

6-1-1971

Aviation

C. E.B. McKenry

Follow this and additional works at: <http://repository.law.miami.edu/umialr>

Recommended Citation

C. E.B. McKenry, *Aviation*, 3 U. Miami Inter-Am. L. Rev. 379 (1971)
Available at: <http://repository.law.miami.edu/umialr/vol3/iss2/12>

This Report is brought to you for free and open access by Institutional Repository. It has been accepted for inclusion in University of Miami Inter-American Law Review by an authorized administrator of Institutional Repository. For more information, please contact library@law.miami.edu.

AVIATION

C. E. B. McKENRY
*Director, Center of Urban Studies
and Professor of Law and Management
University of Miami*

GUATEMALAN PROTOCOL

A conference held in Guatemala City and sponsored by the International Civil Aviation Organization has adopted a protocol to amend the Warsaw Convention. Two principal accomplishments are an increase in the airlines liability limit from the \$16,600 level established by the Hague Protocol to \$100,000, and a provision that the air carrier be held absolutely liable for injury or death of a passenger.

The protocol has been signed by 21 nations including the United States but will not become effective until formal ratification by 30 nations, 5 of which must carry at least 40% of the world's scheduled international air traffic.

AERIAL HIJACKING

Pan Am has sued the U.S. government and 14 insurance companies to recover for the loss of one of its Boeing 747s hijacked by Palestinian commandos and blown up September 6, 1970. Pan Am instituted the suit, not because coverage was denied but because the insurance companies could not agree on whether recovery was based on all-risk insurance or war-risk insurance whose coverages differ by \$400,000.

Late in February, Chile signed a treaty with Cuba which will establish regular air service between the two countries by May. It is expected that Mexico will terminate its present air service to Cuba in August, mainly because of Castro's refusal to return hijackers. The action by Mexico will make Chile the only country in this hemisphere with regular air service to Cuba.

Canada and Cuba have been negotiating a bilateral agreement which will provide for notification of hijackings and the apprehension and extradition of the hijackers.

In order to pay for anti-hijacking equipment and security personnel the Nixon administration is trying to get congressional approval of an increase in the passenger ticket tax from 8.0 to 8.5%.

IATA

IATA members meeting in Geneva have agreed to the implementation of a surcharge on international air passenger tickets effective November 1, 1971. The surcharge for all passengers will equal 1% of the economy fare up to a maximum of \$10. There will also be a surcharge on cargo equal to 2% of the total charge. Revenues from the surcharge will be used to help pay the increasing costs of en route navigation facilities. Such facilities, maintained at points between airports, include ground based navigation, communication, meteorological and traffic control aids. These facilities have previously been maintained by various governments which now are seeking to pass the costs along to the airlines. IATA estimates that charges for these facilities will be near \$50 million in 1971 and \$75 million in 1972.

Statistics just released by IATA indicate that 1970 was a year for growth in Atlantic traffic. While cargo was down 2%, member airlines showed a 20.6% increase in passenger traffic over the Atlantic, carrying over 8 million passengers in scheduled flights and an additional 1 million passengers on charter operations. And, further growth is anticipated. IATA member airlines are expected to carry a total of 265 million passengers and 7,740 million ton-miles of freight in 1971, increases of 10% and 15% respectively.

The International Air Transport Association has published the 38th IATA Bulletin covering the 26th Annual General Meeting in Teheran held in August, 1970.

ECONOMICS

The financial problems which beset the nation's airlines in 1970 are continuing into 1971. At a time when most airlines are having to make huge outlays to equip themselves with more modern aircraft, including the new wide-bodied jets mentioned above, traffic growth has been impeded by a depressed U.S. economy.

For the month of February, the nation's 11 trunk carriers and Pan American sustained an estimated 4.5-5% drop in revenue passenger miles from the same month a year ago. Probably the hardest hit is American Airlines, which last year suffered a loss of \$26.4 million and already has

reported losses totalling \$17.5 million for the first two months of this year. Also hard hit is United Air Lines, the nation's largest air carrier, which last reported a loss of \$23.9 million (its first loss since 1948). Thus far in 1971 United's traffic figures are running about 10% less than the 1970 statistics.

One of the major factors contributing to the decrease in traffic is the decline in business-related flights. Indicative of the decrease in business-related flying is the fact that there are far fewer privately owned jets flying these days. Because of decreasing business and profits and increasing operating costs of small to medium sized jets (about 30% over the past two years) many corporations have had to resort to leasing, chartering and even selling their jets.

