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THE WHITE HOUSE
WASHINGTON

October 7, 1975

TO: JIM CONNOR

FROM: JIM CANNON

This briefing paper is submitted pending the President's decision on submission of the Airline Reform Bill.

It is to be used only if the decision is made to submit the legislation this week.

THE WHITE HOUSE

WASHINGTON

October 8, 1975

MEETING WITH SECRETARY COLEMAN ON
AVIATION ACT OF 1975
Wednesday, October 8, 1975
10:25 a.m. (5 minutes)
The Oval Office

From: Jim Cannon

I. PURPOSE

To discuss the airline regulatory reform bill with Secretary Coleman and members of the task force on airline reform before the legislation is announced.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The airline regulatory reform task force has completed drafting legislation to reform the regulation of the air transport industry.

You have agreed to send this legislation to Congress before the recess. Following this meeting, Secretary Coleman and Paul MacAvoy will brief the press on this legislation.

The Act would:

- Increase entry into the industry and liberalize charter service.
- Remove certificate restrictions (route regulation) within five years and after five years would allow a limited amount of entry into new markets.
- Provide for rate flexibility within a designated zone (limits) of price competition.
- Eliminate anticompetitive agreements by the industry.
- Adopt a liberal merger standard along the lines of the Bank Merger Act.

- Allow carriers to abandon routes after providing sufficient notice to affected communities.
- Provide an incentive for better management of airlines.
- Benefit consumers, eventually, through lower air fares.

B. Participants

Secretary William Coleman
John Barnum - Deputy Secretary of DOT
John Snow - Deputy Under Secretary of DOT
Jim Cannon
Rod Hills Bill Seidman
Paul MacAvoy Cal Collier
Paul Leach
Stan Morris

C. Press Plan

Secretary Coleman and Paul MacAvoy will meet with the press following the meeting.

III. TALKING POINTS

1. Mr. Secretary, I appreciate your efforts and those of your staff in developing this important reform bill.
2. As you well know, improving airline regulation is a major element in our overall regulatory reform program.
3. It is my belief that this proposal by eliminating costly and outdated government regulations will move us closer to a free and competitive market place.
4. I am confident that these reforms will result in a stronger and more efficient airline system and will benefit the long term interests of consumers.
5. Thank you again for your efforts and I am sure you will work untiringly for the prompt enactment of this very important legislation.