

CIVIL AERONAUTICS BOARD

WASHINGTON

March 22, 1941

The Honorable Harry S. Truman United States Senate Washington, D. C.

My dear Senators

This will acknowledge receipt of your letter of March 12, 1941, expressing your interest in a proposed new air route from Kansas City, Missouri, to New Orleans, Louisiana.

Applications covering the above-described route were filed by Kansas City Southern Transport Company and Mid-Continent Airlines, Inc. Hearing was held on the applications as required by the Civil Aeronautics Act and an examiners' report was issued in which it was recommended, among other things, that the Board deny these applications. This report, copy of which is enclosed, contains the conclusions and recommendations of the examiners based upon the evidence adduced at the hearing. It is not to be taken as the decision of the Board, which has not yet acted upon the report and recommendations. Exceptions were filed and the matter was orally argued before the Board on March 10, 1941. The proceeding now stands submitted for the Board's decision.

I can assure you that in reaching its decision the Board will give careful consideration to all matter of record.

Sincerely yours,

Chairman

Enclosure

UNITED STATES OF AMERICA CIVIL AERONAUTICS BOARD WASHINGTON, D. C.

DOCKET NO 192 BRANIFF AIRWAYS. INC.

DOCKET NO. 251

KANSAS CITY SOUTHERN TRANSPORT CO., INC.

DOCKET NO. 309

MID-CONTINENT AIRLINES, INC.

DOCKET NO. 310 CONTINENTAL AIR LINES, INC.

KANSAS CITY - WICHITA - NEW ORLEANS SERVICE

APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY
UNDER SECTION 401 OF THE CIVIL AERONAUTICS ACT OF 1938
REPORT OF FRANCIS W. BROWN AND JOHN W. BELT EXAMINERS

Served DEC 20 1940

Upon Roger J. Whiteford and Irving G. McCann for Braniff Airways, Inc.
F. H. Moore, William E. Davis, John R. Turney, and Jack R. Turney, Jr.
for Kansas City Southern Transport Co., Inc.

John S. Wynne for Mid-Continent Airlines, Inc.

Terrell C. Drinkwater for Continental Air Lines, Inc.

George A. Spater and John T. Lorch for Eastern Air Lines, Inc., Intervener

Hubert A. Schneider and Joseph M. Paul, Jr., for Civil Aeronautics Board

Exceptions, if any, must be filed with the Secretary, Civil Aeronautics Board,

Washington, D. C., and served on all other parties within 10 days from the date of
service shown above. Briefs may be filed and served on all other parties 10 days after
the date fixed for filing exceptions.

KANSAS CITY-WICHITA- NEW ORLEANS SERVICE

BRANIFF AIRWAYS, INC.

DOCKET NO. 192

LEGEND

MID-CONTINENT AIRLINES, INC. (PROPOSED)

KANSAS CITY SOUTHERN TRANSPORT CO. (PROPOSED) BRANIFF AIRWAYS,
INC. (PROPOSED)

CONTINENTAL AIRLINES, INC. (PROPOSED)

OTHER ROUTES (EXISTING) (ROUTE NOS.)

AMERICAN AIRLINES, INC. 4-23-30

BRANIFF AIRWAYS, INC. 9-15-50

CHICAGO AND SOUTHERN AIRLINES, INC. ----- 8

CONTINENTAL AIRLINES, INC. -29-43

DELTA AIR CORPORATION 24

EASTERN AIR LINES, INC. 5-20-42-40

MID-CONTINENT AIRLINES, INC. 26-48

NATIONAL AIRLINES, INC. 39

TRANSCONTINENTAL AND WESTERN AIR, INC. 2-44-TWA UNITED AIRLINES
TRANSPORT CORP. 1-17

CIVIL AERONAUTICS BOARD ECONOMIC BUREAU ANALYSES DIVISION
UNITED STATES OF AMERICA CIVIL AERONAUTICS BOARD WASHINGTON, D. C.
1/

DOCKET NO. 192

BRANIFF AIRWAYS, INC.

KANSAS CITY - WICHITA - NEW ORLEANS SERVICE

In the matter of the application of Braniff Airways, Inc., for a certificate of public convenience and necessity under section 401 of the Civil Aeronautics Act of 1938.

Proposed air transportation of persons, property, and mail between Wichita, Kansas, and Tulsa, Okla., via Bartlesville, Okla., found required by the public convenience and necessity. Applicant Continental Air Lines, Inc., found fit, willing, and able to perform such service. Recommended that Continental's certificate of public convenience and necessity for route No. 43 be amended to provide for service between these points.

Further recommended that the applications of Braniff Airways, Inc.,

Kansas City Southern Transport Co., Inc., and Mid-Continent Airlines, Inc., be denied.

Appearances:

Roger J. Whiteford and Irving G. McCann for Braniff Airways, Inc.

F. H. Moore, William E. Davis, John R. Turney, and Jack R. Turney, Jr., for Kansas City Southern Transport (Co., Inc.

John S. Wynne for Mid-Continent Airlines, Inc.

Terrell C. Drinkwater for Continental Air Lines, Inc.,

George A. Spater and John T. Lorch for Eastern Air Lines, Inc.,

Intervener

Hubert A. Schneider and Joseph M. Paul, Jr.

for Civil Aeronautics Board

1/ This proceeding also includes Docket No. 251, In the Matter of the Application of Kansas City Southern Transport Co., Inc., for a certificate of public convenience and necessity between Kansas City, Mo., and New Orleans, La., via Joplin, Mo., Tulsa and

Muskogee, Okla., Fort Smith, Ark., Texarkana, Ark.-Tex., Shreveport, Alexandria, and Baton Rouge, La.; Docket No. 309, In the Matter of the Application of Mid-Continent Airlines, Inc., for a certificate of public convenience and necessity "between Kansas City, Mo. and New Orleans, La., via Joplin, Mo., Bartlesville, Tulsa and Muskogee, Okla., Fort Smith, Ark., Texarkana, Ark.-Tex., Shreveport, Alexandria, and Baton Rouge, La.; and Docket No. 310, In the Matter of the Application of Continental Air Lines, Inc., for a certificate of public convenience and necessity between Wichita, Kans., and Tulsa, Okla., via Bartlesville, Okla.

REPORT OF FRANCIS W. BROWN AND JOHN W. BELT, EXAMINERS

Braniff Airways, Inc., hereinafter referred to as Braniff, by application filed February 28, 1939, and amendment thereto filed May 23, 1939, Docket Do. 192, seeks a permanent certificate of public convenience and necessity authorizing scheduled operations for the air transportation of mail, persons, and property between Wichita, Kans., and New Orleans, La., via the intermediate points Bartlesville and Tulsa, Okla., Shreveport and Baton Rouge, La.

