

the completion of that hearing process—usually time consuming—that the Board can order that an air carrier change an already effective rate.

This means that in the ordinary sense of reviewing tariffs there is no such thing as a backlog. In other words, by virtue of the statutory concept the tariff becomes effective on its intended effective date unless the Board issues a rate order suspending the effectiveness of the tariff.

In situations where there is a major policy problem for the Board to resolve, where there is a complaint either by a member of the general public, by an air shipper, by a competing airline, or sometimes by a travel agent, very little time is afforded for the Board to resolve the facts and get at the bottom of the problem because of the very limited time in advance of the effective date for the tariff to be filed.

Complaints must be filed within 12 days and the filing carrier has only 1 week within which to file an answer. The Board is therefore under extreme pressure to act with dispatch.

I believe, sir, we covered earlier the general question of international rates and fares. The Board is getting into that through the approval of agreements between air carriers.

There is just one other area I will touch on for 1 minute—the matter of Government rates in two separate categories. The Board must prescribe, by section 406 of the statute, the rate of mail compensation to be paid by the Postmaster General to each carrier for the service of transporting the mail that goes by air. This is not a rate initiated by a carrier tariff filing and reviewed by the Board. It is a rate established by the Board in proceedings established for that purpose. These proceedings do not usually go to hearing; however, rather informal procedures are adopted in which the views of the various parties are advanced and through negotiation a rate is established, thus avoiding the time-consuming nature of a public hearing.

The rates are generally based on costs, primarily on costs, and where there are competing carriers the Board has usually prescribed the same rate for each carrier so that the Post Office Department is free to select the most desirable carrier without any financial penalty.

Finally, the Board has had a very active program in the last 7 or 8 years for an annual determination of the rates to be paid to the civil air carriers by the Air Force, the Military Airlift Command for military charter services. This has become a very substantial volume activity. I believe the estimate was something in excess of \$600 million for military charter services a year ago.

Those are the highlights of the rate and fare program of the Board.

C. PROGRAM CATEGORY 3—ENFORCEMENT OF APPLICABLE LAWS AND REGULATIONS

Mr. CROOKER. You heard from Mr. Hord, the Director of our Accounts and Statistics Bureau, during the earlier presentation, and we discussed subsidy at some length. I wonder if in view of the time involved you would like to hear briefly from the Director of our Bureau of Enforcement, Mr. Burstein.

Mr. BROOKS. I think that would be an excellent suggestion. Without objection, I will insert exhibit G at this point.

(Exhibit G follows:)