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UNITED STATES GENERAL ACCOUNTING OFFICE  
Washington, D.C. 20548

For release on delivery  
expected at 10:00 a.m.  
Tuesday, July 28, 1981

STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT  
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION  
ON  
DISCRIMINATORY AND UNFAIR PRACTICES AND  
UNREASONABLE USER CHARGES  
IN INTERNATIONAL AVIATION



Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss with you unreasonable user charges and discriminatory and unfair practices in international air transportation. For this hearing, we updated the information on this topic which appeared in our March 1978 report, "The Critical Role of Government in International Air Transport." We collected and analyzed information from the Civil Aeronautics Board (CAB) staff and the U.S. international airlines.

Although their form and substance constantly change, impediments to competition and unreasonable user charges continue to affect the ability of U.S. carriers to compete. We believe that

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these problems largely result from the pervasive involvement of foreign governments in international airline operations. U.S. international carriers are privately owned, whereas foreign international carriers generally are owned and/or financially supported by their governments. Although most of these international airlines are operated for profit, other objectives, such as increased tourism, foreign exchange earnings, and national security and prestige, affect international aviation operations.

These problems can be addressed either through negotiations provided for in U.S. bilateral international aviation agreements or through recourse to U.S. legal remedies. Usually, primary reliance is placed on negotiations as a means of preventing or eliminating discriminatory and unfair practices and unreasonable user charges. Considering the comments from the airlines about the extent and substance of these problems and the length of time they remain unresolved, it is our view that a more thorough and aggressive Government followup is needed. Such action, to be effective, may require more timely retaliatory actions, when justified, if a settlement cannot be negotiated.

The legal remedies provide a means for effecting unilateral retaliatory action against the airlines of countries engaging in either unfair or discriminatory practices or imposing excessive user charges. The Government's ability to respond to unfair or discriminatory practices was strengthened by the International Air Transportation Competition Act of 1979 (IATCA). Under provisions of this act, the CAB is empowered to restrict, without a hearing, the operations of foreign airlines. The act also provides a

legislatively mandated timeframe for acting on formal complaints. One airline commented that such timeframes provide a clear signal to foreign entities that retaliatory steps by the United States may be in the offing.

Nevertheless, since the enactment in February 1980 of the IATCA, only three formal complaints have been filed by U.S. carriers. Two were resolved to the satisfaction of the U.S. airlines--one involved Japan's restrictions on Air Micronesia's service between Guam/Saipan and Japan which benefited Japan Airlines and the second involved a restriction on TWA's ability to offer competitive fares between the United States and the Federal Republic of Germany that benefited Lufthansa. The third complaint was filed on June 18, 1981, by United Air Lines and is currently under consideration. It asserts that Japan's Civil Aeronautics Bureau has unreasonably denied United the necessary authority to provide air service between Seattle/Portland and Tokyo and is in violation of the bilateral agreement between the United States and Japan.

Legal recourse in response to excessive user charges is provided by section 3 of the International Air Transportation Fair Competitive Practices Act of 1974 (FCPA). This provision, however, has rarely been used and, for a variety of reasons, compensatory charges have never been assessed. One reason, indicated by the airlines commenting on the issue, is the absence of a time limit for assessing such charges. Our 1978 report addressed the problems associated with section 3 and urged that bilateral civil aviation agreements include provisions for common methods of assessing user

charges, and some progress has been made. We also recommended modifying section 3 of the FCPA to:

- Provide specific time limits for implementing required actions.
- Cover not only user charges but also other quantifiable charges or costs resulting from unfair practices.
- Clarify that user charges or other quantifiable costs shall not be considered unreasonable where the foreign government demonstrates, or available evidence indicates, that the charges or other quantifiable costs are based on economic costs.

We believe these suggestions should be explored further during your current hearings. You may also want to explore with the airline representatives the reasons for their reluctance to use the statutory remedies.