Kansas City Southern Transport Company, Inc., hereinafter referred to as Kansas City Southern, by application filed May 29, 1939, and amendments thereto filed January 9, 1940, and March 27, 1940, Docket No. 251, seeks a permanent certificate of public convenience and necessity authorizing scheduled operations for the air transportation of mail, persons, and property between Kansas City, Mo., and New Orleans, La., via the intermediate points Joplin, Mo., Tulsa, and Muskogee, Okla., Fort Smith, Ark., Texarkana, Ark.-Tex., Shreveport, Alexandria and Baton Rouge, La.

Mid-Continent Airlines, Inc., hereinafter referred to as Mid-Continent, by application filed September 22, 1939, Docket No. 309, seeks a permanent certificate of public convenience and necessity authorizing scheduled operations for the air transportation of mail, persons, and property between Kansas City, Mo., and Now Orleans, La., via the intermediate points Joplin, Mo., Bartlesville, Tulsa, and Muskogee, Okla., Fort Smith, Ark., Texarkana, Ark.-Tex., Shreveport, Alexandria, and Baton Rouge, La.

Continental Air Lines, Inc., hereinafter referred to as Continental, by application filed September 27, 1939, Docket No. 310, seeks a permanent certificate of public

convenience and necessity or an amendment to its existing certificate covering operations on route No. 43 between Pueblo, Colo., and Wichita, Kans., authorizing air transportation of mail, persons, and property between Wichita, Kans., and Tulsa., Okla., via the intermediate point Bartlesville, Okla.

These proceedings were consolidated by the Board for hearing and after due notice to the public and all interested parties, in accordance with the provisions of the Act, a public hearing on the consolidated applications was held and briefs were filed.

Prior to the hearing, Eastern Air Lines, Inc., and the city of Fayetteville, Ark., were granted leave to intervene under Rule 4(b) of the Rules of Practice.

Section 401(d) provides that the Board shall issue a certificate of public convenience and necessity authorizing air transportation if it finds that the applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of the Act and the rules, regulations, and requirements of the Board, and that the public convenience and necessity require such transportation. Under section 401(h) the Board, upon petition or complaint or upon its- own initiative, after notice and hearing, may alter, amend, modify, or suspend any certificate if the public convenience and necessity so require.

The Board in its opinions in prior proceedings pertaining to new
2/ Braniff Airways, Inc. (Amarillo-Oklahoma. City Operation) C.A.B. Docket

No. 195, et al., decided September 24, 1940.

route applications, has specifically pointed out certain considerations which govern it in the disposition of such applications. It is manifest from these opinions that consideration must be given to whether the new service will render a useful public purpose, responsive to a public need; whether this purpose can and will be served as adequately by existing lines or carriers; whether it can be served by the applicant without adversely affecting the operations of existing carriers contrary to the public interest; and whether the cost of the proposed service to the Government will be outweighed by the benefit which will accrue to the public from the new service. Whether inauguration of the air transportation for which application is made in this proceeding is required by the public convenience and necessity is a question to be determined upon the particular facts of the proceeding examined in the light of these considerations.

The applications here under consideration, with the exception of that filed by Continental, provide for service out of New Orleans to either Kansas City or Wichita. The applications of Kansas City Southern and Mid-Continent contemplate service between New Orleans and Shreveport via Baton Rouge and Alexandria. Braniff's application covers the same territory, but omits the stop at Alexandria. At Shreveport the routes sought diverge with Braniff seeking authority to operate to Wichita via Tulsa and Bartlesville. Kansas City Southern seeks a route north of- Shreveport to Kansas-City via Texarkana, Fort Smith, and Joplin, and an alternate route via Texarkana, Fort Smith, Muskogee, and Tulsa. The route sought by Mid-Continent coincides with the latter route except that it would include stops at Bartlesville and Joplin. Continental's application is restricted to a request for a certificate which would authorize service between Wichita and Tulsa via Bartlesville. The following tabulation sets forth the mileage involved in the various applications:

Mid-	Kansas City Southern						Miles Cumu.		Miles Cumu.	
Continent via,	Joplin via	Tulsa	Braniff	Continental	City					
Miles Cumu.	Miles Cumu.	Miles Cumu.								
Kansas City	0	0	00	00	00	-	-	-	-	
Joplin -	141	141	135	135	-	-	-	-	-	
Wichita	-	-	-	-	-	00	00	00	00	
Bartlesville 85	226	226	-	-	-	92	92	92	92	
Tulsa	40	266	-	-	225	225	40	132	40132	
Muskogee	41	307	-	-	40	265				
Fort Smith	59	366	124	259	65	330				
Texarkana	136	502	137	396	137	467				
Shreveport	64	566	64	460	64	531	314	446		
Alexandria	113	679	119	579	119	650				
Baton Rouge	97	776	99	678	99	749	216	662		
New Orleans	61	837	77	755	77	826	71	733		

The population of the area that is to derive benefit from a proposed airline service is an important factor to be considered in determining whether or not such service is required by the public convenience and necessity. A study of the population which would

Economic Characteristics of Cities. - Kansas City. Mo., the northern terminus of the proposed route, is located on the south bank of the Missouri River. Kansas City, Kans., is situated on the north bank of the river and the two cities together comprise what is generally termed greater Kansas
4/

City, with an area of 454 square miles. Kansas City is an important livestock and packing house center, while its primary grain market is reputed to be the largest in the world. In addition, a wide variety of products is manufactured in Kansas City. As a result of its location in the geographical heart of the country, Kansas City has become an important transportation and distribution center served by numerous railroads and motor couriers. At the present time approximately 32 planes, carrying mail, persons, and property, arrive and depart from the Municipal Airport on daily schedules. As indicative of the importance of Kansas City as a source of airline traffic, it was pointed out that the pounds of air mail dispatched increased from 332,977 in 1933 to 868,340 in 1938, and that the number of passengers departing increased from 15,359 in 1933 to 26,195 in 1938.

In 1933, 575 pounds of air express were shipped from Kansas City, with 1,008 pounds received. This was increased to 6,101 pounds and 12,367 pounds, respectively, in 1938.

Wichita is the leading business and industrial city of Kansas and is the center of the agriculture and livestock production in the area. Since 1917 petroleum production and refining have attained considerable importance in Wichita and at the present time it is the headquarters for between 300 and 400 independent oil operators. Other natural resources

4/ Unless otherwise stated, reference to "Kansas City" includes both Kansas City, Mo., and Kansas City, Kansas.

produced in the adjacent territory include salt, volcanic ash, gypsum, limestone, natural gas, and clay. There are over 200 concerns engaged in manufacturing and processing a variety of commodities in Wichita.

