

first acquisition by an ALTA member carrier of full jet-powered aircraft, the DC-9.

The program has been operated at no cost to the Government, with no individual loan having defaulted during the 10-year period; and, with the small percentage of less than 1% paid to the Government as a carrying charge, the Government has made considerable money on the program to date.

To bring you up to date on the needs of the ALTA members, I shall include here brief excerpted statements from a sampling of the membership.

ALASKA AIRLINES

"... Alaska is now successfully operating a Lockheed Hercules cargo schedule and this first commercial usage resulted in Lockheed sales of nine additional commercial versions. Without the guaranteed loans we would be out of business. Respectfully request assistance your good offices in requesting Congressional extension of loan act with new loan limitations of twenty million dollars."

ALOHA AIRLINES

"Aloha Airlines used loan guaranty on two occasions to purchase aircraft. Transition to full jet continues. Financing of future requirements may require guaranteed loan. Urge renewal guaranteed loan extension."

BONANZA AIRLINES (NOW AIR WEST, INC.)

"Aircraft loan guaranty program has been extremely beneficial to Bonanza Air Lines on three occasions in obtaining loan capital with longer maturities and on more favorable terms. All three loans presently outstanding. Future programs for jet aircraft will require even longer term loan capital. Unless loan guaranty program is extended, anticipate difficulty in securing capital with adequate maturity and reasonable rate terms."

CARIBAIR

"The mere existence of the guaranteed loan act and knowledge to banks that we are eligible has helped Caribair in its financing. Now financing is more difficult and we have need for additional equipment. Caribair has not been a beneficiary in the past but recommends that the act be extended under more liberal terms."

FRONTIER AIRLINES

"... while Frontier is not presently participating in such a loan arrangement, I do feel that this act should be continued in the interest of not only those carriers currently finding it helpful and/or necessary to their equipment financing but also so that such financing might be available should present economic conditions require its use in future years."

"This act ... has served a most useful purpose. If my information is correct that continuance will impose no cost burden on the taxpayers or government, it is my humble suggestion, as President of Frontier Airlines, that Congress pass H.R. 13047 and assure availability of such loans for another five years."

OZARK AIR LINES

"Ozark supports extension of guaranteed loan program. We used program for loans in 1959 and 1961 and believe it beneficial to have program available for possible future use."

PACIFIC AIR LINES (NOW AIR WEST, INC.)

"Pacific Air Lines urges extension of the Guaranteed Loan Act as unanimously endorsed by the Association of Local Transport Airlines. Pacific has not heretofore utilized that legislation but its availability in the years ahead could well become a vital factor in some of the local airlines' re-equipment programs and would therefore be a matter of prime public interest. We also believe that the very existence of the law has been and will continue to be beneficial in establishing more reasonable lending terms. Thus even those carriers not directly using the guaranty have been benefited. This legislative support for airline fleet mod-