

Air Transport Association Calls on Congress to End Rampant Oil Speculation

2008-06-18

U.S. Airlines Face \$7-13 Billion Loss for 2008 - on Par With Worst Financial Year Ever

The Air Transport Association of America (ATA), the industry trade organization for the leading U.S. airlines, today testified before the Senate Committee on Agriculture Nutrition and Forestry and Appropriations Subcommittee on Financial Services and General Government on the crisis facing the airline industry resulting from record-high jet fuel prices. ATA also called on Congress to act now to impose common-sense measures to ensure transparency and reel back the overwhelming odds now favoring index speculators and institutional investors, particularly those trading on foreign exchanges.

"The impact of these unprecedented jet fuel prices on the airlines is devastating and airlines may see 2008 losses nearing \$10 billion, on par with the worst financial year in aviation history," ATA President and CEO James C. May said. "This year, airlines will spend more than \$61 billion on fuel, slightly more than the total fuel bill combined for the first four years of this decade."

May explained the inextricable link between the nation's economy and the air transportation system and noted that if airlines continue to spiral downward, so too will the nation's economy. Already more than 14,000 airline jobs have been eliminated and 100 communities have lost scheduled air service, with more job losses and service cuts inevitable. If oil prices continue their upward path, potentially 200 communities could lose all scheduled air service.

May stressed to Congress the importance of urgent, critical oversight by the Commodity Futures Trading Commission over the energy commodity futures market to curtail excessive oil speculation.

"Leading economic and commodities experts around the world believe crude oil prices today are unnecessarily high and distorted due, in large part, to market manipulation and excessive speculation," said May. "We are asking for Congress to take steps now - not 60 to 90 days from now - to totally close the loopholes and make the market more transparent and balanced, to ensure a level playing field for all." May concluded, "If Congress does not act soon, this country will not have a viable airline industry."

ATA airline members and their affiliates transport more than 90 percent of all U.S. airline passenger and cargo traffic.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33153.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html