Joplin is located in the southwest corner of Missouri, 4 miles east of the Missouri-Kansas line and approximately 40 miles north of the Missouri-Arkansas line. It is the trading center for a large agricultural area, but is primarily important because of the varied mining and quarrying activities in the adjacent territory. Zinc and lead constitute

the principal products. In addition, Joplin had 57 manufacturing establishments in 1937, producing products valued at \$6,719,389.

Bartlesville is a small community located in an important oil producing area, and its activity is related primarily to the oil industry. As indicative of the volume of travel from Bartlesville, a witness for a large petroleum company having its main office in Bartlesville, testified that during the last 6 months of 1939 employees of the company made a total of 846 round trips to various points in the United States. The air travel, expense of this company during this period was \$11,802.

Tulsa, which is said to be the oil capital of the world, has enjoyed an unusual growth. In 1910 it had a population of 18,182. This was increased in 1920 to 72,075; to 141,258 in 1930; and to 141,750 in 1940. While there is a variety of industries located in Tulsa, oil and its products provide its principal source of income. According to the record, there are more major and independent oil companies headquartered in Tulsa than in any other city in the United States. Many of those concerns have branch offices in cities on the proposed route. Witnesses assert that since Tulsa is the technical center and financing headquarters for the petroleum industry in this region, there is a need for rapid means of communications to cities on the proposed route. To meet this need a number of the oil companies own their own planes for the use of employees.

As indicative of the extent to which air transportation facilities are used by the city, evidence was introduced to show that in 1939, 68,953 pounds of air mail and 29,795 pounds of air express were dispatched.

Witnesses state that Tulsa, being the headquarters of the petroleum industry, there are numerous conventions, conferences, and meetings held there which would be a source of air traffic. In 1939 there were 588 such meetings which brought 49,148 persons to the city.

Ft. Smith is in the center of a large area which is without air transportation service. It is an industrial community with 68 manufacturing plants, which had net sales aggregating \$15,210,610 in the year 1937.

The manufacture of furniture and its allied products constitutes the principal industry. In this activity Ft. Smith is said to rank among the top six centers in the nation, and its

products are shipped to all sections of the country. During the year 1938, 2,748 pounds of air mail were received and 2,948 pounds dispatched.

Texarkana is an industrial community located on the Texas-Arkansas border. While lumbering constitutes its principal business activity, there has been considerable oil development in the territory. In addition, the record shows that there are 57 manufacturing plants in the city. 505 retail and 48 wholesale establishments.

Shreveport is the second largest city in Louisiana and serves as a marketing center for north Louisiana, east Texas, and south Arkansas. It is the headquarters of many oil and affiliated companies operating throughout the mid-continent area and is an important natural gas center. In addition to the gas and oil, Shreveport is the center of a large cotton producing area. Because of the importance of the petroleum industry to Shreveport, it is asserted that there is a substantial community of interest between that city and Kansas City and New Orleans.

Alexandria is located in the center of Louisiana. Some of its principal industries are lumber and its products, creosoting plants, manufacture of brick, road machinery, and oil refinery products. The recent development of oil fields near Alexandria, according to testimony, has resulted in a close community of interest between that city and Tulsa, Shreveport, and Houston. Oil concerns with headquarters in the latter cities are engaged in the development work adjacent to Alexandria.

Baton Rouge is the capital of Louisiana and is located on the Mississippi River at the head of deep water navigation. The tonnage handled through the port in 1938 aggregated 7,910,647 tons. There are 60 producing oil wells and more being drilled in the Baton Rouge oil field. Its industries include oil refining, chemical works, lumber mills, mattress factories, machine shops, and foundries. Louisiana State University, with an enrollment of 8,000 students, is located at Baton Rouge.

The southern terminal of the proposed route is New Orleans, a major port and the gateway to the Mississippi Valley. It ranks second among the custom districts of the country in the value of exports and imports.

In the area adjacent to the city are located important natural resources and raw materials, including petroleum, natural gas, sulphur, and lumber.

It is a marketing center for cotton, sugar cane, rice, and vegetables, and is a major importation point for coffee, sugar, molasses, burlap, and tropical fruits. Within the industrial zone there are about 1,100 concerns manufacturing products with a value in 1937 of \$126,508,000. Because of the historical interest, the location, and commercial importance, the city attracts many visitors. It is well known for its carnival festivities, including the Mardi Gras, its winter sports carnival featuring the "Sugar Bowl" football game, and its spring fiesta. It was estimated that in 1938 more than 250,000 tourists visited the city and that 162,000 delegates attended the 128 conventions held there. Approximately 3,000 oceangoing vessels arrive at the port annually, and in 1938 the tonnage amounted to 17,224,562, with a value of \$934,325,959.

Fayetteville intervened in the proceeding and urged that it be designated as an intermediate point to be served on the proposed route between Kansas City and New Orleans. Fayetteville is located about 50 miles north of Fort Smith, and is on a direct line between that city and Kansas City.

The 1940 population of Fayetteville is 8,212 persons and the estimated population within an area of 50 miles is 50,000 persons. It is the site of the University of Arkansas with a student body of about 2,500. The city is served by the Frisco Lines with two trains daily. In addition there are four bus lines serving the city. Fayetteville is the center of the canning industry in the Ozark region. 45 plants being located in the county. The surrounding country contains large amounts of hardwood and the city has long been known as a loading market for raw hardwood timber.

A representative of the city of Coffeyville, Kans., appeared at the hearing and urged that it be designated as a stop on the proposed Kansas City-New Orleans route. Coffeyville is located about 30 miles northeast of Bartlesville and has a population of 17,259 persons. It is the site of two important oil refineries.

Transportation Facilities. - For many years the Kansas City Southern Railway Company has maintained operations between Kansas City and Port Arthur, Tex. The consolidation of this company with the Louisiana & Arkansas Railway Company, extending from Dallas to New Orleans, with several short branch lines, has enabled the Kansas City Southern Railway to provide through rail

service between Kansas City and New Orleans by means of a connection of these two lines at Shreveport. This system provides a north and south rail service to all of the cities covered by the applications here under consideration, with the exception of Wichita, Bartlesville, Tulsa, and Muskogee.

The record indicates that the Kansas City Southern Railway has in the past been primarily a freight line with only a small proportion of its revenues derived from passenger traffic. Since the consolidation of the two carriers there has been a substantial improvement in the passenger facilities. At the present time, one round trip daily is operated between Kansas City and Port Arthur. Between Kansas City and New Orleans, service is provided on one round trip daily with a modern, streamlined, diesel- electric train, which makes the 868-mile rail trip in about 21 hours.

