

Mr. CROOKER. Mr. Burstein, the Director of the Bureau of Enforcement, will make a brief statement about the work of his Bureau.

Mr. BROOKS. Would you include in that statement how many people you have?

Would you also include in your comments how you are doing on your freight forwarding program. Also, what kind of volume you have had in complaints from passengers. If you don't have it pinpointed, put it in the record and submit it to us.

Mr. BURSTEIN. Mr. Chairman, we have a staff of 32 people. The staff hasn't gone up. In the last 6 or 7 years it has really gone down. In 1961 we had 36 people and now we have 32 people.

I think that some of it is due to the fact that we have improved our efficiency in our investigative and enforcement techniques.

I just want to mention briefly the scope of the Board's enforcement responsibilities and the number of entities over whom the Board has enforcement jurisdiction.

We have 48 U.S.-certificated air carriers, 131 foreign air carriers, 13 supplemental air carriers, about 150 domestic and international air-freight forwarders, about 3,000 air taxi operators over whom we have limited jurisdiction or limited regulation.

There are also a number of intrastate and commercial operators with whom we get involved in enforcement problems, and then there are thousands of travel agents who are subject to section 411 of the Federal Aviation Act. This is the one dealing with unfair or deceptive practices or unfair methods of competition.

So the area is broad, and we can't do a perfect job with the staff we have. What we try to do is concentrate on important areas.

I will just briefly enumerate the important areas that we go into. We try to enforce violations of conditions in terms of certificates and permits. We try to enforce unauthorized air transportation by unauthorized carriers. We try to get into various passenger and cargo tariff violations, such as indirect and direct rebates.

We try to cope with various forms of discriminatory practices. We get into situations of unauthorized interlocks or control relationships.

We try to enforce section 411 which is comparable to section 5 of the Federal Trade Commission Act: unfair and deceptive practices and unfair methods of competition such as misleading advertising and anticompetitive practices.

We get into accounting violations, violations of our accounting regulations, which may have an impact on subsidy, or improper claims for subsidy. Also, we enforce reporting violations.

We do the best we can with the staff we have. We try to emphasize voluntary and informal compliance rather than punitive enforcement.

Nevertheless, there are situations in which we have to take formal action, punitive action, if I may mention two or three examples.

Recently we had filed complaints against six foreign air carriers charging them with giving indirect rebates to freight forwarders. We found that our freight forwarders were giving most of their business to foreign air carriers, and this may have been the reason the forwarders gave them this business because they got rebates. This, of course, has an impact on the balance-of-payments problem.

In the case of another major foreign air carrier, we discovered a practice for a number of years of giving rebates to passengers. It was really a system set up through a separate bank account. We settled this