Adding to the financial woes of the airlines is the growing number of forged and stolen airlines tickets. Last year an estimated 28,000 tickets were stolen from U.S. travel agencies and total airlines losses from ticket frauds totaled near \$6 million. United Airlines, which last year lost \$250,000 because of ticket frauds has installed a computer system which can check each ticket's serial number against a list of some 65,000 stolen tickets.

The financial difficulties of American air carriers are having far-reaching effects. In Montreal, United Aircraft of Canada, Ltd., a major manufacturer of aircraft engines with 80% of its output sold in the U.S. announced that it had laid off some 400 of its workers since the first of the year and is reducing the salaries of its 2300 office personnel.

Principal measures which have been and will be instituted by the industry in an attempt to combat the financial problem include mergers, new route awards, cost cutting by the airlines in the form of service and employment reductions, and fare increases.

MERGERS

Shareholders of American Airlines and Western Airlines have approved a proposed merger, a move which if approved by the CAB will make American the second largest commercial air service in the U.S. American anticipated strong opposition from Continental Airlines whose merger proposal was declined by Western. American has made it clear that the merger would be called off if the CAB took away Western's routes between Hawaii and the West Coast.

Following American's acquisition of Trans-Caribbean Airways the CAB on March 8 ordered the transfer of the latter's Caribbean routes to

American. Despite the heavy indebtedness which American assumed, it is hoped that the new routes will make the transaction a profitable one.

Northwest Airlines called off its proposed merger with Northeast when the CAB announced that the Miami-Los Angeles route previously granted to Northeast would not necessarily go to the proposed merged corporation. Other airlines, notably Delta, have indicated an interest in a merger with Northeast even without the Miami-Los Angeles route.

Though it will create virtually a monopoly, a CAB hearing examiner has recommended approval of the proposed merger of Hawaiian and Aloha Airlines. The examiner noted that Aloha is on the verge of collapse, that Hawaiian has reported losses for the past two years, and that competition between the two is economically unfeasible.

Mohawk Airlines has announced that it is discussing the possibility of a merger or an informal affiliation with Allegheny and North Central Airlines. Mohawk reported a loss of \$11.9 million in 1970 due in part to a pilot strike which began last November 12 and is only now nearing resolution. Mohawk has already begun to share facilities with Allegheny at certain airports.

NEW ROUTES

As evidenced above, one of the principal considerations in recent merger discussions has been the desire to acquire productive routes. In addition to seeking existing routes through mergers, various airlines have asked the CAB for new routes.

A CAB examiner has recommended that Delta Airlines be awarded a non-stop route between Chicago and Atlanta and another between Montego Bay and Kingston, Jamaica. If approved by the Board, Delta will have won out against competing applicants including Eastern, Northwest and Pan American and will realize new revenues of between \$5 and \$10 million annually.

In another decision involving Delta the U.S. Court of Appeals for the District of Columbia set aside the CAB award of a Miami-Houston route to Delta. But the Board is permitting Delta to continue service on the run pending further hearings.

Another CAB examiner has recommended that TWA be given permission to operate a non-stop service between Baltimore and Chicago. Presently TWA flights linking the two cities are required to begin or end

at Kansas City, Missouri, or a city further west. If awarded the route is expected to bring in \$5-10 million a year.

Subject to CAB approval a Board examiner has recommended a route realignment in Alaska which would give increased revenues to Alaska Airlines and Wren Consolidated Airlines in an attempt to improve the economic situation of the local carriers. If approved, the recommendation will involve suspension of the major routes currently being operated between Washington and Alaska by both Western Airlines and Pan American World Airways.

Out Island Airways in a letter to the CAB examiner has withdrawn its bid to serve Havana as an intermediate point between Florida and the Bahamas. The action was taken when it became apparent that the application in its original form would have been denied by the CAB. Since American citizens could not deplane in Cuba, the CAB made it clear that it could not grant authority to serve Cuba.

SERVICE SUSPENSION

In addition to trying to increase revenue by obtaining a more lucrative route, many carriers are attempting to cut costs by discontinuing or reducing service on unprofitable routes. For example, in February of this year United operated almost 24% fewer flights than the year before. At a recent authorized meeting by the CAB the 11 domestic trunk line carriers discussed diminishing service in 21 markets. Service reductions have also been requested on international routes. TWA, hoping to save \$638,000 annually, has applied to the CAB to suspend service to five overseas points including Algiers, Colombo, Dhahran, Tripoli, and Tunis. And Pan American, pointing out that last year it lost \$35 million in Latin America, has requested that it be allowed to suspend service to Paramaribo, Surinam, and Belem, Brazil, cities which Pan Am argues would be adequately served by other airlines currently competing with Pan Am in that market.