Through those schedules Shreveport, and the cities to the north including Texarkana, Ft. Smith, Joplin, and Kansas City, are afforded direct rail connections on two trips daily in each direction. Direct service connecting the cities south of Shreveport with those north of that city is available on only one round trip schedule.

There is no direct rail service between Wichita and points on the proposed route, and although several routes are available between Wichita and New Orleans they are very circuitous and require a change of carrier.

Rail service between Wichita and Tulsa is available over the lines of several carriers but requires a minimum, of about 7 hours for the trip, and no Pullman service is provided. Rail service between Tulsa and Shreveport and New Orleans is also very circuitous, requiring a change of carrier at Dallas or Neosho. At the present time under the fastest schedules about 15 hours are required for the trip to Shreveport and about 26 hours to New Orleans.

In addition to the rail service there are a number of bus lines operating along the proposed route providing service to all of the cities embraced in the applications here involved.

Kansas City is an important airline point with routes radiating in every direction. As an intermediate point on TWA's transcontinental route No. 2 it is afforded fast and frequent service both to the east and west. It is also an intermediate point on Braniff's route No. 9 and as such is provided with facilities for air transportation north to Chicago and south to

Oklahoma City and Texas points. It is the southern terminal of the western leg of Mid-Continent's new route No. 48 to Des Moines and Twin Cities and is an intermediate point on Mid-Continent's route No. 26 which connects Kansas City with Tulsa to the south and Omaha and Huron to the northwest.

Now Orleans is the southern terminal of Chicago and Southern's route No. 8 from Chicago and is an intermediate point on Eastern's line between New York and other eastern and Texas points. Air transportation service is provided between Kansas City and Now Orleans by means of connections at St. Louis by TWA and Chicago and Southern involving a flight of 853 miles. Of the existing schedules there are two northbound and two southbound, which provide close connections at St. Louis.

Northbound an

afternoon schedule completes the trip in 6 hours and 12 minutes, with a 10-minute connection at St. Louis, while the morning schedule requires 6 hours and 51 minutes with a 44-minute layover at St. Louis. Southbound there is an afternoon schedule making the trip in 8 hours and 35 minutes, with a layover of 2 hours and 46 minutes at St. Louis. An evening schedule makes the trip in 6 hour's and 15 minutes, with a 51-minute connection at St. Louis.

Wichita is an intermediate point on TWA's route No. 2 between Kansas City and Amarillo and on Braniff's route No. 9 between Kansas City and Oklahoma City. It is also the eastern terminal of Continental's route No. 43 to Pueblo. New Orleans may be reached by air from Wichita either via St. Louis over TWA and Chicago and Southern, involving a flight of 1,032 miles, or via Houston over Braniff and Eastern, a flight of 898 miles. The trip from Wichita to New Orleans via Houston requires 7 hours and 25 minutes, with on 18-minute connection at Houston on a flight leaving Wichita at 2:05 p. m. In the reverse direction there is on early morning flight from New Orleans with a 55-minute connection at Houston, requiring 8 hours and 20 minutes for the trip to Wichita. Via St. Louis there is one trip involving 7 hours and 48 minutes, from Wichita to New Orleans with a 31-minute layover at St. Louis while in the other direction one flight provides 8 hours and 22 minutes service between the points with a 44-minute connection at St. Louis. Other schedules one available between Kansas City and Wichita and New Orleans, but they require long layovers at connecting points.

Tulsa, is an intermediate point on American's route No. 30 between St. Louis and Oklahoma City and is the southern terminal of Mid-Continent's

5/ Effective November 1940, Official Aviation Guide.

route No. 26. Shreveport is an intermediate point on Delta's route No. 24 between Fort Worth and Charleston. While service between these cities and the terminals of the proposed routes is possible by means of connecting lines, such service is over circuitous routes. Baton Rouge is designated as an intermediate point on Eastern's route No. 20 between Houston and New Orleans. Texarkana is designated as an intermediate point on American's transcontinental route No. 23 between Dallas and Little Rock. Neither of those latter points is receiving air transportation at the present time because of the inadequacy of the airport facilities.

The other intermediate points which are embraced in the applications here under consideration are without direct air transportation service.

The following tabulation shows the distance such points are from the nearest airline point:

Approximate Distance

City	Nearest Point	Highway	Rail
Joplin	Tulsa	133	130
Bartlesville	"	56	56
Muskogee	"	61	84
Ft. Smith	"	140	138
Alexandria	Monroe	97	97

The following tabulation sets forth the savings in time and mileage of the proposed route over the most expeditious present air service between the principal points here involved:

Present	Proposed via Tulsa			
	Miles	Elapsed Time	Miles	Elapsed Time
Kansas City to Tulsa	214	1:21	225	1:22
" Shreveport	700	7:07	531	3:55
" New Orleans	853	6:12	826	6:00

Wichita to Tulsa	267	2:04	132	:55
" Shreveport	527	5:44	446	3:16
" New Orleans	898	7:25	733	5:28
Tulsa to Shreveport	483	3:40	300	2:01
" New Orleans	854	8:29	601	4:13
Shreveport to "	385	2:46	287	1:55

If the route were operated via Joplin and Fort Smith in lieu of Tulsa the flight mileage between Kansas City and Shreveport would be reduced to 460 miles and between Kansas City and New Orleans to 755 miles. The estimated elapsed flight time between these points would be 3 hours and 13 minutes and 5 hours and 30 minutes respectively.

Traffic Data. - As the Board has heretofore pointed out, while the report of the Federal Coordinator of Transportation for the year 1933 showing the movement of passenger traffic for that year does not accurately reflect the volume of traffic at the present time, it is the only available study of the point-to-point movement of passenger traffic by rail and motor carrier and is some indication of the comparative traffic flow.

The following table shows the passenger traffic by rail for the year 1933 as reflected in the report:

RAIL TRAVEL

Kansas City	Wichita	Tulsa	Texarkana	Shreveport	New Orleans	
Kansas City	—	9,479	7,602	566	745	486
Wichita	9,566		666	79		38
Tulsa	6,773	606	-	9	73	102
Texarkana	575	3	16	-	1,242	64
Shreveport	742	12	97	1,177	-	5,448
Now Orleans	499	15	90	78	5,585	

The Origination and Destination Airline Traffic Survey for the month of November 1940, prepared by the Analyses Division of the Board, shows that there were 22 passengers between Kansas City and New Orleans, 3 between Wichita and New Orleans, 1 passenger between Tulsa and Wichita, 18 between Tulsa and Shreveport, 6 between Tulsa and New Orleans, and 11 passengers between Shreveport and New Orleans. Air travel to and from other points on the proposed route was practically

nonexistent.

6/ Pennsylvania-Central Airlines Corporation, Norfolk-Knoxville Operation, supra.

