 traveling had increased by some 338 percent. I wonder, could you tell the subcommittee what percentage of reduction that they applied to the fares to achieve this sort of increase?

Ms. MENCH. They started out when the program first originated at 50 percent. As I understand, when they petitioned CAB for continuation of the program, if I may answer this for Mr. Martin, a possible problem arose as a result of the domestic passenger fare investigation which found that there was a limit beyond which a reduction was unreasonable. They were afraid this would affect the ruling of CAB on their request for extension. I believe they lowered the rate at this point to 35 percent reduction rather than 50 percent.

Mr. TAYLOR. Would you have any suggestion as to what sort of rate reduction would be appropriate? I know this is something this subcommittee won't be dealing with, but what would your recommendation be? What do you think would be a reasonable reduction?

Mr. MARTIN. I think that the reduction of half-fare is reasonable, and I think it should be tested out on that basis. If experience shows that that does cut into revenues unduly, it can be raised to, say, 35 percent, but I think initially it should be on a 50-percent basis.

Mr. TAYLOR. It is my understanding that the only group at the present time that enjoys this reduction in fares are ministers, is this true?

Ms. MENCH. They have special military reductions, too, for military personnel. I think military are more apt to use reductions at this point than are the clergy. I did some spot checks of the airlines on that myself.

Mr. ANDERSON. Would the gentleman yield there? Do they worry about the income level of these groups, of the ministers? It doesn't seem to be any problem there.

Ms. MENCH. That is written into the statute. They are a protected group.

Mr. ANDERSON. Ministers, as well as military?

Ms. MENCH. I know military are. I know clergy are.

Mr. ANDERSON. There is no worry about where they are low-rank persons?

Ms. MENCH. That extends to their families also, as I understand it.

Mr. ANDERSON. Are these on strictly standby, too?

Ms. MENCH. Airlines have informed me most recently that they have increased those fares to something like two-thirds fare with reservation, so it is no longer standby for them.

Mr. TAYLOR. I don't know whether I should direct this question to our witness or the chairman. Did I understand you to say that all military enjoy that reduction, regardless of rank and rate?

Mr. ANDERSON. I was not aware of it. That is why I asked the question.

Mr. TAYLOR. A four-star general would get the same reduction as a recruit?

Ms. MENCH. That would be my interpretation of the statute.

Mr. MARTIN. We will be glad to check that, Congressman Taylor.

Mr. TAYLOR. Mr. Chairman.

Mr. Martin, you represent the National Retired Teachers Association and the American Association of Retired Persons, is that right?

Mr. MARTIN. Yes.

Mr. ANDERSON. What is your membership of American Retired Teachers Association?

Mr. MARTIN. The two associations are closely affiliated and have a membership of something over 9½ million persons today. The National Retired Teachers Association is a much smaller organization, whereas the American Association of Retired Persons is about 9 million.

Mr. TAYLOR. Have you gone into any in-depth survey with your membership to determine whether or not they have an interest in this legislation? Have you received indications that they are interested in it and that they would be in fact using this privilege if it were granted?

Mr. MARTIN. Yes, with that many members, we have a good deal of correspondence coming in from time to time, day to day. There is a considerable interest that has been expressed over the years in reduced fares, not just reduced fares for air transportation, but reduced fares for surface transportation as well. So we are very much aware of the interest in this kind of legislation expressed by our membership.

Mr. TAYLOR. I think the point you make, Mr. Martin, relative to comparing this with the request that might be made for the benefit of

people of low income is well made because we are dealing with two separate issues here, as I would judge it.

No. 1, a person who is on low income certainly has some problem. By the same token, they still have opportunity. But the person who is retired is pretty well locked in on what they are going to make and they no longer have the opportunity to increase their standard of living above and beyond what their annuity, social security, or savings might be providing for them.

Mr. MARTIN. That is correct. The poor, generally, who are not elderly, are in a somewhat different situation so far as use of other forms of transportation which are also available to them.

Mr. TAYLOR. I wonder if you could tell the subcommittee or give us any idea as to what the average income of your membership might be? Do you have any figures on that?

Mr. MARTIN. I don't think we have ever tried to take a poll on that, Congressman Taylor. Our membership is not primarily blue collar but still have a very modest income level. I don't have a figure to give you, but it is not the high-income bracket category, in any way, shape, or manner.

Mr. TAYLOR. By the same token, people that I have been in contact with, especially with the AARP, are by and large people who probably haven't retired at the very low end of their income spectrum, but who are probably not as you say in the upper category either. They are more the middle-class retirees, generally speaking.

Mr. MARTIN. That is correct, I think. But you do have to realize that people who retire today almost invariably take a sharp cut in their income. Now retirement income is made up in some degree by social security or by private pensions. Most people don't have both. Most people are relying heavily on social security, and social security alone doesn't give you a very high level of subsistence. You are having to live on a very modest basis if you do not want to run out of funds entirely.

