

16. What significant problems, if any, are you facing in accomplishing the program objectives?

The program objectives can only be realized to the extent that legal and investigative manpower is available to implement the objectives. Thus, the accomplishment of the program objectives is dependent upon the manpower available to the Bureau.

17. Do you administer any grants, loans, or other disbursed funds related to this program?

No.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction, or by cutting or curtailing certain activities?

By an overall reduction. There is no particular activity which could be reduced or eliminated without affecting the overall quality and quantity of the work of this program.

19. If additional funds were available, what would you do with the new money?

Increase the manpower of this program in order to insure a climate of compliance. Particularly significant is the necessity to check compliance with cease-and-desist orders of the Board.

D. Support of Air Service Through Subsidy Payments

1. What is the nature of and authority for this program?

The Civil Aeronautics Board administers subsidy under the Federal Aviation Act. U.S. carriers, certificated for carriage of U.S. mail, are entitled to service mail pay, and are generally eligible for subsidy in those situations where the carrier demonstrates a statutory need for subsidy. The dollars of subsidy in each case consist of an amount to cover the carrier's operating loss incurred under honest, economical, and efficient management and to provide it an opportunity to earn a fair return on the investment used and useful in its air transportation services to the communities.

2. Who is the person primarily in charge of this program at the operative level?

The officials responsible for the operation of this program are:

John H. Crooker, Jr., Chairman.

Charles F. Kiefer, Executive Director.

Irving Roth, Director, Bureau of Economics.

3. How much money and capital equipment is available under this program for fiscal 1968?

\$778,000 primarily for salaries and expenses of the personnel associated with this program. There is no capital equipment except the usual office equipment. Outputs from the Board's centralized, rented ADP equipment also serve this program. The local service and Alaskan carriers will earn an estimated \$59 million in subsidy for fiscal year 1968.

4. Would you describe the output generated by this program?

This program generates the following output:

A. Board orders establishing subsidy payments to be made to eligible air carriers pursuant to section 406(b) of the Federal Aviation Act.

B. In some cases these orders require refunds of subsidy by the carriers to the Board where the carrier's rate of return would otherwise exceed prescribed limits.

C. Recommendations to the Board as to policy and program objectives in the field of subsidy payments to subsidized air carriers.

5. Can you quantify this output in anyway?

Outputs	Items completed or processed		
	Actual, 1967	Estimate, 1968	Estimate, 1969
A. Subsidy analyses and policy assistance.....	51	50	50
B. Subsidy rates.....	56	50	50
C. Guaranteed loan matters.....	18	18	18
D. Verification and payment of subsidy claims.....	1,634	1,756	1,767

6. Would you describe the principal operations that are involved in producing this output?

The principal operations are: