

A. Continuing review and analysis of each subsidized carrier's reports to the Board, including scheduling, traffic, expense, revenue, and investment data.

B. Review of staff field audit reports as to each subsidized carrier.

C. Determination, by various yardsticks, as to whether in significant areas the carrier is or is not meeting the "economical and efficient" standard of the statute, and ascertainment as to whether each particular carrier cannot conduct adequate and safe operations with reduced levels of subsidy support.

D. Preparation of memorandums to the Board presenting the above data, staff analyses, recommendations as to whether subsidy can be further reduced, and necessary orders and related documents for implementing the staff recommendation and/or the Board's action.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

Approximately 53 man-years are authorized for this program in fiscal year 1968. The general type of employment categories are air transport analysts, industry economists, attorneys, and the required clerical support positions.

8. What is the grade structure and how many supergrades—quota and non-quota—are involved?

Positions with designated grades, including supergrades, are assigned to each organizational unit of the Board. The time of employee's filling these positions is charged to more than one program. Therefore the grade structure of a program would not be meaningful as the aggregate of positions by grade would exceed the total number of agency positions. An organizational chart showing the number of positions in each organizational component by grade is attached as an exhibit. The Board has no nonquota supergrades.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

Only the usual office equipment. Output from the Board's centralized, rented computer also serves this program.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

The expenditure for subsidy accruals for fiscal 1968 is currently estimated at \$59.3 million, which is some \$28 million less than in the peak year 1963. It is anticipated that the future expenditures for subsidy will continue to decline. The 1969 estimate is \$4.6 million less than for 1968. Program expenditures for salaries and expenses have also declined.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried out?

At the Board, Chairman, and Executive Director levels. Lateral coordination is also carried out at the office and bureau level.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

The Board's review process is an integral part of its management system as presented on the chart and text in "Exhibit D, Management Information System." The major components, both formal and informal, include the Chairman's staff meetings, the management report, monthly financial statements, quarterly reviews, and special studies and reports.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

No.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

Yes.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations the report contains?

No.

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

The basic problem being faced is the continuation in subsidy reduction, despite a deterioration in the financial position of the local service industry (accounting for 90 percent of the subsidy) in 1968 due essentially to the lag between the introduction of the larger type jet aircraft on both old and new routes and the buildup of traffic to make operation with such aircraft more economical. To meet