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TRANSPORTATION OF GOVERNMENT TRAFFIC BY CIVIL AIR CARRIERS

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON AVIATION

OF THE

COMMITTEE ON COMMERCE

UNITED STATES SENATE

NINETY-SECOND CONGRESS

FIRST SESSION

ON

S. 1821

TO AMEND THE FEDERAL AVIATION ACT, AS AMENDED,
WITH RESPECT TO THE TRANSPORTATION OF GOVERNMENT
TRAFFIC BY CIVIL AIR CARRIERS OF THE UNITED STATES

JUNE 24, AND SEPTEMBER 30, 1971

Serial No. 92-34

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TRANSPORTATION OF GOVERNMENT TRAFFIC BY CIVIL AIR CARRIERS

THURSDAY, JUNE 24, 1971

U.S. SENATE,
COMMITTEE ON COMMERCE,
AVIATION SUBCOMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:05 a.m. in room 5110, New Senate Office Building, Hon. Howard W. Cannon (chairman of the subcommittee) presiding.

Present: Senators Cannon, Pearson, and Stevens.

Senator CANNON. The hearings will come to order.

Today the subcommittee will hear witnesses on S. 1821, to amend the Federal Aviation Act, as amended, with respect to the transportation of Government traffic by civil air carriers of the United States. (The bill and agency comments follows.)

[S. 1821, 92d Cong., first sess.]

A BILL To amend the Federal Aviation Act, as amended, with respect to the transportation of Government traffic by civil air carriers of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Aviation Act, as amended, is amended by adding at the end of title XI thereof the following new section:

"TRANSPORTATION OF GOVERNMENT TRAFFIC

"SEC. 1112. (a) Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provisions for reimbursement, any property, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such property, the appropriate agency or agencies shall take such steps as may be necessary to assure that such property, whenever transported by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, shall to the fullest extent practicable be transported by air carriers holding certificates under section 401 of this Act to the extent allowed by such certificates or by regulation or exemption of the Civil Aeronautics Board and to the extent such carriers are available at rates established under this Act.

"(b) Whenever the Department of Defense moves persons or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States:

"(1) To the fullest extent practicable, such persons and property (except persons and property that must move in military aircraft because of special military considerations which by their nature preclude the use of civil aircraft, or because of security, or in the case of property because of limiting physical

Staff member assigned to these hearings: Robert E. Ginther.

characteristics such as size or dangerous properties) shall be transported by air carriers participating in the civil reserve air fleet program and holding certificates under section 401 of this Act to the extent allowed by such certificates or by regulation or exemption of the Civil Aeronautics Board and to the extent such carriers are available at rates established under this Act.

"(2) As a minimum, at least 50 per centum of the annual gross tonnage (measured in ton-miles) of all property moved by the Department of Defense by air between such places shall be transported by air carriers participating in such program and holding such certificates to the extent such carriers are available at such rates.

"(c) The provisions of this section may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States or the Secretary of Defense, declares that an emergency exists justifying a temporary waiver of the provisions of this section and so notifies the appropriate agencies and certificated air carriers.

"(d) Every department or agency having responsibility under this section shall administer its program with respect to this section under regulations issued by the Comptroller General of the United States. The Comptroller General of the United States shall review such administration and shall annually report to the Congress with respect thereto."

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., September 3, 1971.

B-138942

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate.*

DEAR MR. CHAIRMAN: We refer to your letter of May 19, 1971, inviting our comments on S. 1821. The bill would add a new section 1112 to title XI of the Federal Aviation Act of 1958, as amended, 49 U.S.C. et seq.

Subsection (a) of the new section 1112 establishes a policy with respect to the use of United States air carriers for international movement by air of property procured, furnished or financed by the United States. Specifically the subsection provides that whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provisions for reimbursement, any property, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such property, the appropriate agency or agencies shall take such steps as may be necessary to assure that such property, whenever transported by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, shall be the fullest extent practicable be transported by United States air carriers holding proper authorization from the Civil Aeronautics Board to the extent such carriers are available at rates established under the Federal Aviation Act.

This policy, as stated, would apply literally to all agencies of the United States, including the military. It seems probable, however, that it is intended to apply only to civil agencies of the United States because policy with respect to military traffic by air is expressly provided for in subsection (b) of the new section in terms different from, and to extent incompatible with the provisions of subsection (a).

If it is intended that the declaration of policy in subsection (a) apply only to civil agencies of the United States, it might be advisable to amend the bill to show specifically this intention. Also, if there are considerations warranting legislation requiring civil agencies to use United States air carriers for international shipment of air cargo, similar considerations also might warrant a legislative requirement that civil agencies use United States air carriers for international passenger air transportation service. In this connection, it is noted that the policy statement in subsection (b), relating to the Department of Defense, extends to the transportation of both persons and property by air whereas the policy statement in subsection (a), presumably directed to civil agencies, is limited to transportation of property only.

From a practical standpoint, however, it is doubtful whether enactment of subsection (a) would cause any substantial change in current civil agency procurement practices relating to air transportation services. Although there is no present statutory requirement to that effect, most agencies, as a matter of policy, now use United States air carriers when they are available to perform the service that is wanted and most agencies have regulations generally requiring such use. This is especially true with regard to the procurement of passenger air transportation service and we believe the same policy is followed generally with respect to procurement of cargo service. Civil agency air cargo requirements are, of course, much less than those of the military.

Subsection (b) of the new section establishes a policy with respect to the use of civil air carriers for international movements of passengers and property by the Department of Defense. The general policy is, as stated in subparagraph (b) (1), that United States air carriers will be used to the fullest extent practicable. An exception is made for persons and property that must move in military aircraft because of special military considerations which by their nature preclude the use of civil aircraft, or because of security, or, in the case of property, because of limiting physical characteristics such as size or dangerous properties. In addition to the general policy stated in subparagraph (b) (1), subparagraph (b) (2) requires that a minimum of at least 50 percentum of the annual gross tonnage (measured in ton-miles) of all property moved internationally by air by the Department of Defense be given to United States air carriers.

The air carriers must be members of the Civil Reserve Air Fleet (CRAF). This fleet is maintained by agreement between the United States and the air carrier members and may be activated by order of the Secretary of Defense in time of war or during an unlimited national emergency or civil defense emergency declared by the President or the Congress of the United States. Also, in a situation short of war or unlimited national or civil defense emergency, an order by the Secretary of Defense activating CRAF may be issued with the approval of the Director of the Office of Emergency Planning, or by any official designated by the President to coordinate all civil and defense mobilization activities.

Under the CRAF program, the civil air carriers, by contract with the Military Airlift Command (MAC), commit specified aircraft to the reserve fleet. In return, MAC allocates military passenger and cargo business among the various carriers pursuant to a rather complex formula which, in essence, relates the amount of traffic awarded to an individual carrier to that carrier's contribution to CRAF in terms of the numbers, types, and performance characteristics of the aircraft committed to the program by the carrier.

Current military planning for total airlift requirements in time of war or grave national emergency envisions use of an organic fleet of military aircraft, principally C-5's and C-141's, augmented by use of commercial aircraft committed to CRAF. At present, total airlift available from these sources is deemed insufficient to satisfy war-time needs and it has been estimated that at least 85 additional aircraft of the so-called wide-bodied jet cargo types are needed in the reserve fleet to satisfy current planning for airlift in wartime or in the event of other major contingency.

The military fleet now in being, if fully utilized, conceivably could satisfy all of the military needs for peacetime cargo airlift. While over 90 percent of military passenger traffic is now transported by airline members of CRAF, less than 10 percent of military cargo is being allocated to the commercial fleet. This fact, plus the decline in commercial cargo traffic as a result of current world economic conditions, reportedly makes it extremely difficult for the airlines to maintain their current commitments of cargo aircraft to the reserve fleet, much less obtain the additional aircraft said to be needed in the event of war or grave national emergency.

S. 1821 is apparently designed to remedy this situation by insuring that at least 50 percent of peacetime military cargo is allocated to airlines participating in CRAF. In our view, however, an arbitrary, on-going, allocation by statute to the commercial airlines of a fixed percentage of military cargo may not represent the best solution to the problem because it might generate too much revenue in some years and not enough in others. Two alternatives seem possible: appropriation by the Congress for each fiscal year of a fixed dollar amount to be expended by the military for commercial cargo airlift, or the enactment of an outright

subsidy, unrelated to actual carriage of cargo, designed to maintain the reserve fleet at present levels or, if need be, to increase it. Either method would seem to permit a more precise and flexible solution to the problem of maintaining the necessary reserve cargo fleet than would the use of a fixed-percentage allocation of traffic. In addition, either method would seem to permit the Congress to exercise more precise control over the specific amounts of money to be expended to keep the CRAF program viable.

Regardless of the method used, the maintenance in peacetime of an organic military fleet and a civil reserve air fleet capable of meeting wartime needs will result in the creation of total cargo airlift far in excess of military peacetime needs. If the civil air carriers cannot obtain sufficient commercial cargo to maintain the civil reserve fleet at the required level, some help from appropriated funds will of course be needed. On the other hand, the organic military fleet must be flown the minimum number of hours necessary to maintain crew proficiency, every pound of commercial compatible cargo (i.e., other than out-size cargo or cargo having dangerous properties, etc.) transported in military aircraft will have to be matched with a similar pound to be tendered for commercial carriage. The tendency might be, therefore, for the military traffic managers to divert cargo from shipment by air to less expensive surface transportation facilities thereby lessening use of in-being airlift capacity whether commercial or military. On the other hand, if the amount of business required to be given to the commercial air carriers is determined by a method unrelated to the amount of cargo transported in military aircraft, the tendency might be for the military traffic managers to more fully utilize available military aircraft airlift which must be supported by appropriated funds whether used or not.

In the past, in the absence of specific policy directives enacted by the Congress, we have recognized the potential for savings by use of military aircraft to transport cargo and have issued the following reports to the Congress concerning the nonuse of available space on military aircraft:

1. Savings available by using space on military aircraft to transport baggage between the United States and Europe, B-133025, September 1968 (potential savings of one million dollars).
2. Savings by using space on military aircraft to transport baggage between the United States and Pacific and Southeast Asia, B-133025, May 1969 (potential savings of six million dollars).
3. Reduction achieved in the cost of transporting military mail from Okinawa to points in Southeast Asia, B-165683, March 1970 (potential savings of three hundred seventy-five thousand dollars).

It would seem desirable that the airlift capacity of the military air fleet could continue to be used to the fullest practicable extent and that the method devised for insuring maintenance of the civil reserve air fleet at required levels would not be related, percentagewise, to such use.

Subsection (d) of the bill provides that every department or agency having responsibility under the new section shall administer its program with respect to the section under regulations issued by the Comptroller General of the United States. Provision also is made for review by the Comptroller General of agency administration of the program and for an annual report to the Congress with respect thereto.

This Office has no statutory responsibility for either the regulation or the promotion of the airline industry nor does it have any such responsibility respecting the maintenance or activation of CRAF. We suggest, therefore, that your Committee may wish to consider the advisability of placing responsibility for oversight of the new section, if it is to be enacted, with either the Civil Aeronautics Board or the Department of Transportation.

Section 102 of the Federal Aviation Act of 1958, 49 U.S.C. 1302, requires the Board, in the discharge of its powers and duties under the Act, to consider among other things, the encouragement and development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense. At present, the Board, under its regulatory powers, establishes the minimum rates for international air transportation of passengers and property performed for the military by members of CRAF, and thus is fully cognizant of cost factors relating to such transportation and of the interrelationship of such factors with the overall revenue needs of the carriers.

On the other hand, the Department of Transportation, through the Secretary and the Federal Aviation Administrator, has certain specific responsibilities toward the maintenance of CRAF and its activation in time of war or other emergency. Since both the Board and the Department thus are vitally interested in a viable CRAF program, it would seem that oversight of administration of the new section, if enacted, logically should rest with one or the other.

We appreciate the opportunity given us to comment on the provisions of this bill.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

DEPARTMENT OF THE AIR FORCE,
Washington, September 30, 1971.

Hon. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate.*

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 1821, 92d Congress, a bill "To amend the Federal Aviation Act, as amended, with respect to the transportation of Government traffic by civil air carriers of the United States." The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The purpose of the bill, as the Department of Defense understands it, would be to express an objective that to the fullest extent practicable, all Department of Defense passengers and cargo moving internationally over Military Airlift Command channels should be transported by certificated U.S. air carriers participating in the Civil Reserve Air Fleet program, and that, as a minimum, at least 50% of such cargo traffic (measured in ton miles) should be transported by such carriers.

The Department of Defense understands that the proposed legislation is an outgrowth of the generally depressed economic condition of the air carrier industry and the progressive reduction in defense air cargo business for that industry as the United States phases out of Southeast Asia. The Department of Defense believes that S. 1821 would involve a substantial increase in cost to United States taxpayers, would materially interfere with war readiness training of our military airlift force, would prevent any growth in DOD use of airlift and might even cause some return to Sealift for items now moving by air, would be an inefficient way for the airlines to increase the utilization of their aircraft, and would not cause any improvement in the airlift capacity available to this country for emergencies. Consequently, the Department of Defense opposes enactment of S. 1821.

The budget submitted to the Congress for the Department of Defense included an estimate of \$43.2 million for commercial cargo service to support the Military Airlift Command (MAC). However, this estimate may require some adjustment. The cargo delivered to MAC in July for air movement was 35% above forecast quantities. MAC scheduled 160 commercial cargo missions in July at a price of \$7 million. When the services were asked why actual cargo generation exceeded quantities, the consensus was that while total support requirements were anticipated to decline, there was, in fact, no drop in high priority shipments which can be satisfied only by air. If this trend continues, close to \$85 million could be expended for commercial movement of DOD international air cargo by the end of FY 1972.

The CRAF carriers will also receive about \$46 million for LOGAIR, QUICK-TRANS and Alaskan cargo business, which is also placed under the CRAF mobilization base program. Thus, under current plans, they could receive about \$130 million in air cargo business from DOD in FY 1972. They will also receive over \$250 million in passenger business from MAC, 90% of which is in credit for their cargo and convertible aircraft. In short, the CRAF air carrier revenue is estimated at over \$380 million in FY 1972 under the MAC mobilization base program; and MAC will pay them about \$100 million more for carrying DOD mail internationally.

The number of flying hours programmed for the MAC military aircraft in FY 1972 is based entirely on the need for training to maintain MAC's combat readiness for the full range of contingency airlift missions under the various JCS war plans. The transfer of additional cargo to the civil air carriers would not result in any change in the cost now included in the DOD budget for FY 1972 for the operation of the military airlift force if MAC is to retain its full combat readiness.

DOD, particularly the Army, is exploring policy and organizational changes which would use more airlift to achieve over-all logistic systems economies. The extent to which increased use of airlift will develop in DOD will depend, however, on cost. This cost is not borne by MAC; it is paid by the military shippers. Obviously, any such significant increase in the cost of cargo transportation to those shippers will have a significant effect on their judgmental decisions whether to increase use of airlift.

The Army has stated that significant savings may be realized through routine air shipment of selected items, cancellation of requisitions, reduction of stock levels and reduction of procurement of applicable items. In this connection, the Army has initiated a new logistics program, known as the Routine Economic Air Lift (REAL) Program, and has already identified an initial list of items which are in a buy position and which are expected to produce significant savings, in reduced overseas stockage and pipeline requirements, if shipped routinely by air. Review to identify additional items for the REAL program is continuing. An initial listing of items mandatory for air shipment was disseminated to the field in August with an effective date of September 15, 1971.

The Air Force and the Army are working closely together to exploit fully the savings achievable by the Army's evolving air line of communication. The potential results of this effort are significant; an increase in air cargo tonnages in the magnitude of 200,000 tons per year is foreseeable.

If the proposed legislation were enacted into law, the Fiscal Year 1972 DOD Budget would be insufficient, as indicated above, by at least \$100 million, to comply with its provisions. The net economic benefit to the airlines would be considerably less than this amount. The airlines would incur substantial operating costs in performing the additional business. Thus, the improvement in the industry's profit and loss position by reason of S. 1821 would be much less than the \$100 million added cost to the Government. A comparable improvement in the industry's financial position could be achieved at a much lower cost to the Government by some course of action directed specifically to that end.

Next, the additional DOD cargo which would be diverted to the airlines if S. 1821 were enacted would not, in our judgment, cause the airlines to purchase any additional cargo aircraft in the foreseeable future. The additional DOD cargo could be transported by about 13 DC-8-63 aircraft (or, alternatively, about 18 B-707 aircraft). The airlines now own about 190 intercontinental cargo aircraft, of which 124 are convertible aircraft operating today primarily in passenger configuration. The airlines could convert a few of these aircraft into cargo configuration, and absorb the additional cargo within their present fleet. Even if the airlines did decide to buy more aircraft, they might well purchase the less costly passenger aircraft and convert additional numbers of their present convertible aircraft to cargo configuration. In this respect, with nearly 200 cargo aircraft already in GRAF, enactment of S. 1821 would be worth only about one-half million dollars in gross revenue per existing cargo aircraft, only 12½% of which would be profit. In our judgment, this is not a great enough incentive to cause the purchase of additional cargo aircraft for which there is no overall requirement.

We are concerned that S. 1821, in subsection (b) (2) can be read as embracing not only the movement of cargo over MAC channels but also cargo moved on special military airlift missions including airlift within a theater of operations by tactical airlift forces. Tactical airlift, done primarily with C-130's, includes airdrops, direct support to our troops in combat, medical evacuation from the battle zone, indeed the whole range of airlift used to improve combat effectiveness in a war zone. This type of mission into high risk areas and into primitive landing sites, must in our judgment be accomplished exclusively by military transport aircraft designed for that purpose and operated by military aircrews trained for that purpose. We assume that it is not the intention of the bill to cover such airlift.

Finally, the responsibilities which the bill would assign to the Comptroller General, involving the GAO in determining the kinds and amount of cargo that would move by commercial carriers, are neither desirable or practical. The Department of Defense is responsible for meeting the airlift needs of the national defense in time of war, using the full available force of military and commercial augmentation aircraft, and is responsible to prepare in peacetime for this wartime mission. Transfer of a portion of this peacetime responsibility to the GAO would be entirely inappropriate.

The present system of DOD negotiated airlift procurement is accomplished under the mobilization base authority of 10 U.S.C. 2304(a) (16). If the management and criteria for selection of contractors were to be assigned to the GAO, the continuing propriety of the Secretarial determinations and findings under that law would be in doubt. Without them, the Department of Defense would be required by law to return to the pre-1960 system of procuring airlift service by competitive bid.

The size of our active military airlift force is determined so that it, together with the full capacity of our Reserve and National Guard airlift forces, and the capacity of those suitable United States civil aircraft which the Department of Transportation will allocate to the Civil Reserve Air Fleet (CRAF), can meet peak contingency airlift needs. These contingency needs far exceed DOD's peacetime airlift needs.

Following the Presidentially Approved Courses of Action we have interrelated our peacetime and our contingency contracts with the airlines, and we have increased our reliance on the airlines for peacetime airlift services.

In keeping with the 1960 study called "The Role of MATS in Peace and War," in which the Presidentially Approved Courses of Action were set forth, Congress has guided modernization of the Military Airlift Command during the past decade into cargo and troop carrier aircraft, and has encouraged DOD to turn the bulk of its passenger transportation business over to the certified air carriers who have adequate capacity for that purpose. The air carriers have been told repeatedly that they would receive most of DOD's international air passenger business, but that MAC, as a byproduct of its war readiness training, would transport most of DOD's international air cargo.

As the situation in Southeast Asia developed, DOD experienced a growing requirement for airlift of cargo. This requirement, as the contingency grew, exceeded the capability of the military airlift force, even though MAC increased utilization of its then new C-141 aircraft to 8 hours per day. Consequently, the airlines were called upon to perform a substantial amount of airlift service during this contingency period; however, they were cautioned repeatedly that the military cargo business would decline as the activity in Southeast Asia came to an end. The air carriers were also told specifically on many occasions, beginning in 1963, they should not purchase additional aircraft on the basis of anticipated DOD business; they were told that their forecasts of commercial business growth should be the basis for decisions as to new equipment.

As the DOD requirements for cargo airlift had declined, and the air carrier contracts with DOD have become increasingly passenger service oriented, the daily utilization rate for military transport aircraft has also declined, from the 8 hours per day rate necessary in the late 1960's to the FY 1972 programmed rate of 4.25 hours per day for active force use, plus one-half hour per day for reserve training. As previously indicated, this latter rate is considered necessary to maintain MAC's combat readiness. The total amount of planned MAC flying outside of the continental United States is needed to train replacement crews, for joint training with Army and Marine forces, and to keep MAC crews familiar with operating procedures in all areas of the world to which they may be required to operate in contingencies.

In trying to find the correct mix, each year, of military and civil airlift capacity to meet DOD transportation requirements, we believe that three primary controlling factors must be considered. They are:

1. The amount of airlift capacity generated as a by-product of MAC training flights;
2. The volume of business needed to maintain a current mobilization base contract relationship with most if not all of the air carriers in the CRAF program; and

3. Minimizing the cost to the Government of our air transportation needs, and thus the cost to the taxpayer.

The relationship of these three elements will differ from year to year depending upon the size, and nature, of our airlift requirements.