Direct air transportation service was maintained between Wichita and Tulsa prior to 1934. Complete data with respect to the volume of passenger traffic carried is not of record. However, the record contains evidence to show that the Central Airlines Company, which conducted operations between May 1929 and February 1930, carried 1,988 passengers and that the Western Air Service Corporation carried 853 local passengers between Wichita and Tulsa during the period March 1931 to August 1931. The number of passengers carried between the same points by United States Airways between January 1, 1931, and August 1931; by Southwest Airways between August 1932 and December 1932; and by United Airlines between that date and the cancellation of the air mail contracts in 1934 is not of record.

General Considerations. - The data with respect to rail passenger traffic in 1933 between either Wichita or Kansas City and New Orleans indicate at very light movement of traffic between those points. The applicants contend that this lack of traffic was due to the inadequate transportation facilities and that as a result of subsequent industrial developments there has been a substantial increase in the need for air transportation facilities. It was pointed out that the oil developments in the territory have increased the community of interest between the cities which would be served by the route.

Kansas City Southern points out that while agriculture has been the principal commercial activity of the territory to be served, there have been important industrial developments which it is argued necessitate improved transportation facilities. Evidence was introduced showing that numerous industrial concerns located at points along the line are connected with concerns located in other parts of the country. In support of its contention with respect to the proposed Kansas City-New Orleans route Kansas City Southern conducted a survey of the potential market for air transportation in that territory. Representatives of Kansas City Southern conducted an investigation of 400 selected establishments at points along the route to determine the community of interest and volume of travel during the year 1939. The latter data were obtained from the books, records, and accounts, of the concerns included in the investigation. A summary of this survey disclosed that 305 firms maintain offices or plants at one or more of the other

points on the route; that in 1939, 2,277 travelers made 38,112 one-way trips over some part of the proposed route; that 109 firms are subscribers to the air travel plan; and that air mail letters in 1939 numbered 787,998 pieces.

Based upon the result of this survey, the applicant's witness estimated that these firms represented a potential annual air travel of about 34,056 trips, 7,236,701 revenue miles, and \$320,875 in passenger revenue.

The elimination of Tulsa as an intermediate point would result in a reduction in these estimates of 2,134 trips, 621,732 passenger miles, and \$54,250 revenue.

No segregation was made by the witness between travel by train and travel by private auto. However, it is clear from the record that a large proportion of the total travel reflected in the summary of the results of the survey is travel by auto. The record also indicates that a large amount of the travel consisted of trips by salesmen. It seems extremely unlikely that such travel, involving frequent stops at local points along the line, would be a source of airline travel. Kansas City Southern contends that by reason of its ability to coordinate its sales efforts with those of the parent railroad, it would be able to attract a substantial volume of short-haul local traffic. The average airline haul per passenger is about 400 miles and the record contains evidence showing that the short-haul business of Eastern is comparatively light. The average distance between stops on the proposed Kansas City Southern route is only about 100 miles and, while it is possible that by reason of increased solicitation efforts a proportion of the short-haul traffic would be attracted to the airline, the evidence is not convincing that any substantial volume of such traffic now moving by motor vehicle or rail would be diverted to the airline.

Considerable reliance is placed by Braniff on the importance of oil developments in the cities which would be served by the proposed Wichita- New Orleans route. It introduced evidence showing that the petroleum, industry plays an important part in the commercial activity of cities on the route and that concerns engaged in this industry have branch offices at two or more points. Specific evidence showing that this community of interest results in a substantial movement of traffic over the route is, however, lacking. Evidence with respect to long distance telephone calls between cities which would be served by the proposed routes was introduced in the record. The Board has heretofore

pointed out that data of this character, standing alone, is of little value in determining the volume of air travel which might be anticipated by the inauguration of a proposed route. Nevertheless, these data are of value in indicating the community of interest between the cities involved. With few exceptions, the number of calls between points which would be served by the proposed line is unimpressive.

7/ Pennsylvania-Central Airlines Corporation, Norfolk-Knoxville Operation, supra.

Substantial monthly totals were recorded between Tulsa and Shreveport, Kansas City and Fort Smith, and Wichita and Tulsa, amounting to 745, 1048, and 3,301, respectively. It is significant that the number of calls between Wichita and Tulsa is only slightly less than the monthly total of 3,733 between Kansas City and Tulsa and that a substantial volume of air travel now moves between the latter points.

Mail.- As authorization to carry mail over the proposed route has been requested, it is necessary that the Board consider the effect upon the movement of mail, as well as the postal receipts to be derived from the operation. The postal receipts of the cities on the route for the fiscal year ended June 30, 1939, the air mail received and dispatched, and the first class mail dispatched during the period of a 7-day count in August 1939, conducted by the Post Office Department, are indicated by the following table:

Daily Average

	Daily Average Air Mail				1st Class Mail			
	Postal Dispatched	Received	Receipts	Pounds	Pieces	Pounds	Pieces	Pounds
Kansas City	\$7,699,920	8,768	349	16,720	550	276,706	6,915	
Wichita	1,111,931	8,841	172	2,557	57	57,957	1,288	
Joplin	218,327	265	6	231	5	9,961	223	
Bartlesville	145,582	100	2	129	5	7,367	174	
Tulsa	1,205,482	3,471	130	3,856	873	51,613	1,662	
Muskogee	169,471	259	8	190	6	7,862	279	
Fort Smith,	225,802	255	13	215	7	13,719	417	
Texarkana	162,110	281	12	181	6	54,899	1,221	
Shreveport	664,918	1,983	82	947	43	44,708	996	
Alexandria	144,732	235	8	151	5	18,807	542	

Baton Rouge	338,026	448	12	395	13	19,167	559
Hew Orleans	2,891,425	11,098	457	8,009	321	136,951	2,594

There is no showing in the record that nail service will be improved, except to those cities not now receiving direct air-mail service. Schedules now in effect provide for overnight delivery of mail between the major cities involved on the proposed route, and it does not appear that this service would be improved by the proposed air route.

Mail Compensation. - While it is inappropriate to attempt to forecast what the nail rate would be over the proposed routes, it is important to ascertain, within reasonable limitations, the cost to the Government of the proposed operation in the form of nail compensation.