FURLOUGHS

In addition to decreasing the amount of service provided the airlines have also turned to decreasing their payrolls in an attempt to cut expenses. United Airlines has announced that it will furlough 100 stewardesses and 394 pilots in addition to some 2500 already laid off. And TWA has furloughed 50 flight crew members in addition to 295 released last year. In all some 12,000 persons were furloughed by scheduled airlines during 1970, but because of hirings in non-flight categories the total number of employees dropped only about 1% or 2500 persons. But despite the

furloughs and the many other steps taken by the airlines it has become apparent that the only way for the airlines to make profits in a year when huge capital outlays have combined with decreased traffic is through fare increases.

FARE INCREASES

Earlier this year the CAB authorized fare increases on international flights. The CAB granted Pan American, TWA, United and Western Air Lines an increase of \$6 for flights between the West Coast and Hawaii. The CAB also authorized fare increases for all regularly scheduled transatlantic carriers. The new transatlantic fares, which were established last year by IATA and became effective on April 1, have increased both economy and first class round trip fares by an average of \$30.

LOCAL CARRIERS

Financial problems have not been limited to the large trunk carriers. A recently released Department of Transportation study concluded that every U.S. local service carrier could foreseeably face bankruptcy. While the CAB assessed the judgment as extreme there is support for the DOT conclusion. Figures indicate that as of September, 1970 the 9 local service carriers had an equity of only \$130 million as opposed to total long-term debts of \$532 million.

In view of their financial problems the CAB has proposed subsidies to local carriers totalling \$58.6 million for Fiscal 1971, the first increase in subsidy payments since Fiscal 1963. The Board reasoned that the subsidy increase was the only way to avoid a further deterioration of service to small communities.

ADMINISTRATIVE

The financial problems of the airlines have prompted government interest in modification of the present regulatory system. Several proposals have come up before the Senate Aviation Subcommittee: the CAB intends to liberalize charter rules in order to strengthen the position of the supplemental carriers vis-à-vis the scheduled airlines; the White House has recommended that the ICC, CAB and Federal Maritime Commission be combined; and the CAB is reviewing a proposal which would give airlines greater freedom in setting fares in order to meet changing economic conditions.

In the House, Judiciary Committee Chairman Emmanuel Celler plans to introduce legislation aimed at establishing greater control over mergers,

particularly in government regulated industries such as railroads and airlines.

Government interest in airlines has not been limited to Congress; the executive department has also been formulating new ideas relating to the regulation of the air industry. As a result of a recently concluded study of air charter service, stemming from the Wichita State disaster, the DOT has recommended that all large aircraft be subjected to the same operational and maintenance standards regardless of the use made of the aircraft. Presently only large aircraft used for compensation or hire must meet the stringent requirements of Part 121 of the Federal Aviation Regulations, whereas corporate and private flight operations need only meet the requirements of FAR 91. The DOT recommendation, which is getting strong support from the FAA, CAB and NTSB, would make the type of aircraft and not its use determinative of which regulations apply.

The President's Science Advisory Committee has recommended that responsibility for the development of a refined air traffic control system be transferred from the FAA to the DOT. Operation of the ATC system would remain in FAA hands.

Currently under consideration in the government planned reorganization is the elimination of the DOT and the transfer of aviation regulatory agencies to an economic development department.

NOISE

Airport operators have asked the FAA to institute a mandatory retrofit program. The airlines have countered that given the state of existing technology, any effective measures taken to reduce noise would be prohibitively expensive. The FAA presently has no regulation regarding noise made by the current generation of commercial jet aircraft.

EXPORTS

The Commerce Department has projected record export sales in 1971 of \$4 billion for aerospace products, principally the Boeing 747 and McDonnell Douglas DC-10.

EDUCATION

The School of Law of Southern Methodist University in Dallas, Texas, is continuing its Master of Law program in its Institute of Aerospace Law. The Institute, created in 1967 offers courses in general aviation law, air labor relations and outer space law. A close association is maintained with the Journal of Air Law and Commerce.

AIRPORTS

Provisions of the 1970 Airport and Airways Development Act require that any project receiving aid through the act must protect and enhance the environment. As a result, implementation of many projects has been slowed because of protests by environmental groups. Foremost among these is the Everglades Jetport in South Florida which it is thought will be the first to get a planning grant under the Act for site selection. A related problem created by the act was indicated recently when the FAA announced that it is having trouble finding environmental specialists with a background in airport planning needed to implement the act.