Briefly, we think that MAC capacity generated as a byproduct of combat readiness training should be used constructively. Indeed, we believe that such use contributes significantly to the value of the training. We also think that airline contracts should be sufficient to keep the bulk of the CRAF contractually committed to the national defense in advance of any emergency. If total DOD requirements for any year are not enough to achieve both of those objectives, then adjustments must be made to provide the best total contingency preparedness within available funds. If total requirements are more than enough to achieve both objectives then the excess requirements should be met in such a way as to minimize cost to the United States taxpayer. Finally, once a decision has been reached each year as to how much of the current total DOD airlift need is to be met by the military and civil aviation components, the decisions as to which specific DOD traffic should be assigned to the civil aircraft, and which to the military aircraft, should be made by DOD on the basis of efficiency and economy.

As indicated, the Department of Defense believes that enactment of S. 1821 would not be consistent with the foregoing national defense airlift objectives.

If S. 1821 were enacted, increased appropriations of at least \$100 million would be required by DOD in FY 1972.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

PHILIP N. WHITTAKER,
Assistant Secretary of the Air Force
(Installations & Logistics).

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., October 19, 1937.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 1821, a bill "To amend the Federal Aviation Act, as amended, with respect to the transportation of Government traffic by civil air carriers of the United States."

This bill would provide that property transported by air for the United States Government be carried by certificated air carriers to the fullest extent practicable. Air movements of persons or property ordered by the Department of Defense with the exception of those movements which require military aircraft because of security or military considerations which preclude use of civil aircraft, would be required to be transported to the fullest extent practicable by certificated air carriers participating in the civil reserve air fleet program, with a minimum of at least fifty percent annual gross tonnages of all property moved by the Department of Defense to be so carried.

Whether this legislation should be enacted involves policy considerations as to which the Department of Justice makes no recommendation.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD G. KLEINDIENST,
Deputy Attorney General.

Senator CANNON. Our first witness will be the Honorable Philip N. Whittaker, Assistant Secretary of the Air Force.

STATEMENT OF HON. PHILIP N. WHITTAKER, ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS AND LOGISTICS, WASHINGTON, D.C.; ACCOMPANIED BY LT. GEN. GEORGE S. BOYLAN, JR., DEPUTY CHIEF OF STAFF, PROGRAMS AND RESOURCES; JOHN W. PERRY, DEPUTY FOR TRANSPORTATION AND COMMUNICATIONS; AND JOHN F. SHEA, ASSISTANT DCS PLANS, MAC

Mr. WHITTAKER. Chairman Cannon, members of the Aviation Subcommittee, Secretary Laird has asked me to represent him here today in response to your invitation of June 9.

The Department of Defense appreciates this opportunity to express to your committee its views with regard to S. 1821 which would direct that half of the Department of Defense cargo moving over Military Airlift Command channels be transported in aircraft of the U.S. civil air carriers.

We in the Department of Defense have a definite interest in this Nation's commercial aviation industry. As you yourself stated recently, Mr. Chairman, "Without a strong Civil Reserve Air Fleet, owned by the airlines, and available in the event of an emergency, the Nation's airlift capacity will be greatly impaired."

Nevertheless, the Department of Defense opposes S. 1821. We understand the desire of the airlines to find additional revenue traffic at this time when their total capacity so significantly exceeds current requirements. But the Department of Defense, the Congress, and the airlines have known for many years that the amount of DOD cargo to be moved by the airlines would decrease substantially in periods of relative peace. Thus, the present decrease in cargo business does not represent a change in prior policy. If S. 1821 were enacted, forcing the movement of defense cargo on airline aircraft without regard to whether such service was needed, several unfortunate results would follow. Briefly they are:

1. The bill would force a substantial increase in amounts appropriated to the Department of Defense, at the expense of the taxpayers;
2. The additional defense cargo which would be diverted to the airlines would not cause them to purchase additional cargo aircraft in the foreseeable future;
3. It would impede rather than enhance the effective contractual relationship between DOD and the airlines for operations in periods of emergency;
4. It would decrease our flexibility to use the various types of available military and civil aircraft for the specific missions to which they are best suited; and

5. The bill, in our judgment, would discourage increased DOD use of airlift for logistic support, and thus be contrary to the long-range interests of military and civil aviation alike.

Let me turn first to how the present substantial decrease in the airlines' air cargo business from DOD was known long in advance.

The size of our active military airlift force is determined so that it, together with the full capacity of our Reserve and National Guard airlift forces, and the capacity of those suitable U.S. civil aircraft which the Department of Transportation will allocate to the Civil Reserve Air Fleet (CRAF), can meet peak contingency airlift needs. These contingency needs far exceed DOD's peacetime airlift needs.

In the late 1950's, the need to modernize our military airlift force, which then included a mixture of passenger and cargo aircraft, was clearly recognized by the Congress. The limiting airlift factor in the development of our war plans has consistently been intercontinental air cargo capacity. Consequently, the Congress guided the MAC modernization into cargo and troop carrier aircraft, and urged DOD to turn the bulk of its passenger transportation business over to the commercial carriers, who had adequate capacity for that purpose. To show you how much the situation has changed since then, in reporting out the fiscal year 1958 DOD Appropriation Act the Senate Appropriations Committee suggested that 40 percent of DOD's passengers and 20 percent of its cargo be moved by the airlines if possible. I might add that our total procurement of passenger and cargo service for that year was only \$56.7 million. In fiscal year 1972 we expect to give the airlines 50 percent more business than they would have received under the 40-20 percent guidelines.

The Government Operations Committee, House of Representatives, also considered the peacetime relationship between DOD and the airlines, supporting MAC modernization and recommending that MAC concentrate on outside and special-cargo traffic and technical missions, leaving transportation of passengers and the more conventional kinds of cargo primarily to the airlines and establishing:

A full partnership role for civil carriers in moving peacetime military traffic and in contributing to war readiness through the Civil Reserve Air Fleet.

A 1960 report of the Armed Services Committee, House of Representatives, also urged modernization of MAC and discussed the possibility that MAC would not move any DOD traffic, saying:

If the planes were to fly empty or with dummy loads, no portion of the MATS system would be exercised except the aircraft crews and limited maintenance. Thus training would be degraded. If the planes were not to fly at all, it would degrade all parts of the system.

The report went on to say:

The subcommittee recommends that MATS, in the performance of its peacetime utilization rate, continue to transport military traffic, first, in justification of meaningful training, and, and secondly, as a matter of economy.

The mobilization base program under which the Department of Defense has been purchasing airlift services since 1961 was intended, and is still intended, to carry out these objectives. In doing so, the Government and the airlines have recognized clearly that DOD emergency needs would be quite different from peacetime needs, both as to the

volume of DOD air traffic and as to the mix of passenger and cargo business. In an emergency the number of dependents moving to and from overseas destinations is decreased. At the same time, the need for cargo airlift increases due to both the larger number of U.S. military personnel stationed outside the CONUS, and their more rapid consumption of material. From the outset we have urged the airlines to procure convertible aircraft so that they could transport passengers in peacetime, and cargo in periods of emergency.

A 1963 report by the Committee on Government Operations, House of Representatives, said in discussing the modernization of both MAC and the airlines:

This dual modernization program is mutually beneficial to the national defense and the airline industry, yet it carries with it the seeds of future military-civil airline competition and conflict, when new, fast, efficient jet transport planes in both sectors will create large additional capacity crying to be utilized.

Peak requirements in Southeast Asia absorbed this growing capacity in the later 1960's but as that contingency situation draws to a close the competition foreseen by the Committee is becoming obvious. The 1963 report went on to note specifically that with delivery of new MAC aircraft the airline share of DOD's cargo business was expected to drop from 45 percent in fiscal year 1963 to 19 percent in fiscal year 1964.

Airline representatives were told, at a February 1963 meeting, that the anticipated cargo airlift procurement would decrease in fiscal year 1964. They were reminded that the Air Force had always said it would use passenger requirements to stimulate the acquisition of modern turbine-powered cargo or convertible equipment and that consequently we felt that the airlines must look at the total number of dollars for DOD traffic, and not separately at the quantity of cargo or passengers. They were also told that as military capability increased in fiscal year 1965-66 through the addition of new aircraft to the MAC fleet, minimum essential training would generate such capability that there might be no need for commercial cargo augmentation. The carriers were told specifically at that meeting that further augmentation of their fleets should be on the basis of their commercial, nondefense business.

We repeatedly reminded the carriers of the decline in commercial augmentation business which would be experienced as the activity in Southeast Asia came to an end. For example, at an airline executive conference in November 1968 MAC said:

It should be understood by all concerned that peacetime requirements for passengers, to the maximum extent feasible, will be purchased from commercial sources; and secondly, that cargo will be purchased from commercial sources only to the extent needed to satisfy the cargo deficit after the utilization of military airlift capability.

In short, Mr. Chairman, the reduction in the percentage of DOD aircraft being moved by the air carriers is not an unanticipated new development. We have been discussing this probable course of events with the airlines, and with the Congress, for many years.

I would like to return now to the Department of Defense reasons for opposing S. 1821. The budget submitted to the Congress for the Department of Defense includes \$43.2 million for commercial cargo service to support MAC. If 50 percent of the currently estimated MAC channel cargo were transported in commercial aircraft, the cost to the U.S. Government would be over \$165 million, an added cost of over

\$120 million for commercial air cargo service. MAC military aircraft will be flown for training purposes whether they transport the cargo or not. Thus, if MAC is to retain its combat readiness, the transfer of additional cargo to the civil air carriers would not cause any reduction in costs now included in the DOD budget for fiscal year 1972 for operation of the military airlift force, but the taxpayers would pay \$120 million more to the airlines.

Second, the additional DOD cargo which would be diverted to the airlines if S. 1821 were enacted would not, in our judgment, cause the airlines to purchase any additional cargo aircraft in the foreseeable future. The additional DOD cargo could be transported by about 15 DC-8-63 aircraft (or, alternatively, about 21 B-707 aircraft).

Senator CANNON. Mr. Secretary, on that point, I think you are overlooking the fact that we are not talking here in terms of an expansion of the CRAF fleet capability at this time. We are talking in terms of an expansion that has already been made because of requirements imposed by the military and now the military is taking away the business.

I don't think we ought to get the idea that this is intended to permit the CRAF carriers to expand the size of their fleet. It is to get them additional business for the fleet that they have already obtained as a result of what I think are military commitments.

So, let's kind of keep our eyes on the target here.

Mr. WHITTAKER. Mr. Chairman, if I may comment to that, sir, the message that I tried to convey in the previous portion of my statement was to the effect that the airlines have been advised on a number of occasions over the past year, over the past decade in fact, that the amount of cargo they are going to be carrying is probably going to be diminishing or perhaps even vanishing.

Senator CANNON. Has the Air Force at any time refused to add new aircraft to the CRAF fleet as new planes came into the inventory of the airlines? Did the Air Force ever say we are not going to accept any more convertible aircraft in the CRAF fleet?

Mr. WHITTAKER. The Air Force has continued to accept aircraft into the CRAF fleet and in return for that we have been providing the airlines over 90 percent of our passenger business over the past few years.

Senator CANNON. All right, will you proceed?

Mr. WHITTAKER. The airlines now own 196 intercontinental cargo aircraft, of which 129 are convertible aircraft operating today in passenger configuration. The airlines could convert a few of these aircraft into cargo configuration and absorb the additional cargo within their present fleet. Even if the airlines did decide to buy more aircraft, they might well purchase the less costly passenger aircraft and convert additional numbers of their present convertible aircraft to cargo configuration.

In this respect, with nearly 200 cargo aircraft already in CRAF, enactment of S. 1821 would be worth less than two-thirds of \$1 million in gross revenue per existing cargo aircraft. In our judgment, this is not a great enough incentive to cause the purchase of additional cargo aircraft for which there is no overall requirement.

I also suggested that enactment of S. 1821 would impede rather than enhance the effective contractual relationship between DOD and the airlines. Basically this is because the bill would entitle the industry to a substantial volume of DOD business without regard to how much capacity they commit to the national defense for emergencies.

Additionally, there are several different rate levels for air cargo service provided to DOD. If S. 1821 were enacted, DOD would be dividing the cargo business to minimize cost, rather than in proportion to the contribution of the several airlines to our mobilization base. If, as a result, some carriers received more business per aircraft than others, continuing our mobilization base program with all of the carriers would clearly be more difficult.

Further, S. 1821 would decrease our flexibility. In early 1960 the study called "The Role of MATS in Peace and War" included a statement that:

There are no aircraft in the commercial carrier industry which were originally designed as cargo carriers. All commercial cargo aircraft have the serious disadvantage of high-floor and side-door loading. For many types of military cargo, they are useless.

Today, 11 years later, that same statement is still true with respect to intercontinental aircraft available to augment MAC.

Senator CANNON. But, Mr. Secretary, isn't that statement directed toward outside cargo? It always has been intended that as the Air Force acquired new capability with C-5's, and so on, they would handle outsized cargo.

The problem here relates to the ordinary channel cargo traffic, and I think your statement is getting away from the basic point that we are concerned with.

Mr. WHITTAKER. Mr. Chairman, obviously, the outside cargo, there is no question that this won't fit on the commercials. However, the fact that there is a greater height and side-door loading on the commercials does make it that much more difficult even with respect to the ordinary run-of-the-mill cargo.

Conversely, all of the present MAC military aircraft were designed primarily as cargo carriers. Thus, if S. 1821 were enacted, it would require the Department of Defense to transport cargo in aircraft which were designed primarily for the movement of passengers, even though that course of action might force DOD also to consider the movement of passengers in aircraft which were designed primarily for the transportation of cargo. This would not be the most efficient use of either type of aircraft.

We are concerned that S. 1821, in subsection (b) (2) can be read as embracing not only the movement of cargo over MAC channels but also cargo moved on special military airlift missions including airlift within a theater of operations by tactical airlift forces.

Tactical airlift, done primarily with C-130's, includes airdrops, direct support to our troops in combat, medical evacuation from the battle zone, indeed the whole range of airlift used to improve combat effectiveness in a war zone. This type of mission, into high-risk areas and into primitive landing sites, must in our judgment be accomplished exclusively by military transport aircraft designed for that purpose and operated by military aircrews trained for that purpose.

We assume that it is not the intention of the bill to cover such airlift.

Senator CANNON. Mr. Secretary, right there let's talk about that point a little.

Tell me about some of those missions that you have been operating, where you operate but where commercial aircraft can't operate at the present time.

Mr. WHITTAKER. Mr. Chairman, all over Southeast Asia we are flying the tactical missions into airfields using 130's into which we are not flying our 141's or our C-5's or commercial aircraft.

Senator CANNON. Tell me about some of the fields that you are operating the C-141's and the C-5's that you don't operate commercial aircraft.

Mr. WHITTAKER. I would like to ask General Boylan, if I may, who is with me on my left, to respond to that question.

General BOYLAN. Mr. Chairman, at the moment I know of no specific airfield which MAC is operating into routinely which could not be served by commercial aircraft of an appropriate design.

Senator CANNON. Do you know of any fields where the Air Force presently operates that are not now being served by commercial aircraft or have not been served by commercial aircraft during the Southeast Asian conflict?

Let's get away from whether they could be served. Let's say whether they are being served or they have been served by commercial aircraft. I want to know if there are any.

General BOYLAN. I don't know of one put in those terms. However, the question excludes time and circumstances. There seemed to be some question on a previous appearance concerning my statement about Pleiku.

It is true that subsequent to initial MAC operations into Pleiku the carriers have operated into Pleiku, but under drastically different circumstances.

Senator CANNON. Was there ever any time that the C-141's operated into Pleiku when the commercial carriers weren't operating there?

General BOYLAN. Yes; at the occasion of the operation of, I believe it was, the 25th Infantry Division from Hawaii to Pleiku.

If my memory is accurate, and I believe it is, there were no commercials operating into Pleiku at that time.

Senator CANNON. When was that?

General BOYLAN. That would have been in 1966 or 1967.

Mr. SHEA. December 1965 to January 1966.

Senator CANNON. In December of 1965 and in January of 1966 you had C-141's operating into one base but you didn't have any commercials operating there?

Are there any other occasions, any other times or places?

General BOYLAN. There is one location which I can provide by separate correspondence.

Senator CANNON. Is it classified? Does it involve classified information?

General BOYLAN. I think it is, sir, because I don't think it has been previously announced.

Senator CANNON. Is it classified for security reasons, or is it just that it hasn't been announced?

General BOYLAN. This is the point—

Senator CANNON. Is it a security classification?

General BOYLAN. I believe it is, sir, and I think this is a point you would want me to check also.

Senator CANNON. All right, sir.

General BOYLAN. Currently—and I still am having some difficulty with the intent of the question—currently we are operating C-130's, which is more to Mr. Whittaker's point, in a refugee operation in India. I am not personally acquainted with the airfields, but I don't believe that any U.S. civil carriers are operating into that part of India.

But the pattern with the C-141 force or the military force dependent on the support required or the urgency of the situation. It was used in the initial phase in Vietnam.

As airfield improvements, security conditions, meaning physical security of the airfield development, then, we have gone to routine commercial operations as you would expect in the normal application of the Civil Reserve Air Fleet.

Senator CANNON. That is as it should be. And certainly the CRAF people have never contended that they ought to operate in a tactical-type mission.

Your tactical operation is something else again. But when you operate your C-141's and your C-5's into bases that are served by commercial aircraft, that puts quite a different light on it.

Again, I want to call your attention to the report of the House Armed Services Committee, and I quote:

The C-5A was designed to airlift vehicles and cargo outsize to the C-141, not troops or general cargo. Yet, the Air Force and MAC now propose to use the C-5 in peacetime for the movement of general cargo—both bulk and palletized—under the guise of training and maintaining flight crew proficiency.

The effect of such a policy will be the elimination—

And again I point out the elimination, not the question of the expansion of added craft—

of a substantial commercial cargo-airlift capability now available from the civil air carriers, in particular the supplementals.

The committee takes note of the fact that the supplementals are the only carriers that have placed procurement orders for the new wide-bodied convertible jets. While these new convertible jets are not substitutes for the C-141's and C-5's of the military, they will offer significant productivity advantage over the existing commercial aircraft now in the CRAF.

The Secretary of the Air Force should reexamine the justifications for MAC operating its fleet at a daily utilization rate of 6.5 hours. A lower daily rate would allow MAC to continue to contract with the CRAF participants for a higher percentage of the peacetime cargo requirements, thus providing an incentive for the commercial carriers to acquire additional cargo/convertible aircraft.

This report was some time ago.

Mr. WHITTAKER. Mr. Chairman, if I may respond to that, sir, we are very cognizant of that report, and we have, we believe, responded to that report specifically in the direction that was given therein to the Secretary of the Air Force to evaluate our flying hour program.

We have reduced our flying hour program to 4 $\frac{1}{4}$ hours from the six and a fraction that is reported there.

If I may, sir, the section that leads to my statement that I was referring to a few moments ago is one that relates to the strictly tactical

mission, and I trust that there is no essential disagreement between all parties concerned with respect to tactical airlift; the airdrop, the forward bases, these types of things, I think, are a relatively noncontroversial portion of this matter.

Senator CANNON. I think you are correct in that statement.

Mr. WHITTAKER. If I may proceed, sir.

Senator CANNON. All right.

Mr. WHITTAKER. DOD and the Army are exploring policy and organizational changes which would use more airlift to achieve overall logistic systems economies. The extent to which increased use of airlift will develop in DOD will depend, however, on cost. This cost is not borne by MAC; it is paid by the military shippers. Obviously, any such significant increase in the cost of cargo transportation to those shippers will have a significant effect on their judgmental decisions whether to increase use of airlift.

Senator CANNON. When you say they are "exploring policy and organizational changes," what do you mean by that? Is there a study being made at the present time? And, if so, when will it be concluded?

Mr. WHITTAKER. There are a number of studies, Mr. Chairman, that relate to this general subject. We have mentioned them in previous testimony, and I believe copies of at least one or more of them have been provided.

I refer, for example, to the study conducted by the Research Analysis Corp., which was completed earlier this year.

Senator CANNON. Is that a secret study?

Mr. WHITTAKER. No, Mr. Chairman, I don't believe it is classified.

Senator CANNON. So we could get it without going to the New York Times, I presume.

Mr. WHITTAKER. Yes, sir.

If we have not already provided it, sir, I will be glad to see that copies are made available to you.

Finally, the responsibilities assigned by S. 1821 to the Comptroller General, involving the GAO in determining the kinds and amount of cargo that would move by commercial carriers, are neither desirable or practical.

The present system of DOD negotiated airlift procurement is accomplished under the mobilization base authority of 10 U.S.C. 2304 (a) (16). If the management and criteria for selection of contractors were to be assigned to the GAO, the continuing propriety of the secretarial determinations and findings under that law would be in doubt. Without them, the Department of Defense would be required by law to return to the pre-1960 system of procuring airlift service by competitive bid.

Now, Mr. Chairman, I would like to turn briefly to the relationship between the Department of Defense and the U.S. air carriers as we see it.

The MAC airlift force has been modernized with C-141's and C-5's. It is significant to note that the C-141 was certificated by the FAA for commercial use, but that the airlines did not see fit to purchase any of these aircraft ideally suited to military needs.

MAC has been oriented to realistic training and uniquely military airlift activities. The highest priority for peacetime use of MAC aircraft is internal training of the MAC force for combat readiness. The next priority is joint training and exercises with other elements of the Armed Forces. The third priority is performance of special airlift missions not suitable for incorporation in the MAC channel airlift system.

Movement of DOD channel traffic on military airlift aircraft is the lowest priority peacetime mission for those aircraft. To the extent, however, that productive airlift capability is created through training activities, we believe it to be in the interests of the national defense and of the taxpayer to minimize the cost to the Government by using this capability effectively to meet current transportation needs.

