

for insurance coverage imposed by the certificated carrier—and these could hardly be said to contribute to safety). Nor do the interline arrangements evidence concern as to safety by anything other than protection against airline liability through insurance.

The Post Office Department has, within the past year, become a very important contributor to the expansion of this segment of aviation through its contracts for the carriage of mail. Some indication of the rate of growth in this area can be gleaned from the fact that in 1966 the Post Office Department paid air-taxi operators about \$180,000 for carrying mail; in 1967 the amount was in the neighborhood of \$3,500,000; and in 1968 the Post Office expects the figure to go as high as \$8 million.

By the end of 1967 there were in the neighborhood of 80 mail routes being operated by some 35 air-taxi operators. The Post Office Department expects to have from 180 to 200 routes in operation by June 1968, presumably with a commensurate increase in the number of air-taxi operators involved.

In contrast to the contractual arrangements between air-taxi operators and air carriers, the Post Office Department has imposed safety requirements in its contracts which go substantially beyond those presently required by the Federal Aviation Administration under part 135 of the Federal Air Regulations, and they are intending to make such requirements more stringent almost immediately, since they are far from satisfied with the safety record of their contractors in recent months. (Four aircraft losses between November 25, 1967, and January 28, 1968, with attendant loss of mail and lives.)

By and large, it is our understanding that the contractual safety requirements imposed and to be imposed by the Post Office Department are intended to reach a level of safety in operations at least equal to what may come out of the next proposed modification of part 135.

Certainly, such contractual requirements are far more stringent than are required of air-taxi operators generally, or of scheduled air-taxi operators in particular, by the existing Federal Air Regulations, and any substantial amendment in the existing part 135 cannot be looked for (because of rulemaking requirements) for at least 6 months, and more probably a year.

The Board is well aware that the FAA has been addressing itself to this emerging problem with a high sense of its importance and urgency, and as we both know the Post Office Department has quite recently expressed concern about the safety of their contract operations in a series of meetings with both the FAA and the NTSB.

It is our understanding that the FAA is disposed to cooperate with the Post Office Department not only in advising with them as to the type of contractual safety provisions they might wisely impose, but also to assist in the implementation of the Post Office Department's program by some type of surveillance over the operators to see to it that the contractual obligations imposed upon them in the interest of safety are in fact being complied with. This we applaud.

But this brings us to the proposition that at this point the Post Office Department, with the help of the FAA, is imposing a higher level of safety regulation on air-taxi operators carrying mail than the Government imposes on the same, or other, air-taxi operators who are carrying passengers for hire.

Three million passengers carried for hire by scheduled air-taxi operators in 1967 is not only a respectable number, involving a dollar volume many times that of the \$3,500,000 Post Office expenditure during the same year, but of much more significance from the standpoint of our present discussion, has involved a death and injury toll which cannot be viewed with anything approaching equanimity.

Preliminary figures indicate that there were some 84 deaths in air-taxi operations in 1967, of which 61 were passengers and 23 were crew. Figures for 1966 indicate a passenger fatality in air-taxi operations of 32, about one-half the level of 1967.

The area we are talking about is so new and so rapidly changing that comparative statistics are not worth much. However, the 1967 toll in absolute numbers is of sufficient magnitude to justify concern and affirmative action.

This rapid growth is being encouraged by the Federal Government both by expanded authority through the Civil Aeronautics Board and the expanding contract operations of the Post Office Department. Then, too, the contracts between certificated carriers and air-taxi operators, as well as interline agreements between the two, would indicate a growing belief by at least some certificated airlines that the air-taxi operator fulfills a need. All in all, it can safely be assumed that the expansion is desirable and should be both encouraged and helped.