

The significant, continuing problems being faced in accomplishing the compliance program objectives arise from the fact that there are many thousands of licensed carriers and uncounted numbers of unlicensed carriers subject to economic regulation by the Commission; the complexity of financial schemes and relations among carriers and shippers to disguise rebates, concessions, and misapplication of carrier rates or carrier funds; and the increasing sophistication of schemes to conduct unlawful motor carriage purportedly as exempt or private transportation and the ease and speed with which those schemes and relations can be changed to evade enforcement. Some of our current compliance problems are:

*Inspection of records.*—The Commission has ample power under the act to inspect the records of all transportation companies clearly subject to the provisions of the act. There are many motor carriers conducting operations purportedly under one of the exemptions in the act, or as private carriers. Where there is some reason to believe that a carrier does not qualify for an exemption, or is effecting a disguise of private carriage to hide unlawful for-hire carriage, investigation to reveal the true status often is hindered by refusal of the carrier to furnish information or to permit review of its records.

Compliance work in this field would be aided if the act permitted the Commission to inspect and copy such records of purported exempt and private motor carriers as bear upon their status under the act.

*Small shipments.*—One of the very serious problems confronting the Commission is the maintaining of adequate service to shippers and receivers of small quantities of freight, particularly where the goods are not profitable to handle or more to or from outlying locations. The burden of supplying this service has fallen principally upon motor common carriers either alone or in conjunction with freight forwarders.

Motor common carriers are required by the terms of their certificates to render a reasonably continuous and adequate service at all of their authorized points. Where the shipments can move from origin to destination by a single carrier, the Commission's present powers are generally adequate to cope with the problem. Recently the elimination from certificates of all restrictions that permitted only truckload service was ordered by the Commissioner, but the order is not yet effective. However, where the services of two or more motor carriers are required to effect delivery, the carriers lawfully may refuse to join their services.

The Commission has recommended to Congress that it be given authority to require motor common carriers to join in providing through service where this is shown to be in the public interest. Two pending bills, S. 751 and H.R. 6533, would carry out this recommendation. Enactment of this legislation would not solve the whole problem, but it would be of considerable assistance.

*Agricultural cooperative associations.*—The act exempts from economic regulation, in rather general terms, motor vehicles controlled and operated by farmer cooperative associations and federations of such associations. Over the past few years many complaints have been filed alleging the unlawful transportation of general freight by such associations and by persons purportedly qualifying as farmer cooperatives. In formal proceedings the Commission interpreted the exemption as applying only to farm-related commodities. This was upset in court proceedings which followed the view that non-farm-related commodities could be transported if this was incidental to the association's farm transportation and necessary to enable it to continue that transportation.

A considerable amount of very profitable truckload freight is being hauled by these associations at the expense of the common carriers upon which the public generally must depend for service. The problem of confining these associations, both the legitimate and the questionable ones, to "incidental and necessary" general freight hauling is a major one. Bills which would limit this exemption to the transportation of farm products, farm supplies, and other farm-related traffic, S. 752 and H.R. 6530, are now pending.

*Suspension and revocation of motor carrier authority.*—This enforcement measure is cumbersome because of the necessity for proving not only a willful violation of the act or of a regulation or operating authority, but also a willful failure of the carrier to correct the violation when ordered by the Commission to do so. These provisions would be strengthened by the enactment of legislation proposed in S. 753 and H.R. 6531 which presently are before the Congress.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?