The following sections discuss information we obtained on discriminatory and unfair practices and unreasonable user charges in international air transportation.

DISCRIMINATORY AND UNFAIR PRACTICES AND UNREASONABLE USER CHARGES

We obtained information from the airlines, the staff of the CAB, and the Departments of Transportation and State on the airlines' use of formal and informal complaints to bring their problems to the attention of Government agencies. Most complaints are informal, and this practice is consistent with the primary reliance of both the Government and the airlines on the negotiating process. An initial informal approach based on the provisions of the bilateral

agreements is believed to be more acceptable to U.S. trading partners than recourse to U.S. statutory remedies. The potential use of such laws can do nothing but encourage good-faith negotiations by foreign governments because they know that failure of such efforts could result in the application of punitive legal remedies.

The airlines submit most of the complaints on discriminatory and unfair competitive practices by letter or telephone. We appreciate the efforts by CAB staff who, responding within a short time-frame, compiled information for us on those informal complaints that were resolved and those that were not. This effort was made more difficult because no systematic record is maintained of informal complaints, actions taken, and their resolution or current status. We believe such records should be maintained to help improve efforts to resolve complaints and strengthen management oversight. Because no formal records are maintained, the CAB information was incomplete and the air carriers, although not attempting to give us complete listings, identified additional complaints that remain unresolved.

CAB staff also gave us information on the current status of specific unfair competitive practices cited in our 1978 report. Some of the unresolved problems are:

--User charges at London's Heathrow airport. Airlines consider these charges, which at approximately \$10,000 per landing are the highest in the world, excessive and discriminatory.

- Japan's "noise" charge still falls most heavily on B-747 aircraft. This occurs despite the fact that these aircraft are quieter and operate further from Tokyo than the noisy, narrow-bodied Japanese domestic jets using Haneda airport.
- Monopoly groundhandling in Italy. U.S. carriers may not develop and staff their own groundhandling organization as Alitalia does. Instead, groundhandling continues to be performed by a monopoly organization established by the Italian Government and, according to the airlines, has resulted in continued customer complaints.
- Fuel price discrimination. Bolivia and Peru, which were cited in our report, as well as other countries, continue to charge U.S. carriers higher prices for fuel than they charge their national carriers.
- Restriction on charter operations. While several countries have adopted more liberal rules, others continue to impose restrictions in varying degrees. Japan, in particular, prohibits new charter types and relegates charter carriers to the bottom position for available "slots."

Following is a more inclusive summary of current unresolved complaints of discriminatory and unfair practices and unreasonable user charges and the countries where these practices prevail. This listing is based on the information provided to us by the CAB staff and the airlines. Attachments A and B contain detailed lists of these complaints.

Complaint

Countries

Restrictions on flight frequencies, number of carriers, types of aircraft, and passenger pick-up within country	Netherlands, Malaysia, Nigeria, Pakistan, Panama, Peru, Poland Venezuela, USSR
Pricing restrictions	France, Pakistan, Peru Portugal, Switzerland
U.S. airlines may carry cargo only if it is refused first by the national carriers; cargo movements in and out of the country are limited; warehousing and customs requirements and services are discriminatory	Belgium, Canada, France, Germany, Hong Kong, Italy, Japan, Korea, Mexico, Pakistan, Taiwan, United Kingdom
Restrictions on charter flight frequency, pricing, and types; also delay in flight approval	Brazil, Canada, India, Japan, New Zealand, Scandinavia
Unreasonable and/or discriminatory navigation and other user charges	Australia, Bolivia, Brazil, Guatemala, Japan, Mexico, New Zealand, Nigeria, Panama, Paraguay, Peru, Singapore, United Kingdom, Yugoslavia
Currency remittance constraints	Ghana, India, Kenya, Nigeria, Pakistan, Taiwan
Discriminatory fuel charges	Bolivia, Canada, Colombia, Ecuador, Japan, Paraguay, Peru, Venezuela
Restrictions on use of computerized reservation systems	France, Italy
Exclusive groundhandling and other airport service agents provide poor service and/or are costly	Argentina, Canada, Ecuador, Italy, Japan, Kenya, Peru

Other reported discriminatory practices involve most of these countries and include such complaints as fly-national practices that are far more restrictive than those of the United States, marketing and sales restrictions, and other government preferences that give national carriers a competitive advantage.

