6-8-1954

Williston Basin Area Case - Docket No. 5777

Mike Mansfield 1903-2001
I am appearing before this Board today in behalf of the amendments to the Frontier Airlines, Inc. certificate which would extend Route 73 from Billings, Montana to Bismarck-Mandan, North Dakota through intermediate points and also the extension of the Frontier line from Great Falls, Montana to Minot, North Dakota with intermediate points. In addition I wish to voice my opposition to the request for suspension of Northwest Airlines service in Miles City, Montana.

Until a few years ago the activity in the towns and cities in eastern and northern Montana was centered largely around farming, ranching and local activities. Today the situation is completely changed, the discovery of oil in the Williston Basin, embracing those parts of my State, part of North Dakota and Canada, has caused a business boom and influx of new people.

Cities in Montana are at a disadvantage with great distances between centers of business activity. This new industry has generated a need for air service to transport personnel from Billings, Bismarck, and southern oil capitals such as Casper, Tulsa, and Houston who have become actively engaged in the various processes including seismograph operations, drilling, information services, leasing, testing, supply, refinery, and pipeline construction and operation. This multi-staged process involves a constant flow of manpower to and from the areas where discoveries have been made and new explorations are in process. In the wake of the oil development there has come a demand for housing and expansion of the customary services connected with an increasing population.
The increased activity in Montana has made it very necessary that the airline service be extended to give the local peoples adequate service. It is urgent that the Civil Aeronautics Board approve the city applications for Frontier Airline service and the airline application under Docket No. 5777, as amended, so that local service route No. 73 can be extended.

As you know the extensions involved are from the terminal point at Billings, Montana to the terminal point at Bismarck-Mandan, North Dakota via the intermediate points Miles City, Glendive, and Sidney, Montana and Williston and Minot, North Dakota and from the terminal point Bismarck-Mandan, North Dakota to the terminal point, Great Falls, Montana via Dickinson and Williston, North Dakota, Wolf Point, Glasgow, Malta, Havre, and Shelby, Montana.

I believe that the principal issue in this proceeding is whether the public convenience and necessity as defined in Section 2 of the Civil Aeronautics Act of 1938, as amended, require the establishment of a multi-station local service airline route in both the Williston Basin Area and the Hi-Line area of northern Montana.

As a result of the oil development there is a need for a local air service system which will permit those associated with the industry and those following in their wake to provide needed services to be able to make stops at or near each of the points where extensive operations are under way. A multi-stop circular service will make it possible for contact to be maintained by supervisory headquarters with operating units not only directly in the oil fields but also with the services supplying the increasing population.

Not only is there a need for speedy transportation of personnel but the carriage of air mail, consisting of important documents, as well as air express
and freight of machine parts when time is of great importance, is also significant.

The existing railroad systems do not extend adequately in a north-south direction and the bus systems are too slow particularly during the winter season to fulfill the demand for fast transportation by competing enterprises enhancing the development of this area.

In addition to the commercial reasons these proposed branch lines would play an important part in national defense. As we all know oil is one of the top priority raw materials in time of war.

The proposed plan would provide Frontier Airline service to points where oil has been discovered in quantity and where further exploration is most likely to be successful, thus making these cities accessible from the major trade centers to the south.

Objection has arisen to the airline extension along the high line in Montana because they feel that the east-west railroad system is sufficient, that the population is not adequate to justify the service and the oil development in this area is not too important at this time. Despite these factors we must not forget that this area is vital in our northern defense system.