Senator CANNON. Do you have any statistics which would give the percentage of effort to each of those priorities? In other words, what percent of MAC flying is devoted to the highest priority which you describe, and then the next priority, and the third priority, which is the performance of special airlift missions, and then the lowest priority, which is moving DOD channel traffic? Can you give us some figures now that tell us what percent of MAC's flying is devoted to each one of those priorities?

Mr. WHITTAKER. Mr. Chairman, we can do that in terms of the relative numbers of flying hours assigned to each one of those categories. I think we have that, and I will ask General Boylan if he can provide that.

General BOYLAN. Highest priority, internal training, 8.4—

Senator CANNON. 8.4 what, sir?

General BOYLAN (continuing). percent.

Senator CANNON. Percent of flying hours, all right.

General BOYLAN. Joint training and exercises with other elements, joint training and exercises combined, 15.4.

Senator CANNON. The next is "special airlift missions."

General BOYLAN. 12.1.

Senator CANNON. And fourth, "DOD channel traffic."

General BOYLAN. 48.5, and that is synonymous with system readiness training.

Senator CANNON. How about the rest?

General BOYLAN. There is a minor fraction which relates to test and ferry of 0.7 percent.

Senator CANNON. What was the last one?

General BOYLAN. "Test and ferry."

Senator CANNON. So, if you exclude test and ferry, your lowest priority mission gets more flight time than all of the rest combined?

General BOYLAN. Yes, sir; that is correct.

Senator CANNON. You may proceed, Mr. Secretary.

General BOYLAN. To complete the 100-percent accountability, there is 4.5 percent for positioning, de-positioning and circuitous routing. Also sir, 10 percent of our force flying hours are provided—I haven't broken that 10 percent out by category, but they are provided to the Reserve/Associates units for their internal training and system readiness training, and that would be split in the same percentage against these two elements.

Senator CANNON. So that that 10 percent would be divided in substantially this same percentage relationship?

General BOYLAN. Yes, sir.

Mr. WHITTAKER. This, too, is in keeping with the Presidentially approved courses of action of 1960, which directed that the movement of MAC routine channel traffic, while relying increasingly on commercial airlift capability at reasonable cost, should continue to be consistent with economical and efficient use, including realistic training, of the capacity resulting from MAC modernization.

Following the Presidentially approved courses of action, we have interrelated our peacetime and our contingency contracts with the airlines, and we have increased our reliance on the airlines for peacetime airlift services. Our airlift procurement in fiscal year 1954, just after the Korean war, had been \$29.1 million. It was \$70.4 million in fiscal year 1959, the last year before the "Role of MATS in Peace and War" study. But, as that study pointed out, DOD spent overall \$231.6 million for commercial airlift services in fiscal year 1959.

In contrast to the \$70.4 million spent by MATS in fiscal year 1959 for commercial airlift, the budget for fiscal year 1972 includes \$251 million for passenger service, \$43 million for cargo service, and \$40 million for transportation of DOD official mail—which was moved in military aircraft in 1959. Compared to the overall DOD expenditure of \$231.6 million for commercial airlift in fiscal year 1959, we anticipate a total DOD expenditure in fiscal year 1972, as I recently told this subcommittee, of about two-thirds of a billion dollars.

In trying to find the correct mix each year of military and civil airlift capacity to meet DOD transportation requirements, we believe that three primary controlling factors must be considered. They are:

(1) The amount of airlift capacity generated as a byproduct of MAC training flights.

(2) The volume of business needed to maintain a current mobilization-base-contract relationship with most, if not all, of the air carriers in the CRAF program.

(3) Minimizing the cost to the Government of our air transportation needs, and thus the cost to the taxpayer.

The relationship of these three elements will differ from year to year, depending upon the size and nature of our airlift requirements.

Briefly, we think that MAC capacity generated as a byproduct of combat readiness training should be used constructively. We also think that airline contracts should be sufficient to keep the bulk of the CRAF contractually committed to the national defense in advance of any emergency. If total DOD requirements for any year are not enough to achieve both of those objectives, then adjustments must be made to provide the best total contingency preparedness within available funds. If total requirements are more than enough to achieve both objectives, then the excess requirements should be met in such a way as to minimize cost to the U.S. taxpayer.

As a rough rule of thumb, we think that the relative contributions of the military airlift force and the civil augmentation force to our intercontinental cargo capacity for emergencies—our limiting airlift factor—is a good starting point to determine whether we are allocating

sufficient peacetime business to the airlines to maintain the contractual relationship. The programed MAC force of C-141's and C-5's is just over 300 aircraft. The airlines are contributing just under 200 intercontinental cargo aircraft to the mobilization base. The division of MAC channel business between military aircraft and commercial aircraft for fiscal year 1972 assigns 40 percent of the total to civil aviation. We consider this amount adequate to maintain the contract base.

Finally, once a decision has been reached each year as to how much of the current total DOD airlift need is to be met by the military and civil aviation components, the probable dollar amount of that year's procurement and its adequacy to maintain the mobilization base will be known. The decisions as to which specific DOD traffic should be assigned to the civil aircraft, and which to the military aircraft, should be made by DOD on the basis of efficiency and economy—not determined by some preset rule made without regard to the relative capabilities of the different aircraft involved.

As I have indicated, Mr. Chairman, the Department of Defense believes that enactment of S. 1821 would not be consistent with the foregoing national-defense airlift objectives.

That concludes my prepared statement. Thank you very much.

Senator CANNON. Thank you, Mr. Secretary.

Now, your statement claims that "S. 1821 would force the Government to spend \$120 million additional to pay for airlift services of the airlines." In arriving at that figure, did you include cost savings which would be achieved by reducing the flying hours of the MAC fleet to correspond with the increased reliance on civil airlift?

Mr. WHITTAKER. That was not taken into consideration. It was simply the cost to the Government.

Senator CANNON. It was just the cost of procuring the service; is that right?

Mr. WHITTAKER. That is right, sir.

Senator CANNON. There should be some corresponding reduction in overall cost; should there not?

General BOYLAN. May I comment, sir?

Senator CANNON. Yes, sir.

General BOYLAN. I think not, Mr. Chairman. This goes back to the central point that we have been attempting to make before the committee. The MAC flying hour program is computed on the basis principally of readiness training to embrace the missions and flying categories that we have described to you by percentage.

It is our judgment that the MAC system, the aircrew, the airport, the en route stations and destination personnel require the flying hours that we have programed for readiness training.

We would be faced with the very serious dilemma of flying—the possibility of flying aircraft in a very uneconomic configuration. Perhaps empty.

I do not think that there would be any substantial reduction in MAC flying hours. Certainly we could recommend that.

Senator CANNON. You say that you have reduced your flying hours now to what, 4.25?

General BOYLAN. Yes, 4.25 for the active force.

Senator CANNON. According to these figures you have given me, the first three training priorities amount to about 36 percent of your flight time. So, if you take 36 percent of 4.25, about an hour and a half of flying hours per day would be required to meet your requirements.

Now, when you put into effect the 4.25 hours, are you going to be using the balance of that for the CRAF requirement, that is, for the channel forth priority cargo?

General BOYLAN. The percentages I gave you, sir, represent percentage breakdown of the MAC flying hour program for fiscal 1972. It would indicate that of the total flying hour program, as I stated previously, 48.5 percent of the total flying hours in our judgment are required for readiness training for the MAC system.

During this readiness training it is the DOD intention that cargo would be carried, if available.

Senator PEARSON. What is the MAC system?

General BOYLAN. It is a worldwide structure, Senator.

Senator PEARSON. Start back and tell me what it was before Vietnam.

General BOYLAN. A worldwide system with inefficient and inadequate equipment.

Senator PEARSON. What was its function prior to 1964, for instance?

General BOYLAN. Prior to 1964, going back sequentially, MAC was authorized to provide C-130E equipment specifically by the Congress, a few C-135's authorized by the Congress, C-124's.

Prior to this era, which would be to about 1960, C-124's, C-118's, C-97's, and then back to the—

Senator PEARSON. Most of that system prior to Vietnam was going to Western Europe in relation to the NATO equipment?

General BOYLAN. I think that is absolutely correct. I would expect that the workload may have been 60 percent or more to Europe and Southern Europe and the balance, 30 percent or so, to the Western Pacific.

Senator CANNON. General, getting back to these figures again, you said your highest priority is internal training of the MAC force for combat readiness—8.4 percent of your flying was training for that. When you take those first three priorities which include the joint training and exercise with other elements of the Air Force and the performance of special airlift missions not suitable for incorporation in the MAC channel airlift system, those are your three highest priorities, those are your training priorities, and, based on this percentage, that would require about 1.5 hours a day average flying time to satisfy those.

What you are really saying, as I understand it, then, is that the other 3 hours a day is not required in those three and, therefore, it is just in a fourth priority of hauling the routine channel traffic.

General BOYLAN. I can give you the specific hours that are programmed for these functions if that would help the point. I am not sure it would. I think the problem here is that when we state missions or functions in a priority, the inference is given that we perform the first to the exclusion of all the rest.

All these missions go on simultaneously. One of the previously stated reasons why readiness training requires so many hours is the very nature of the military force that is being trained for readiness. We have

a very high turnover in personnel. We are constantly upgrading young people to aircraft commanders. They subsequently, in large percentage, complete their commitment to the Government and return to civilian life. The process never stops. This is also true of our ground and support personnel around the world. It is not "a train once, forever ready." It is a day-by-day constant process. There is probably no comparison in the civil airlines or any other function to the training problem that MAC faces.

Senator CANNON. Well, couldn't you train your flightcrews with 2 hours a day per plane?

General BOYLAN. It is the judgment of the Air Force, Senator, that the stated hours are required for readiness training.

Senator CANNON. That didn't answer my question.

General BOYLAN. I think the only answer I could give you specifically would be "No."

Senator CANNON. In other words, you feel that you must have more hours of flying per day for crew training than the airlines permit their pilots to fly?

General BOYLAN. Perhaps I misunderstood your question. We were talking about the total flying hour program, and I am thinking of flying hours per unit equipment aircraft, which is 4.25 hours per day. So, my answer was in that context, not on a per pilot basis.

Senator CANNON. Mr. Secretary, the air carriers' estimate that if S. 1821 is enacted, the additional cost to the Government would be about \$26 million per year. Why is there such a wide disparity between the Air Force's estimate of the cost and that supplied by the air carriers?

Mr. WHITTAKER. I wasn't aware until this moment, Mr. Chairman, of this number from the air carriers. We had computed our number—\$120 million is a rounding off of the number, the exact number, I believe, is \$121.8 million. We can provide for the record, the computation that was involved in arriving at that number.

Senator CANNON. All right, if you would do that, sir.

(The information follows:)

Additional costs of 50 percent of MAC channel transported in commercial aircraft

Cargo workload requirements:

Outbound	million ton miles..	1, 375. 4
Inbound	million ton miles..	899. 2
50 percent to commercial (outbound).....	million ton miles..	687. 7
80 percent load factor (commercial capability required).....		859. 63
Round trip basis (859.63 × 2).....	million ton miles..	1, 719. 26
CAB cost (NM—MAC route).....		. 0960
Commercial cost—Total.....	million..	\$165. 0210
Less: Commercial cargo in President's budget.....	million..	43. 2
Additional commercial cost.....	million..	121. 8

Senator CANNON. In your statement you say, it would impede rather than enhance the effective contractual relationship between DOD and the airlines for all operations in periods of emergency. Would you explain that, please?

Mr. WHITTAKER. Mr. Chairman, at the present time, the contractual relationship between the Department of Defense and the airlines is based upon the commitment by the airlines to provide aircraft for a CRAF emergency. If, in lieu of that kind of a commitment from the airlines on the one hand, in return for business provided by us on the other, if in lieu of that, there was a mandated requirement on us, regardless, to contract out 50 percent of our cargo requirements, we would lose, to put it bluntly, something of our negotiating position with the airlines to cause them to pledge their aircraft to the CRAF fleet.

Senator CANNON. I find that a little difficult to follow. And Senator Stevens says he doesn't understand it, either. Would you explain it again?

Senator STEVENS. Would you go through that again and clarify why you would lose any bargaining position if they had the incentive to maintain a greater capability?

Mr. WHITTAKER. I think we agreed earlier, Senator, that this piece of legislation would have essentially no effect on whether the airlines were to acquire additional aircraft or not. So, we are not talking about the possibility of additional capability. What we are talking about is the contractual relationship between the Military Airlift Command on the one side, and the carriers on the other. The Military Airlift Command every year goes out on its solicitation for carrier service to the airlines, and in return for providing business to the carriers, the carriers are asked to pledge certain of their aircraft to the Civil Reserve Air Fleet.

If the carrier does not choose to participate in the CRAF fleet or does not choose to offer his aircraft for the CRAF fleet, to the degree that he doesn't do that, he will not get business from the Military Airlift Command.

Senator PEARSON. Say that again. To the extent that he does not choose to participate by assigning certain aircraft, then what happens?

Mr. WHITTAKER. He will not receive the business, the ongoing business from the Military Airlift Command for that ensuing fiscal year.

Senator PEARSON. All right.

Mr. WHITTAKER. Therefore, if a statute were to be enacted, the thrust of which was that regardless of whether an airline will pledge its aircraft or not, business will be provided it by the Military Airlift Command, some element of this bargaining position, this negotiating position, this ability of the Military Airlift Command, to get airlines to commit their aircraft for the CRAF fleet has gone.

Senator CANNON. Well, the bill doesn't say that Mr. Secretary, at all, and certainly it wouldn't be contemplated that the airline could withdraw its commitment to CRAF and still get the business. That is not contemplated, and I don't think anyone would seriously contend that. I don't believe that is in support of the proposition that you have made here.

Senator PEARSON. I want to ask the general a question. What is the difference in training and pilot capability between MATS today and a civil air carrier pilot? To fulfill all the mission you have described,

what must the pilot be able to do with the aircraft that you are using that a commercial pilot is not able to do today?

General BOYLAN. I think, Senator, we have to start with the basic contract that the pilot holds with his employer. In the case of the military pilot, that is a fairly extensive contract favoring the U.S. Government.

Senator PEARSON. I am talking about pilot skills. I am not talking about the—

General BOYLAN. Well, I think it is a pertinent point I wanted to make. This means that the MAC pilot must receive appropriate training so that he and his equipment can perform any airlift mission which is assigned to him. This will include extremely marginal airfields, airfields into which no previous MAC flights have been made. It will include the airdropping of paratroopers and pallet loads of equipment; it will include formation flying, loosely used; it will include the integral meeting with the crew, reconfiguration of his aircraft for missions that could be assigned while he is away from home and out of the system; not that he personally would do it, but he would be responsible that the aircraft is properly configured.

This, on the one hand, I think, fairly describes the training of the military pilot, and then to the contract on the other side. Normally for the civilian pilot, it is a specified route, often specified time, and certainly with specified equipment.

Senator PEARSON. With due respect, your vision of the pilot's skills and capabilities, with the exception of some performance such as air-drop, parachute units, et cetera, doesn't really sound to me like a military pilot has any special skills over a commercial pilot. Let me make a personal observation, if I may.

In World War II, I served in NATS—the naval air transport service. We threw that thing together by going to the airlines and getting their airplanes. And we put it together with airline pilots. Then they took Navy pilots such as myself out of Pensacola and Corpus Christi, and sent us to airline schools and then to NATS.

The airlines are in bad shape today, there isn't any doubt about that. They want this business. I don't know how long it is going to last after Vietnam is over, and I concur that there must be a MATS system of some sort. But are we really going to be in need of an enormous reserve system?

This is the way all the military, it seems to me, is going. We are heading for a voluntary Army today. In all your planning and consideration of this problem, I take it you are going to build your own airline and move from this reserve concept of not only pilots, but air carrier planes.

Mr. Secretary, perhaps you ought to answer that.

Mr. WHITTAKER. Senator, I would like to respond to that very much, sir.

I feel that we have not communicated effectively if we haven't made the point very loud and clear, that in the event of a contingency we would have to have every aircraft that we now have and all those that are coming into our Military Airlift Command inventory, and in addition, we would have to have all of the commercial air carrier aircraft that we could get our hands on.

Senator PEARSON. Which you would have the power to acquire?

Mr. WHITTAKER. Which we have the power to acquire through the CRAF program, the Civil Reserve Air Fleet program.

Senator PEARSON. You have powers beyond that; do you not, Mr. Secretary?

Mr. WHITTAKER. I would assume we would have such powers in the event of an all-out war, no question about it, but there might be a question with respect to something less than a total war. That teamwork, Senator, between the airlines and the Military Airlift Command, is something we consider terribly important, and we have no—

Senator PEARSON. I know you do.

Mr. WHITTAKER. We have no aspiration or no intention to build an in-house capability that is going to be totally self-sufficient, by a long shot.

Senator STEVENS. May I comment on that, Mr. Chairman?

Senator CANNON. Yes, sir.

Senator STEVENS. Mr. Secretary, it seems you place those of us who supported the C-5A to maintain combat readiness of the airlift in a rather strange position. I supported that because I thought it was necessary for military airlift capability in the event of combat necessity. In your statement, you seem to emphasize on the fact that the civilian airlines are not acquiring that type of equipment and, therefore, you are relying to a great extent upon your rear-loading aircraft.

What need is there for us to maintain that type of aircraft except in the event of combat? In actuality, a C-5A is not really needed for military cargo other than in the event of combat; is that correct?

Mr. WHITTAKER. Senator, that is the purpose and the sole purpose for which the C-5A has been ordered, the purpose of providing cargo capability in the event of contingency or a war.

Senator STEVENS. How much of this for the priority flying that you mention is in the C-5 and the C-141-type equipment?

Mr. WHITTAKER. Let me try to answer that this way. We have ordered the C-5 based upon the judgment of a group of as experienced people as we could get. They have determined the requirement as to the quantity of aircraft that would be minimally needed in the event of a contingency to provide the wherewithal to carry the arms and supplies of Army divisions to some site around the world.

The C-5, as you know, is an aircraft that is designed specifically to carry this kind of outsize cargo, the tanks, the bridge erectors, and this type of outsize equipment.

Senator STEVENS. If you are not in a time of war, you certainly don't have to ship those things by air.

Mr. WHITTAKER. That's correct. But the problem, Senator, is that having acquired this capability for use in contingencies, and I think no one is arguing about the basic essentiality of that kind of a capability, having acquired that, then the question is how does one effectively utilize that, keep it flexed, and keep it in an operational state of readiness so that it can be used if it ever should need to be used. Therein lies, I believe, the basic problem that confronts this committee and the Congress, as well as the Department of Defense.

Senator STEVENS. With all due respect, a similar comparison would be to say that we acquired the New York Central to train the Corps of Engineers on how to run the railroads. I certainly did not support the C-5A for a civilian type operation in peacetime, which seems to be what you are doing.

Mr. Chairman, I would like to have the breakdown on how much the C-141 and the C-5A are flying that for the priority cargo.

Senator CANNON. Do you have that, General Boylan?

General BOYLAN. I think I may.

Senator PEARSON. While he is looking, how many C-5's do you have on order now that you expect to get from Lockheed?

Mr. WHITTAKER. A total of 81, Senator.

Senator CANNON. How many do you actually have on hand now?

Mr. WHITTAKER. As of the end of this month, there will be, I believe, 42 produced.

Senator PEARSON. And you expect 81 more?

Mr. WHITTAKER. No; the total will be 81, of which 42 approximately have been produced as of now.

Senator CANNON. How are you going to exercise those additional 39 when you get them? Are you going to move more of this routine channel cargo?

Senator PEARSON. First of all, do you expect to get them?

Mr. WHITTAKER. Yes, sir; we expect to get them, and, second, the figures and the projections that we have shown here are based upon the continued receipt of these aircraft at the rate of two a month over the period between now and I believe the last one is to be delivered in February of 1973.

Senator CANNON. You have talked about fiscal 1972, though, in the figures here, and I am just curious, suppose you had received the 115 you requested originally, that would have been another 34, how would you have used those? What would you have used them for? How would you have exercised them?

Mr. WHITTAKER. Mr. Chairman, the expectation that I had and I still have is that during the period of time when these aircraft are being added to the inventory, there will be an increased amount of cargo being carried by air which will—

Senator CANNON. Is that outsize cargo or channel cargo?

Mr. WHITTAKER. I think it is going to be cargo of a number of different types. We are using the C-5 now for outsize kind of work. It is in connection with Southeast Asia, but on the assumption that Southeast Asia will have wound down over the next year, in large measure, I still think there is a peacetime outsize requirement for the C-5 which will at least keep some cargo hours on the plane.

Senator STEVENS. What are the figures in terms of the cargo aircraft that you are going to retire as a result of acquiring the C-5? Isn't this going to balance out somewhere? When we were asked to support the C-5A, we were given a set of predictions as to how many of the existing cargo planes you were going to be able to retire if new vehicles were acquired.

Mr. WHITTAKER. That is correct, Senator. The Air Force is retiring or has retired, for example, the C-133's and a number of other aircraft

that General Boylan identified a little while ago. So, at present the Military Aircraft Command Fleet consists simply of the C-141's and the C-5's.

Senator PEARSON. Mr. Secretary, let me make an observation. I see an expansion of the airlift capability in MATS now and planned. And yet we are withdrawing from Japan, Okinawa, Korea, Vietnam, and the Philippines. I think without a doubt we are going to negotiate some reduction of troops in NATO. Whether or not this gets to be a philosophical argument about neoisolationism, the fact is we are withdrawing from all parts of the world at the same time we increase the MATS capability. Is that inconsistent?

