



AMERICAN AIRLINES

CABLE ADDRESS AMAIR

REGIONAL OFFICES

AMON CARTER FIELD • FORT WORTH, TEXAS

24 December 1953

Mr. Amon Carter, Sr.
Fort Worth Star-Telegram
Fort Worth, Texas

Dear Mr. Carter:

After you told me a few days ago that there was a question concerning air express rates as between Fort Worth and Dallas, with an apparent advantage for Dallas, as quoted in Dallas papers, I immediately asked Mr. D. D. DeWeese, our Regional Manager of Cargo Sales, to make an investigation.

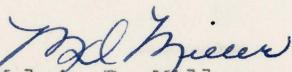
Mr. DeWeese did so and at my request gave me a report. I think that he has already talked with the Fort Worth Chamber of Commerce about this matter, and you perhaps already have the information, but I still want to give you a copy of what he reported to me.

The newspapers in Dallas indicated that Fort Worth suffered rate-wise as compared to Dallas in airfreight. Our investigation indicates that this was not a rate differential but merely a differential in the delivery services which are performed in both of the cities on a drayage basis.

Mr. DeWeese's report to me states the case more clearly than I could state it, so I am using his statement as a report to you.

If there is any further question in this matter, I shall be anxious to make a further investigation.

Sincerely yours


Melvin D. Miller
Regional Vice President

MDM/ew
cc: Mr. M. H. Huffman, Fort Worth
Attachment

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December 15, 1953

M. D. Miller - ACF

Regional Manager Cargo Sales - ACF

Comparison of Drayage Rates - Fort Worth and Dallas

With regard to the recent article that appeared in the Dallas Morning News, comparing the higher costs for Fort Worth shippers with those of Dallas, it must be noted that this article - even though it has led a great many people to believe that they are discussing airfreight rates - is based only on our local drayage rates - namely, the service that is used by all airlines serving a city to pick up or deliver the air shipments in that local area.

As far as airfreight rates are concerned, as you know, the airfreight rates between Dallas and Fort Worth and all of the cities on American's system are joint, i.e., identical.

The figures and percentages mentioned in the newspaper article are correct. It is true that the drayage rates in Fort Worth are higher than they are in Dallas and, for your quick reference, I list below all of these drayage rates:

	<u>Minimum Charge</u>	<u>Rates Per 100 Lbs. for Volume Shipments</u>				
		<u>100 Lbs.</u>	<u>2500 Lbs.</u>	<u>5000 Lbs.</u>	<u>10,000 Lbs.</u>	<u>15,000 Lbs.</u>
FTW	\$1.25	.55¢	.45¢	.40¢	.35¢	.30¢
DAL	\$1.00	.40¢	.29¢	.23¢	.20¢	.16¢

There are two reasons why the Fort Worth rates are higher than those of Dallas. First, the difference in distance between the downtown pick up and delivery area is probably the largest contributing factor because, as you know, it is roughly 19 miles from downtown Fort Worth to Amon Carter Field whereas it is only 7 miles from downtown Dallas to Love Field. We have found, in negotiating with our drayage contractors that this distance - because it means additional operating expense of the vehicle used as well as higher payrolls due to the driver consuming more time in covering the distance - is a very heavy contributing factor when rates are fixed. The second contributing reason is the fact that Dallas has a much greater volume - both in and outbound - than does Fort Worth and, by virtue of this volume, their cost per shipment is less.

While I do not have the actual statistics, I think it is safe to say that at least 85% of the airfreight shipments that are handled by the drayage contractor move at our minimum charge. This means that the Fort Worth shipper or consignee is only paying 25¢ more than the Dallas shipper or consignee. Probably 10% of the total shipments move at the 100 lb. rate which means that the Fort Worth shipper is only paying 15¢ more than the Dallas shipper. I think it would be very liberal to estimate that 5% of the shipments would be 2500 lbs. or more as, in most cases, when we do have shipments as large as this and, as I am sure you appreciate, they are very limited, the shipper either delivers or picks up the shipment from the airport in his own vehicle.

M. D. Miller
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A comparison of the drayage charges in Fort Worth with other cities of the same size, with the same volume, indicates that Fort Worth's rates are in line and, while we would like to see them lower, Air Cargo, Inc., who negotiates these contracts subject to all of the local airline's concurrence, has been unable to provide a drayer who could give us the same type of service at rates under those that are now quoted.

Dall DeWeese

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