

includes the fixing of service mail rates paid by the Post Office Department and rates paid by the Department of Defense for military traffic carried by commercial airlines.

The activities involved in carrying out this program include :

- (1) Review of domestic and overseas passenger and cargo rate tariffs to determine those rates and fares that should be permitted to become effective without investigation, those that should be permitted to become effective but at the same time investigated, and those that should be suspended pending investigation ;
- (2) Review of complaints against air carrier rates filed by competing carriers or by users of those services to determine whether such complaints warrant a formal investigation of the provisions complained of ;
- (3) The conduct of formal (hearing process) investigations of those rates, fares, rules, or related tariff provisions that the Board has found may be unlawful or contrary to the public interest ;
- (4) Establishment of minimum rates applicable to foreign, overseas, and domestic charter services performed by the civil air carriers for the Military Airlift Command (MAC), on the request of the carriers or the Department of Defense, or the Board's initiative, so as to maintain these services on a sound economic footing ;
- (5) Review of petitions for the establishment or revision of service mail rates filed by the air carriers or the Post Office Department ; and
- (6) The necessary studies, forecasts, and analyses not related to processing a specific case or application.

The estimated and actual program outputs in terms of workload items are :

Workload item	Items completed or processed			
	Actual, 1967	Estimate, 1968	Estimate, 1969	Increase
1. Passenger and property rates:				
a. Review of tariff filings.....	47,616	50,000	52,000	2,000
b. Special tariff permission applications.....	1,599	2,000	2,100	100
c. Free transportation tariffs.....	1,635	1,700	1,700	-----
d. Processing tariff referrals and complaints.....	956	1,000	1,100	100
e. Passenger and property rate investigations.....	19	18	25	7
f. Passenger and property rate exemptions.....	225	225	250	25
2. Government rates: Service mail rates.....	10	25	28	3

The officials responsible for the operation of this program :

John H. Crooker, Jr., Chairman.
Charles F. Kiefer, Executive Director.
Irving Roth, Director, Bureau of Economics.

Mr. ROTH. Sir, on the subject of rates and fares, the statute leaves the initiative with air carrier management for the initial determination of rates and fares through the filing of tariffs setting forth domestic rates and fares for the passenger and property services offered to the general public. The carriers must file the tariffs and they are obligated by law to comply with the terms of the tariff.

In the domestic area they are required to publish rates that are just and reasonable and without unjust discrimination. The Board has wide latitude to suspend tariffs before their effective date in connection with domestic and overseas air transportation but not in connection with international air transportation. The power of the Board to suspend a domestic tariff is limited to 180 days, during which time the Board is obligated to conduct a formal hearing. If the hearing process is not completed in the 180 days, the carrier is free to have the suspended rate become effective. Normally, tariffs are filed on either 30 or 45 days' notice, and the Board must review that tariff and make a policy determination whether to suspend before the effective date of the tariff. Once the tariff becomes effective, the Board cannot lawfully suspend the rate. The Board can only institute a formal rate hearing, which frequently will take a few years to complete, and it is only after