Mr. WHITTAKER. I don't believe so, Senator, from a personal point of view, I share the desire to see us pull back from many areas of the globe, and I think that is a positive and desirable movement that is taking place as rapidly as we can do so. The reason, of course, for having this airlift capability, or having at least a minimum airlift capability, is so that if we should ever be required to deploy forces overseas that have been brought back and are now stationed in this country, we would then have the capability of doing so, and, of course, the philosophic argument or it's really a military argument, is that you can probably be more effective if we get there pretty quick, get there early in a contingency, rather than waiting and arriving quite a long time after the event has begun to build up heat.

So, that is the whole purpose of the C-141 and the C-5 fleet.

Senator PEARSON. Is there a change in position in the last 2 years in the Defense Department's program for prepositioned material? I have forgotten the name of it, but it was a proposal in which ships were stationed at strategic points all over the world. We have prepositioned material and supplies and ammunition in Western Europe now which will maintain us for how long a period?

Mr. WHITTAKER. I don't know the answer to that.

Senator PEARSON. Thirty days?

Mr. WHITTAKER. I don't know exactly how long that is.

Senator, if I may comment, whenever you preposition material, in a theater, you have to leave people there to take care of it, guard it, and keep it in the kind of condition it has to be maintained in to be operational on short notice. It seems to me there will always have to be some level of material prepositioned around the world, some of the really heavy stuff, but it does seem to me with the capability afforded by the MAC fleet that this can be reduced to a minimum.

Senator CANNON. General Boylan, do you have those figures for Senator Stevens?

General BOYLAN. Yes, sir.

The estimate for fiscal 1972, C-5 readiness training percentage of total flying hours is 53.9 percent. I want to note that the JCS exercise and the joint training portions of the C-5 program for 1972 is lower than the C-141 because of the newness of the aircraft into the MAC system.

Senator CANNON. The C-141, he also asked for that percentage.

General BOYLAN. That is 48.5.

Senator STEVENS. That is priority No. 1. How much are you using them for priority No. 4. Am I misunderstanding you?

General BOYLAN. I think so, sir. I gave you the readiness training estimate for fiscal 1972—53.9 percent of the total flying hours programmed for the C-5.

Senator STEVENS. What I wanted to know was how much of the 50-some-odd percent which you have listed in category 4 as channel traffic is being flown by C-5's and C-141's?

General BOYLAN. We are estimating that in fiscal 1972, 74,916 C-5 hours will be flown by MAC. I am trying to say that 36,335 of those hours or 53.9 percent based on our estimate will be flown as system readiness training, the so-called category 4.

I am also making the point, sir, that JCS exercises and joint training because of the newness of the aircraft melded into the joint exercises is lower in these years than the C-141.

Senator STEVENS. Is the period of 74,000 hours in which you are carrying cargo within category 4?

General BOYLAN. Yes, sir.

Senator CANNON. That more than 50 percent is in that fourth category, were you are carrying channel traffic; is that right?

General BOYLAN. That is correct, sir. I don't have any estimate of how much of those flying hours would be outside cargo flying hours. I don't have that estimate.

Senator CANNON. General, it seems to me if your requirement is to fly only 1.5 hours a day to satisfy these first three priorities—mind you, that includes the joint training and exercises with other elements of the Armed Forces, it includes the internal training of the MAC force for combat readiness, and it includes the special airlift missions not suitable for incorporation in the MAC channel airlift system; the only thing it excludes is the DOD channel traffic on military airlift aircraft which is your lowest priority, it would only take 1.5 hours a day to meet that first priority.

Now, if you carried cargo on that basis you would carry 760,000 ton-miles instead of 2.154 million ton-miles that is presently in the system, and the commercial carriers could carry 1,805 million ton-miles then you would have met your three basic priorities, is that right?

General BOYLAN. The rough estimate I have, sir, is just under 2 hours a day takes care of all of these categories—

Senator CANNON. It takes care of all the training categories you have listed?

General BOYLAN (continuing). Including the reserve associate units. I have repeatedly tried to make the point that these are the priority missions by JCS direction. I have also tried to make the point that the balance of these flying hours in the Air Force's judgment is required for training of the air crews and the MAC system which supports the MAC wartime capability.

Senator CANNON. Well, the JCS doesn't list that as the fourth priority. They list that as carrying routine channel traffic, don't they?

General BOYLAN. I think here again there is semantics. I am only trying to say if there is a question of priority as to what this airplane does this morning, the JCS exercise requires an airplane and system training requires an airplane, and there is only one, that the airplane would go to the JCS exercise.

Senator CANNON. Doesn't part of your system training come under that higher priority? Doesn't that include system training?

General BOYLAN. No; it doesn't.

Senator CANNON. No system training in that.

General BOYLAN. By our definition it does not, sir. That involves the qualification of the aircrew, the performance characteristics of the airplane.

Senator CANNON. To do their job?

General BOYLAN. To make landings, to make takeoffs, to make low approaches, emergency procedures, and this is done—

Senator CANNON. Wouldn't it include loading and unloading the aircraft with the type of equipment that it is likely to handle and flying legs of a system that it might likely fly?

General BOYLAN. No, it does not by our definition, and the aircraft does not perform those functions under that category.

Senator CANNON. Mr. Secretary, in your statement you threaten that if S. 1821 is enacted "it would require the Department of Defense to transport cargo in aircraft which were designed primarily for the movement of passengers even though that course of action might force DOD also to consider the movement of passengers in aircraft which were designed primarily for the transportation of cargo."

Are you unaware of the fact that S. 1821 requires that to the greatest extent practicable Government cargo and passengers would have to be moved by civil carriers, and are you willing by that threat to ignore the congressional policy long established by the Appropriations Committees that MAC not become involved in the business of carrying passengers.

Mr. WHITTAKER. Mr. Chairman, I first of all would emphatically suggest I am not trying to threaten anybody.

Senator CANNON. It sort of sounds that way.

Mr. WHITTAKER. The point, of course, that we are making is this: We have a number of rules under which we try to operate, and one of them is represented by the amount of money we have in our budget. If we don't have enough money to pay for moving virtually all of our passengers and 50 percent of our cargo by the commercial carriers, it seems to us that we are between the rock and the hard place as far as what we then do with respect to getting people and cargo from one place to another.

Senator CANNON. Mr. Secretary, it seems to me that we are in this sort of a situation here. You say you are opposed to this bill, but you don't come up with any alternatives. I think it should be quite evident by now that at least some of the Members of the Congress are not satisfied with what is being done, and I think you had better look to someplace for compromise.

In other words, what percentage set-aside would you like to see in this bill if there is to be a bill passed that you could live with? I for one am not satisfied with what you are doing at the present time, and I think that there are a lot of other Members of Congress who feel the same. It is evident that Senator Magnuson in introducing this bill undoubtedly feels the same way, and we would like to know what alternatives you might propose rather than coming in and saying we want to do it the way we proposed to do it.

Senator STEVENS. A provincial thing, perhaps. As I'm sure Mr. Perry is aware. A situation exists in Alaska where we do have operators with the C-130's and the L-100, one a commercial carrier, the other a contract carrier; and we have tried our best to get the four L-100's operated by Interior Airways under the CRAF program so that they would be available. Those are aircraft of the type which you described as not being available on the civilian side. I think that passage of this bill might encourage the Department to give some incentive to the civilian carriers to have that type of equipment and for them to maintain it in peacetime. I think there are some of us who believe that in peacetime civilian carriers ought to maintain the equipment. In addition we ought to find some means to subsidize the carriers, so we do in the merchant marine so that they will maintain the type of equipment that would be useful in the event of an all-out emergency. We should not place the complete burden upon the Federal Government to maintain the Air Force at peace combat cargo capability which they would need in the event of all-out war.

We all realize it would be necessary to reach into the civilian sector to pick up a considerable portion of that in the event of all-out war. I agree with the chairman. I would like to know what are you doing to try and encourage the civilian sector to have the type of equipment which you say is necessary and which you believe can only be maintained by the Air Force.

Mr. WHITTAKER. Let me try to respond to the several comments and questions.

First of all, the Air Force believes that the military airlift capability that it is acquiring and has is a minimal level of capability to provide what it would need in the event of a contingency, and I repeat that we would have to rely heavily on the commercial carriers in such a situation.

Second, the Department of Defense is spending on the order of two-thirds of a billion dollars for commercial air carriage at the present time which we consider to be a not inconsequential sum, although it does represent I believe something on the order of 12 to 15 percent of the revenue of the certificated carriers in this country.

Senator STEVENS. Could I interrupt you there, Mr. Secretary?

Mr. WHITTAKER. Yes, sir.

Senator STEVENS. Could you give us a comparable figure of what it costs in terms of manpower, to maintain the airlift capability that you are maintaining? To what is this three-quarters of a billion dollars compared? What portion of the millions of dollars that are going into the Department of Defense and the Air Force are going into this sector? Do you have that figure?

Mr. WHITTAKER. I don't have that available here, Senator. I think we could probably develop such a figure.

The point again is, however, that 40 percent of our business is going to the commercial carriers, and that does not include the carriage of mail which is done by the commercials, it doesn't include the so-called category Z passengers who are individually ticketed on commercial flights, nor does it include a significant amount of carriage that is contracted for by the military traffic management service.

(The information requested follows:)

In fiscal year 1972, the organic costs to the Department of Defense to maintain strategic airlift will be \$527.7 million. This includes expenses for civilian/military pay, POL, depot maintenance, equipment, supplies/materials, TDY and administrative expenses. These expenses are applicable to the C-141's, C-5's, the support squadrons and terminals.

Senator STEVENS. Returning to my previous question, if I may, what incentives do you have for the civilian sector to maintain the type of equipment that you say is necessary? There is no incentive that I can see for them to maintain a C-130 or to go into-141's or to try C-5's.

I think some of our people might want to get into the civilian version of the C-5, but there is no incentive. They have no reason to believe that they will receive a portion of your budget as I pointed out in the case with the merchant marine.

Mr. WHITTAKER. In our contracting each year, the amount of business that a carrier receives is in direct relationship to the aircraft that he will promise to make available under the CRAF program in the event of an emergency.

Senator STEVENS. And have you tried to contract with civilian carriers so that they would acquire the C-130 or C-141 or C-5 type aircraft?

Mr. WHITTAKER. We have left the exact choice of the type of aircraft to the commercial carriers. But we do place a premium—we give 2½ times more credit to an airline for having a convertible, that is, an aircraft that can neither be a passenger nor a cargo configuration, than we do to a straight passenger configuration. So we have tried through the mechanism of the MAC contracting to provide this kind of incentive.

Senator STEVENS. Pardon me, you were going back to the chairman's comment.

Mr. WHITTAKER. Mr. Chairman, we, as I indicated, are very deeply cognizant of the economic problems that the airline industry has been facing, and we are concerned that there be a healthy airline industry in this country. We have, as has been indicated, done what we believe is reasonable to try to accommodate to that situation.

For example, as we have indicated, we have significantly reduced our flying hour program over the last several years, and this has in effect taken off the market many millions of ton-miles of capability that otherwise would be there.

So this is the kind of thing that we have tried to do to meet the airlines halfway on this problem.

Senator CANNON. Are you saying that you have gone as far as you intend to go unless you are forced to go further?

Mr. WHITTAKER. I am open to suggestions, Mr. Chairman, but—

Senator CANNON. We have made a suggestion here, Senator Magnuson did in introducing this bill, and we would like to see how far you are willing to go without some kind of legislation. If you are not, then that is all we need to know and then we can proceed accordingly.

I, for one, and I think it is quite evident that there are a lot of others, am not satisfied with the position that you are taking so far that that is far enough. So, if there is any suggested intermediate position, we

would be glad to hear from you as to what you might like in the way of modifications in this legislation, because I think there is going to be a drive made to get some kind of legislation through.

We do have a precedent in the Merchant Marine Act, as you well know—

General BOYLAN. Mr. Chairman, perhaps ineptly, I have been attempting to make clear to the committee that the single mission of the Military Airlift Command is to maintain readiness for a contingency. In our professional judgment, to maintain this readiness requires the flying hours that we have estimated and have given to you under various descriptions. I think that there is a very real concern that the proposed legislation would put the Air Force and the Department of Defense in the position of either not maintaining a readiness force for which the Congress has provided substantial sums or incurring additional expense in order to maintain that readiness. It would be my personal suggestion that if subsidy is required, that the Congress act in that direction, and if economic assistance is required that it be unencumbered by other defense issues.

I am saying in substance, direct financial assistance. Either way the cost is there to be accounted for.

Senator STEVENS. If I may get provincial, we have a serious situation in Alaska, one with which I am sure many of you are familiar. For example, the little village of Yumchie. Uniklet has an Air Force station. An airlift is used to carry freight in there. We are about to lose Alaska Airlines because of its position. I hope we don't.

What justification is there to use military airlift capability into that village when, if you combined those cargos, Uniklet could survive and the Air Force would get the same service for less money?

I think this same thing applies through the world, you can get routine supplies into defense stations without utilization of military capability and thereby improve the civilian service wherever it might be.

In this connection, we are going to be asked to vote on a loan to Lockheed. Are you putting us in the position that if we vote on the loan to Lockheed, we are increasing the capability to destroy further commercial cargo capability?

Mr. WHITTAKER. Senator, with respect to the latter question first, the loan to Lockheed, as I am sure we are all aware, is a matter of providing financial support to that company in connection with their commercial L-1011 plane, and it has nothing to do with their military programs.

Senator STEVENS. But if they go bankrupt, you are not going to get the balance of your airplanes; are you?

Mr. WHITTAKER. My personal guess would be the answer would be "yes, sir, we would."

Senator STEVENS. Thank you.

Senator CANNON. Thank you very much, gentlemen.

The next witness—and I understand—we may have a panel of this group, if you want to come up, gentlemen—Mr. Tipton, Mr. Driscoll, Mr. Prescott, Mr. Bailey, Mr. Huff, and Mr. Scutt.

Before we start, gentlemen, I have a statement here from John J. O'Donnell, president of the Air Line Pilots Association, and that will be made a part of the record.

(The statement follows:)

STATEMENT OF JOHN J. O'DONNELL, PRESIDENT, AIR LINE PILOTS ASSOCIATION

Mr. Chairman, I am John O'Donnell, President of the Air Line Pilots Association. I represent more than 31,000 pilots of 39 commercial airlines and 12,000 stewards and stewardesses of 22 airlines.

I appreciate the opportunity to appear before your subcommittee today and go on record as being in support of S. 1821, a bill introduced by Senator Magnuson.

Normally, it would be considered the job of airline management and the associations representing the airlines to come forward and speak out about the continuing reduction in the use of civil carriers to meet Department of Defense airlift requirements. However, after reviewing Senator Cannon's statement of May 19, which opened these hearings, we felt that our voice should be heard, too.

Frankly, we of the Air Line Pilots Association were surprised to learn that the Air Force plans to turn over only two percent of the total military cargo to commercial airlines in fiscal 1972. Presumably, the other 98 percent will be flown in its own magnificent fleet of C-141's and C-5's.

It was only four years ago that MAC purchases of worldwide cargo and personnel airlift amounted to 91.6 percent of the passenger and 38.8 percent of the overseas cargo requirements generated by the armed forces. It was at that time that a senior Department of Defense official said of the airlines' performance: "They give us all that we could possibly ask for, and we have come to rely on them almost completely for all personnel airlift. No other country has this national resource to the degree that we do."

Mr. Chairman, the question is, what has happened during these last four years that would effect such a turn-about in cargo lift? The answer does not lie in the winding down of the war. It obviously lies in the acquisition of C-141's and C-5A's. With them, the Defense Department can run its own private cargo airline, to the detriment of civil airlift.

The Air Line Pilots Association has no quarrel with the concept of a Military Airlift Command—that the Air Force should have this capability in being. But there are two sides to that airlift coin. With the civilian airlines flying such a small percentage of the total cargo effort, someone has forgotten that the original concept called for two basic elements in a partnership arrangement. If the civil carriers will carry only two percent of the total military cargo next fiscal year, then it is reasonable to suspect that they will carry none the year after that. Gentlemen, that will mean the end of the Civil Reserve Air Fleet concept which had so much validity when it was first proposed more than 20 years ago.

It was in May 1949, that the commander of the Military Transport System, Gen. Laurence S. Kuter, first came up with the idea. He rejected as a "fantastic expense to the taxpayer" the creation of a military airlift capability to do the military's hauling. Likewise, he pointed out that the government taking over operation of the civil airlines was "a concept foreign to our free-enterprise system."

Thus it was that General Kuter spelled out the requirement for a "mix" of military and civil airlift capability which has operated so well during the past decade. But the roots of the military airlift function for the commercial carriers go back even further than 1949. It actually goes back to the Civil Aeronautics Act of 1938 which gave the carriers a definite national role—to provide immediate support to the Department of Defense, civil defense, and disaster relief agencies in times of national emergency and calamity.

With this role always in mind, the airlines have continually upgraded their fleets and poured millions of dollars into modernization programs in order to have a proper mixture of passenger, cargo and convertible aircraft ready for the call. They have entered into no strike agreements with flight crew and ground support personnel to further assure that this capability is not impaired when the country needs it. They have hired pilots on the basis of possible MAC requirements.

It is pertinent to note that Congress has been more specific in spelling out the use of civil carriers to haul passengers than it has with cargo. The Congress has not previously insisted that the Air Force adhere to firm legal requirements for cargo in order to assure a meaningful minimum commercial capacity is available.

We believe there has been a violation of trust on the part of the Air Force in regard to cargo haulage. We do not believe Congress ever intended to nullify all the policies, legislation and concepts of the past in regard to the reserve capacity that the airlines offer the military.

It seems that the Air Force has been empire-building with its transport fleet until now it has the Free World's largest airline. Wouldn't it be better to put some of those C-141's and C-5A's in flyable storage than to starve the commercial airline industry? Wouldn't it be more prudent to use the C-5A's to haul outsize military cargo as they were designed to do, rather than use them to transport all types of cargo in direct competition with the airlines?

Mr. Chairman, we believe it is time for the Congress to put a measure of restraint on the Air Force and return to the free enterprise system for the transport of military cargo.

Senator Magnuson's bill seems eminently fair to use because it assures an equitable "mix" of military and civil airlift that is so necessary for national defense and the national economy. Such a legal requirement as the bill provides will not degrade our defense posture. Indeed it is our belief that the country will benefit and be stronger for requiring the military to split the loads to be carried.

We support S. 1821 wholeheartedly and urge its prompt passage.

Thank you.

Senator CANNON. Mr. Tipton, we will be glad to have you lead off this august panel, if you would like, and we will go some little time before we break for lunch.

STATEMENTS OF STUART G. TIPTON, PRESIDENT, AIR TRANSPORT ASSOCIATION, WASHINGTON, D.C.; EDWARD J. DRISCOLL, PRESIDENT, NATIONAL AIR CARRIER ASSOCIATION, WASHINGTON, D.C.; ROBERT W. PRESCOTT, PRESIDENT, FLYING TIGER LINE, INC.; JAMES W. BAILEY, PRESIDENT, OVERSEAS NATIONAL AIRWAYS; HENRY HUFF, PRESIDENT, TRANS INTERNATIONAL AIRWAYS; JERROLD SCOUTT, ZUCKERT, SCOUTT & RASENBERGER, COUNSEL, ON BEHALF OF EDWARD J. DALY, CHAIRMAN OF THE BOARD AND PRESIDENT, WORLD AIRWAYS, INC.

Mr. TIPTON. My name is Stuart G. Tipton. I am president of the Air Transport Association of America, the trade and service organization representing virtually all of the scheduled airlines of the United States. I appear with my scheduled and supplemental airline colleagues to endorse S. 1821 and to urge you to give it prompt and favorable consideration.

It was our pleasure to appear before the subcommittee during the continuation of its oversight hearings on May 20, 1971, as part of a joint presentation by the U.S. scheduled and supplemental airlines participating in the Civil Reserve Air Fleet (CRAF) program. Our presentation questioned the arbitrary decision of the Department of Defense to reverse the Government's longstanding policy of relying upon commercial air carriers who participate in the CRAF program to provide international transportation for civil eligible military cargo. We pointed out the potentially damaging effects of this decision on the Nation's defense capability, as well as its damaging economic effects on the Nation's air transport industry.

We stated then our firm belief legislative action was necessary to prevent the Department of Defense from persisting in its shortsighted and improper endeavor to compete with private industry. Nothing

transpired during the course of those hearings, nor has anything occurred in the interval, to alter our conviction on the need for legislation. On the contrary, the Department has done nothing but confirm its clear intention to ignore carefully developed national policy by operating an extensive airline system in competition with American private enterprise, and by attempting to justify that operation on the basis of an extremely questionable rationale involving the mission requirements and related utilization of military transport aircraft. During the discussion we have had this morning, that rationale is becoming more and more questionable.

That intention was demonstrated by Department of Defense spokesmen at the May 20 hearing, and was reaffirmed shortly after their appearance by an announcement of the award of fiscal year 1972 commercial airlift contracts without provision for the commercial air transportation of any long-haul international civil eligible military cargo. This means that military aircraft will have to provide over 3 billion ton-miles of capacity in fiscal year 1972 to meet the international cargo transportation requirements of the military. One must wonder about the credibility of the argument that this tremendous volume of cargo, the vast proportion of which is civil eligible, will be transported on military aircraft simply as a casual, incidental by-product of training or training-related missions. To be completely frank, it would appear that the reverse more accurately would describe the actual situation. The statement of percentages devoted to channel traffic this morning indicate the strong possibility that the statement I have just made is true.

