

AIR COMMERCE . . .

Presenting a Case

AN application to operate all-freight services with five DC-4s should not normally call for much in the way of brochuremanship to convince a licensing authority that such services are necessary, especially in such an air transport-conscious country as Australia. Yet the Interstate Parcel Express Co (Australia) Pty Ltd (IPEC) has built around just such an application a brochure whose lavishness and depth of research might conceal the case for a major intercontinental jet service rather than unglamorous piston-engined freighting. IPEC's wholly-owned subsidiary IPEC-Air Pty Ltd has applied to the Australian DGCA to carry freight between Sydney, Melbourne, Brisbane, Adelaide, Perth and Launceston using five DC-4s and the company's history is related in some detail.

IPEC started business in November 1954 with two Peugeot 15cwt trucks operating daily between Adelaide and Melbourne and now has 23 associated companies delivering over 10,000 urgent consignments throughout Australia each working day, an annual freight income of over £2m, and 18,000 regular customers. IPEC started air freight services from Melbourne to Tasmania using chartered DC-3s, of which two are used, in February 1963; freight volume has risen since then from an average of under 3,000lb per night to over 15,000lb per night in February 1964. Over three-quarters of IPEC's customers on this Tasmanian service had not used air freight on this route before.

No doubt Mr Ansett in particular, remembering his own humble beginnings as a surface transport operator, is viewing IPEC with some concern, especially in view of a remarkable prediction in the brochure: that IPEC could, within 24 months, carry over 80,000 tons of air freight per year—more than the combined total of Ansett-ANA and TAA in any of the last three years. "IPEC would then" (says the brochure) "become the largest domestic carrier of air freight outside the USA and USSR and the largest integrated door-to-door air freight system in the world without any exceptions." Yet this is not the estimate of inexperience or over-optimism; a detailed breakdown of the revenue expected in a typical day is given for each route under the headings of pounds carried, average weight, revenue earned and number of consignments, from which it emerges that IPEC expects to carry 83 tons of freight daily in 2,972 consignments and earning £6,374 of revenue. A feature which

could well be copied by British applicants to the Air Transport Licensing Board is a detailed breakdown of fixed and variable costs assumed for new equipment. IPEC's DC-4s will, it is estimated, cost £105.5 per hour assuming 1,800hr utilization. Perhaps even more interesting are the cost per ton-mile estimates of several other types considered by IPEC, including the CL-44, Britannia 102 and Argosy, the latter coming to 13.7d per ton-mile when depreciated over eight years.

The essence of IPEC's case for the need for its proposed services is that air freight has become a sideline to Australian carriers in their development of passenger traffic and that shippers no longer get the services they require; that air freight is not handled in an efficient manner and that the air freight markets have not been developed. Freight tonnage flown in Australia has declined from 84,446 tons in 1955-56 to 60,470 tons in 1962-63, and IPEC attributes the success of its Melbourne-Tasmania DC-3 service to winning back shippers who had lost confidence in the freight services of the passenger-carrying airlines. A questionnaire to 1,000 firms who were actual or potential users of air freight asked (1) "whether Australian industry in general and your business in particular are at present adequately served by the existing air freight services" and (2) "whether you would support the setting up of an all-cargo air service by IPEC." Only 29 replies said "yes" in answer to the first question and 290 said "no," while there were 305 replies in the affirmative to the second question and only 14 said "no."

IPEC's brochure includes a point-by-point rebuttal of possible objections to its application, probably the most powerful of which is that such cargo services would be contrary to the Australian two-airline policy. But IPEC considers that this policy does not apply to freight for whereas there is an approximately equal division of passenger traffic between Ansett-ANA and TAA there has never been an even roughly equal division of freight. Furthermore there are independent all-freight carriers such as Brain and Brown (from whom IPEC charters its DC-3s) in existence and this has never been regarded as upsetting the two-airline system. But IPEC's recent acquisition of 5,000 shares in East-West Airlines, which has been engaged in a battle over sharing of routes with Ansett subsidiary Airlines of NSW, might lead to a different view.

AMERICA'S AVIATION MANPOWER PROBLEM

THE American civil aviation industry faces serious trouble in the next few years from a growing manpower shortage, according to a report by the FAA's Aviation Human Resources Study Board, which is headed by Mr Dan A. Kimball. The most serious shortage, the report says, will be among professional pilots, it having been found that airlines, executive and general commercial operators will need 3,650 new pilots by next year, increasing to 4,300 in 1970, 5,700 in 1975 and about 6,300 by 1980.

The threat is based on the fact that comparatively few youths are being attracted to aviation careers. Enrolment in commercial flying courses has dwindled, the number of training schools is decreasing and only a handful of military pilots are going into civil jobs. Out of 33,000 student pilots' permits issued last year by the FAA to people under the age of 35, only 3,600 matured to private pilots' licences, only 823 commercial licences were obtained and a mere 15 pilots qualified for an airline transport licence.

The Board also looked at the manpower situation in all the attendant branches of civil aviation. In the main the conclusions here are not quite so alarming: the Board found that there was no evidence of any impending shortage of candidates for flight despatching, communication, navigation, or meteorological jobs.

The Board's main recommendations are that airlines and pilot unions should explore ways of attracting more ex-military pilots into civilian flying; that business aircraft operators should establish a central job registry; and that the FAA should review its current data-gathering system to improve its powers of prediction. The

Board looked at and rejected the idea of a nationalized training school such as Britain's College of Air Training; it believed such a proposal would be outside the scope of government and would not fit US aviation needs.

THE GUILD'S SAFETY TRUST

"AN event of great moment in the history of the Guild" is how the Guild of Air Pilots and Air Navigators' newsletter describes the recent formation of the Air Safety Trust of the Guild; in effect the Trust becomes responsible for, and will finance, much of the existing work of the Guild. Its main objectives are the carrying out of statistical and other research work into air safety; the preparation and collating of evidence relating to air safety for presentation to Royal Commissions, Courts of Enquiry and similar bodies; arranging for the promotion of education in matters relating to air safety through lectures and other means; and recognizing distinguished work in relation to air safety by the award of diplomas and prizes.

The Trust has been fully approved by the Inland Revenue as a charitable one to advance public interest in safety promotion, and under these terms the work of the Special Finance Campaign of the Guild will acquire a new impetus, since the Trust now allows unimpeded approach to many sources of fund donation which had previously been closed because of constitutional reasons. The Trust will be administered by three trustees, Dr K. G. Bergin, Mr T. W. Brooke-Smith and Mr A. M. A. Majendie, and a board of management is to be appointed in due course.