TABLE 3.—PRO RATA CHARTER PASSENGERS AND RELATIVE SHARE OF MARKET BY CLASS OF CARRIER (APRIL–SEPTEMBER PERIODS)[1]

Year	U.S. Transatlantic route carriers		U.S. domestic carriers		U.S. supplemental carriers	
	Number	Percent	Number	Percent	Number	Percent
1963	9,865	5			31,676	17
1964	10,684	4			56,991	21
1965	22,199	6	8,719	2	84,040	23
1966	23,857	9	7,160	2	138,696	31
1967	92,620	17	3,358		239,686	43

Year	Foreign route carriers		Foreign charter carriers		Totals	
	Number	Percent	Number	Percent	Number	Percent
1963	138,621	75	4,335	3	184,497	100
1964	193,460	71	10,674	4	271,809	100
1965	222,277	61	31,238	8	368,473	100
1966	222,571	51	31,111	7	438,395	100
1967	151,015	27	70,135	13	556,814	100

[1] Passengers counted on a 1-way basis, i.e., a round-trip flight or passenger is counted twice.

Source: CAB Press Release 68-9, Feb. 12, 1968

During the five-year period shown, the U.S. flag share of the charter traffic increased from 22 percent to 60 percent; correspondingly, the share of the foreign carriers declined from 78 percent to 40 percent. This improvement in distribution resulted largely from the increased competitive effectiveness of the U.S. supplemental carriers.

D. Restrictions on U.S. originating charter travel may well jeopardize the transatlantic charter programs of U.S. supplementals which now transport a large percentage of foreign passengers to the U.S.

The economic viability of the transatlantic charter programs conducted by U.S. supplemental carriers is predicated on (1) minimizing ferry flights, and (2) achieving reasonable balance between relatively high-priced U.S. originating and low-priced foreign originating charter programs. As shown by Table 1, about 40 percent of their transatlantic charters are foreign originated.

Ideally, the supplemental carriers attempt to construct their charter programs by so intermeshing U.S. and foreign originating flights that no empty legs are required. As a practical matter, between 15 percent and 20 percent of all flights flown across the Atlantic by supplemental carriers are ferry or non-revenue flights. Any restrictions on the volume of business that could be developed in the U.S. would tend to increase the percentage of non-revenue flying and jeopardize the economics of the entire operation. Also, in view of the interlocking operational relationship between U.S. and foreign originated charter flights, cancellation of U.S. flights will cause a corresponding reduction in the number of foreign originating flights.

In sum, the operation of international charter programs by U.S. supplemental carriers does not contribute to the balance of payments problem as the revenues derived from transporting foreign visitors coupled with the currency expended by foreign visitors in the U.S. approximate the amount expended overseas by U.S. travelers. In addition, the charter carriers have contributed greatly in (1) serving the travel needs of U.S. students, teachers and ethnic groups, and (2) stimulating, by their competitive impact, the scheduled carriers into reducing transportation costs. An across-the-board application of travel restrictions to U.S. charter passengers will tend to make uneconomical the international charter services of U.S. supplementals and also bring about a reduction in the number of foreign charter passengers visiting the U.S. Exceptional treatment for charters and charter passengers is thus fully justified.

WHAT THE SUPPLEMENTALS CAN DO

Exemption of charter flights from the proposed travel tax can enable the supplementals to continue their historically successful penetration of the