

Industry notes --- new leaders and board decisions

After the Civil Aeronautics Board turned down Piedmont's request for a transfer of National's route authority between Richmond and New York Piedmont asked the Board to re-consider.

The Company filed what is called a petition for review asking that the Board not only reconsider its initial decision but also that the reconsideration be by the full Board. The decision denying Piedmont's bid for the authority was voted on by only three members of the five man Board. Piedmont wants the full Board to decide the case. At this time there has been no decision by the Board on whether or not to review the case.

At the same time the Board denied Piedmont's request it allowed National to drop all service to Richmond, leaving Eastern as the only carrier in the market.

Agencies get new leaders

President Ford has named several new appointees to head aviation and related agencies.

Frank Zarb, a 39 year old former Wall Street management expert, was designated by the President to head the Federal Energy Administration (FEA).

President Ford named Richard J. O'Melia to be acting chairman of the Civil Aeronautics Board. Ford had decided not to re-appoint Robert Timm as chairman of the CAB when his term expired December 31. Timm will stay on the Board as a regular member. The next full-fledged chairman of the CAB will fill a vacancy to be created with the retirement of Whitney Gilliland. Gilliland, a former chairman, reached the mandatory retirement age of 70 on January 3, but Ford granted him an exemption which will allow him to stay on through June, 1975.

O'Melia, who was appointed to the CAB in September, had been on the CAB staff for 17 years.

Another resignation of note includes that of Secretary of Transportation Claude Brinegar. A replacement has not been named.

More have than haven't

According to a survey conducted by the Gallup Organization for the Air Transport Association, 55 per cent of all Americans over 18 have taken a trip on a scheduled airline.

The poll also reports that 24 per cent of these people took a trip by air in the past 12 months.

Some other highlights from the survey:
— 61 per cent of all adult men have flown, while 50 per cent of the women in the U.S. have traveled by air.

— 23 per cent of those who flew in the past 12 months accounted for 60 per cent of all trips taken.

— About half of all air travel in the last year was business related.

United has new president

United Airlines and its parent company UAL, Inc. have named Richard J. Ferris president of the airline. The move was keyed to the planned retirement in 16 months of Edward E. Carlson who was elevated from president to chairman of the airline and holding company. Carlson remains chief executive of both companies. The promotion of Ferris, who is 38, marks him as heir-apparent to the chief executive title when Carlson retires.

A haunted airport?

The British Airports Authority says it has ordered an investigation into reports that a ghost had started to haunt London's big international airport.

According to the New York Times the move came after cleaners at Heathrow Airport refused to work alone in one passenger terminal area because one said a ghost had grabbed him by the throat and arms and had held him down.

The incident occurred in the passageway used by passengers leaving and arriving aboard Boeing 747's.

An airport spokesman said an inquiry was taking place, but that it was being done discreetly.

"We don't want a work stoppage because of a ghost," he said.

Southern goes international

The newest international airline is Atlanta based Southern Airways. The regional carrier has expanded its route system to the Cayman Islands. The CAB granted Southern temporary authority between Miami and Grand Cayman pending further procedural steps that might lead to a permanent authority for the route. Southern has also recently begun service between Nashville and Detroit.

Board pares subsidy

The CAB has lowered the annual subsidy rate by \$5.9 million for all the local service airlines.

At the same time the Board said that an increase, reflecting the financial situation in the current recession, might be in the offing.

The new yearly rate, effective January 1, was set by the CAB at \$6.4 million. The previous rate was \$6.3 million.

The new annual payment rates to individual carriers are \$7.1 million for Piedmont Aviation, Inc., down from \$8.2 million; \$11.4 million for Frontier, down from \$12.5; \$8.5 million for Hughes Airwest, down from \$10 million; \$11.8 million to North Central, down from \$12.1 million; \$6.9 million for Ozark, down from \$8.2 million and \$7.1 million for Texas International, down from \$7.9 million.

The rate for Southern Airways was increased to \$7.6 million from \$7.4 million.

Allegheny wants subsidy

Allegheny Airlines, the regional carrier that went off subsidy last July 1, now wants it back.

They have filed with the CAB a request for public service revenue (subsidy) payment of \$4 million for 1975.

The Board has not yet responded to their request.

Your future security costs more now

The Social Security Administration has announced an increase in the taxable wage base from the 1974 level of \$13,200 to \$14,100 for 1975. Although there is no change in the present tax rate of 5.85 per cent for employer and employee each, the increase in the wage base will cause the maximum tax for the employer and the employee each to increase from \$772.20 to \$824.85.

Also, in 1975, the maximum amount that a beneficiary can earn and still get all his Social Security checks will increase to \$2,520 a year under the same automatic increase provisions of the law. The 1974 figure was \$2,400.

These will be the first automatic increases to take place under provisions of the Social Security Law enacted in 1972 and 1973. These increases are determined on the basis of a for-

mula in the law which automatically produces a result based on reported statistics.

The formula is designed to keep the contribution and the benefit base, and the retirement test exempt amount, up to date as average wage levels rise throughout the nation. Under the law, these automatic increases can take effect only after a year in which there has been an automatic increase in Social Security benefits. An 11 per cent increase in benefits that met this requirement took effect early in 1974.

The contribution and benefit base is the maximum amount of earnings in a year that are creditable toward Social Security benefits and are taxable under Social Security.

In return for the increase in Social Security taxes, you will have greater protection because

a larger amount of your earnings will be credited toward benefits than before. This will mean higher benefits in the event of retirement, disability, or death, than would have been possible without an increase in the wage base. About 1,250,000 beneficiaries will receive additional benefits as a result of the increase to \$2520 in the retirement test exempt amount in 1975. Additional benefit payments for 1975 will amount to an estimated \$62 million.

The Social Security District Office nearest you is responsible for administering the Social Security program. If you should have questions about any Social Security matters, call, write or visit the office nearest you. The people who work there will be glad to offer assistance and answer any questions.