U.S. international air carriers were generally dissatisfied with the Government's efforts to resolve these problems.

#### COMPARISON OF USER CHARGES

Since the issuance of our 1978 report, foreign user charges for airport and air navigation facilities and services remain at high levels and U.S. carriers continue to pay more than many foreign carriers pay in the United States. This differential, in itself, does not constitute unfair or discriminatory charges, because U.S. user charges do not recover full costs, and the United States rarely uses efficient pricing alternatives, such as peak-load pricing. Charges can be unreasonable or discriminatory when they are not based on the economic cost of services rendered, when they are used to cross-subsidize airports not used by the carrier charged, and when they are inequitably distributed so that some carriers pay more than others for the same service. Airport user charges include such items as landing fees, parking, security charges, and passenger service charges.

On the following page is a comparison of the airport user charges for selected international airports as of March 1981, which was prepared by the International Air Transport Association.

<u>Country and airport</u>	<u>Airport charges B747</u>
United Kingdom/Heathrow	\$10,116
Australia/all airports	6,808
France/Charles de Gaulle	3,975
Germany/all airports	3,959
U.S.A./JFK New York	3,616
Japan/Narita	3,192
Israel/Ben Gurion	2,788
Italy/all airports	1,223
U.S.A./Washington, Dulles	967
Canada/Montreal and Toronto	787
U.S.A./Dallas, Fort Worth	552
U.S.A./Los Angeles	395

Airways user charges, or en route charges, include charges for air traffic control, navigation aids, communications, and meteorological services.

These charges are normally calculated by using a set formula. For example, Eurocontrol navigation charges are based on aircraft weight, distance overflown in each country, and the unit rates peculiar to each country. Eurocontrol charges have increased substantially, because Eurocontrol is eliminating the subsidy element in its operations. The portion of costs assessed to users increased from 15 percent in 1971 to 90 percent in 1980, and it has proposed 100-percent cost recovery for 1981. As a result, according to U.S. international airline and Government sources, en route charges are increasing at a faster rate than airport charges and have become a significant cost in international air transportation. Some airlines claim that the cost allocation formula results in excessive charges not based on economic cost.

As stated in our 1978 report, it can be maintained that U.S. authorities undercharge because they do not recover full costs,

including investment, nor do they include navigation fees, a major element in most foreign charges. Costs of the U.S. air navigation system are defrayed by a combination of general tax revenues and various other aviation taxes, such as an excise tax on tickets. Therefore merely comparing foreign charges with U.S. charges is not sufficient to conclude that the foreign charges are unreasonably excessive.

This completes my prepared statement, Mr. Chairman. We will be pleased to respond to any questions you may have.

DISCRIMINATORY AND UNFAIR PRACTICES IDENTIFIED  
BY CAB STAFF (note a)

<u>Country</u>	<u>Complaint</u>	<u>Resolved</u>	<u>Unresolved</u>
Middle East, Africa, and South Asia:			
Egypt	Passengers that may be picked up incountry for another foreign destination limited to 30.	x	
Ghana	Constraints on currency remittance.		x
India	1. 30-percent sales tax on fuel levied against charter carriers but not against scheduled carriers. 2. Restrictions on charter pricing and types.	x	x
Israel	U.S. airline charged \$1.53 a gallon for fuel while national carrier charged only \$1.00.	x	
Kuwait	Royalty fee required for approval of cargo charters.	x	
Liberia	Questionable 140-percent increase in groundhandling charges.	x	
Malaysia	Denied U.S. carrier traffic rights between Kuala Lumpur and Tokyo.		x
Nigeria	1. Restrictions on flight frequencies. 2. Delays in transfers of funds.		x x
Pakistan	1. Restrictions on pricing. 2. Nationals making more than one international trip in 2-year period required to use Pakistan airlines.		x x
South Africa	Restrictions on cargo charter frequencies.	x	
Saudi Arabia	15-percent fee charged for approval of charters.	x	