Let me state at the outset that we fully support the need for a strong national defense capability, including the maintenance of an adequate, modern military fleet of transport aircraft. But these aircraft were procured, and should be used, primarily to meet wartime and other emergency needs, to conduct necessary training and other military exercises, and to transport noncivil eligible military cargo. What we object to, and what the Congress has spoken out against, is the use of such military aircraft to compete with private industry.

The issues which have been brought to light during these hearings confirm the following statements:

That military aircraft are being used to transport large volumes of civil-eligible cargo apparently quite independent of primary military mission requirements;

That this use represents improper Government competition having harmful economic effects on private industry;

That this competition, and the purpose behind it, are contrary to established policy;

That the Department's alleged conformance to policy is not supported by the record; and

That those who oppose S. 1821 neither have challenged the propriety of established policy, nor have they sought any policy revision.

Under these circumstances, there can be no other possible conclusion than that the Department of Defense wrongfully has set out, for its own reasons, to reverse long-established policy without congressional or Presidential approval. The Department, therefore, must be directed by legislation to bring its practices into strict conformance with the policy established by the Congress and the executive branch during the 1958-60 period.

At our May 20 appearance before the subcommittee, we provided detailed historical information on the purposes of, and reasons for, the 1958-60 policy requiring the Department of Defense to place maximum reliance upon the commercial air carriers for routine logistic supply. We also reviewed the development and the present status of CRAF, as well as the growing threat to that important program. We provided trend data on the reduction of our civil eligible military cargo business, and we reviewed the economics involved in the use of civil versus military aircraft, including the value to the taxpayers of the very substantial commercial aircraft investment in national defense capability. You subsequently were provided a supplementary background memorandum containing additional data on the various economic and utilization questions. While we will summarize our position at this time, it is respectfully requested that our earlier testimony and related memorandums be incorporated into the record developed during your consideration of S. 1821.

We believe a strong case exists for the enactment of S. 1821 on the basis of the answers on the record to these fundamental questions:

1. What is the policy applicable to the procurement of commercial air transportation for civil eligible military cargo?

After years of study and discussion, a clear Government policy having the support and endorsement of both the President and the several congressional committees concerned finally emerged during the period of 1958-60. This policy, in its several evolving parts, declared that:

Maximum utilization by the Department of Defense of U.S. civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense;

Government operation of its own air transport facilities should be limited to that essential to military security;

The military should concentrate on outsize and special cargo traffic and technical missions, leaving to the civil air carriers the primary responsibility for the transportation of passengers and the more conventional kinds of military cargo;

The military ideally should perform only the hardcore mission leaving to the commercial carriers the job of providing airlift for routine logistic supply and normal personnel movements; and finally

That as commercial carriers make available modern, economical long-range cargo aircraft, increased use should be made of the services of such commercial carriers.

Thus, Government policy dictates against the operation of a military airline system competing with private industry. Moreover, that policy specifically calls for the increased use of commercial air carriers, in the dual interest of promoting free enterprise and in increasing defense capability, and it places limits on the operation by the military of its own air transport system.

2. Is that policy being adhered to?

Although Department of Defense spokesmen claim full compliance with policy, the record reflects the contrary insofar as the international air transportation of civil eligible military cargo is concerned.

The facts are these:

- Civil eligible military cargo transported by the commercial air carriers increased steadily from fiscal year 1960 to fiscal year 1967. Commencing with fiscal year 1968, however, both the tonnage and the percentage of the total handled by the commercial carriers declined steadily year by year. The tonnage declined from about 202,000 tons in fiscal year 1967 to about 13,000 tons in fiscal year 1971 while the commercial carrier share of the total dropped from 33.6 percent to about 2.2 percent.

- No provision has been made in fiscal year 1972 commercial airlift contracts for the transportation of any long-haul international civil eligible cargo. So, we have now proceeded down to zero.

- Military aircraft will be expected to provide over 3 billion ton-miles of capacity in fiscal year 1972 to meet the international cargo transportation requirements of the military services. The major part of this cargo volume is civil eligible and will be transported to locations regularly served by the commercial carriers. In other words, there is no special security or other military justification for the use of military, rather than commercial, aircraft to transport this cargo.

- The Department's decision to ignore policy was implicit in a statement of the Assistant Secretary of the Air Force to the Military Airlift Subcommittee of the House Armed Services Committee late in 1970, in which he said, "In peacetime we expect military aircraft to move almost all international cargo and CRAF aircraft to move almost all DOD passengers." This position was reaffirmed at your May 20 hearing.

- In considering this matter earlier in 1970, the Subcommittee on Military Airlift of the House Armed Services Committee indicated its objections to an Air Force proposal to use military aircraft in peacetime for the movement of general cargo ". . . under the guise of training and maintaining flight crew proficiency."

No matter how these Department of Defense practices are explained or rationalized, the Department's assertion that policy is being adhered to is an empty one. Clear evidence exists that Government policy has been reversed without congressional or presidential approval.

3. How does the Department of Defense justify this practice?

The Department of Defense has taken the position that while the transportation of cargo holds the lowest of its several military aircraft mission priorities, such transportation can be provided as an economical byproduct of its higher priority missions. Quite literally, this means that certain training, crew proficiency and other essential military exercise flights to be operated in fiscal year 1972, coincidentally having at least 3 billion ton-miles of cargo capacity available, somehow will just happen to be scheduled at the right time and to the right place to accommodate all of the long-haul international aircargo requirements of the military services.

Any general understanding of aircargo distribution, aircraft utilization and scheduling requirements will reveal the impossibility of transporting on a casual, incidental basis the very substantial volume of worldwide capacity required in the circumstance involved here. In other words, such transportation must be carefully planned to permit operations to be conducted with any reasonable degree of certainty.

This would require programing specific missions to move cargo.

Another justification cited by the Department is that the use of commercial carriers would result in a substantial cost increase to the taxpayers. Estimates as high as \$200 million above current military costs have been attributed to Department of Defense sources. As pointed out in our background memorandum dated June 4, 1971, the fact is that the net cost increase to the Government if the commercial air carriers transported 50 percent of the military's fiscal year 1972 cargo traffic would be about \$26 million. While even this sum might be considered substantial, it would certainly seem worthwhile to spend an additional \$26 million—just about the cost of a 747—to maintain the cargo capability of the Civil Reserve Air Fleet. This fleet is over one-and-a-half times as great as MAC's fleet of C-141's. To move the Department's estimated international cargo for fiscal year 1972 would require the use of the entire C-141 fleet with an average utilization of 5 hours per day. The maintenance and operation of this fleet, for this purpose only, would cost an estimated \$410 million, including military pay and allowances.

The savings in current costs are relatively small because of the fact that military transport aircraft, with their specially designed military features, and the military-type operation involved, are inherently less economical than commercial aircraft and commercial operations. The current out-of-pocket cost of moving a ton-mile of cargo on a C-141 is 83 percent of the rate paid the commercial carriers, even when nothing is included for military pay and allowances of the crews, or for the initial cost of the aircraft. If military pay and allowances connected to the operations are included, the current out-of-pocket cost would be 130 percent of the rate paid the commercial carriers, without including the initial cost of the military aircraft.

On the basis of the record established, the Department's justification for its current practices contains serious flaws in respect to aircraft utilization as well as economics. By almost any standard of examination, it is impossible to accept the byproduct theory either in regard to the incidental use of training mission capacity, or in regard to operating costs.

Since the Department of Defense has, on its own responsibility, undertaken to reverse a longstanding Government policy, we believe it to be necessary and entirely appropriate for Congress to reaffirm that policy. But we believe such reaffirmation must be in legislative form since previous congressional declarations in this connection repeatedly have been ignored. We respectfully urge, therefore, that S. 1821 be given prompt and favorable consideration.

Before concluding my statement, I would like to offer an amendment which we would like to have considered by the committee. There exists a subsidiary problem relating to the policy of other Government agencies in the use of U.S.-flag air carriers for international passenger travel at Government expense. Subsection (a) of S. 1821 establishes a policy with respect to the use of U.S.-flag air carriers for the international movement by air of property procured, furnished or financed by the Government. This proposed policy is substantially similar to that contained in section 901(b) of the Merchant Marine Act of 1936.

Subsection (a) of the pending bill should be expanded to include the international movement of passengers traveling at Government expense. While it is the policy of the Government, as set forth in Senate Concurrent Resolution 53—87th Congress—that all official air travel by Government employees be performed on U.S.-flag air carriers, related Government travel regulations, where they are followed, permit extensive use of foreign-flag airlines. And the policy itself generally does not apply to the travel of nongovernmental employees who are traveling at Government expense or with payments made under other Government funding.

When Senate Concurrent Resolution 53 was being developed it was made clear that if the policy enunciated therein was not followed by the Government appropriate legislative action would be considered. While data on the use of foreign-flag airlines for Government-financed passenger travel are available only from Government sources, there are indications that such usage is substantial with an adverse impact on our balance of payments. To correct this problem, and to avoid any misunderstanding of Government policy in the future, we suggest an amendment to S. 1821 which would require the movement of Government-financed international passenger traffic on U.S.-flag air carriers to the fullest extent practicable. We have prepared such an amendment which we submit for your consideration with our statement.

(The amendment follows:)

Add the following sentence to Subsection (a) of S. 1821:

"Whenever any executive department, agency or instrumentality of the United States shall procure, contract for, or otherwise obtain for its own account or in furtherance of the purposes or pursuant to the terms of any contract, agreement or other arrangement made or entered into under which payment is made by the United States or payment is made from funds appropriated, owned, controlled, granted or utilized by the United States, or shall furnish to or for the account of any foreign nation without provisions for reimbursement, any transportation of persons (and their baggage) by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided, to the fullest extent practicable, by air carriers holding certificates under Section 401 of the Act to the extent allowed by such certificates or by regulation or exemption of the Civil Aeronautics Board and to the extent such carriers are available at rates established under this Act."

Mr. TIPTON. If I may just add a few words, and I will be very quick with this, I need to add them in view of the statement just made by the Air Force Secretary, I want to emphasize particularly, and this seems to have become sort of the heart of the matter, this point made by the Air Force that their channel traffic operation is a by-product of readiness training.

As a result of the questions put by the members of the committee, the conclusion seems inescapable that that justification just does not hold water when one considers, as was brought out here, that 48 per cent of the operation of the MAC fleet is in channel traffic. It is quite clear that the tail seems to be wagging the dog. I did want to emphasize that.

Also, two other points which I will deal with very quickly, and I do this because I think they are very serious problems. In the Air Force statement there appears two comments I will call them, not

threats, that if they were carried out, CRAF would suffer great damage.

One of them is, if S. 1821 were enacted, military passengers might have to be carried on military aircraft. The other is, that if it were enacted, the procurement of airlift by MAC would have to be competitive bidding.

The destructive effect of that type of procurement has already been demonstrated over the years, and the contrary, the choice of carriers on the basis of their contribution to CRAF, the value of that has been demonstrated over the years. So I do want to point out these two statements which, as a part of Air Force policy, are definitely very bad for the continuation of CRAF.

That concludes my statement, Mr. Chairman.

Senator CANNON. Thank you, Mr. Tipton.

As I understood that latter point, it was my understanding that if they went to other types of procurement, as a procurement agency, they might be bound by other regulations. Of course, we have written it in now that there is not to be competitive bidding in this type of contract.

Mr. TIPTON. I am delighted to have that assurance, because the possibility would be very destructive to CRAF.

Senator CANNON. I think we have had experience with that and we have seen what the net effect would be, and it would be disastrous almost insofar as maintaining the CRAF capability which is the thing we are concerned with primarily here.

We will next hear from Mr. Ed Driscoll, president of the National Air Carrier Association.

Mr. DRISCOLL. Thank you, Mr. Chairman.

As you will recall, Mr. Tipton and I appeared before this committee on May 20, at which time we presented rather comprehensive testimony concerning the role of the civil airlines with respect to the carriage of military cargo. At that time we reviewed in some detail the policies concerning this subject which the President and the Congress had developed over two decades, and the way in which those policies have been unilaterally undermined by the Air Force in recent years. You will also recall that we specifically advocated the enactment of S. 1821, to deal with this problem, and to establish guidelines with respect to the Government's use of civil air carriers in general.

I will not repeat again the testimony which I presented on that occasion, but I ask that it be made part of the record of this hearing. I have submitted copies of my earlier statements to the committee for that purpose.

Today I would like just to summarize very briefly the basic concepts on which the policies of the sixties were based, and which S. 1821 would enact into law.

First of all, everyone recognizes—even the Air Force—that the transportation needs of the military, particularly in times of national crisis, cannot be wholly met through the use of military aircraft. The Nation simply cannot afford to support a military airlift system big enough to meet any emergency. We must, therefore, rely upon the capability of the civil carriers to augment the military.

Second, the civil carriers cannot be expected to acquire and maintain a large fleet of cargo aircraft solely to meet possible emergency needs in the future. No airline can afford to have idle or standby capacity. Therefore, if the civil carriers are to have the capability which will be needed in time of emergency, that capability must also be put to use in peacetime to meet the regular, routine transportation needs of the Defense Establishment.

Third, when an emergency does arise, the principal role of the military aircraft is to carry so-called hardcore traffic, which, because of its size or because of safety or security considerations cannot be carried by the civils. The civil carriers therefore must be prepared on those occasions to perform the more routine logistical missions.

Finally, it is necessary for both, the military and the civil carriers to perform, in peacetime, the role which will be expected of them in war. Only in this way will they be properly trained to fulfill their respective functions, and only in this way will it be possible to shift from peacetime to wartime operations without a major disruption of the military supply system.

On the basis of these considerations, first the Congress in the late fifties and then the President and the Department of Defense in the early sixties all concluded that MAC should not attempt to operate as a Government airline, but should concentrate on its hardcore mission, and rely as much as possible on the civil carriers for the transportation of routine military cargo. This policy was designed (1) to encourage the civil carriers to acquire the cargo capacity which would be needed in time of crisis, (2) to provide MAC with proper training for the performance of its wartime role, and (3) to insure a smooth transition from peacetime to wartime operations.

I might add in connection with point (1), Mr. Chairman, Secretary Whittaker commented on the meeting in February 1963, in which the civil carriers were called together and given the future plans, if you will, of the Air Force. I might say the civil carriers had responded so well to the procurement program that was inaugurated in 1962 and had acquired so many modern turbopowered cargo equipment that the Air Force felt at that time dutybound to advise the carriers that future requirements might not be sufficient to wholly support additional acquisitions of civil aircraft by the civils. They must look to civil business. That was the purpose of that meeting. I was the one that conducted that meeting in February 1963, so I believe I know what I am speaking of.

It was not the intent to say there was a change in policy or anything else. It was merely to acquaint the carriers that they must have a reasonable mix of civil and military business and not to buy aircraft wholly on military requirements.

Senator CANNON. All of you heard my discussion with the Secretary in which I contended that he was focusing his statement in the wrong direction, that is, that my contention is we are not considering whether the carriers ought to be encouraged to acquire a greater capability, but we are considering now the problem of utilizing the capability that they have acquired under the CRAF program.

Do you people in the industry agree with my position on that, or am I misreading you?

Mr. DRISCOLL. We certainly do. The Air Force has already indicated, by 1973, if things continue the way they are they probably will have lost some 20-odd convertible airplanes from the present CRAF fleet, and I think the question is, can we maintain the existing capability we have rather than acquire additional airplanes?

Senator CANNON. Do you agree with me, Mr. Tipton?

Mr. TIPTON. I certainly do. I endorse Driscoll's answer, completely.

Senator CANNON. Mr. Prescott?

Mr. PRESCOTT. Yes, sir.

Mr. BAILEY. Yes, sir.

Mr. DRISCOLL. One other statement I might call the committee's attention to, since the 1963 report of the Government Operations Committee was cited by the Secretary, at least in part it was cited, they did point out the conflict that might arise between the military requirement program and the civil acquisition, but in that same paragraph that was quoted there is a final sentence, and that sentence says:

Changing requirements, however, may absorb this capacity and mitigate or mute future conflicts.

The report goes on:

The thrust of the committee's recommendations has been that MATS should conduct itself as a military transport arm and not as a civil type airline, that the daily utilization rate should be held down to a level essential for exercise and training, and not be inflated as an excuse for engaging in routine traffic operations more suited to the civil airlines, that MATS should concentrate on outsize and special cargo traffic and technical missions, leaving to the civil air carriers the primary responsibility for the transportation of passengers and the more conventional kinds of military cargo.

Within that report they had eight recommendations, and the first two are quite pertinent here, sir. Recommendation No. 1 was:

MATS should continue to emphasize its hardcore role and to plan for continued substantial participation by civil carriers in military airlift business within its purview.

Recommendation No. 2, "Consideration should be given to expanding the civil carrier share of MATS' channel cargo traffic."

The reason we are here today, of course, is that the Air Force has in recent years deviated from this policy. The basic justification which it offers for its action is economic. It claims that MAC must operate its aircraft a certain number of hours each day to maintain proficiency, and it is "cheaper" to carry cargo on these training flights than it would be to utilize the civil carriers for this purpose. As a result, now that the war in Vietnam is winding down and total military cargo shipments are declining, MAC is carrying almost all the cargo being shipped and the civil carriers are sitting around with idle capacity.

This new policy is not only totally in conflict with that which was laid down by the Congress and the President, it is also utterly shortsighted. Even in purely economic terms, it is wasteful rather than frugal. Attached as appendix E to my prepared statement of May 20, is a detailed economic analysis which shows that from 1960 to 1969 the Government saved \$1 billion as a result of the policies which the Air Force now proposes to abandon. The same study also projects a saving of \$5 billion in the 1970's if these same policies are now revived.

The reason for these savings is quite simple—they result from the fact that the civil carriers provide a reserve fleet worth billions of dollars at no cost to the Government. If this fleet did not exist, the Government would have to purchase a huge number of additional military aircraft, at enormous additional cost to the taxpayer. The Air Force seems to take the Civil Reserve Air Fleet for granted. But the cargo capacity of that fleet did not exist until the Government provided an incentive for its creation by making military cargo available to the civil carriers, and it will not continue to exist—and certainly will not continue to be expanded and modernized—if that cargo is now withdrawn. Thus, the present Air Force policy, which is defended on purely economic grounds, would, if it were continued, ultimately end up costing the Government billions in additional expenditures.

But in the final analysis, cost alone cannot be the criterion on which military airlift policy is based. Without an adequate transportation system, our entire national defense system would be greatly impaired. Since the civil airlines are an integral part of the military transport system, it is essential that the Government adopt and follow policies which will preserve and strengthen the capability of the civil carriers, particularly their cargo capability. That, in my view, is the basic reason why S. 1821 must be enacted.

The bill would add a new section to the Federal Aviation Act expressly establishing as a basic policy goal “the encouragement and development of an air transportation system properly adapted to the present and future needs * * * of the national defense.” That policy would be implemented by a requirement that the Government use U.S.-flag carriers “to the fullest extent practicable” for the international movement of air cargo and passengers. In addition, the Department of Defense would be required, as a minimum, to allocate at least 50 percent of its international cargo to the civil carriers.

The prompt enactment of this bill is essential to restore the policies which the Congress and the executive branch established in the early sixties, and which served the Nation so well throughout that decade. Nothing short of legislation will suffice, since the carriers no longer have confidence in the willingness of the Air Force to follow recommendations of the Congress or the President. Only by enacting S. 1821 can the Congress insure that the civil and military air transport systems will both continue to play their proper role in meeting the defense needs of the Nation.

That concludes my prepared statement, Mr. Chairman.

There is one item that the committee asked the military questions about that I would like to address myself to, and this is the matter of costs. I believe the committee asked Secretary Whittaker as to the impact of allocating 50 percent of the traffic to the civil carriers, and he replied there would be an increased cost. He cites in his prepared statement 50 percent would equate to \$165 million per annum.

Our figure, based on somewhat the same requirements and in the example we have in the record of the May 20 hearing, was \$157 million. So we differ only by \$8 million. Because there is \$43 million in

the budget for cargo at this point, he says it would net the Government \$120 million. He failed to take into consideration in our judgment offsetting savings that would accrue to the military by the nonutilization of MAC.

Senator CANNON. Are you talking about reducing flying hours?

Mr. DRISCOLL. Flying lesser flying hours, sir, which according to our figures would save \$106 million of this \$120 million he is talking about.

Senator CANNON. That is if you go from how many flying hours to how many?

Mr. DRISCOLL. Necessarily, our figures were based on a 5-hour-a-day utilization which was contained in the budget and based upon the requirement as we see it the projected use of the C-141 fleet equated to 5 hours a day to satisfy the actual cargo requirement.

The 5 hours a day would cut it down to roughly 3 hours a day in order to move 50 percent of that by civilian aircraft.

Senator CANNON. And your figures indicate that would be a saving of how much?

Mr. DRISCOLL. Of \$106 million, sir. There are various ways of getting at it, but one thing is taking the ton-mile cost of MAC and figuring that they save 80 percent of every dollar on the basis of not flying, and that is one way of arriving at it. But it was arrived at in our example on the basis of actual savings from not flying.

Senator CANNON. That would still give them a flying base of 3 hours a day, so they would have the hour and a half for the first three priorities and still have an hour and a half for general exercise of the system and to take care of their 50 percent in that channel traffic in the fourth priority?