Kansas City Southern proposes to conduct operations with Lockheed Lodestar 14-passenger equipment. It contemplates the operation of one round trip daily over the route from Kansas City to New Orleans and an additional round-trip schedule between Shreveport and New Orleans during the first six months of operation. Thereafter it proposes two round-trip schedules over the entire route with an additional round trip between Shreveport and New Orleans. Its cost estimates computed on this basis are set forth in the following tabulation:

First Six Months		First Cents Per	
		Full Year	Revenue Mile
Direct Flying	\$122,102	\$390,919	33.54
Indirect Flying	55,396	118,334	10.15
Traffic & Advertising	15,922	34,000	2.92
General & Administrative	16,078	32,155	2.76
Total	\$209,498	\$575,408	49.37

The foregoing estimates do not include the cost of operating the route with an intermediate stop at Tulsa. Kansas City Southern estimates that the expense of operation would be increased \$12,685 during the first year by the addition of a stop at that point. Kansas City Southern

8/ Pennsylvania-Central Airlines Corporation, Norfolk-Knoxville Operation, supra, and cases cited therein

estimates that its load factor would average 30.6 percent during the first year of operation, or about 4.28 passengers per mile. On this basis it estimated passenger revenues of \$56,000 for the first six months and \$255,000 for the first full year of operation on the operation exclusive of Tulsa. Including revenue from express and excess baggage these estimates would be increased to \$58,700 and \$234,000, respectively. The addition of service to Tulsa would result in revenue increases of \$2,250 and \$34,500, respectively.

Kansas City Southern's passenger revenue estimates represent the opinion of its traffic officers, based upon a consideration of the route together with the survey heretofore discussed.

In support of these estimates, Kansas City Southern also referred to the results of operation on the railroad company. It pointed out that in 1920 there were about 27,000,000 rail passenger miles between Kansas City and Shreveport, and that this was reduced to approximately 5,250,000 railway passenger miles in 1939. In the opinion of its witness the difference of approximately 22,000,000 passenger miles, represents the traffic which may be transferred to the more modern transportation service to be provided by the airline. Including about 40 percent for the traffic south of Shreveport, a total of about 30,000,000 passenger miles is developed. Assuming that only 30 percent of that total would be diverted to the airline, this would result in about 9,000,000 passenger miles.

The witness estimated that there would be about 5,000,000 passenger miles for the first full year's operation, which would ultimately reach the 9,000,000 passenger miles referred to. On this basis, revenue for the first full year of operation would be \$225,000, increasing to \$405,000 the fifth year.

Mid-Continent stated that it contemplated the acquisition of Lockheed Lodestar equipment which would enable it to conduct operations over the proposed route with Lockheed Electra equipment now owned and operated on its present system. It contends that the increase in the mileage which would result from the operation of this route would enable it to effectuate substantial economies in operation with a resultant reduction in per-mile cost over the entire system. Since Mid-Continent now conducts operations between Kansas City and Tulsa, it does not propose any increase in flight

mileage for that portion of the proposed route. It proposes to inaugurate operations south of Tulsa with Electra equipment, and assuming 92.8 percent completion of scheduled miles estimates the cost of operation during the first year to be as shown in the following table;

Total Expense		Additional Expense		
Cents Per		Cents Per		
First Year		Rev. Mile	First Year	Rev. Mile
Direct Flying	\$133,492.82	31.6	\$109,516.17	25.95
Indirect Flying	59,677.15	10.9	56,782.22	13.45
Traffic & Advertising	17,507.07	4.1	16,603.86	3.93
General & Administrative	16,544.16	3.9	6,166.25	1.46
Total	\$227,271.18	56.5	\$189,068.50	44.79

Mid-Continent estimates that the additional mileage it proposes to operate between Tulsa and New Orleans would develop a load factor of 30 percent, or about 3 passengers per mile, with Electra equipment. On this basis passenger revenues for the first year are estimated to be \$55,709.94. Express and excess baggage revenues are estimated as \$1,362.50 and \$287.50, respectively. resulting in a total non-mail revenue of \$57,359.94.

In connection with the proposed Wichita-New Orleans route. Braniff submitted estimates covering the gross costs of operating one round trip daily over the proposed route with Douglas DC-2 equipment. These estimates were predicated upon its experience during the 12-month period ended November 30, 1939, with the addition of a 5 percent increase to take care of normal increases in costs. Its estimates are "based on the assumption that 95 percent of the scheduled mileage will be completed. It also submitted estimates of the additional costs which would be incurred as a result of the proposed operation without allowance for overhead expense. The following table sets forth the estimated annual cost of operating the proposed route, the cost per mile, and the estimated cost on an additional

		Cents		Cents
Per Additional	Per Annual Cost		Cost Basis	
	Per Mile		Per Mile	
Direct Flying	\$154,838	30.46	\$135,267	26.61

Indirect Flying	85,551	16.83	49,022	9.64-
Traffic & Advertising	22,416	4.41	13,800	2.72
General & Administrative	18,366	3.61		
Total	\$281,171	55.31	\$198,089	38.97

Braniff estimates that the Wichita-New Orleans route will develop an average of 3.6 passengers during the first year of operation. At a yield estimated at 4.61 cents per mile, this would result in a total passenger revenue of \$80,565. Express and excess baggage revenues are estimated at \$1,456 and \$806, respectively. Thus, the non-mail revenues are estimated to aggregate \$82,827.

Continental, which proposes to operate one round trip between Wichita and Tulsa as an extension of its present route No. 43, submitted estimates of the monthly costs which would be incurred in the operation of this extension. Those cost estimates, based upon an estimate of 95 percent of scheduled miles flown, are shown below:

Cents

Monthly Cost		For Milo
Direct Flying	\$1,924.72	25.58
Indirect Flying	1,114.04	14.81
Traffic & Advertising	475.84	6.32
General & Administrative	40.20	0.54
Total	\$3,554.80	47.25

On an annual basis, the estimated cost of operating the proposed extension by Continental would be \$42,657.60. Continental estimates that the proposed extension would develop a load factor of 33-1/3 percent and a monthly revenue of \$1,158.70 from passengers, \$9.03 from express, and \$10.53 from excess baggage. On an annual basis, the total non-nail revenues would be about \$15,219.12.

On the basis of the Kansas City Southern estimates the proposed operation between Kansas City and New Orleans would be conducted at a loss of \$153,498 during the first six months and \$350,408 during the first full year of operation. The inclusion of Tulsa in the proposed operation would reduce the estimated loss for the first full year by about \$20,000. Mid- Continent's estimates indicate an annual loss without mail pay on the

proposed operations between Tulsa and New Orleans of \$169,912 on one round trip daily. The Board has heretofore indicated that a route cannot be properly developed with so limited an operation. Costs would be approximately doubled with the addition of a second round trip, with a consequent increase of the estimated loss for Mid-Continent to \$339,824. Kansas City Southern and Mid-Continent included mail compensation in their estimates at 30 cents and 36 cents per mile, respectively.

9/ Mid-Continent Airlines, Inc., et al, Twin Cities-Des Moines-Kansas City-St. Louis Operation, C.A.B. Docket No. 3-401-B-I, et al, decided July 18, 1940.