a/CAB staff commented that this is not intended to be a complete list. Information on informal complaints is mostly based on complaints made subsequent to 1979. Some details added to CAB's description of complaints were based on information provided by airlines.

<u>Country</u>	<u>Complaint</u>	<u>Resolved</u>	<u>Unresolved</u>
North and South America:			
Canada	1.Restrictions on charter types and pricing; Canadian airlines given first refusal on flights originating in Canada.		X
	2.Canada fails to act on airline request to provide cargo service from San Francisco and Los Angeles via Chicago to Montreal and Toronto.		X
	3.Inadequate terminal arrangements in Toronto. Also restrictions on carrier logos, ticketing, and aircraft and groundhandling.		X
	4.Fuel tax on international flights gives Canadian airlines competitive advantage.		X
Argentina	Pricing restriction--failure to approve type of fare.	X	
Bolivia	1.U.S. carrier charged twice as much for fuel as national carrier.		X
	2.70-percent increase in overflight and other user charges.		X
Brazil	1.Excessive and discriminatory navigation charges.		X
	2.Charter restrictions on U.S. carriers from U.S. gateways that receive scheduled service by the Brazilian carrier.		X
Colombia	1.U.S. carrier charged 22 percent more for fuel than the national carrier.		X
	2.Lack of timely approval for cargo charters.	X	
Ecuador	Quotas imposed on the amount of fuel carrier can purchase and large penalties imposed if quotas are violated. National carriers not subject to quotas.		X
Mexico	1.Denial of scheduled U.S. carrier cargo services.		X
	2.Lack of timely approval for cargo charter flights.		X
Panama	Capacity restriction on type of plane and flight frequency.		X
Paraguay	U.S. carrier charged about 10 percent more for fuel than the national carrier.		X
Peru	1.Capacity restrictions on flight frequencies.		X
	2.U.S. carrier charged 130 percent more for fuel than national carrier.		X

<u>Country</u>	<u>Complaint</u>	<u>Resolved</u>	<u>Unresolved</u>
Peru	3. Government reportedly lax about collecting user tax from national carrier.		X
	4. U.S. carrier required to pay sales tax on ticket sales—carrier does not fly to country but maintains ticket office.		X
Venezuela	1. Capacity restrictions on frequencies of flights and numbers of U.S. carriers.		X
	2. Restrictions on advertising.		X
Europe:			
Ireland	Pricing restriction.	X	
United Kingdom	1. Unreasonable and discriminatory user charges.		X
	2. Discriminatory practice giving British carrier greater flexibility in payment of commission.	X	
France	1. U.S. carrier not permitted access to automated reservation system.		X
	2. Pricing restriction—U.S. carrier not permitted to offer free passage for travel agents.		X
	3. Pricing restriction—disapproval of U.S. carrier fare proposals.		X
Netherlands	Denial for U.S. carrier to pick up and discharge employees of the charterer (Arabian American Oil Company) between Amsterdam and Dhahran on a twice-weekly charter service between Texas and Saudi Arabia.		X
Italy	1. U.S. carrier not permitted to install and operate automated check-in and reservation system.		X
	2. U.S. carrier not permitted to perform ground-handling functions; national airline does this. Countless complaints from travelers about check-in and other groundhandling functions.		X
Germany	1. Computerized reservations system favored national carrier.	X	
	2. Pricing restrictions on introduction of low fares.	X	
Spain	Interference with U.S. carrier's arrangements with other airlines.	X	

