

another was entitled "Report on Review of Management of Selected Field Operations, Interstate Commerce Commission."

71. If so, to what extent have the recommendations contained in these reports been carried out?

All of the major recommendations contained in these reports have been implemented or disposed of in a manner acceptable to the GAO. Insofar as we are aware there are no items outstanding in such reports that require further action.

II. QUESTIONS ON AGENCY OPERATIONS AT THE PROGRAM LEVEL

Program No. 1.—Regulation of Carrier Rates, Practices, Operating Authorities, and Finance

1. What is the nature of and authority for this program?

This program, basically regulatory in nature, involves the formal economic regulatory functions of the Commission and is divided into three major categories: the regulation of rates, services, and related practices; the licensing of new operations; and the approval of certain carrier financial transactions. The Commission's jurisdiction and authority in these areas is spelled out in the Interstate Commerce Act and related acts (49 U.S.C. sec. 1, et seq.).

In the rate area, the proceedings, generally, involve the rates, fares, charges, and practices of rail carriers, express companies, pipelines (other than gas and water), motor carriers, water carriers, and freight forwarders, and the granting of relief from the antitrust laws to carriers party to collective ratemaking agreements. In addition, proceedings are handled which arise under a number of miscellaneous provisions of the Interstate Commerce Act and other related acts, such as the Railway Mail Service Pay Act.

Some of the more difficult proceedings in this area which require large expenditures of time and manpower are those where the carriers themselves are unable to agree on the manner in which their joint rates should be divided; the general rate increases of all modes of surface transportation; grain rates, port equalization proceedings; controversies involving intermodal competition; compensation to be paid railroads for transporting mail; and approval by the Commission of proposals by the Postmaster General to change the rates on postage, zone or zones, and the conditions of mailability of parcel post.

Our licensing activities stem from the statutory requirements that motor carriers, both common and contract, water carriers, freight forwarders, and brokers must obtain appropriate authority before instituting new interstate operations. In addition to the applications for operating authority, this area includes applications for exemption from economic regulation; investigation proceedings looking to the prescription of rules and regulations governing operations of such carriers, formal complaints and investigations concerning failure of carriers to comply with the provisions of the Interstate Commerce Act or any requirements established thereunder with respect to operating practices; the suspension, change or revocation of certificates, permits, and licenses; and the granting of temporary authorities for motor carrier service.

Motor carrier applications seeking new operating rights represent a substantial portion of the entire program. The motor carrier area of the work continues to show phenomenal growth as the need for further extension of motor carrier service keeps pace with the expanding national economy.

With respect to the regulation of carrier financial transactions, the finance area includes applications, investigations and complaints involving rail carriers, motor carriers, water carriers, and freight forwarders under various sections of the Interstate Commerce Act. These proceedings primarily involve permissive applications for authority to construct, acquire, or abandon lines of a railroad or the operation thereof; proposed discontinuances or changes in the operation by railroads of trains or ferries; approval for motor carriers or water carriers to enter into contracts and agreements for the pooling or division of traffic and earnings; authority for railroads, motor carriers, water carriers, or freight forwarders to consolidate, merge, transfer ownership, or acquire control of carriers, and, when directly related to such authority, the granting of certificates or permits to motor carriers in connection therewith; authority to issue securities or to assume obligation and liability with respect to securities of others; authority to sell securities without competitive bidding; authority to alter or modify outstanding securities and obligations; authority to hold the position of officer or director of more than one railroad; and formal investigations concerning possible violations of the act relating to the foregoing subjects; and under the provisions of the Uniform Bankruptcy Act, approval of plans of reorganization, submission