

guarantees for loans for the purchase of aircraft worth \$13.3 million covering: three DC-9's, four DC-6's, two Hercules 382-B's, and four PC-6A's.

The need for the extension of the program at this time is not as great as the need was for the program initially, or in 1962 when it was last extended, in terms of the number of carriers that will require the assistance of the program or in the number of aircraft loans that are expected to be made in the next 5 years. However, some carriers continue to need the assistance of the program and it is still in the interest of the Government to provide the guarantee to those carriers. The fact that the loan guarantee is no longer needed in the degree of 10 years ago attests to the success of the program in aiding the classes of carriers involved toward a sounder financial position and demonstrates the wisdom of keeping the program in force until it has served its purpose completely by providing assistance to those carriers still in need of it.

That concludes my prepared statement, Mr. Chairman. Now I will be happy to try to answer any questions you may have.

Mr. BAKKE. The Federal Aviation Administration, on behalf of the Department of Transportation, is here to support the provisions of S. 2499, to extend the Aircraft Guarantee Loan Act.

This act has been in existence for 10 years. A total of over 80 aircraft have been purchased under its provisions, some 66 aircraft during the first 5 years of operation under the act, and 15 aircraft during the second 5 years. Sixty-six of the aircraft were of the fixed-wing variety, and 15 were rotary-wing aircraft.

There has been no instance of default. The guarantee fees which have been collected from the lending institutions have more than covered the administrative costs of the program.

We think in the light of the financial uncertainties which face the feeder and helicopter carriers that there is good cause for the extension of this act.

I should be happy, Mr. Chairman, to answer any questions which the committee members may have.

The CHAIRMAN. This is simply an extension of an act which is already in being?

Mr. BAKKE. That is correct.

The CHAIRMAN. No amendments are being proposed?

Mr. BAKKE. The only amendment proposed is to its effective date.

The CHAIRMAN. Are there any questions from the members of the committee of our witness?

Mr. Friedel?

Mr. FRIEDEL. I sponsored H.R. 13047, to extend the act, the same as the Senate bill. I was convinced this was very good, it helped the airlines considerably at no cost to the Government, and in fact there has been considerable revenue since the program has been in effect. I think it is a very good bill, and I would support the Senate bill.

Mr. BROWN. Who is eligible under the act?

Mr. BAKKE. The carriers include the Alaskan carriers, Hawaiian carriers, certain carriers providing service between Florida and the British West Indies, and carriers providing service within Puerto Rico, including service to the Virgin Islands.

They also include the helicopter operations certificated by the Board.

Mr. BROWN. Would helicopter operations between Friendship, Dulles, and National be included?

Mr. BAKKE. If it were certificated by the Civil Aeronautics Board.

I did not mention the local service carriers or feeder carriers who are also eligible.