<u>Country</u>	<u>Complaint</u>	<u>Resolved</u>	<u>Unresolved</u>
Portugal	1. Pricing restriction involving disapproval of fare schedule.		x
	2. Refusal to approve charter flights from New York.	x	
Poland/USSR	Refusal to accept wide-bodied U.S. carriers.		x
Scandinavia	Various policies deny U.S. charter carriers effective access and opportunity to compete with SAS.		x
Yugoslavia	En route navigation charges discriminate in favor of national carrier.		x
Asia:			
Taiwan	Currency remittance constraints, including excessive documentation requirements.		x
Korea	1. Discriminations in cargo movement and warehousing favors national carrier.		x
	2. Failure to provide promised cargo-handling facility.		x
	3. Ignored obligation to provide adequate cargo terminal space.		x
Japan	Restrictions on charter flight frequencies, and landings restricted to least desirable hours.		x

ADDITIONAL UNRESOLVED DISCRIMINATORY AND UNFAIR PRACTICES  
IDENTIFIED BY AIRLINES

<u>Country</u>	<u>Complaint</u>
Europe:	
United Kingdom	First refusal rights for cargo movements from United Kingdom given to British carriers. Foreign carrier also required to carry administrative burden of determining whether any national carrier wishes to operate the flight.
Italy	<ol style="list-style-type: none"> <li>1. Denial of reservations on domestic flights within Italy to passengers moving to and from Italy on U.S. carriers.</li> <li>2. Extra cargo flights run by designated carriers are treated as charter flights and first-refusal rights for those flights given to Alitalia.</li> <li>3. For cargo shipments destined beyond the gateway in Italy where customs clearances are required at the final destination point, it is necessary to place such shipments "in bond" for the sector from the gateway point of arrival to the inland destination point. U.S. carriers must pay between 6 and 8 percent of the value of the shipment as a bonding fee when transferring cargo to Italian domestic carriers. This fee is not recovered from the shipper or the consignee. Alitalia is not required to pay this bonding fee.</li> </ol>
Switzerland	<ol style="list-style-type: none"> <li>1. Pricing restriction on establishing rates that differ from those agreed to by the International Air Transport Association.</li> <li>2. Foreign cargo carriers prohibited from handling other carriers.</li> </ol>
France	<ol style="list-style-type: none"> <li>1. Charter cargo restriction--national carrier given first-refusal rights on all charter operations.</li> <li>2. Foreign cargo carriers' freedom to truck into, out of, and within France more limited than that of Air France.</li> </ol>
Germany	<ol style="list-style-type: none"> <li>1. Foreign cargo carriers prohibited from handling other carriers.</li> <li>2. German cargo carriers given first refusal rights on cargo movements.</li> </ol>
Belgium	First refusal rights on cattle charters given to national carrier.

<u>Country</u>	<u>Type of Complaint</u>
Asia:	
Japan	<p>1. Government-sponsored firms are exclusive agents for groundhandling and warehousing. Freight entering the warehouse must be sorted and counted, although groundhandling agent has already done this. Once recounted, the freight is carried by bonded truck to the off-airport Tokyo Air Cargo Terminal warehouse near Tokyo. Prior to being cleared for delivery, air cargo shipments are under the control of three separate handling/warehousing companies. This increased handling is not only cumbersome but leads to greater damage, theft, and loss of freight. Japan Airlines is not required to follow this procedure. The duplication of handling and the mandatory nature of the procedure creates delays and loss of a carrier's ability to control the movement of freight.</p> <p>2. Japan Airlines has the prime airport location, provides its own groundhandling services, and has full control of the freight from the aircraft to the warehouse. By avoiding the crowded facility that foreign airlines must use, Japan Airlines can offer customers a congestion-free warehouse, reducing transit and clearance delays.</p> <p>3. Overtime inspection services for perishables and live animals are not available.</p> <p>4. In 1978 all U.S. carriers were forced to move their Tokyo operations from Haneda Airport to Narita Airport. The cost of the move fell primarily on international carriers; the benefits went primarily to Japanese domestic carriers.</p> <p>5. U.S. carriers must pay an exorbitant "fuel throughput charge" at Narita; in 1978 the annual cost of this charge to one U.S. carrier alone was \$8.8 million.</p> <p>6. Japan imposes a "noise charge" on carriers which falls most heavily on 747 aircraft, used primarily by international carriers, despite the fact that these aircraft are quieter and operate further from Tokyo, than noisy, narrow-bodied, Japanese domestic jets using Haneda Airport.</p> <p>7. Japanese airport and airway user charges are excessive and discriminatory.</p> <p>8. Ramp services at Narita must be conducted by one or two exclusive agents; one is government controlled and noted for inefficiency and a noncompetitive attitude. The other is controlled by JAL. U.S. carriers cannot conduct their own ramp services.</p>