Mr. DRISCOLL. Yes, sir. I think it is essential that when we talk of the utilization rate, when we talk of 5 hours or $4\frac{1}{4}$ hours, we identify the basis. I was not sure how the military were using their terms here this morning, there is gross utilization and then there is productive flying hours program, and I am not sure which relationship they were using.

Senator PEARSON. You do not understand Pentagon talk?

Mr. DRISCOLL. Yes, sir; I was there for a number of years.

Senator CANNON. Do any of you have anything to add to that?

Mr. DRISCOLL. The only point I want to emphasize, Mr. Chairman, is that this would be a net increase based even on their figures of only \$14 million a year in 1972 to move 50 percent of it by the civils, but the overall, if you take the 10-year projection, the overall constitutes a savings to the military of \$5.3 billion based on the investment of aircraft.

Senator CANNON. Gentlemen, we have a vote to make, we have three witnesses to go. I do not know how long their statements are. We can stay here 10 minutes or we can recess until 2 o'clock. Do you think we can finish up the remaining three in 10 minutes?

Mr. TIPTON. Mr. Prescott's statement is quite a short one.

Senator CANNON. You may proceed, Mr. Prescott. As the largest cargo operator in the commercial business, why, we think you come with considerable expertise in this area.

Mr. PRESCOTT. Thank you, Mr. Chairman.

My name is Robert W. Prescott. I am president of the Flying Tiger Line, Inc. I had the privilege of appearing before this committee on May 20, 1971, during which we discussed the same procurement matters that are before you today. Because this is a legislative hearing, I would like to insert for the record the same prepared statement that I submitted on May 20.

(The statement follows:)

STATEMENT OF ROBERT W. PRESCOTT, PRESIDENT, THE FLYING TIGER LINE, INC.

MAY 20, 1971.

Mr. Chairman and Distinguished Members of the Committee, my name is Robert W. Prescott. I am President of The Flying Tiger Line Inc., a position which I have held since I founded the Company in 1945. The Flying Tiger Line is the largest all-cargo air carrier in the world. We operate daily scheduled air freight service over our transcontinental routes in the United States—and two years ago we began scheduled commercial cargo service between our domestic points and major cities in Asia. We have always allocated 100% of the aircraft owned by Flying Tigers to the Civil Reserve Air Fleet—and, during every military crisis which has developed since our beginning we have been among the most active suppliers of cargo airlift to the Department of Defense.

I deeply appreciate the opportunity to appear before you as a part of a united industry group to urge the adoption of legislation which has the primary objective of assuring civil air carriers of a fair share of the civil-eligible air freight dispatched by the Department of Defense. It is particularly appropriate, we believe, to call this matter to the attention of the Senate Commerce Committee which was historically largely responsible for the enactment of the Federal Aviation Act of 1958 and its predecessor statute, the Civil Aeronautics Act of 1938. The Act, of course, charges the Civil Aeronautics Board with the "encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense." I am, of course, quoting from section 102 of the Act.

Acting pursuant to that mandate, the Civil Aeronautics Board, and the President of the United States authorized my company to provide transpacific freighter service just two years ago. In taking this action, the Board and the President relied, in part, upon the explicit recommendation of the Department of Defense upon the public record that the Board approve "... applications by any carrier which would have the effect of expanding the cargo capability within the transpacific route area . . ." For your convenience, I will submit the entire statement of the Department for the record.

And as the Committee is also aware, the action of the C.A.B. and the President granting Seaboard World Airlines—the U.S. flag scheduled transatlantic cargo carrier—its authority was premised, in substantial part, upon recommendations of the Department of Defense comparable to those made in the *Transpacific* case.

At a time just prior to the award of our Transpacific route, my company was engaged solely in the carriage of cargo both in our regular commercial service and in the performance of our MAC contracts. Thus, in the 12 months ended September 30, 1967, we carried more than 55,000 tons of civil-eligible cargo pursuant to MAC contracts, and received \$54 million in revenues for such service.

Similarly, Seaboard World in fiscal year 1967 received practically all of its MAC revenues of \$30.5 million in cargo service.

Parenthetically, by contrast in fiscal year 1971, Tiger's MAC revenues, almost all for passenger lift will total about \$29 million; the similar numbers for Seaboard will approach \$25 million.

We, of course, were convinced that MAC would continue cargo procurement in accordance with the dictates of the Congressionally-sought and Presidentially-approved courses of action. Accordingly, to meet these requirements as well as to provide the most modern and efficient jet fleet for our commercial services, we ordered seventeen stretched DC-8-63 jets, the most modern and efficient air freighter capacity available.

However, by October 1967, it was made clear to us by MAC that our future participation in Defense traffic would be largely confined to passengers. Accordingly, we had to recall stewardesses whom we had earlier furloughed and undertake to recruit and train the additional specialized personnel required for passenger traffic. We were also required to reconsider and change our fleet composition. Thus, prior to the change in MAC procurement policy, we had planned to operate 12 of our fleet of 17 Douglas DC-8-63 as straight cargo aircraft. The change in MAC procurement policy limiting future contracts to the carrying of passengers caused us to increase the number of jets ordered in a convertible (cargo/passenger) configuration from 5 to 10.

Please bear in mind that this convertible feature is not considered to have significant wartime value. There is no shortage of emergency passenger lift. There is a shortage of cargo lift. But the change in peacetime procurement policy which forced the purchase and operation of convertible aircraft has added substantial additional cost to our military and commercial services. No doubt that the procurement programs of other carriers have been similarly affected.

We have not attempted to quantify the additional costs to MAC or to the carriers from the purchase of convertible aircraft because, as in our case, factors unrelated to MAC procurement would have warranted purchase of some convertible aircraft. But it may be illustrative of the added costs involved for convertible aircraft to note that a DC-8-63CF represents an investment of more than a million dollars over a straight cargo jet.

But possibly even more significant is the fact that the unilateral reversal by MAC of the airlift procurement policy previously established at the direction of the Congress has undoubtedly delayed substantially the date by which the aircraft manufacturers would offer, and the air carriers would be prepared to procure uncompromised commercial jet freighters. The Committee is, of course, well aware that today all of the jet aircraft used for cargo were designed originally for passengers. This means that they both have expensive features (such as sophisticated pressurization) which are unnecessary for freight service and lack other features which would improve freighter economics. Both military augmentation lift and commercial service is thus denied the full economic benefit of the available technology.

It is, we believe, appropriate for this Committee to concern itself with these matters because of your responsibility, along with the Civil Aeronautics Board, to assure that the national air transport system in place at the time that an emergency occurs is properly adapted to the needs of the national defense. It is, I believe, self-evident, if MAC procurement dollars are used to purchase lift from the CRAF carriers for carrying civil-eligible cargo, that these carriers will be better equipped and able to meet such emergency needs when they occur. The lessons of the past should make it evident that part of our country's inherent strength has been its strong civil transportation system; there is no reason to assume that it will be less important in the future. These values, which apparently were deemed most important by the Congress and the President, in the enactment of the Federal Aviation Act and in the adoption of the prior military procurement policy have all but been ignored in MAC's most recent actions.

I most sincerely hope that this Committee and the Congress will find our recommendations, as we deeply believe them to be, in the public interest, and that S. 1821 will be promptly enacted into law.

BEFORE THE CIVIL AERONAUTICS BOARD, WASHINGTON, D.C.

MARCH 2, 1966.

Docket No. 16242

In the Matter of the Transpacific Route Investigation

STATEMENT OF POSITION OF THE DEPARTMENT OF DEFENSE

Comes now the Department of Defense, through its duly authorized counsel in this proceeding, the Staff Judge Advocate of Military Airlift Command, having this date filed a petition for leave to intervene, now respectfully submits the following statement of position:

I

The desire of the Department of Defense to be a participant in this Transpacific Route Case is for the purpose of showing its needs for an expanded and strengthened commercial airlift capability within the U.S. air industry generally and the transpacific route area in particular. For the purposes of national defense, it is essential that commercial transportation be available to the Department of Defense to provide expanded capacity of both cargo and passenger civil airlift for use in any limited or localized emergency which does not justify activation of the Civil Reserve Air Fleet. It is, of course, essential that this capacity be available in the event that national defense requires activation of CRAF. The Department is especially interested in development of additional commercial cargo capability.

II

The Department of Defense is the largest single shipper of freight and cargo in international air trade. It is Department of Defense policy to follow commercial airlift procurement methods to meet long-range Department of Defense requirements, and to encourage and assist the sound economic growth, development and maintenance of an increased and modern air capability by the air transport industry, particularly in the form of cargo and convertible aircraft. The airlift services must be responsive to the needs of the Department and possess sufficient flexibility to meet contingent future requirements. The Department recognizes that the certificated air carriers which provide scheduled service are interested in using modern aircraft for scheduled flights and believes that mutual benefit is derived from sending some military traffic on scheduled flights which otherwise would be carried by chartered flights. Consequently, the Department of Defense overseas airlift procurement program encompasses two broad categories:

1. Common Carriage (Category A): Movement on regularly scheduled airlines on an individually ticketed or cargo way bill basis. This service is used for transportation of less than plane load lots between points which are regularly serviced by a scheduled airline which offers suitable service. In the past the Board has increased the availability of this service by issuance of exemptions to service those military bases which generate suitable requirements. The Department recognizes that in order to maintain a strong, competitive position the industry must depend largely on overall civil traffic requirements. The policy is to procure airlift services from airlines doing substantial civilian business so that in times of emergency some or all of the normal civilian capacity may be diverted to military requirements. The military services maintain forces and installations throughout the area now under consideration. Expansion of regularly scheduled cargo service available to these areas to the maximum extent justified by overall traffic requirements would increase the cargo airlift capability available to the Department of Defense and simultaneously foster the ability of the U.S. flag carriers to obtain the maximum amount of the total available transpacific air carriage.

2. Plane load lot movement of passengers or cargo between military bases, which is essentially a charter service (Category B). This type of service furnishes some of the necessary flexibility and expansion capability. Heretofore the Board has issued exemptions to enable eligible air carriers to perform this type of service. Continuing use of the exemption authority of the Board is necessary for this essential service.

III

Therefore, the Department of Defense recommends Board approval of applications by any carrier which would have the effect of expanding the cargo capability within the transpacific route area to the extent that such applications are economically justifiable. The Department of Defense further requests that the Board include authority to provide flag stop service at military bases for the carriage of government personnel and cargo to the extent required by the military in the certificates of the various applicants. Specifically, the Department recommends that certificates which include the terminal point, Seattle/Tacoma, also include McChord AFB, Washington; certificates for the terminal, San Francisco/Oakland also include Travis AFB, California; and that certificates for the Los Angeles/Burbank terminal include Norton AFB, California.

Respectfully submitted,

EUGENE B. SISK,
Colonel, USAF, Staff Judge Advocate,
Military Airlift Command, Scott Air Force Base, Ill.

Mr. PRESCOTT. Today I intend to be blunt, but I want to preface my remarks by emphasizing that neither I nor to my knowledge any other member of our industry want to detract in any way from the capability of the Military Airlift Command to respond effectively in a national emergency. Our goal is simply to get MAC out of the peacetime commercial airline business to the greatest extent possible.

Our position in relation to Government competition should be no different than others. For example, the Government owns millions of acres of good potato land. But that is not used as an excuse for the Government to grow its own potatoes. And the military owns thousands of trucks, buses and railroad cars, but we do not see them operating truck, bus or rail lines.

I know that the military have argued that there is a training requirement which generates lift capability which should not go unused. My question—which I asked at the prior hearing—is how one may distinguish between the reality of exercise of the MAC fleet for necessary training and the sophistry of using the airlift to the extent necessary to carry the available cargo just because the aircraft were in inventory.

I believe my 26 years experience in operating an airline qualify me to know a little about the subject of flight crew training and operational readiness profiles. I say to you that we and all other commercial airlines can qualify a pilot in a sophisticated, modern, jet airplane that is absolutely new to him, in 15 hours of flight time and 10-15 hours in a flight simulator. This qualifies him to go out and fly an airplane around the world with 350 passengers whose lives are his responsibility. If any verification of this is needed, ask any airline operations man who has checked out his flight crews recently on a B-747. For anyone, therefore, to suggest that a pilot needs more than 20 flight hours per month to stay proficient is, to say the least, exaggerating. I do not know the present average utilization rate of MAC flight personnel but it is my belief that many flight crews operating C-141's today are averaging 80 hours or more per month, and that if the overall average is less it is because there are included in the averages all the administrative officers who fly significantly fewer hours—just to maintain their professional proficiency and flight pay!

Moreover, I am advised that the Air Force in testimony before the House Armed Services Subcommittee in January, 1970, noted that pilots in the Air Force Reserve are required to fly an average of 15 hours per month to maintain their proficiency. Even if MAC crew strength averaged three crews per aircraft, and the Air Force determined that its regular force should have 25-percent more training than the reserve this would still result in an average aircraft utilization of no more than 2 hours per day. Using the aircraft for what has already been described by Secretary Whittaker last month as its primary missions—joint military training activities, military exercises, special assignment airlift missions, and movement of outsize cargo—would leave very little, if any, time for the carriage of routine channel traffic.

I recognize that it is also necessary to exercise the total airlift system in order to maintain operational proficiency. But this proficiency can, and should be, maintained with a mix of MAC and civil aircraft carrying cargo. Certainly, MAC's overall operational capability cannot be significantly enhanced by the routine handling of practically all civil eligible cargo in its special capability aircraft.

Senator Cannon put it well in the May 20th hearing when he said:

My own feeling is that with respect particularly to the C-5s, the training ought to be related to your outside, your divisional type of equipment, because that is what the C-5 was originally intended to handle—the outside equipment, the divisional type, and the airborne division, the mechanized division and what-have-you. But certainly, I think that they have gone beyond that point at the present time in handling the routine channel type of cargo, both in the C-141s and in the C-5s.

Certainly, Senator Cannon's view is shared by all of us in the civil industry. It obviously would also be the view of those interested and informed legislators and Government executives who helped shape "The Role of MATS in Peace and War" and the 1960 Presidentially Approved Courses of Action.

Frankly, through the 1960's, the Air Force successfully sought expansion of our capability to provide cargo service. We, and others bought modern cargo jet aircraft in reliance upon the stated national procurement policy. We were never told that there was any risk of a change in that policy.

Let me say I heard Secretary Whittaker here, who wasn't there and neither was I, refer to some meeting in 1963 at which an anonymous Air Force spokesman was supposed to have said in 1963 that in fiscal year 1964 the Air Force anticipated cargo airlift would decrease and it would not need any commercial cargo. Whether or not such a statement was made, the fact is by 1967 the Air Force was coming to us and all other carriers practically on their nose for all the cargo lift we were able to provide.

Frankly, even if I had heard the statements which were supposed to have been made in 1963, I would not have given them any weight. There is no secret that the Air Force at some levels only reluctantly accepted the congressionally recommended and presidentially approved course of action. Moreover, we know that the Air Force has unsuccessfully on several occasions appealed to higher authority for public retraction of the policy we were entitled to, and did rely on, the fact that neither the Congress, nor the Department of Defense, nor the President indicated any reservations about the continued validity of that policy.

But the Military Establishment is a floating population. The Secretaries of the services and the general officers who went through previous hearings with us and promised to adhere to the policies recommended by Congress are not here anymore, neither are those Secretaries and generals who solemnly promised they would not fly C-141's or the C-5's in channel traffic with us today. And in a short time those who are our military leaders today will have gone on to other fields. This is why we in the industry strongly feel that we need this law that is being considered here. We believe the policies enunciated by Congress and the executive branch in 1960 are still valid. If you are persuaded that they are not, you should renounce the policies and not

have the military embarrass you by flouting them. If you believe they are still valid, you should put some teeth in them so that we can all know where we are headed.

We do not believe that you would want, and we know that we cannot economically maintain our current civil augmentation capability under a procurement policy in which the military, in effect, says "we will fly all the cargo that we can in our aircraft, park your airplanes, and we will call you when we need you." Without enactment of S. 1821, we may not have the aircraft or the crews when the call comes that "we need you."

Senator CANNON. Thank you, Mr. Prescott, for a fine statement.

Mr. Bailey, president of Overseas National.

Mr. BAILEY. Mr. Chairman, I appreciate this opportunity to appear before the committee.

Overseas National has been and is one of the supplemental carriers that engages in both passenger and cargo movements for the Defense Department. We are not only involved in the international movement of passengers and cargo, but also in the domestic movement which is commonly referred to as Logair and Quicktrans.

With your permission, I will dispense with the remainder of my statement.

Senator CANNON. The statement will be submitted for the record. (The statement follows:)

STATEMENT OF JAMES W. BAILEY, PRESIDENT, OVERSEAS NATIONAL AIRWAYS

My name is James W. Bailey, and I am president of Overseas National Airways. I appreciate this opportunity to appear before your subcommittee in connection with the legislative hearings on Senate bill 1821.

Overseas National, Mr. Chairman, has been and is one of the supplemental carriers that engages in both passenger and cargo movements for the Defense Department. We are not only involved in the international movement of passengers and cargo, but also in the domestic movement which is commonly referred to as Logair and Quicktrans.

In this connection I believe it important to note the difference that exists in Department of Defense policy with respect to the movement of cargo domestically, as opposed as to the international movement cargo. Domestically, the major portion of the cargo is moved by civil air carriers under contract to the military. Internationally, as this committee knows from testimony that has been presented to it, the major portion of cargo requirements is now moving in military aircraft. We believe very strongly that the policy being followed by the military domestically should be followed in international movements, and that military cargo, with the exception of that which for security or other valid military reasons must move in military aircraft, should be transported in civil aircraft.

Mr. Korth, president and chairman of the Board of Saturn Airways, who appeared before your committee on May 20, made a point concerning Government competition with civil enterprise. I would like to reemphasize that point and suggest to the committee that one of the fundamental issues before us is whether an agency of the government, for reasons of cost, convenience or otherwise, shall be permitted to engage in direct competition with civil enterprise on the basis of its assertion that it is performing a service more economically for the government, which in this case is indeed questionable. I suggest that the answer to this question must be negative, and that each administration, as well as the Congress, have historically taken the position that such competition will not be permitted.

Since the military have used procurement practices which have seriously eroded established policies, there is an immediate need for corrective legislation which would assure the civil carriers of a proper share of international cargo. The time has come for a restoration of the appropriate relationship between

the civil and military air transport systems. The Congress must again intervene to eliminate the head-to-head competition between commercial carriers and military aircraft.

This is essential to the health of the commercial air transport system if we are to discharge our CRAF responsibilities and continue the development of a civil air transportation system properly adapted to the present and future needs of the national defense.

In view of the fact that congressional direction and administration policy are being substantially ignored by the Department of Defense, we emphatically endorse S. 1821.

Mr. BAILEY. May I make one or two points. Secretary Whittaker has stated in his statement that giving the air carriers additional cargo business will not cause the air carriers to purchase additional cargo aircraft. The Secretary apparently was not thinking two-thirds of \$1 million in gross revenue per aircraft is much money. I think the Secretary is looking at the wrong question. The addition of two-thirds of \$1 million to the civil and military business we already have will enable us to keep our fleet of aircraft which some of us may otherwise have to dispose of.

My second point, during the recent award of Logair and Quicktrans contracts for fiscal year 1972, the AW-650 Argosy aircraft which is a foreign-built airplane was accepted in the domestic CRAF and resulted in the award of about \$1.75 million worth of business to a carrier, even though the aircraft does not meet the requirements of the Logair-Quicktrans system and will not be used in these systems. I find this action totally inconsistent with Secretary Whittaker's statement of the objectives of the mobilization base program, and clearly demonstrates that unless the Congress closely watches the administration of the civil airlift augmentation program and responds with appropriate legislation when necessary, decisions will continue to be made by the DOD more for expedience and shortsighted objectives rather than the interest of the overall national air transportation system.

Thank you, Mr. Chairman.

Senator CANNON. Mr. Huff, president of TIA.

Mr. HUFF. Thank you, Mr. Chairman.

I am Henry P. Huff, president of Trans International Airlines. Mr. Cramer, chairman of the board of Trans International Airlines, who appeared before your committee on May 20, regrets that due to a previous commitment he is unable to be here. He does request, however, that the statement he made before your committee on May 20 concerning S. 1821 be made a part of this record.

In the interest of time, I would like to suggest that the rest of my statement be put in the record.

Senator CANNON. Your statement will be submitted.

(The statement follows:)

STATEMENT OF HENRY P. HUFF, PRESIDENT, TRANS INTERNATIONAL AIRLINES

Mr. Chairman, I am Henry P. Huff, President of Trans International Airlines. Mr. Cramer, Chairman of the Board of Trans International Airlines, who appeared before your Committee on May 20 regrets that due to a previous commitment he is unable to be here. He does request, however, that the statement he made before your Committee on May 20 concerning S. 1821 be made a part of this record.

Mr. Chairman, my remarks will be extremely brief as I believe the industry position has been clearly and succinctly stated by previous witnesses. I believe also that the record, not only of this hearing but also of the one on May 20, leaves no doubt as to the desirability of the course of action we advocate, the enactment of S. 1821. With the exception of the Department of Defense all witnesses have advocated the movement of military traffic by civil aircraft. The chairman of the CAB stated:

"The Board believes that the policy of fulfilling military airlift needs on civil aircraft, in accordance with the 1960 Role of MATS report, is one which provides very substantial benefits to the carriers, to the military and to the public. The carriers benefit by reason of the added revenues derived from military contracts. The military benefits from the availability of additional aircraft in the CRAF program which will be available in the event of war emergencies. And the public benefits from the increased facilities utilized in, and the development of, the civilian air transport system, made possible as a result of the CRAF program and MAC revenues."

