

Mr. MOORHEAD. Do you participate in the negotiations leading up to those international rate agreements or does some other arm of government do that?

Mr. ROTH. The arm of government that supervises the whole machinery is the Civil Aeronautics Board. The U.S. Government representatives normally do not participate in the negotiating sessions of the air carriers directly.

However, we have staff consultations with representatives of the U.S. air carriers before each worldwide traffic conference. For example, the next traffic conference will take place this September. Only this week our staff is preparing a communication to the U.S. carriers to inquire about the matters they intend to raise at the next traffic conference which will deal with rates and fares all over the world for the 2-year period beginning next April 1.

Then, normally the Board will have an informal meeting with officials of the U.S. carriers in the summer, either in July or August, and the Board would have an opportunity for an informal exchange of views with the U.S. carriers and make known whatever sort of informal instructions—expressions of opinion by the Board—the Board wishes to pass on.

But once those instructions are passed on to the air carriers, the Board and the U.S. Government are not represented at the conference as such at all. We are kept advised about the progress during the course of the negotiations.

Mr. MOORHEAD. Thank you, Mr. Roth.

Mr. THOMPSON. Does the Board have any means of regulating the rates which charter operators use and flying clubs who may have an old DC-7 or something of this sort and make trips to and from Europe?

Mr. CROOKER. If I may again make a brief statement and then have Mr. Roth implement that.

Mr. Thompson, there have been criticisms, of course, of some of these inclusive tour charters and the Board has followed a general policy of requiring that the amount charged be at least 110 percent or more of the lowest scheduled air fares so that no one would use one of these so-called inclusive tours as a sham to take the transportation just for a regular trip.

As to the details, though, I would appreciate your letting Mr. Roth comment on your question.

Mr. ROTH. The general authority of the Board over rates and fares is the same with respect to charter rates as rates for individually ticketed passenger services or individually billed airfreight. That means in the international area the Board does not have direct authority over the reasonableness of a charter rate set forth in a charter tariff.

Each air carrier authorized to perform charter services by the Board must file a tariff setting forth what the charges and related conditions are. But in the international area the Board could not suspend that tariff nor could the Board after a rate hearing find that the rates are unreasonable.

In the domestic area the Board does have jurisdiction with respect to the reasonableness of the charter tariff and the Board would have