<u>Country</u>	<u>Type of Complaint</u>
Hong Kong	Air cargo control problems attributed to exclusive ground control and warehousing agents lead to delays in freight-handling and even lost freight.
Taiwan	Exclusive government sponsored cargo agents for ground-handling and warehousing results in problems with delays and loss of freight.
Korea	<p>1. The Korean Government exerts crude pressure on Korean firms and foreign invested firms to use its national airlines (KAL). The government allegedly implies to foreign firms that their relations with other Korean Government agencies will improve if they use KAL (relations do improve). KOTRA, a government association, reportedly visits firms abroad to spread the message "you have a plant in Korea; therefore, you should use KAL."</p> <p>2. Korea refuses to allow U.S. carriers to implement inter-line fares introduced by Korean Air Lines. This is contrary to the U.S.-Korea bilateral agreement.</p> <p>3. U.S. carriers are not permitted to accept Korean currency (won) from Korean nationals or nonresident foreigners in exchange for tickets or freight carriage unless a government license is granted. KAL can freely accept won. Only a few persons in Korea can obtain the licenses necessary to permit them to purchase tickets from foreign carriers.</p> <p>4. In spite of an agreement that provides for self-handling by U.S. carriers, attempts to construct a facility for such purposes have run into repeated obstacles to the extent that U.S. carriers are still unable to handle import shipments to Korea.</p>
South America:	
Peru	Government groundhandling monopoly--services much more expensive than if provided by carrier.
Argentina	Government groundhandling monopoly--services much more expensive than if provided by carrier.
Ecuador	Government groundhandling monopoly--services much more expensive than if provided by carriers.
Panama	Carrier required to pay user charges that government is lax about collecting from its national carrier

<u>Country</u>	<u>Type of Complaint</u>
Paraguay	<ol style="list-style-type: none"> <li>1. Carrier pays 3-percent gross sales tax from which national airline is exempted. Carrier also required to pay 5-percent tax on ticket sales and proceeds are used to support national carrier.</li> <li>2. User charges in Paraguay are excessive, and national carrier does not pay those charges.</li> </ol>
Guatemala	<ol style="list-style-type: none"> <li>1. A fine, ranging up to 10 percent of the value of the cargo, can be assessed against Guatemalan importers who use non-national flag carriers to transport their cargo if national carrier has an identical flight.</li> <li>2. National carrier pays no landing fees, fuel taxes, or airport rental and is generally free from taxes and charges paid by foreign carriers.</li> </ol>
Venezuela	Foreign carriers reportedly must pay export prices for fuel, while national carrier pays domestic prices. The differential is approximately 300 percent.
Mexico	Mexican carriers receive a 50-percent rebate on all landing fees. Mexico makes little effort to collect other types of user charges from its own flag carriers.
Middle East, Africa, and South Asia	
Pakistan	<ol style="list-style-type: none"> <li>1. Pakistan national carrier (PIA) may accept rupees for all travel, while U.S. airlines may accept rupees only from designated foreign nationals commencing trips in Pakistan. All other travel on U.S. airlines paid for in rupees requires written approval by the national bank. U.S. carrier is allowed to accept rupees from U.S. Government officials.</li> <li>2. Importers of goods into Pakistan can use the full value of their import licenses only if shipments moving on a "collect transportation charges" basis are made via PIA. If the shipment moves on a U.S. carrier, the foreign exchange for the payment of the transportation charge is deducted from the value of the import license. The net result is that Pakistani importers tend to purchase goods in countries to which PIA operates services and seldom if ever use U.S. carriers. This impediment is so serious that it amounts to a prohibition on carriage of imports by U.S. carriers.</li> <li>3. Remittance procedures are cumbersome and result in large bank balances in U.S. carriers' accounts in Pakistan, which are severely affected by devaluations. Various currency problems cost one U.S. carrier an estimated \$2 million annually.</li> <li>4. The Pakistan state bank has refused to allow interest-bearing accounts for U.S. carrier funds awaiting remittance.</li> </ol>

