

line operators. In the past, cargoes were booked to the commercial carriers following conferences with operators' associations at rates established by the operator groups. Under the new system competitively established rates for North Atlantic routes were 14 percent lower than the prior conference rates. Comparable savings have not as yet been achieved for the Pacific routes.

MILITARY TRAFFIC MANAGEMENT AND TERMINAL SERVICE (MTMTS)

MTMTS was created on February 15, 1964, under a DoD charter which states "The purpose and objectives of this assignment with respect to DoD military traffic, land transportation, and common-user ocean terminals are:

To eliminate duplication and overlapping of effort between and among Military Departments, Defense Agencies, and other components of DoD.

To improve the effectiveness and economy of these operations throughout the DoD.

To insure that the approved emergency and wartime requirements of the DoD are met."

MTMTS has eliminated overlapping and duplicating functions by taking the following actions:

It has converted some 15 unilateral or bilateral military ocean terminal organizations to four common-user terminals under MTMTS control.

It has converted 15 military departmental elements at aerial ports of embarkation to seven Military Air Traffic Coordinating Offices under MTMTS control.

It has eliminated five Defense Traffic Management Service Regional Offices and established two MTMTS Area Headquarters for CONUS traffic management and terminal command control.

Economies have resulted from these actions. The MTMTS cargo workload has increased 150 percent since 1965, but the number of people it employs has risen only 12 percent.

MILITARY AIRLIFT COMMAND (MAC)

Since the establishment of the single manager for airlift services, significant improvements have been made in management efficiency and cost effectiveness. MAC has increased airlift effectiveness and fostered the development of an expanded civil reserve air fleet program to provide flexible expansion of augmentation airlift from commercial carriers to meet defense needs. In 1965, MAC flew 120,000 tons of cargo to South Vietnam. In 1966 this tonnage increased 150 percent to 300,000 tons.

During the past year progress has been made toward the goal of providing direct through-plane airlift service from the point of cargo generation in CONUS to the overseas destination. With the introduction of the C-141 aircraft, MAC has been able to initiate direct service to point within South Vietnam from aerial ports on the east coast and in Texas as well as from the normal west coast ports. This new operational pattern has resulted in both improved operational effectiveness and cost savings. These C-141 aircraft operating from east coast