On the proposed Wichita-New Orleans route, Braniff's estimates indicate a loss without mail pay of \$198,344 considering the route as a unit. On the basis of the additional costs which would be incurred as a result of the proposed operation, the loss is estimated at \$115,262. Continental's estimated losses without mail pay on the proposed Wichita-Tulsa extension would be \$27,439 for one round trip daily. These losses would be approximately doubled with the operation of two round-trip schedules. Braniff's estimates submitted at the hearing included mail compensation at a rate of 33.42 cents per mile. The Wichita-Tulsa extension proposed by Continental is sought as an amendment to route Ho. 43. The mail rate now applicable to the route is 33 1/3 cents per mile. However, the rate of mail compensation now paid Continental is the subject of an investigation to determine whether such rate is fair and reasonable. Hearings on this proceeding have been concluded and the matter is now pending before the Board.

Upon the basis of the foregoing data it would appear that the cost to the Government in the form of mail compensation of the Kansas City-New Orleans route would be at least \$350,000, of the Wichita-New Orleans route \$230,000, and of the Wichita-Tulsa route \$50,000, and the Board should so find.

Airway Aids,- Air navigation facilities which would permit unrestricted day and night operations over the routes here under consideration are not available. The cost of establishing a full complement of such facilities on the Kansas City-New Orleans route, omitting Tulsa, in accordance with present practice, would be approximately \$407,500, including \$236,400 for radio and communications facilities and \$171,100 for field and lighting facilities. The annual maintenance cost of the radio facilities is esti-

10/ Dockets No. 332 and No. 382.

mated at \$70,000 and the field and lighting facilities at \$22,680. The addition of Tulsa, Bartlesville, and Muskogee would increase the cost of installing aids by \$22,400 and the cost of maintenance by \$5,160.

While the installation and maintenance cost of air navigation aids cannot be charged entirely to the cost of inaugurating air transport operations, military and other non-transport operations also deriving great benefit from their existence, their cost is an element which must be given consideration in a determination of the requirements of public convenience and necessity. In the instant case Kansas City Southern asserts that in the event the Government is unable to establish the necessary facilities on the proposed route, it would install and maintain them until such time as the Government is able to take them over. This procedure would not relieve the Board from the necessity of considering the cost of those facilities to the Government in the determination of the public convenience and necessity since the maintenance cost of the facilities would be reflected in the applicant's operating cost and would have to be considered in fixing mail rates.

The cost of providing air navigation facilities on the proposed Wichita- New Orleans route would be \$424,100, of which \$201,900 represents the cost of radio and communications facilities, and \$222,200 field and lighting facilities. The annual cost of maintaining these facilities is estimated at \$59,000 and \$28,010, respectively. The cost of facilities on that portion of the route between Wichita and Tulsa would be \$87,600 of which \$55,800 represents radio and communications facilities and \$31,800 field and lighting facilities. The annual cost of maintenance is estimated at \$16,000 and \$3,700, respectively.

11 / Mid-Continent Airlines, Inc., et al, Twin Cities-Des Moines-Kansas City St. Louis Operation, *supra*.

12/ Pennsylvania-Central Airlines Corporation Norfolk-Knoxville Operation, *supra*

Conclusion. - Kansas City Southern proposes to inaugurate a direct route between Kansas City and New Orleans, serving the territory now traversed by the Kansas City Southern Railroad. It contends that the two services could be properly coordinated so as to provide a fast, modern means of transportation to this area. It also proposes to serve Tulsa on this route. Mid-Continent proposes to provide service between Kansas City and

New Orleans by extending its present route No. 26 south from Tulsa.

As has been heretofore shown, air transportation service between Kansas City and New Orleans is now available over the connecting routes of existing air carriers. The proposed routes between Kansas City and New Orleans, while affording a single company service between these points, would not effect any substantial saving either in time or flight mileage. It would appear to be unsound to grant authority to an applicant to engage in air transportation over a proposed route designed to supply through service as against existing service rendered by two or more connecting carriers until it has been shown that the connections provided in good faith have over a reasonable period of time proved inadequate. There has been no showing in this case that the present facilities between Kansas City and New Orleans are inadequate, and on the contrary, the record shows that good connections are provided, at St. Louis on traffic moving between these cities.

Under the Braniff proposal, through single-company service would be provided between Wichita and New Orleans in addition to providing service to principal intermediate points covered in the applications of Kansas City Southern and Mid-Continent. The proposed Wichita-New Orleans route
13/ National Airlines, Inc., et al (Daytona Beach-Jacksonville Operation)

C.A.A. Docket No. 5-401-B-1, et al, decided March 21, 1940.

would effect a mileage saving of about 167 miles on travel between these points over the connecting service now available. Excellent connections are afforded at Houston and at St. Louis on traffic moving between Wichita and New Orleans. While the amount of air travel between those cities over this connecting service appears to be light, as indicated by the November traffic survey, the record does not indicate that the absence of traffic is due to the lack of direct service but rather to the fact that there is no substantial demand for additional transportation facilities. Accordingly, it is recommended that the Beard find that the air transportation facilities now available between Kansas City and New Orleans and between Wichita and New Orleans are adequate to moot the public needs.

The question remains as to whether or not the proposed route is justified on the basis of the service which would be provided to the intermediate points. Kansas City Southern contends that the principal value of the route lies in the fact that it will provide a local

service between the termini and the intermediate points as well as between the various intermediate points. The establishment of a north-south air service connecting the communities covered by the applications here involved would, of course, be of some value to those cities. However, the population which would be served by the route is not large. Each of the intermediate stops, with the exception of Tulsa, is a comparatively small community and the savings in travel time which would result from establishment of the line would be made available to a comparatively small number of persons. As such, a heavy expenditure of government funds would not be justified. Even under the very optimistic estimates of Kansas City Southern, substantial mail pay would be required to enable it to meet its

14/ Continental Air Lines, Inc., (Roswell, Hobbs, Carlsbad Operation) C.A.A.

Docket No. 265, et al, decided March 8, 1940.

operating expenses on the proposed operation, and there is no evidence that the route would in the near future approach economic self-sufficiency.

Tulsa is the most important intermediate point involved in the present proceeding, and the applications of Mid-Continent and Eraniff are dependent to a large degree on the traffic which would be developed in Tulsa. While Kansas City Southern seeks primarily a direct route between Kansas City and New Orleans, paralleling the line of the railroad company, it recognized the importance of Tulsa as a source of airline travel in amending its application to provide for service to that point. Direct airline service between Tulsa and Kansas City is now provided by Mid-Continent's route No. 26, and the record does not indicate that any additional service is required between these points.