<u>Country</u>	<u>Type of Complaint</u>
India	<ol style="list-style-type: none"> <li>1. The purchase of air tickets with rupees in India requires government approval.</li> <li>2. Indians and residents going abroad for the first time are allowed to purchase a limited amount of foreign currency in India. If they fly on Air India, they are permitted to purchase over eight times as much currency as is permitted if they fly a foreign carrier. This has seriously affected U.S. carriers' individual and group traffic.</li> <li>3. Applications by Indian nationals and residents for foreign exchange for travel abroad are processed more expeditiously by the government if travel is on Air India.</li> <li>4. India's cumbersome exchange regulations hinder or prevent U.S. carriers' remittance of revenues generated in India. U.S. carrier applications for remittance must be supported by various items of information not always available before remittance is approved. Any sale not fully supported in accordance with specified informational items results in the blockage of that part of the carrier's bank account. As a result, U.S. carriers frequently have large bank balances tied up in Indian accounts.</li> <li>5. U.S. carriers can accept rupees only from "authorized individuals." Air India is not so bound.</li> <li>6. Reserve Bank of India requirements pertaining to travel are not uniformly applied. Documents are accepted from Air India that would be rejected and result in the blocking of funds if a foreign carrier presented them.</li> </ol>
Nigeria	National airline is exempt from paying landing fees.
Kenya	<ol style="list-style-type: none"> <li>1. Cumberseome procedures hamper remittance of revenues.</li> <li>2. The Kenya Central Bank will permit local purchases of airline tickets with Kenyan currency, but only if travel is on its national airline.</li> <li>3. National airline supervises all baggage and freight handling at planeside. If national airline and foreign aircraft arrive simultaneously, the national aircraft is unloaded first. National airline training flights are allowed to clog the runways and delay movements of foreign carriers.</li> <li>4. National airline receives preferential customs treatment.</li> </ol>

CountryType of Complaint

## South Pacific:

- |             |   |
|-------------|---|
| Australia   | <ol style="list-style-type: none"> <li>1. User charges are excessive (a single trans-Pacific 747 movement now costs around \$6,500), and, by Australia's own admission, are weighted against international carriers. These carriers are, in effect, required to cross-subsidize Australia's extensive domestic airport/airway system.</li> <li>2. Qantas' assessed landing fees are not collected by the Australian Government.</li> <li>3. Tenants at Sydney airport have been charged excessive rentals; past overpayments have resulted in well over \$1 million in unjustified rent being collected at Sydney.</li> </ol> |
| New Zealand | <ol style="list-style-type: none"> <li>1. Approval of all foreign charter requests is given only after the government first checks with national airline.</li> <li>2. New Zealand's airport/airway policy is to recover 110 percent of the "cost" of its airport/airway system as a means of financing future development.</li> </ol>   |
| Singapore   | National airline gets discounted aircraft parking rates at Singapore and receives a 75-percent rebate on landing fees for training and technical flights.   |