

the evidence warrants formal action before the Commission or in the Federal courts.

Complaints are received from shippers, other carriers, state regulatory bodies, and the general public alleging violations of the law or regulations. These allegations are investigated; and where deviations from the law, regulations, or tariffs are found, they are given administrative handling for correction; or where flagrant or continuing, become the subject of prosecution in the courts or proceedings before the Commission.

A large volume of complaints is received covering matters over which the Commission has no jurisdiction. In those instances the staff members endeavor to reconcile the cause of complaints with the carrier or, when appropriate, refer it to an agency which has jurisdiction. For example, complaints covering safety matters are referred to the Department of Transportation, which now administers the Federal safety functions, and complaints covering interstate transportation are referred to the appropriate state regulatory authority.

Substantial information is developed concerning apparent violations of the law and regulations from our own findings during compliance surveys, from the handling of complaints, and from information supplied by state regulatory bodies. The violations uncovered are then assigned for thorough field investigations directed toward determining the degree of noncompliance by the carrier, and in some instances by the shipper. In the course of these investigations, persons are interviewed and evidence secured for consideration for formal enforcement action. The results of these investigations are then handled by the Commission's enforcement attorney staff and become the basis of civil or criminal proceedings in the Federal courts or are made the subject of a formal Commission proceeding. The compliance program also includes the administration of the car service provisions of the act, and the Commission's agents in the field assure that there is an equitable distribution and efficient use of the national rail car fleet.

5. Can you quantify this output in any way?

In carrying out the compliance program, our staff polices more than 19,000 licensed brokers and motor carriers of passengers and property ranging from small carriers with only a few vehicles operating from one or two terminals to large carriers operating several thousand pieces of equipment in numerous States and utilizing hundreds of terminals; about 558 rail carriers operating over 26,000 stations and yards encompassing a car fleet of more than 1¼ million freight cars; 230 water carriers operating in coastal and inland water service; and 89 freight forwarders with extensive operations. In addition to the authorized carriers, there are also innumerable illegal and questionable operators whose activities must be investigated to determine whether or not they are operating outside of the law.

In the investigative area, the compliance program objectives for fiscal year 1968 and 10,530 compliance surveys, 3,661 initial investigations resulting from complaints or leads supplied by State agencies, and 1,109 final investigations instituted with a view toward formal enforcement action. It is anticipated that the investigative activities will result in the conclusion of 815 cases through prosecutions in the courts or by prelitigation settlements of civil forfeiture claims, plus about 200 formal Commission proceedings.

The punishment, correction and elimination of unlawful acts aids the public by removal of inequities such as unfair competition. These efforts foster a sound transport system.

6. Would you describe the principal operations that are involved in producing this output?

In the conduct of the Commission's compliance program, several investigatory methods are utilized. Normally in dealing with authorized carriers, the field staff conducts compliance surveys on the carriers' property. These surveys consist of a visual inspection of the carriers' facilities, operations, and records. When discrepancies or violations are discovered, they are handled with carrier officials for correction if they can be handled administratively. If the violations are flagrant and continuing, documentation is made of the records for use in further investigation or for enforcement action.

Numerous investigations arise as a result of complaints from the shipping public, State enforcement agencies, or other carriers. When they cover matters subject to our jurisdiction, they are assigned for formal investigation. At this level the staff member must explore all details of the complaint with the respondent, the shippers involved, and possible witnesses. As a result of this formal investigation, a decision will be made by the field program directors as to whether