Shreveport and New Orleans may be reached from Tulsa by air over the routes of connecting carriers. While these routes are circuitous and involve a change of carrier, the record is not convincing that the traffic volume which would be developed would warrant the government expenses involved. The 1933 railroad traffic between Tulsa and points to the south on the proposed line was comparatively light and the evidence fails to show any substantial increase in the volume.

The 1933 rail traffic data and other facts of record indicate a close community of interest between Shreveport and New Orleans which might be expected to develop a substantial volume of passenger travel. At the present time, service between these

points is provided by the connecting service of Delta Air Corporation and Chicago and Southern. The saving of 98 miles which would be made available by a new route serving these points would not justify the governmental expenses involved in the establishment of a through line to Wichita, or Kansas City, and it is clear that a service between Shreveport and New Orleans alone could not be economically operated by any of the applicants herein.

Transportation facilities between Wichita and Tulsa are poor. There is no direct rail service between those points and the shortest schedules by way of existing rail routes require more than 7 hours for the trip, although the cities are only 125 miles apart by airline. For this reason, coupled with the fact that Pullman service is not provided, there is little travel by rail, notwithstanding the absence of convenient rail service, about 1,272 persons traveled by rail between Wichita and Tulsa in 1933.

The record shows that the bulk of the traffic moves by bus and private auto, although the shortest distance between the cities by highway is almost 200 miles. It was estimated that an average of 600 cars per day now over the highways between the cities.

Tulsa may be reached by air from Wichita through connections at Kansas City or Oklahoma City. However, this service requires a flight of 393 miles via Kansas City and 267 miles via Oklahoma City, and the November survey indicates that little use is made of either service. The proposed line would result in a saving of about 50 percent in mileage and 61 percent fare over the existing service via Oklahoma City and 66 percent in mileage and 69 percent in fare over the existing service via Kansas City.

The record is convincing that there is a community of interest between Wichita and Tulsa which would be served by the proposed line. Both cities are large industrial communities, constituting important sources of airline traffic. According to the November survey, the total number of passengers originating at or destined to Tulsa and Wichita was 1,350 and 780, respectively. Out of a total of 178 cities receiving airline service, Tulsa ranks 33rd and Wichita 52nd as sources of airline passenger traffic. Data with respect to long distance telephone calls between those cities and air travel prior to 1934 heretofore set forth indicate a need for additional communication facilities between the cities.

While the record indicates that the primary importance of the route lies in the facilities

which will be made available to local traffic, the route will provide facilities for through traffic moving from Tulsa to points in the west. The evidence does not indicate that the volume of such traffic would be heavy, but any additional traffic developed for Continental's route No. 43 should increase the non-mail revenues on this route, with a consequent reduction in the need of the carrier for federal aid in the form of mail pay.

With respect to cost, it would appear that in view of the rapid growth of the airline traffic, estimates of traffic submitted at the time of the hearing would have to be substantially increased to reflect present conditions. Such an increase would, of course, reduce the governmental expenditure required to maintain the service. In view of the foregoing findings of fact, it is recommended that the Board find that the cost of the proposed Wichita-Tulsa service would be outweighed by the advantages accruing to the public from the operation.

Upon the basis of the foregoing findings of fact it is recommended that the Board find that the public convenience and necessity do not require air transportation of persons, property, and mail between Kansas City and New Orleans. It is further recommended that the Board find that the public convenience and necessity do not require air transportation of persons, property, and mail between Tulsa and New Orleans. It is also recommended that the Board find that the public convenience and necessity require air transportation of persons, property and mail between Wichita and Tulsa.

With respect to the proposed intermediate stop at Bartlesville the record shows that it is a small city having a substantial interest in the petroleum industry. The record shows that even if no stop were authorized at Bartlesville, operations would be conducted over this city because of the presence there of an emergency landing field. The designation of this city as an intermediate point on the proposed route would involve seven additional flight miles. Under the circumstances, the Board should find that the public convenience and necessity require air transportation service to and from Bartlesville.

The only application which is before the Board in this proceeding seeking authority to operate between Wichita and Tulsa, exclusively, is that filed by Continental. However, the application of Braniff covers a route extending from Wichita to New Orleans via Tulsa. Since, under the provisions of section 401(d)(1) of the Act, the Board is authorized to issue a certificate authorizing any part of the transportation covered by an application,

it is necessary to consider Braniff's application in connection with the operation of the route found required by the public convenience and necessity. It is clear that the public convenience and necessity require only one operator between those points, and it is, therefore, necessary to determine which of these applicants would best serve the public interest in operating the route.

Each of the applicants is an operating company holding certificates of public convenience and necessity under the Act, and there appears to be no reason to believe that either would be unable to conduct the proposed operation. According to the evidence of record the proposed Wichita- Tulsa route would be operated as an extension of Continental's route No. 43, with schedules providing a through service between Tulsa and Denver. This operation could be conducted with equipment presently owned by Continental, with no increase in the cost of operations other than the out-of-pocket costs resulting from the operation of the extension. It would also permit increased efficiency resulting from a greater use of equipment. The Tulsa extension would avoid the necessity of layovers of equipment and personnel at Wichita now necessary on flights from Denver. This operation would enable Continental not only to provide facilities for the local traffic between Wichita to Tulsa, but also for the through traffic which might be developed west of Wichita. In view of the fact that Braniff's application contemplated a route from Wichita to New Orleans via Tulsa, no evidence was introduced pertaining to an operation restricted to the Wichita-Tulsa route. If the route were operated by Braniff as a new route, it would constitute a spur extending from Braniff's route No. 9 between Kansas City and Oklahoma City. Such an operation would of necessity require the maintenance of additional equipment at Wichita, resulting in substantially increased cost. Although not covered by Braniff's application, service over the route could possibly be provided by the amendment of route No. 9 to include Tulsa as an intermediate point. In view of the importance of through traffic to Braniff, however, it is doubtful if service on such a route would provide adequate facilities on an economical basis for the substantial local traffic moving between Wichita and Tulsa, Furthermore, an amendment of route No. 9 to include Tulsa would result in a duplication of service now provided by Mid-Continent between Kansas City and Tulsa and by American between Tulsa and Oklahoma City.

Under the circumstances, it appears that the operation of the route by Continental would best serve the public interest, and it is recommended that the Board find that carrier fit, willing, and able to perform the service found required by the public convenience and necessity.

Recommendations.- Upon the basis of the foregoing facts and conclusions it is recommended that the Board issue an amended certificate to Continental authorizing it to engage in air transportation of persons, property, and mail between Wichita and Tulsa via Bartlesville. It is further recommended that the applications of Kansas City Southern, Braniff, and Mid-Continent be denied.