The U.S. government has announced its intention to dispose of the FAA owned Washington National and Dulles International Airports. The two airports have been operating at a loss.

In compliance with the National Airport Plan of Venezuela, the new airport at Maiquetía was inaugurated on January 12. The airport has facilities for 747-Jets and Super DC 8-63s, and offers the latest improvements and services.

REVIEW OF CURRENT EQUIPMENT

From time to time this section of *Lawyer of the Americas* feels it appropriate to review for its readers the current status of major commercial aircraft. Accordingly, we have summarized the current situation on major equipment or proposed equipment, i.e. American SST, Concorde, Lockheed L1011, Douglas DC10 and Boeing B-747.

SST

Despite strong pressure from the Nixon administration and extensive lobbying by the AFL-CIO, the Air Line Pilots Association and other interested groups, Congress has voted to stop funds for United States SST development. Funding problems became apparent last December 3 when the Senate voted 52 to 41 to deny the Administration's request for \$290 million for continuance of the project. Then, early this year, opponents of the SST were successful in segregating the question of SST funds from the overall Department of Transportation budget of \$6.88 billion. While Senate opposition to the program was evident, backers of the program were surprised when the House voted 215-204 to deny the requested \$134 million to fund the program through June. On the day following the House vote the Senate Appropriations Committee restored the requested \$134 million but the Senate went on to vote 51-46 to discontinue government funding.

Probably the decisive question in the voting was the environmental question. Opponents of the SST in addition to the problem of sonic booms also had evidence that widescale use of the SST might result in a variety of undesirable side-effects ranging from an increase in skin cancer to long-range effects on climate. And while the Nixon administration accused SST opponents of creating unreasonable fears, it could not discount the possibility of adverse effects and could only say that more study was needed to ascertain just what the effects would be. And for the members of Congress, especially those who had recently been elected on platforms stressing ecological considerations, this present uncertainty regarding environmental side effects was enough to justify discontinuing the project.

Another influential factor in congressional minds was the question of government spending to develop a product whose profitability is uncertain. But cutting back on government expenses could not have been foremost in their minds. The government contract with both Boeing and General Electric (primarily responsible for the air frame and engines respectively) provided that in the event of government cancellation, the government would reimburse the two corporations for money invested. As a result, the actual cost to the government to discontinue the project will be slightly higher than the \$134 million requested to temporarily continue the project. Of course completion of the two prototypes would cost an estimated \$477 million, so that the government will save somewhere in the neighborhood of \$340 million. But in view of the fact that close to \$1 billion has already been invested, an investment which following cessation is comparatively worthless and the large number of people who will now be unemployed, the move to cut off funding, while saving money, is of questionable economic validity.

The total number who will be unemployed due to the cessation of the project will be large enough to affect the nation's economy, particularly in those cities where major contract work was being performed. Since March 25, when the government notified Boeing to stop work on the prototype airframe, over 3,000 layoff notices have been issued to Seattle-area employees with another 4,000 notices to come soon. Boeing expects total employment in the Seattle area to be near 30,000 by year's end, down some 70% from the 100,000 plus employed there in mid-1968. General Electric, the prime engine contractor will lay off an estimated 1,600 workers because of the project's termination. In all a total of 10,500 employees of contractors and subcontractors will be out of work and a ripple effect leading to layoffs in areas indirectly related to the project is likely to bring the total number of persons laid off due to cancellation close to 30,000.

In the wake of the congressional action various possibilities for alternate financing were suggested but it is highly unlikely that the project will get financing from another source. It is felt that the additional \$477 million required to complete development of the prototype is too high and that the risks of completing a profit-making craft are too great for the needed funds to be forthcoming from banks or from the industry itself. And while a bill has been introduced in the House which would authorize the sale of bonds by a private corporation which would be guaranteed by the federal government, given present congressional sentiment, such a bill stands little chance of gaining the needed support. Finally West German and Japanese corporations have expressed interest in obtaining plans for the SST thus far completed and it is rumored that a Japanese corporation has offered to pay the U.S. government ten cents on the dollar in order to purchase rights to what has been developed to date. But neither of these developments would lead to further development of the program on American soil.