Mr. Binder, Deputy Assistant Secretary of Department of Transportation stated:

"We believe that it has been a matter of national policy and that it should continue to be national policy, that civil air carriers should be used for military airlift requirements in peacetime to the maximum feasible extent.

As Secretary Volpe recently stated: 'In the interest of overall efficiency and economy. I strongly support the fundamental policy that our commercial air carrier fleet should be utilized for military airlift in peacetime to the maximum extent possible.'

From the supplemental carriers viewpoint we can categorically state that unless significant cargo is made available by the military for civil transport that the cargo/convertible capacity that now exists in the CRAF program will not be available in the future, as it will be necessary for the civil industry to adjust its capacity to demand. This will be done through the sale or lease of aircraft or the failure to acquire more modern aircraft. This, I think, is the crux of the problem.

The military have emphasized their reliance upon a strong civil reserve air-fleet. This fleet cannot be maintained without Department of Defense cargo being made available for transportation by the civil carriers in peacetime. Therefore, we support enactment of S. 1821 as the only practical solution.

Mr. HUFF. There is one comment I have that summarizes my statement. Unless significant cargo is made available by the military for civil transport, the cargo convertible capacity that now exists in CRAF will not be available in the future. It will be necessary for the civil industry to decrease its fleet so that it can adjust to a lesser volume of business. This is the crux of the problem we have.

Senator CANNON. Mr. Scutt, of World Airways.

Mr. SCUTT. Thank you, Mr. Chairman. Mr. Daly had hoped to be here to present this statement; he has asked me to present it to you. If I may, I will summarize it because I know the pressure of your time.

Senator CANNON. The statement will be a part of the record.
(The statement follows:)

STATEMENT OF EDWARD J. DALY, CHAIRMAN OF THE BOARD AND PRESIDENT,
WORLD AIRWAYS, INC.

Mr. Chairman, on May 20 I appeared before this Committee in support of S. 1821, the so-called "MAC Cargo Set Aside Proposal", and I want to reaffirm my support for this bill. At the conclusion of that earlier session I suggested, however, that in addition to the matter of making additional military cargo available to the civil air carriers, it is equally important to guarantee the equitable distribution of that traffic among the carriers. I would like to comment briefly with respect to this matter because it has a significant impact on the

public interest objectives of the set aside proposal. It is my suggestion that all military traffic (passengers, cargo and mail), without regard to the agency paying for the transportation (Department of Defense, Post Office or otherwise), be allocated among the civil carriers as the planeload passenger and cargo traffic is now allocated.

It may not be generally understood that there are three general categories of military traffic handled by the civil carriers: (1) planeload movements, referred to as Category B Traffic; (2) less-than-planeload movements, consisting of Categories A, X, and Z traffic; and (3) transportation of military mail. I would like to comment briefly about each type of military business.

The planeload military traffic is distributed among the civil carriers on the basis of the following three evaluation factors:

- (a) Reasonableness of price;
- (b) Type of quantity of aircraft offered to the CRAF, which produces the so-called mobilization base, index; and
- (c) Cost competition, which leads to the so-called competitive cost index.

This system enables MAC to achieve the following objectives with its civil augmentation airlift procurement program:

- (a) To assure incremental increases in commercial airlift;
- (b) To guarantee peacetime prices during airlift emergencies;
- (c) To ensure reasonable rates established by the CAB; and
- (d) To encourage use of more modern turbo-jet convertible aircraft by the civil carriers.

The long-range Category B or planeload procurement has been recently distributed as follows:

TABLE 1.—PERCENTAGE DISTRIBUTION OF LONG-RANGE CATEGORY B MAC PROCUREMENT

[In percent]

Carrier	Fiscal year—	
	1971	1972
Airlift.....	6.4	3.14
American.....	18.7	9.85
American Flyers.....	² 1.3	.28
Braniff.....	4.7	3.90
Capitol.....	3.4	2.55
Continental.....	6.9	6.92
Eastern.....	.3	.49
Flying Tiger.....	² 9.0	10.17
Northwest.....	5.7	4.96
ONA.....	2.2	2.46
Pan American.....	14.3	18.74
Saturn.....	2.6	1.49
Seaboard.....	8.0	7.19
Trans Caribbean.....	¹ 2.4	0
TIA.....	6.2	5.90
United.....	4.2	5.55
Universal.....	2.2	2.11
TWA.....	6.8	9.98
World.....	4.7	4.32

¹ American and Trans Caribbean merged during fiscal year 1971.

² Tiger received credit in fiscal year 1972 for 2 DC-8-63's formerly on lease to American Flyers.

The less-than-planeload military transportation, which includes so-called Categories A, X, and Z, is distributed only to the route carriers serving the market in which transportation is required. None of the factors used in making awards of Category B traffic is employed and none of the MAC objectives in the former case are even considered relevant in the less-than-planeload procurement. The following table will show that 96% of this traffic is carried by Pan American and TWA.

TABLE 2.—CATEGORY A AND Z REVENUES—1970 (BY CARRIER)

Carrier	Passenger		Cargo (A only)	Total A and Z revenues	Percent of industry A and Z revenues
	A	Z			
TWA.....	\$163,302	\$6,920,596	\$238,728	\$7,322,626	28.2
Pan Am.....	1,185,153	15,728,120	630,141	17,543,414	67.6
Northwest.....	243,872		579	244,451	.9
Eastern.....	21,446	136,429		157,875	.6
National.....		31,521		31,521	.1
Flying Tiger.....			391,738	391,738	1.5
Seaboard.....			252,180	252,180	1.0
Total.....	1,613,773	22,816,666	1,513,366	25,943,809	

Source: CAB forms 41.

There is a similar story with respect to military mail. The civil route carriers are paid for the transportation of military mail by the Post Office Department without reference to mobilization base commitments or the extent to which these carriers have already participated in the Category B procurement. The distribution of military mail revenue among the carriers for the most recent fiscal years available to us are set forth in the following table, which shows that $\frac{3}{4}$ of this segment of the procurement is carried by Pan American:

TABLE 3.—MILITARY MAIL PAYMENTS, FISCAL YEARS 1967-69

Carrier	1967	1968	1969
Braniff International.....	\$6,949.55	\$21,394.61	\$230,694.40
Caribbean Atlantic.....	0	0	126.58
Eastern.....	27,054.04	34,522.20	38,301.92
Mackey.....	1,558.62	0	0
Northwest.....	15,257,517.92	18,870,553.08	18,008,784.73
Trans World.....	8,078,360.87	9,632,377.39	8,764,081.26
Trans Caribbean.....	0	0	691.45
Western.....	0	0	170.34
Pan Am—Pacific.....	70,316,994.00	75,384,672.00	63,728,326.00
Pan Am—Atlantic.....	13,121,781.00	11,310,727.65	8,897,331.00
Pan Am—Latin America.....	378,642.66	374,110.16	516,834.00
Seaboard World.....	4,759,400.20	4,374,749.59	3,542,008.89
Total.....	111,948,258.86	120,003,106.68	103,723,350.57

It is clear that today a very significant portion of the commercial transportation of military passengers, cargo and mail are handled by carriers which are not making any additional commitment to the mobilization base. I hope you will see that this doesn't happen with respect to additional cargo traffic that may be made available with the enactment of S. 1821. My request of the Committee is that the procurement agencies be instructed to allocate all of the military traffic—regardless of category and regardless of funding procedures—among the civil carriers on the basis of the evaluation factors established for Category B traffic. Unless this is done there is a danger that any additional set aside of military cargo might inure to the benefit of 2 or 3 air carriers and not generally be available to industry. This proposal, I suggest, will (a) impose no additional cost on the military, (b) better enable it to reach the objectives recited with respect to the Category B procurement, and (c) make a broader contribution to the economic health of the total air transport industry than is the case today.

Thank you very much for your consideration.

Mr. SCOTT. In addition to the matter of making additional cargo available to the civil carriers, there is the further problem of being sure that there is an equitable distribution of that business. And the point that this statement makes is that all military traffic—passengers,

cargo, and mail, regardless of the agency that may be paying for the transportation—should be allocated among the civil carriers as plane-load, passengers, and cargo traffic is now allocated. Generally there are three broad categories of the military transportation procurement; the planeload category which has occupied most of the discussion today, the less-than-planeload category which is often called category A, X, and Z, and the transportation of military mail.

The plane load traffic, so-called category B traffic, is allocated on the basis of the carrier's commitment to the CRAF program. We have shown in table 1 how that breaks down for fiscal years 1971 and 1972. You will notice that Pan American's share, for example, the largest of the group, is about 18 percent of the total. But this same allocation procedure is not followed with respect either to the less-than-planeload transportation of passengers and cargo or with respect to the procurement relating to mail.

TWA and Pan American together get the 96 percent of the less-than-planeload traffic, and Pan American alone gets almost three-quarters of all the mail that is transported. These two segments of the procurement are very large. Together they amount to more than \$125 million a year. We ask that this not happen in the future.

Senator CANNON. Thank you very much.

One final question as we run: Do you feel there is any position below the 50 percent set aside that we have in this bill?

Mr. DRISCOLL. No.

Mr. TIPTON. I do not think so. I think that is a very conservative approach to this problem.

Senator PEARSON. If we pass this bill and commit 50 percent of all to be carried by the private carriers, would the private carriers contract and agree and commit themselves by law to carry that no matter what other commitments they may have?

Mr. TIPTON. Yes, sir.

Mr. DRISCOLL. Yes, sir.

Mr. PRESCOTT. Yes, sir.

Senator CANNON. The hearings will stand adjourned subject to the call of the Chair.

(The statement follows:)

STATEMENT OF EDWARD J. DRISCOLL, PRESIDENT, NATIONAL AIR CARRIER ASSOCIATION

A few short months ago, this Committee heard comprehensive testimony on the state of the air transportation industry. At that time, I had the pleasure of appearing before you to express the views of the ten supplemental air carriers which comprise the National Air Carrier Association. As you will recall, there was general agreement among all of the witnesses who testified that the air transport industry was facing a serious economic crisis, although there was some disagreement as to the causes and the solutions - particularly between the supplemental carriers and some of the scheduled carriers.

The focus of the hearings at that time, however, was on the commercial side of the air transport industry. Today's hearings, on the other hand, are concerned with the role of the airlines in providing transportation services to the government, especially the Department of Defense. And on this subject, I am pleased to say, there is substantial agreement among all segments of the industry. Although I am still speaking for the supplemental industry, the views which I will express are not in conflict with the views of the scheduled carriers. The problems which I intend to discuss are problems which are common to us both, and the solutions which I will advocate are supported by the entire air transportation industry.

Recently, all segments of the industry have become increasingly disturbed by the growing tendency of the Department of Defense to utilize military aircraft almost exclusively rather than civil carriers to transport routine international military cargo. We are disturbed not merely because this policy has caused serious economic injury to our industry at a time when, as this Committee well knows, we already face very severe economic difficulties from other causes. We are also disturbed, and even more deeply, because this policy is injuring the Nation as a whole, by weakening its air transport capability.

A strong transportation system is the basic foundation on which any modern defense system depends. Military aircraft are necessarily an integral and important part of the military transportation system, but they cannot do the job alone. Our government - both the Executive Branch and the appropriate committees of the Congress - has long recognized that the civil carriers also must play a major role in military airlift. Accordingly, over a period of two decades, a policy was evolved, by the Congress and the Executive Branch, which is based on a partnership between the civil carriers and the Military Airlift Command (MAC). This partnership has served the Nation well, particularly since it was fully implemented in the early sixties. Yet this very policy, which has been so successful in the past, and which has been approved by every Administration and every committee of the Congress which has examined it, is now being systematically undermined.

We have tried repeatedly to obtain corrective action from the appropriate officials of the Executive Branch, but so far without success. Last year, the Military Airlift Subcommittee of the House Armed Services Committee, after

extensive hearings, issued a report which sharply criticized recent departures from established policies and called for a return to those policies. But there has still been no response from the Department of Defense. We have therefore finally come to the conclusion that the only solution lies in legislation.

On May 11, 1971 Senator Magnuson introduced a bill, S. 1821, which is designed to do the job. This Bill has the complete support not only of the supplemental carriers but of the entire airline industry. Before I turn to a detailed discussion of that bill, however, I want to describe in more detail the nature and origin of the problem to which it is addressed.

I.

THE EVOLUTION OF THE MILITARY-CIVIL PARTNERSHIP

The concept that an effective military airlift system must be based upon a partnership between what was then known as the Military Air Transport Service (MATS) and the civil air carriers can be traced back to the late 1940's and early 1950's, when a series of Defense Department studies all concluded that programs and policies must be developed for the rapid mobilization of civil aircraft to augment the military airlift system in time of national crisis. Pursuant to Executive Order 10219, issued by President Truman on February 28, 1951, the Department of Defense developed the first plan for the establishment of a "Civil Reserve Air Fleet" (CRAF), which was issued on March 20, 1952.

It was recognized very soon thereafter that in order to have a large and modern civil fleet available for use in time of crisis, the government would also have to use that fleet for routine traffic in peacetime. Thus, in 1954, a report entitled

"Civil Air Policy" prepared for President Eisenhower by the Air Coordinating Committee, comprised of government officials of both military and civil agencies, advanced the following recommendations, among others:

"(3) In determining the extent to which air transportation will be used in meeting military peacetime and wartime airlift requirements, the Department of Defense should continue its policy not to engage in competition with private industry, and to support the expansion of the nation's civil airlift capability on an economically sound basis." (p. 17.)

"(4) The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. (p. 17.)

"(5) Federal agencies should, within...sound...supply management, expand their use of civil cargo airlift as it becomes available for routine, non-emergency use." (p. 24)

In 1955, the Hoover Commission's report on Transportation recommended:

"That the peacetime operations of the integrated Military Air Transport Service be restricted and realistically limited to persons and cargo carefully evaluated as to necessity for military air transportation and, only after commercial carriers have been utilized to the maximum extent, should transportation on Service carriers be authorized." (p. 59)

In the same year, the Comptroller General's audit report on the Civil Aeronautics Board included the following statement:

"We believe it important that the Congress direct the Department of Defense to transfer, wherever possible, military mail, cargo and passengers to United States certificated air carriers. As stated in the (Air Coordinating) Commission's report, prompt action by the Department would result not only in a significant reduction in subsidy for international carriers, but also in the development of an economic self-sufficient civil airline system, thus providing a substantial reservoir of airlift to be available to meet mobilization emergencies." (p. 30)

These policies, however, were not really implemented in the 1950's. As the MATS fleet of military aircraft expanded, the Department of Defense tended increasingly to utilize these aircraft for purposes which could appropriately be served by the civil carriers. Several Congressional committees took note of this problem, and asked the Defense Department to correct the situation. For example, in 1956 the House Appropriations Committee emphasized the fact "that commercial air facilities, including scheduled and non-scheduled airlines, are an essential part of the overall mobilization transport strength of the United States," and called upon the Air Force to "give attention to handling its air transport business in such a way as to assist in keeping the nonscheduled and other airlines in a reasonably sound financial and operating position." (H. Rep. No. 2104, 84th Cong., 2nd Sess., p. 46 (1956)). The Senate Committee fully concurred with this view, as it made clear in its report the following year:

"Last year in the conference committee on the Defense appropriations bill the Senate joined with the House in stating in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security." (S. Rep. No. 543, 85th Cong., 1st Sess., p. 13 (1957)).

The report went on to direct the Department of Defense to advise the Committee by January 1, 1958 as to the progress made in expanding the use of the civil carriers. (Id. at p. 14.)

In 1958, a comprehensive investigation of the entire relationship between the civil carriers and the Department of Defense was undertaken by the Military Operations Subcommittee of the House Government Operations Committee. Under the chairmanship of Congressman Holifield, the Committee produced a lengthy and thorough report, containing twenty-two specific recommendations. Among them were the following:

"Recommendation No. 2.

"The Military Air Transport Service should concentrate on outside and special-cargo traffic and technical missions, leaving to the civil air carriers the primary responsibility for the transportation of passengers and the more conventional kinds of military cargo.

"Recommendation No. 3.

"The applicable military directives and regulations should be redrafted to eliminate the preferential position of the Military Air Transport Service in peacetime military airlift and to establish, consistent with other recommendations in this report, a full partnership role for civil carriers in moving peacetime military traffic and in contributing to war readiness through the Civil Reserve Air Fleet.

"Recommendation No. 4.

"In the event the applicable military directives and regulations are not redrafted to eliminate the preferential position of the Military Air Transport Service and an effective program is not developed for expanding the use of commercial air services, the Congress should adopt appropriate legislation to achieve these objectives.

"Recommendation No. 5

"The Civil Reserve Air Fleet should be expanded and more closely integrated with military airlift missions. It is especially important that the Air Force encourage the civil air carriers to procure more modern cargo aircraft for the Civil Reserve Air Fleet, by allocating to these civil carriers a larger share of the cargo traffic of the Military Air Transport Service. Such action would more adequately provide the incentive necessary to overcome the dangerous risk inherent in the deficit that now exists in meeting overall wartime requirements for cargo airlift." (H.R. Rep. No. 2011, 85th Cong., 2nd Sess., pp. 5-7 (1958)).

Another detailed investigation was conducted in 1960 by the Airlift Subcommittee of the House Armed Services Committee. Its report clearly revealed the extent to which the Defense Department's under-utilization of civil carriers had seriously weakened the Nation's overall airlift capability:

"In the cargo area the CRAF capability is not only grossly inadequate in terms of capacity, but it is limited and outmoded in terms of equipment. . . . There is not a single aircraft in CRAF's cargo fleet which was specifically designed for cargo operations. It is this gross deficiency which gives rise to an overriding requirement that new, turbine-powered cargo aircraft be procured by the civil carriers who participate in CRAF and that there be created an incentive for such participation." (H.R. Rep. No. 53, 86th Cong., 2nd Sess., p. 4042 (1960)).

To meet this problem, the Subcommittee recommended that new procurement policies be devised which would create a greater incentive for the civil carriers to modernize and expand their cargo capacity.

In the same year, the Department of Defense issued a detailed report of its own on the entire problem, entitled "The Role of Military Air Transport Service in Peace and War." This report, for the first time, articulated a clear division between the respective roles of the military and civil in the total airlift system:

"In the context of the philosophy of maintaining within the Armed Forces only the resources or capability essential to the effective implementation of military strategy, MATS ideally should perform only the 'hard core mission' leaving to the commercial carriers the job of providing airlift for routine logistic supply and normal personnel movements in accordance with criteria prescribed by the Department of Defense. This is a realistic delineation between military and commercial carriers for programming purposes: However, for peacetime operations economic considerations will dictate some adjustment." (p. 9).

The report also noted that:

"Current airlift procurement policies and practices are not accomplishing the desired results in promoting a healthy growth of United States overseas commercial cargo airlift capability. With Congressional approval, if necessary, they should be better adapted to reflect the long-term interest of the Department of Defense in commercial airlift capability and provide the continuity and stability required for effective and economical support of military forces." (p. 4.)

A number of specific "Presidentially Approved Courses of Action" were set forth in the report designed to implement the policies and objectives which I have just quoted. These included the curtailment of MATS operations with respect to other than hardcore traffic, and the expanded utilization of commercial carriers for these purposes. To provide greater incentive for expansion of the civil cargo fleet, the report called for the elimination of competitive bidding, which had generally produced uneconomical rates for the transportation of military cargo, and the substitution of CAB ratemaking in this area. In addition, it proposed a major overhaul of the CRAF program, and the development of a formula by which a carrier's share of military traffic would be determined by such factors as the quantity and relative value of the aircraft which it has committed to CRAF, and its willingness to acquire cargo aircraft.

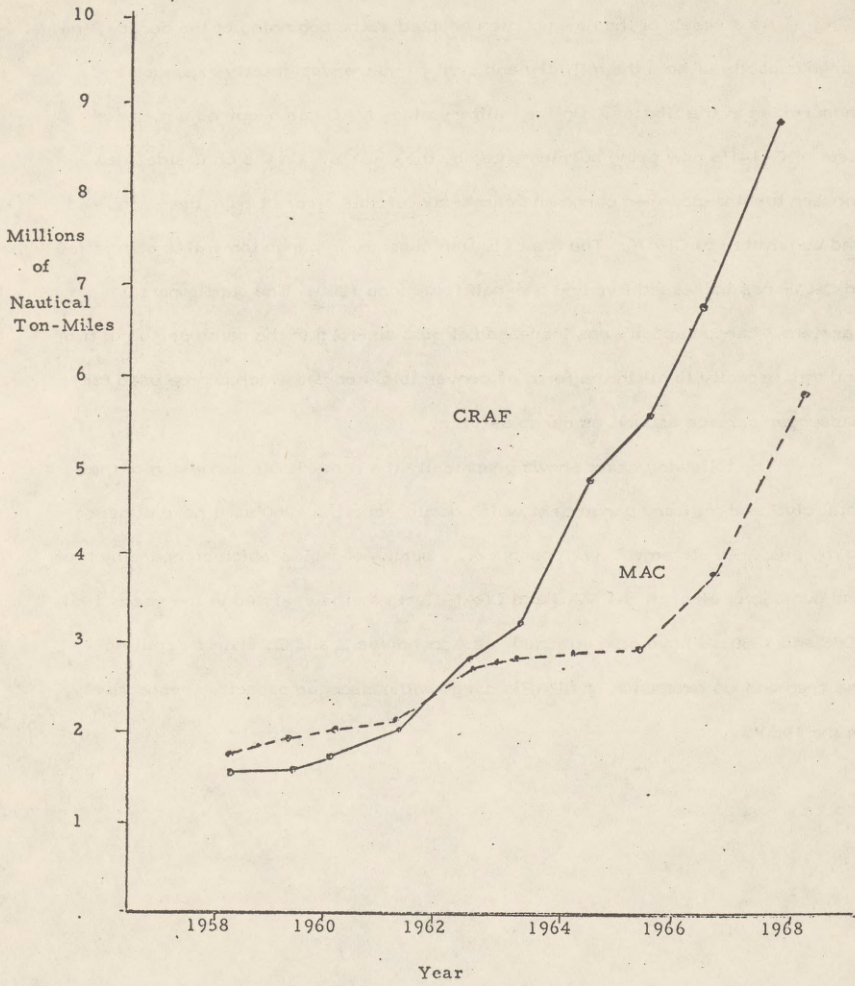
"The Role of MATS in Peace and War" was the product not only of Defense Department studies, but also of the work which had been done over the years by various committees of the Congress. The policies which it contained were promptly implemented, and resulted in a rapid expansion and modernization of both the military and civil segments of the airlift system.