Mr. TAYLOR. Again, Mr. Martin, I want to express to you my appreciation for your being here to offer your testimony before the subcommittee on this piece of legislation. I thank you very much for your time and for your offering it to this subcommittee.

Thank you, Mr. Chairman.

Mr. ANDERSON. Mr. Fary?

Mr. FARY. Thank you, Mr. Chairman.

Mr. Martin, in Canada the airlines offer reduced fares for the elderly. Do you have any knowledge of the Canadian experience?

Mr. MARTIN. I don't have any real knowledge of that, except that they have found it a thing that the older people want and use very actively. But I don't have any figures to give you on that.

Mr. FARY. Would your organization prefer that reduced fares for elderly be offered on a reserved seat as well as standby basis?

Mr. MARTIN. We think the elderly ought to have options. In other words, they ought to have a choice. We think the discount fares are fine, and they are available to everybody who can meet the conditions of the discount fare, and we think those should be continued. We think at the same time the airlines ought to be given the opportunity to offer reduced fares on a standby space-available basis, so that people have a choice.

Mr. FARY. Very good. Thank you very much, Mr. Martin. I have no further questions, Mr. Chairman.

Mr. ANDERSON. Thank you, Mr. Martin and Ms. Mench, for an excellent presentation. That brings our meeting to a close. But before closing, I would like to place in the record at this point statements received from our colleagues, Mr. Rosenthal of New York; Mr. Alexander of Arkansas; and Mr. Bennett of Florida.

[Statements referred to follow:]

STATEMENT OF HON. BENJAMIN S. ROSENTHAL, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

Mr. Chairman, members of the subcommittee, thank you for the opportunity to present my statement on behalf of legislation to authorize reduced air fare transportation for elderly and handicapped persons.

Elderly and handicapped Americans are becoming increasingly alienated and isolated in our society. They need something to give added meaning to their lives, but many obstacles hinder their attempts to add this new dimension. One of their biggest obstacles is transportation. Living on fixed incomes and having difficulty traveling, the old and the disabled may find that their inability to reach these destinations will discourage them from exploring other areas of interest.

To make travel around town or across country easier and cheaper for elderly Americans, I introduced the Elderly and Handicapped Americans Transportation Services Act. This legislation, H.R. 993, which has more than 50 cosponsors, would:

Allow persons 65 and older to travel at free or reduced fares on airlines, railroads, and buslines;

Permit similar discounts for the blind, the mentally and physically handicapped and persons traveling in their attendance on airlines. Rail and bus lines already are covered under present law; and

Provide special services and facilities to eliminate travel barriers—such as steps for those in wheelchairs—encountered by handicapped and elderly persons on mass transit facilities.

Beneficiaries of this bill include more than 25 million of the Nation's handicapped, including many Vietnam veterans; 20 million elderly Americans who wish to remain active and keep in touch with society; the friends and relatives these persons will be able to visit; and the transportation industry.

Getting out of their homes and traveling, whether for pleasure or for a previously unavailable job, is certain to give these Americans a new sense of belonging and a feeling of independence.

This bill not only makes travel easier for those who would have trouble doing so, but it would also help to fill commercial transports that usually run well below capacity. Over 100 urban transport systems around the country have reduced fare programs, and most are finding that their business has increased. For example, since the New York City subway started its reduced fare program, there has been a reported 30 percent increase in travelers. In addition, the Urban Mass Transit Act has resulted in more reduced fares in other areas of the country. Under this act, any community that accepts Government transportation subsidies must provide a fare of no more than half the regular fare for elderly and handicapped people during nonpeak hours, providing these people are able to board and exit the facility.

The transportation industry would soon find that this virtually untapped segment of the American population would bring considerably more business to commercial transportation. The fare provisions of this bill are discretionary, allowing each carrier to decide for itself how much, if any, discount to offer.

The potential mobility of those who would benefit is severely limited by lack of income; 25 percent of the Nation's elderly are below the poverty level. Yet, reducing fares is not enough. If the handicapped and the elderly are to take advantage of the reduced fares, special facilities will have to be made for them. Through this bill, special grants and loans will be allocated to State and local agencies to assist them in providing barrier-free mass transportation services that are planned, designed and carried out to meet the special needs of these

people. Some of the services that would be included are ramps at subway stations, sheltered waiting areas with special areas for wheelchairs, and stanchions running from floor to ceiling in subway cars instead of overhead grips. The Secretary of Transportation would prescribe design standards to insure that the elderly and handicapped would have ready access to these services.

The bill also provides for special consideration of applications for Federal transportation grants and loans to those agencies taking measures to aid the elderly and handicapped. It authorizes \$40 million over the next two years for special transportation planning, research and demonstration grants.