American carriers still interested in obtaining the supersonic transport will have to purchase the aircraft from either Russia or the Anglo-French combine which has built the Concorde. The Russians have indicated their interest in obtaining a U.S. market for their TU 144 by running advertisements for their version of the SST in U.S. aerospace publications. And the continuing interest of American air carriers in the Concorde is evidenced by the fact that delivery positions on 38 of the first 74 Concorde produced are held by U.S. airlines.

CONCORDE

British Aircraft Corporation and the French Societé Nationale des Industries Aérospaciales have built two prototypes which have already flown at speeds in excess of Mach 2.0. Both prototypes were grounded through the month of February for modifications after a ramp unit tore loose from the prototype and damaged an engine. But both are again flying and nearing completion of a flight test program calling for about 550 flight hours for each craft. When the Concorde goes into full production the makers are planning on selling the aircraft for \$23.8 million each, 2.5-3 times the cost of a Boeing 707. It is thought that operating costs, and hence fares, will be about one-third more than the 747.

While there is nothing that can be done about the problem of the sonic boom, Rolls-Royce and Sneema, makers of the Olympus engine which powers the Concorde, are optimistic about reduction of noise. By the time the Concorde enters service the engine manufacturers are hopeful that it will be at least as quiet as the Boeing 707 or the McDonnell Douglas DC-8.

The day after the House voted to cut off funding for the American SST, the Senate unanimously passed a bill forbidding supersonic flight over the U.S. mainland. The bill was originally designed to ease the fears of environmentalists regarding sonic booms. But if passed by the House the bill will be applicable to both the Concorde and the Russian SST.

Shortly after the Congress cut off funding for the American SST the builders of the Concorde asked U.S. airline customers to delay exercise of their options by a reported 6 months. It is not clear whether the delay is the result of new production problems but if there are any problems with either production or finances, they will probably come to light in a meeting regarding the Concorde scheduled for April 22 between British and French cabinet officials.

LOCKHEED

On February 4 Rolls Royce Ltd., the corporation which has the contract for producing the engines for the Lockheed L1011 Tri-Star, went into receivership. The British government then nationalized the corporation. Estimating that it would cost from \$144-\$288 million more than originally estimated to supply Lockheed with 540 RB-211 engines for the Tri-Star (\$1,160,000 per engine rather than the estimated price of \$850,000), the British government offered to donate \$144 million if Lockheed would assume any bills in excess of that amount. In view of its own financial problems, Lockheed was not wholly satisfied with the British offer and began considering use of either Pratt and Whitney or GE engines for the Tri-Star. Use of either of the American-made engines would involve an additional cost of \$50-100 million for modifications of the aircraft. The United States government through Secretary of the Treasury John Connally then began to take an active part in the negotiations between Lockheed and the British government. Lockheed has spent an estimated \$500 million on development of the Tri-Star and currently owes an additional \$350 million to banks who have provided much of the financing. The U.S. government feels that if the L1011 program were to collapse there is a good chance that Lockheed will go into bankruptcy, and given the fact that Lockheed is the largest U.S. defense contractor, U.S. interest in the success of the Tri-Star is not surprising.

There are several factors which are influencing Lockheed to try to stay with the Rolls-Royce engine. A switch to the American-made engines would involve costly changes in design and would further delay production which is already far behind schedule. Then too if the RB 211 engine were

dropped, there is good possibility that British Air Holding Ltd., which currently accounts for 50 of the existing 178 orders for the Tri-Star, would cancel its orders, an event which could in itself mean the end of the airplane and Lockheed.

Delta Airlines, one of the three major customers for the Tri-Star (Delta has an order for 24 of the jets), has announced its intention to purchase 5 DC-10's from McDonnell Douglas Corp. While not cancelling its order for the Tri-Star, Delta's move put additional pressure on Lockheed to settle its engine problems quickly and influenced other major carriers with large orders for the Tri-Star (such as Eastern with 37 orders) as well as those carriers such as Braniff and Pan American which have not decided between the L1011 and the DC-10.

A factor which may influence the airlines to chose the DC-10 is that it is much further along in development. There are now 4 DC-10s flying with a total of some 600 hours, while there are only two Tri-Stars with about 100 hours of flight time. Finally the DC-10s GE engines have over 7600 hours of testing with no major problems, whereas it is not definite yet what engine the Tri-Star will use. Lockheed's problems with the Rolls Royce engine were complicated when 5 completed engines were seized under court order by Whittaker Corporation which claimed that the British corporation had not paid for \$800,000 worth of nickel used in the RB-211s

But short of outright collapse of the Tri-Star program there is little likelihood of an outright cancellation of existing orders. Airlines currently having orders for the plane have advanced an estimated \$220 million towards its development and can ill afford to lose so sizeable an investment.

