

(c) Mr. Matthew Paolo, Director of the Bureau of Accounts, has direct operational responsibility over the accounting, reporting, and auditing activities while Mr. Edward Margolin, Director of the Bureau of Economics, is responsible for the economic activities.

Mr. PAOLO. Mr. Chairman, this activity is generally in the supervision and analysis of carrier accounting and statistics.

The principal functions relate to developing, interpreting, and updating uniform systems of accounts which the Commission prescribes for the several modes of transportation.

We also develop and prescribe reporting systems by which we require the carriers to report financial and operating data to the Commission.

In addition, we audit and examine accounts, records, reports, and financial statements of the carriers to see that they are accurate and in compliance with our accounting regulations.

We also compile and publish financial and operating data of the industry for the Commission and the public use.

Another activity involves the evaluation of pipeline operating property for ratemaking purposes.

The last function, an important function, is the economic, mathematical and statistical analyses of many of the important facets of transportation for use by the Commission.

We have a staff of some 207 people doing this work. Approximately 120 of that staff are professionals, including accountants, auditors, engineers, economists, mathematicians, and statisticians. Sixty-five of our accountant-auditors are in the field examining and reviewing the records of the carriers.

I believe that basically explains very briefly the functions of this activity.

Mr. BROOKS. It is a good explanation. Apparently, you do a good bit of work that is of real benefit to carriers in evaluating what their costs are, what their profits are, where they are spending their money, and at the same time you can then compare those with other operators in overall statistics of benefit both to the public and to the transportation industry.

Mr. PAOLO. This is correct.

Mrs. HECKLER. Do you receive the financial reports from the carriers?

Mr. PAOLO. This is correct.

Mrs. HECKLER. Are they submitted according to a unified procedure?

Mr. PAOLO. Yes. We have formats for periodical reports such as quarterly reports of revenues and expenses, wage statistics and commodity statistics, and our annual report is a very comprehensive report of the entire operation.

It not only includes financial data but much statistical data. It gets into operations, the car miles; it gets into a number of areas, the number of units of equipment and the miles they operate; things of this nature.

Mrs. HECKLER. How much of this was put on ADP?

Mr. PAOLO. As Chairman Tierney explained we are working very hard in this area. Most of it now has been put on ADP. We are working on it very diligently.

Mrs. HECKLER. Are the financial reports of carriers put on ADP?

Mr. PAOLO. Yes, particularly in connection with the accumulation of this data for publication purposes and for analyses purposes. We make certain analyses through the computers.