

A RESOLUTION

Condemning Continental/Air Micronesia for unfairly increasing its airfares and reducing service to and within the Federated States of Micronesia and the Trust Territory.

1 WHEREAS, Continental/Air Micronesia has increased its air fares within
2 the Federated States of Micronesia; and

3 WHEREAS, Continental/Air Micronesia increased its Japanese route fares
4 by a much smaller percentage than it increased the fares for the rest of its
5 operations; and

6 WHEREAS, Continental/Air Micronesia has become heavily committed to
7 providing air service to transport tourists at low fares between Japan and
8 Saipan-Guam, with the result that it has abandoned frequent and well managed
9 air service on the remainder of its routes; and

10 WHEREAS, the original commitment of Continental/Air Micronesia to the
11 Trust Territory Government was to provide quality air service to Micronesians;
12 and

13 WHEREAS, Continental/Air Micronesia appears to be ignoring its original
14 commitment in order to expand its South Pacific and Asia service beyond
15 Micronesia and is currently using Micronesia only as a stepping stone to
16 more lucrative markets; and

17 WHEREAS, the Micronesian governments have consistently assisted Conti-
18 nental/Air Micronesia in its attempts to get additional Japanese routes
19 based on Continental/Air Micronesia assurances that additional routes would
20 mean better service within Micronesia; and

21 WHEREAS, quality and frequency of Continental/Air Micronesia service in
22 Micronesia is declining rapidly at the same time that fares are increasing;

1 now, therefore,

2 BE IT RESOLVED by the Congress of the Federated States of Micronesia,
3 Second Special Session, 1980, that the Congress condemns Continental/Air
4 Micronesia for unfairly increasing its air fares on its Federated States
5 routes; and

6 BE IT FURTHER RESOLVED that the Federated States of Micronesia refrain
7 from assisting Continental/Air Micronesia from obtaining additional service
8 to Japan until such time as it may be shown that Continental/Air Micronesia
9 intends to consider its Micronesian commitment to be more important than
10 its desire to provide service to Japan; and

11 BE IT FURTHER RESOLVED that certified copies of this resolution be
12 transmitted to the High Commissioner of the Trust Territory of the Pacific
13 Islands, to the President of the Federated States of Micronesia, and to the
14 President of Continental/Air Micronesia.

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16 Adopted: February 7, 1980

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