The most recent development was the announcement that Lockheed has reached tentative agreement with the British government regarding the cost-overruns in the production of the RB-211. Although the terms of the agreement have not been announced it is fairly certain that Lockheed has agreed to pay somewhat more for each engine than the original contract price (estimated at \$850,000). Since announcement of the tentative agreement Lockheed has been meeting with the various airline customers for the Tri-Star and with its own bankers, apparently in an attempt to pass on some of the increased cost of the engine. While acceptance of the proposal by the airlines is not assured there is one short-range benefit. The U.S. government had made it clear that if Lockheed were to collapse it could not guarantee the British investment unless the engine price issues were resolved. In the event that U.S. airlines do not agree to the tentative proposal, it will now be possible for the President to consider the possibility of the U.S. government guaranteeing U.S. bank loans and British investment in further production.

If customers of the Tri-Star agree to the latest proposal, Lockheed has announced that it will be able to begin deliveries of the airbus in April, 1972, five months later than originally agreed. The late deliveries will not cost Lockheed anything since "excusable delay" clauses in Lockheed's contracts with the airlines should avoid any possibility of penalty payments.

Despite all its problems with the Rolls Royce engine Lockheed is moving ahead with its test program for the L-1011. It is currently operating two flight test aircraft with the Rolls engines and has 10 more flight rated Rolls engines at its flight test facility.

The Tri-Star is not the only aircraft causing Lockheed financial problems. Lockheed's production of the C-5A jet transport has also run into cost overruns above the contract ceiling established by the government. Lockheed, while at first considering litigation to force government reimbursement, has reluctantly agreed to absorb a \$200 million loss in the development and production of the big Air Force transport. And to make matters worse, the West German Air Force announced that it was switching from the Lockheed F104 Starfighter to the McDonnell Douglas F4E Phantom. West Germany has been Lockheed's largest customer for the fighter and the new order from McDonnell Douglas is valued near \$1 billion. Although other reasons for the switch were cited as well, it is likely that one factor which influenced the Bonn government is that 136 Starfighters have been lost in crashes in recent years.

DC-10

A competitor of the Lockheed L-1011 is the McDonnell Douglas DC-10. There are now 4 DC-10s involved in the flight test program. Four more of the large jets are undergoing final functioning checkout and an additional three are nearing completion. McDonnell Douglas now has 238 orders and options for the jet (about 60 more than the Lockheed L-1011) but poor financial conditions have led to some cancellations. United Air Lines has canceled some of its orders and American Air Lines failed to exercise 15 of its options in 1970. While National Air Lines has firm orders for 11 of the wide-bodied jets, it has announced its intention to let at least three of its remaining six options expire.

747

Generally the public has not taken to the large jet as readily as had originally been hoped. On routes where the 747 is flying in competition with the 707 there has been no marked difference in preference for the

larger aircraft. American Air Lines has reconfigured two of its eleven 747s to include a coach passenger lounge and various other space-consuming modifications. The redesigned interior will seat 305 passengers rather than the original number of 342. American announced that it had been filling only about 30% of the seats on the jet and could sacrifice some seating capacity in an attempt to attract more of the flying public.

INTERAMERICAN AVIATION LAW CONFERENCE

The 8th Inter-American Aviation Law Conference was held in Miami, Florida, April 28, 29, 30, sponsored by the Law Center of the University of Miami School of Law with the co-sponsorship of the University of Panama. Featured presentations were made by Mr. Leroy H. Wilcox, Senior Vice President of Parker & Co. International, Inc. on the subject of Airline Insurance; Mr. Frank A. Cardman, Director of Security for Pan American World Airways, Inc. spoke on Airline Security; Dr. Alvaro Bauza Araujo, Attorney and Professor of Law, Uruguay, on the subject of Ibero-American Aviation Policies, and Dr. Julio Cesar Morales Saenz, Attorney at Law, Panama, covered the Projected Aviation Code of Panama. There were over 75 participants from throughout the Western Hemisphere and Europe.

An added feature of this year's conference was the presentation of the AUGUST PENA Award to Messrs. James Usich and Douglas Spring, graduate students at the University of Miami School of Law. These students were recognized for their contribution to international aviation through their writings in the *Lawyer of the Americas*. The August Pena Award honors August Pena, a leading personality in the field of aviation in the Americas. The award has been established in perpetuity by Parker and Co., International Inc.