The proposed airline service on the high line would provide service to the aircraft warning detachments scattered along the area and which are connected with the 29th Air Division Base at Great Falls. In addition to this consideration the Air Force has announced that the Government is going to reactivate an air base in the Glasgow-Miles City area which would greatly increase the activity in the vicinity. The decision as to the exact site of the proposed jet base as of today has not yet been reached by the Department of the Air Force; however, in respect to this I wrote to the Secretary of the Air Force
on May 21, in which I raised the question: "In view of the fact that the Air Force has programmed the reactivation of its facilities between Glasgow and Miles City, Montana, I would appreciate your advising me just as soon as possible whether or not your Department will present its statement to the CAB on June 8. It is my opinion that if Frontier Airlines could be extended along the Hi-line, it would be of great benefit to the Air Force in its new installation in that area." I have received a reply from Mr. H. Lee White, Acting Secretary of the Air Force, dated June 4, which I would like to read for the Board:

"Dear Senator Mansfield:

I refer to your letter of 21 May 1954 requesting information as to whether the Air Force will present any additional statements to the Civil Aeronautics Board at the 8 June 1954 hearing.

I have enclosed for your convenience a record of the testimony which Brigadier General James O. Guthrie gave at the Civil Aeronautics Board hearing at Billings, Montana. General Guthrie's statements accurately reflect the benefit which would accrue to the Air Force as a result of the service proposed by Frontier Airlines.

General Guthrie's testimony is part of the public record and expresses the Air Force interest in this matter. I do not believe that the Air Force should project further views into this problem, especially since it is a matter of primary interest to the Civil Aeronautics Board.

Sincerely yours,

/signed/

H. Lee White
Acting Secretary of the Air Force"

I am not reading the testimony of General Guthrie as this is already a part of the record, but I would like to request that the Board Members review his statement.

In addition to the two additional branch airlines I would like to discuss briefly another aspect of the Williston Basin airline service; that is North-
west Airlines' petition to suspend service to Miles City. Northwest officials feel that if Frontier service is granted to Miles City that their airline would not be necessary.

Both airlines would be of service to Miles City. Frontier would provide local and short-haul service within the Williston Basin and Northwest would continue to provide long distance east-west service. If Northwest service were taken out of Miles City, it would be difficult to make good connections from this area to trans-continental lines. Connections to Billings would be satisfactory but Frontier service to Bismarck would involve a long lay-over. In my opinion, Northwest seems overly anxious to pull out of most of the Montana cities it now serves.

The decision drawn up by Paul N. Pfeiffer, Examiner approves the extension of Frontier route No. 73 from the intermediate point Billings to the intermediate points Miles City, Glendive, Sidney, and Wolf Point, Montana; Williston and Dickinson, North Dakota; to the terminal point at Bismarck, North Dakota with the right to operate non-stop turn-around service between Billings and Williston until March 31, 1955. I am in full agreement with this decision, but I feel that the unfavorable report on the Hi-line extension should be reconsidered for reasons already stated. Also public convenience and necessity require that Northwest service be maintained at Miles City.

In conclusion, oil development is bringing into the eastern and northern areas of the State a whole new industry, cities are growing and the need for air service in these isolated areas is of considerable importance. It is my understanding that the amount of $41,687,000 in subsidies for international carriers was authorized for the CAB for the fiscal year ending July 1, 1954.
It is my understanding that the subsidy needed for Frontier Airlines to extend the service in the cities enumerated is approximately $600,000. Of the approximately 380 cities in the United States served by subsidized local service carriers as authorized by the CAB, there is only one city in Montana receiving local service, and that is Billings, Montana. This city is a termination point on local service carriers, and there is no subsidized airline service in either Montana or North Dakota at the present time which can be classed intra-state service. According to the figures I have received on the other cities in the union, they are receiving approximately $23,895,000 for subsidized local service. It would be my opinion that the subsidy needed for Frontier Airlines is a small percentage of the subsidies being paid elsewhere in the country indeed, and I feel that the decision on this case should not be made against Montana because of the amount of subsidy to be paid.

I realize my time is limited, and therefore I am unable to read to the Board various communications I have received from the Defense Department and the Air Force. I am therefore requesting that the attached copies of letters which I have with me today be made a part of this record for the consideration of the Board so that your Board will be aware of what information I have received from the other agencies.

I sincerely hope that this Board will increase this airline service in eastern and northern Montana in the interests of the growing population, national defense and the oil industry.

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