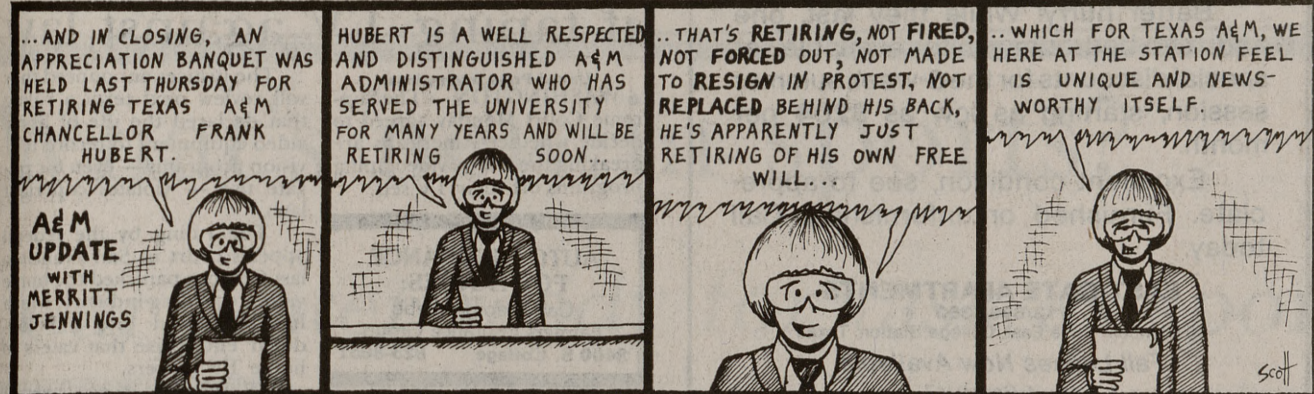


Warped

By Scott McCullar



High court steers clear of helium-pricing dispute

United Press International
WASHINGTON — The Supreme Court Monday steered clear of a multimillion dollar business dispute involving the value of helium — the colorless gas best known for inflating balloons and changing the pitch of a person's voice.

The justices refused to hear arguments in a highly complex, 20-year-old series of cases, focusing on the amount of money that must be paid to individuals and companies owning or leasing parts of the Hugoton-Panhandle Gas Fields in Texas, Oklahoma and Kansas.

Natural gas produced in the Hugoton region contains about 99 percent of the nation's recoverable supply of helium.

Helium is a noncombustible gas used to blow up balloons because it is lighter than air and makes them float. When inhaled, it briefly changes a per-

son's voice to a strange — and often humorous — high-pitched tone.

But the gas has more serious applications in various industrial processes. It is valuable to industry because it has the lowest known boiling and melting points of any element.

It is used in arc welding, growing crystals of silicon and germanium for semiconductors, and in refining titanium and zirconium metals. It also is mixed with oxygen in the air tanks of deep-sea divers to reduce the risk of getting "the bends."

Crude helium is contained in natural gas found in the Hugoton area. It is separated by liquefying the natural gas after it is taken from the ground — a key factor in sparking the current cases before the high court.

In order to conserve the resource, which would otherwise be lost in the refining and burn-

ing of natural gas, Congress passed the Helium Act Amendments of 1960. Under the measure, the federal government contracts with various natural gas refining companies to extract and purchase of helium.

The contract price for helium was based on government estimates of the cost the government would incur if it built and operated helium extraction plants. Because of the urgency in initiating the 1960 helium conservation program, federal officials did not make extensive checks to determine what interests landowners and producers in the Hugoton region might have in the commingled helium.

When the Helix Companies began extracting helium from the Hugoton natural gas for sale to the federal government, several landowners and companies in the three states filed suit in 1962, seeking reasonable com-

ensation for the value of the "commingled helium" taken from their gas fields.

A federal district judge initially found the reasonable value of the helium ranged from 60 to 70 cents per thousand cubic feet. In later litigation, using a different method of economic analysis, a separate court set the reasonable value for commingled helium at \$11.76 to \$16.98 per thousand cubic feet.

Later still, a federal judge used revised calculations to put the value at \$3 per thousand cubic feet. In the most recent decision in the dispute, the 10th U.S. Circuit Court of Appeals in Denver concluded that \$2 per thousand cubic feet is the minimum payment that should be paid to companies that lease the Hugoton fields.

The landowners and helium companies appealed that ruling to the Supreme Court.

Analysts say other airlines to avoid 'Braniff syndrome'

United Press International
WASHINGTON — When Braniff Airways collapsed last month, there were looks of concern within the troubled industry at other carriers experiencing similar financial problems.

Now, however, analysts are beginning to detect signs of improvement in the industry, which suffered its worst year in history in 1981, and say Braniff's demise might actually help contribute to an eventual upturn.

Braniff's old routes are being divided among other airlines. And those that had competing routes have an incentive to raise their fares from the half-price tickets the Dallas carrier was selling in its final days.

In addition, air travel is beginning to pick up and three particularly troubled airlines have managed, through various means, to improve their corporate health.

"The traffic's been pretty good and year-to-year comparisons are noticeably better," said Wolfgang Demisch, a financial analyst with the Wall Street firm of Morgan Stanley. "Generally speaking, the traffic numbers are quite encouraging."

In 1981, airline ticket sales dropped 5 percent, or about 20 million, from the previous year. That was attributed, at least in part, to the nation's nagging recession.

Also that year, America's 12 major airlines, battered by reduced business and soaring fuel costs, reported operating losses of more than \$558 million. The number of employees for these firms dropped by 39,000 from recent highs.

Last year also was marked by

the strike and subsequent firings of 11,400 federal air traffic controllers. As a result, the government limited operations at 22 airports.

The past four years have been fraught with problems, but the industry is anticipating a turnaround soon, provided, of course, that the overall economy picks up.

Demisch said besides increased air traffic, the industry also needs to impose higher fares. He said deep price cutting has begun to slack off, but not enough to provide adequate compensation.

"All considered, I have to say that things may not be getting any worse, but I don't see that much evidence that things are getting sharply better," he said. "I'd like to see higher fares but I'm not seeing much of that yet."

But there has been other movement.

One of the carriers that most concerned analysts, World Airways, recently announced it was expanding its Washington-London-Frankfurt service due to increased demand.

Another, Western, said it has reversed its sagging fortunes and will likely be profitable in the second quarter. A third, Republic, is on the way to rescheduling its huge debt load.

The industry's problems can be partially traced to the government's decision in 1978 to lift its controls over fares and routes.

Most observers, including former Civil Aeronautics Board Chairman Marvin Cohen, attributed Braniff's collapse to over-expansion following deregulation.

"I don't think that means deregulation has failed or is bad

for the country," he said.

Alfred Breath, 41, of Dallas, has another view. Last month he was a Braniff pilot. Now he is one of 5,000 unemployed airline pilots nationwide. He flies occasionally for a private company.

Breath does not see much hope of getting another job soon, noting, "My neighbor across the street is about to get furloughed with Continental."

The Air Transport Association, however, sees some hopeful signs.

"In any cycle, it is difficult to identify the precise point of the trough at which trends change direction and start moving upward," said ATA Senior Vice President George James. "But certainly there is reason to believe that the airlines are near that trough point."

He noted inflationary pressures have been reduced and most business economists are anticipating a resumption of real growth in the gross national product in the latter part of 1982 or early 1983.

Attention All Students:

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