It is difficult for the public to understand that the greatest single obstacle of the handicapped is the physical design of buildings and facilities they must or would use. Alternatives will have to be found to such barriers as bus and train steps, which 30 percent of the handicapped cannot now use; escalators; long staircases; and a multitude of obstacles which do not even warrant a second thought by the able-bodied majority.

I believe that many measures can be taken to relieve the strain of urban and cross-country travel. Some examples of these include special ticket lines; turnstiles that have been redesigned to accommodate not only the elderly and handicapped but also shoppers with packages, children or anything that restricts their movements; travel lanes set aside for those people unable to move quickly; wider doors on all vehicles; and shuttles or minibuses where a long walk is required, as in airline terminals.

Since handicapped people tend to suffer more from the confusion and panic experienced when they become disoriented, visual indicators, illuminated sign boards, audio signals, and floor texture pathways would greatly benefit these people and help to keep the masses of travelers flowing smoothly. These special adaptations for the handicapped need not be separate from the normal traffic patterns. It may prove to be even more convenient and preferable to the general public.

This bill goes beyond mere practicality. It makes available to the elderly and disabled new opportunities which they could not heretofore have taken advantage of. They would be freed of much of their present dependence and could use their new mobility to attain broader and richer lives. It would aid in relieving some of the boredom and misery of old age and infirmity by helping these people travel more easily. More than anything else, this bill will aid our aged and disabled in achieving a dignified and meaningful life.

STATEMENT OF HON. BILL ALEXANDER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. Chairman, I appreciate the opportunity to present a statement to the Aviation Subcommittee on legislation to permit the Civil Aeronautics Board to approve reduced air fares for this Nation's senior citizens, as well as other equally deserving segments of our society.

No group has been hit any harder by inflation than the elderly. Living on fixed incomes that barely meet the basic needs for survival, senior citizens have been precluded by inflation from the luxury of travel by air.

The legislation before the Subcommittee today, which is similar to two bills which I introduced last year, H.R. 205 (which amends the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced fare transportation on a space-available basis for persons who are sixty-five and over) and H.R. 206 (which prohibits common carriers in interstate commerce from charging elderly people more than half-fare for their transportation during nonpeak periods of travel), is sound social and economic policy that is long overdue.

The Senate passed legislation of this nature during the 93rd Congress. However, this body failed to respond.

Allowing airlines to charge reduced fares for persons sixty-five and older will serve a twofold purpose:

- (1) It will give scores of senior Americans the opportunity to travel and visit friends and relatives from whom they have been separated, the distances of which continue to widen in our ever-mobile society; and
- (2) It will fill empty seats on airline flights and provide some measure of income to the airlines to help forestall future rate increases to regular passengers.

A recent Select Committee on the Aging study of the transportation problems of the elderly cites an airline survey which shows that roughly five percent of its passengers are 65 and over, while older persons constitute over 10 percent of our total population.

Mr. Chairman, I believe sheer economics explains why such a small percentage of the Nation's elderly travel by air.

The state of Arkansas has the second largest percentage of residents 65 years and older. Aside from inadequate income and the high cost of medical care, I believe that their lack of mobility is the chief concern of our elderly.

This Congress can help to keep our senior citizens in the mainstream of American life by extending to them the luxury of travel by air. I am convinced that many of our elderly have both the desires and time to travel, if only they could afford it.

STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF FLORIDA

The Federal Aviation Act of 1958 permits air carriers and foreign air carriers to provide free or reduced-rate transportation only to certain specified categories of individuals including widows of airline employees who have died as a direct result of personal injury sustained while in the performance of a duty in service of an air carrier. However, the air carriers are not allowed to similarly provide for widows of retired airline pilots and the widows of long-time airline pilots who die for reasons not connected with their airline service. Some airlines, with Civil Aeronautics Board approval, have established a rule for these classes of widows that makes them eligible for passes on the airlines for only one year following the death of their husbands. This indefinite situation should be corrected. My bill, H.R. 9502, which I introduced at the request of a retired airline pilot in my constituency, would specifically extend to the air carriers permission to make the allowance of free or reduced-rate travel benefits to the widow or widower of any person whose spouse was receiving retirement benefits from any air carrier or foreign air carrier based on a minimum of twenty years as a pilot for so long as the widow or widower does not remarry. I also believe such permission should be granted to air carriers to make such an allowance for a widow or widower of a pilot who has worked at least 20 years for an air carrier or foreign air carrier and who dies for reasons not connected to airline service before retirement. I urge prompt favorable action on such legislation.

Mr. ANDERSON. With that, the hearing is adjourned.

[Whereupon, at 5:19 p.m., the subcommittee adjourned.]