II.

THE RECORD OF PROGRESS IN THE SIXTIES

As a result of the new policies adopted at the beginning of the decade, the cargo capacity of both the military and civil carriers was greatly expanded and modernized in the Sixties. On the military side, MAC has acquired a massive fleet of C-141's now being supplemented by the C-5A's. On the civil side, new modern turbine-powered cargo and cargo-convertible aircraft have been acquired and committed to CRAF. The total civilian capacity in cargo ton-miles committed to CRAF has increased five and one-half fold since 1960. The supplemental carriers' cargo capacity has increased almost six-fold in the same period of time and this capacity is all in the form of convertible aircraft which can be used for passenger service as well as cargo service.

The following chart shows graphically the remarkable expansion of the total civil and military cargo fleet which occurred in the 1960's. I have attached to my prepared statement as Appendix A, a series of tables which compare by type and number of aircraft the MAC and CRAF fleets as they existed in the years 1961, 1963 and 1968. I have also attached, as Appendices B and C, charts detailing the tremendous expansion of CRAF's cargo and passenger capacity, respectively, in the 1960's.

COMBINED CRAF/MAC CARGO FLEET
INCREASE IN DAILY AIRLIFT CAPABILITY

Despite the enormous progress which has been made, however, there is still insufficient civil cargo capacity to meet defense needs. As last year's report of the House Airlift Subcommittee noted:

"The problem of obtaining adequate commercial cargo airlift to augment our military capability in times of emergency remains. At the time of the Subcommittee's hearings, no wide-bodied cargo jets had been ordered by the U.S. civil carriers and only ten wide-bodied convertible aircraft had been ordered. The convertible 'jumbo jets' have been ordered by Supplemental Air Carriers with an option to procure an additional five aircraft. The large scheduled air carriers have not ordered these large cargo/convertible aircraft apparently because of cost and the lack of a commercial requirement for this increased cargo capability. It is obvious to the committee that the procurement of the jumbo cargo/convertible aircraft will be at a slow pace unless some incentive is offered to the carriers to obtain these aircraft and contribute that increased capability and flexibility toward meeting military requirements." (H.A.S.C. No. 91-59, p. 9236 (1970)).

It is thus apparent that the underlying reasons for the policies established in "The Role of MATS in Peace and War" are still valid. Moreover, those policies, which were approved by the President and implemented pursuant to his direction, have never been officially revised or repealed. Nevertheless, the actions of the Department of Defense in recent years have been in direct conflict with those policies.

III.

RECENT DEVIATIONS FROM ESTABLISHED POLICIES

In Fiscal 1960, the total volume of military cargo which was moved by air was approximately 170,000 tons, of which only 17,500 tons or 10.5 per cent was handled by the civil carriers. In the years which followed, the total volume of military cargo increased dramatically, largely as a result of the expanding war in

Vietnam. The civil carriers, responding to the need, greatly expanded their cargo capacity, and the Department of Defense, in accordance with its announced policies, allocated to them an ever-increasing amount of military cargo. In percentage terms, the civil carriers' share of military cargo reached its peak in Fiscal 1962, when they carried 40.5 per cent of all cargo moved by air. In terms of tonnage, the peak was reached in Fiscal 1967, when the civil carriers handled a total of 202,000 tons, which represented 33.6 per cent of the total military cargo shipped that year.

Then, very suddenly, the trend was reversed. Although total military cargo shipments continued to grow in Fiscal 1968 and 1969, the amounts allocated to the civil carriers fell to 163,000 tons or 24 per cent in 1968, and 148,000 tons or 20.3 per cent in 1969.

In Fiscal years 1970 and 1971 the total military cargo shipped began to decline, due to the reduction in the level of warfare in Vietnam. The amount carried by the civil carriers, however, fell off much more dramatically. In 1970, the civils carried only 15.7 per cent or 104,000 tons, and in 1971 it is estimated that their share will constitute only 2.2 per cent, or a mere 12,870 tons. In other words, despite the enormous expansion of their cargo capacity which has occurred over the last decade, the civil carriers will actually move 30 per cent less military cargo in Fiscal 1971 than they did in Fiscal 1960. The following chart shows how military cargo was allocated, year by year, from fiscal 1960 through 1971:

<u>FY</u>	<u>Tons of Cargo Total</u>	<u>Commercial</u>	<u>Percent of Total</u>
1960	168,787	17,581	10.4%
1961	159,700	26,409	16.5
1962	181,707	73,669	40.5
1963	184,359	69,077	37.4
1964	196,841	43,683	22.1
1965	253,392	66,067	26.0
1966	338,368	102,106	30.1
1967	599,202	201,905	33.6
1968	679,079	163,073	24.0
1969	725,322	147,603	20.3
1970	658,643	103,991	15.7
1971 (Est.)	583,722	12,870	2.2

I have also attached to my prepared statement, as Appendix D, a series of tables showing the total military revenues (passenger and cargo) received by each carrier participating in the CRAF program for each fiscal year from 1960 through 1970.

What has happened is obvious. There has been a complete reversal of policy. After inducing the civil carriers to acquire substantial cargo capacity by offering them a fair share of military cargo business, the Department of Defense has simply pulled the rug out.

In a memorandum submitted by the Air Force to Chairman Cannon on April 7, this reversal of policy is quite clearly revealed. That memorandum states that "Efficiency and economy dictate the use of this (MAC) capability to satisfy logistic support requirements." (p. 1.) It further states that "the primary role now developing for the civil air carriers is to replace the MAC aircraft on their worldwide DOD logistics support route when they are diverted to carry out a wartime deployment." (p. 2) Otherwise, the only role contemplated for the civil carriers, so far as international cargo is concerned, is "to satisfy peak international cargo demands." (p. 3.)

In "The Role of MATS in Peace and War," the very first item listed under the heading "Presidentially Approved Courses of Action" reads as follows:

"1. That MATS be equipped and operated in peacetime to meet approved military hardcore requirements in a general war and in situations short of general war, and such other military requirements as cannot be met adequately by commercial carriers on an effective and timely basis." (p.5.)

The Air Force has now turned this policy on its head. It proposed to use the civil carriers only for "such other military requirements as cannot be met adequately" by the military.

Aside from being militarily shortsighted, the new Air Force policy is contrary to the whole philosophy of our free enterprise system. In effect, MAC is now running a cargo airline, at the taxpayers' expense, in direct competition with the commercial carriers. In the 1950's, the Congress repeatedly criticized MATS for engaging in precisely this kind of competition with private enterprise. The Department of Defense ultimately recognized the validity of this criticism, and specifically altered its policies in response to it. This, indeed, is what "The Role of MATS in Peace and War" was all about.

MAC's cargo operations today go far beyond the requirements of minimum training of flight crews. Until recently, MAC's cargo fleet was operating as much as eight hours per day, and it is only because the volume of cargo has diminished that it is now proposing to reduce its operations to 4-4-1/2 hours per day. The Air Force memorandum submitted to this Committee on April 7 makes it crystal clear that its utilization of military cargo aircraft is now being pegged to military cargo requirements, rather than training and hard-core requirements. This is squarely contrary to established policy, and constitutes direct competition with the commercial carriers.

The current Air Force policy flouts not only the long-standing policy of the President, but also the recommendations made just last year by the House Airlift Subcommittee. In its report, that committee specifically disapproved the reduction in the civil carriers' share of military cargo traffic:

"This reduction in cargo airlift allocated to the CRAF participants is no incentive for the commercial carriers to order new cargo aircraft to offset the existing deficit.

"The C-5A was designed to airlift vehicles and cargo outside to the C-141, not troops or general cargo. Yet the Air Force and MAC now propose to use the C-5 in peacetime for movement of general cargo--both bulk and palletized--under the guise of maintaining flight crew proficiency.

"The effect of such a policy will be the elimination of a substantial commercial cargo airlift capability now available from the civil carriers, in particular the supplementals. . . ."
(H.A.S.C. No. 91-59, pp. 9236-37.)

The Air Force seems to think it can use its own aircraft for routine cargo carriage in times of peace, and still expect the civil carriers to take over that function in times of emergency or of "peak" demand. Clearly, this makes no economic sense. The commercial carriers cannot afford idle capacity - their present financial posture makes that clear enough. If the Department of Defense does not use their cargo capability, then they will be forced to put it to work elsewhere or dispose of it. Either way, it will not be available to provide immediate airlift service for the military in times of national crisis. And certainly the civil carriers will not be willing or able to expand their cargo capacity unless

there is an immediate and continuing market for it.

The basic concept of the policies which were developed and applied so successfully in the early Sixties was that MAC, not the civil carriers, should retain a substantial reserve capacity for use in times of emergency. The routine cargo missions, which must be performed in peace as well as in war, were to be handled by the civil carriers, thus leaving MAC free not only to carry the "hardcore" traffic, but also with sufficient capacity in reserve to expand its hardcore operations in times of crisis. If MAC aircraft are heavily committed to routine supply missions, they will be unable to respond to an emergency without causing a substantial disruption of normal service. Moreover, unless the civil carriers are used to perform this function in times of peace, they will simply not have the capacity which would be needed in time of war.

Even from a training viewpoint, the current Air Force policy makes no sense. It seems elementary that if MAC is to carry hardcore traffic in times of crisis, it must train for that mission by performing the same functions in peacetime. This principle was recognized in a MATS document entitled "Review of the Civil Reserve Air Fleet Program" issued in 1963:

"It is imperative that any concept or system which is to be employed in wartime must be nothing more than an expansion of the system utilized in peacetime. Therefore there must be designed and tested in peacetime the operational concept and organization which must do the job in war." (p.16.)

MAC's wartime mission requires it to be capable of performing such combat missions as troop drops with the C-141, short field landings with the C-141 and C-5A, and other difficult and specialized military operations. The idea that MAC can achieve meaningful training for its combat role by performing routine logistical support missions in and out of major airports or military air fields in peacetime is simply unrealistic. And it is even more unrealistic to think that a large and modern civil cargo fleet can simply be available, on a standby basis, "to replace the MAC aircraft on their worldwide DOT logistics support routes when they are diverted to carry out a wartime deployment," or even "to satisfy peak international cargo demands." Anyone who thinks this is possible has not read the history of the Fifties.

IV.

THE NEED FOR CONTINUATION AND STRENGTHENING OF THE CRAF PROGRAM

Even the Air Force has acknowledged that the continuation of the Civil Reserve Air Fleet (CRAF) is essential to the Nation's defense system. The CRAF concept, which was originated in 1952, has been periodically modified to meet changing defense needs, and to reflect economic realities. Under the initial plan, only the entire CRAF fleet could be activated. This was changed in 1963, when the program was made more flexible so that it could respond more readily to limited as well as general emergencies. There are now three separate stages of CRAF. Stages I and II, to which aircraft are committed voluntarily by the carriers, can be activated separately - Stage I by the Commander

of MAC and Stage II by the Secretary of Defense - to meet an immediate crisis which falls short of a full national emergency. State III would be activated only in times of complete national mobilization.

Recent history has dramatically demonstrated the need for civil augmentation of military airlift to meet emergency situations. In every major crisis since World War II - the Berlin blockade, the Korean conflict, the Cuban missile crisis, the Vietnam war - the civil carriers have played an important role in providing essential transportation service to the military. Although the need to activate CRAF has never arisen, this is only because the civil carriers responded to the need voluntarily. And the fact that they had the capacity to respond was, especially in recent years, largely the result of the CRAF program.

An essential part of that program is the procurement policy which was developed in the early Sixties. Under this program, each carrier's military business is related directly to its CRAF commitments, not only in terms of the number of aircraft committed, but also the size and type of aircraft involved. Before this procurement policy was initiated, the CRAF fleet was woefully inadequate. Today, as a result of the enlightened policies of the early Sixties, the CRAF passenger fleet consists of 126 long-range passenger jets and 196 cargo jets, of which 12 are fully convertible.

As the House Airlift Subcommittee observed in its recent report, however, "modernization of the CRAF is a continuous process." (H.A.S.C. No. 91-59, p. 9236.) In particular, the committee noted that "current firm

orders for new aircraft do not indicate production of enough convertible or cargo aircraft to fulfill projected wartime requirements." (Ibid.) And continuous expansion and modernization of the entire fleet is obviously essential if it is to be capable of meeting tomorrow's needs as well as those of today.

The recent decision of the Air Force to withdraw almost all international military cargo traffic from the civil carriers is certainly not calculated to preserve and strengthen CRAF. On the contrary, its inevitable effect will be to weaken the ability of the civil carriers to respond in time of crisis - particularly in the area of cargo capacity, where a shortage already exists. What we are witnessing today is a repetition of the same shortsighted policies which, in the 1950's, prevented the expansion of the civil fleet.

We believe the policies set forth in "The Role of MATS in Peace and War" should be continued, subject only to such changes or modifications as are needed to carry out the underlying objectives of those policies. One needed change, which was recommended in the report of the House Airlift Subcommittee last year, is to provide an increased incentive for the acquisition of cargo-convertible jets by appropriate revisions in the procurement formula and by requiring carriers to use such aircraft to the greatest extent possible in performing military contracts. The implementation of these reforms, of course, presupposes a continuing flow of cargo business to the civil carriers.

The CRAF program is also being weakened by the continued use of surface transportation for types of military cargo which could be carried more efficiently and economically by air. In the mid-1960's, when the Vietnam War was taxing our cargo capability to the fullest, the Department of Defense found it necessary to transfer certain so-called "Priority II" cargo from air to surface transportation because of a shortage of airlift capacity. This cargo has never been placed back into the air, even though the shortage of capacity no longer exists, and it is actually more costly and less efficient to ship such cargo by surface transportation. Moreover, in the event of war or other emergency such cargo would probably have to be carried by air. And it is clearly preferable to move material in peacetime by the same mode of transportation which we will have to rely upon in war. This eliminates unnecessary disruption of supply channels in shifting from peacetime to wartime operations, and also assures the availability of the needed air transportation capacity when an emergency arises.

In addition, a recent study conducted for the Department of the Army by the Research Analysis Corporation (the so-called "RAC Study") indicated that there are several types of cargo which are now considered ineligible for air transportation, but which probably could be more economically carried by air. A recent study by the Joint Logistics Review Board supports this conclusion. From a purely economic standpoint, there is absolutely no reason why the Department of Defense should continue to use surface transportation for cargo which could be moved more efficiently and at a lower cost by air. And from a defense point of view, it is essential that the available cargo capacity of the civil carriers be used to the fullest so that such

capacity will be available in the CRAF program in times of emergency.

Another feature of the current CRAF program which should be reviewed is the requirement that all committed aircraft of every CRAF carrier must be made available to the government on 24-to-48 hours' notice. In point of fact, the military would almost certainly be unable to put to immediate use the deluge of aircraft capacity which it would receive in this 24-to-48 hour period. We see no valid reason why some portion of the aircraft of CRAF carriers could not be made available upon 72-to-96 hours' notice or longer without any loss in the effectiveness of the program. This would encourage the carriers to commit additional aircraft for Stages I and II.

The responsiveness of CRAF in time of need has been clearly proved in the current Vietnam war. Although CRAF aircraft were not formally activated, the CRAF carriers flew side-by-side with military aircraft, often under the most difficult circumstances. The following concrete example bears witness to the character of their service. In March 1968, the Federal Aviation Agency issued a directive prohibiting civil carriers from landing at certain airfields in South Vietnam because of enemy activity in the vicinity of those airfields. Civil carriers vociferously objected to these restrictions and insisted that they be permitted to perform their contracts to deliver supplies needed by the men in the field. Despite the risks involved, the carriers - and their crews - were not only willing to fly into these airfields, they insisted upon doing so.

V.

THE BENEFITS OF THE PARTNERSHIP CONCEPT

The military-civil partnership which was fostered by the policies of the Sixties yielded enormous benefits to the government, the air transport industry, and, most importantly, the Nation as a whole. It provided an essential military airlift capacity at a cost far below what the taxpayers would have had to spend if that capacity had been provided primarily by the military services themselves. Simply by using civil carriers for the performance of needed military cargo and passenger transportation, at rates which were far below those paid by commercial passengers and shippers, the government was able to obtain not merely efficient transportation service, but also a huge reserve fleet of aircraft which is available on a moment's notice to augment the military airlift capability in time of war. This reserve fleet, which has an estimated value of \$3 billion, was created without cost to the government, entirely through private financing.

The acquisition by the carriers of aircraft suited to the needs of the Department of Defense was no mere accident. It was the result of a carefully planned procurement policy, designed to encourage and reward such acquisition. The continued modernization and expansion of this fleet will depend upon the continuation of the same kind of policy.

IN PURELY ECONOMIC TERMS, the reliance and use of the civil carriers in the Sixties yielded economic benefits and savings to the Government. The continued use of the civil carriers in fulfilling civil eligible requirements in the 1970's will yield greater economic benefits. For example:

(1) In the 1960's the Government saved ONE BILLION DOLLARS

(2) In the 1970's the Government will save ^{FIVE}~~SEVEN~~ BILLION DOLLARS

by using and relying upon the civil air carriers for the carriage of military cargo instead of acquiring and operating additional military aircraft for that purpose.

I have attached to my statement a detailed economic statement which documents very clearly the claims that I have made. In addition, that statement includes an analysis of fiscal 1972 on the assumption that 50 percent of the cargo would be moved by the civils. That analysis shows that for that one year, the net additonal costs to the government would be only approximately 26 million dollars. For this small amount, the Government would obtain a mobilization base of aircraft valued at approximately 3 billion dollars. This is an extremely important analysis because it demonstrates the wisdom of the policy of the 60's and the importance of reasserting that policy and following it in the 70's.

The procurement policy which the Air Force has adopted in the last year or two ignores the demonstrated benefits of the military-civil partnership concept which was developed in the 1960's. It ignores also the need for the continued maintenance and modernization of the civil fleet. It represents a return to the policies of the 1950's, which failed to produce an adequate airlift capability and which were condemned by the Congress and the President.

The time has come for a restoration of the appropriate relationship between the civil and military air transport systems. Once again, Congress must intervene so that commercial aviation will be permitted to play its proper role. Only in that way can we assure that the necessary commercial augmentation capacity will be developed and maintained.

VI.

THE NEED FOR LEGISLATION

More than a decade ago, the Congress recognized that the time might well come when the refusal of the Department of Defense to adhere to Congressional policy concerning the use of civil carriers in providing military airlift would require the enactment of legislation. As I noted earlier, the Holifield subcommittee recommended in 1958 that in the event DOD failed to take action "to eliminate the preferential position" of MATS and to develop an effective program "for expanding the use of commercial air services" the Congress should adopt "appropriate legislation to achieve these objectives."

The time when legislation is necessary, Mr. Chairman, has now arrived. Notwithstanding the proven benefits of the Congressional policy respecting the use of civil air carriers, the Department of Defense has embarked on a clear course of action in direct contravention of that policy. DOD's effort to exclude civil carriers from the carriage of international cargo in peacetime will inevitably discourage the carriers from purchasing and maintaining the airlift capability which may be vitally necessary in wartime. No other result can be expected, particularly at a time when the air transportation industry is experiencing extreme economic adversity. I would be less than candid if I did not say that another report or set of recommendations by a Congressional committee, however forceful or well-intentioned, will simply not be adequate in the current situation. The confidence of the carriers in DOD's willingness to adhere to Congressional policy has been so badly shaken that nothing less than a statutory directive to DOD can be expected to induce the necessary expenditures for the maintenance and further modernization of the air carriers' fleet which the national defense requires.

We therefore urge, Mr. Chairman, that legislation be adopted at this time to establish a firm requirement that the Department of Defense adhere to the Congressional policy that civil air carriers be given the primary role in peacetime movements of international military cargo of the kinds suitable for movement by those carriers. At the same time, we think it desirable to reaffirm the Congressional policy respecting other types of DOD air traffic and to set a policy

with respect to certain other government or government-aided air traffic.

The Proposed Bill
(S. 1821)

We support the adoption of S. 1821, which has been drafted to deal with the problems I have outlined. Attached to my written statement as Appendix F is a detailed section-by-section analysis of the bill. S. 1821 would add a new section to the Federal Aviation Act of 1958, in furtherance of the long-standing policy declaration in Section 102 of that Act directing " (t)he encouragement and development of an air-transportation system properly adapted to the present and future needs . . . of the National defense."

In brief, subsection (a) of the proposed new section establishes a policy requiring the use of U.S. -flag carriers "to the fullest extent practicable" for the international movement by air of property procured, furnished or financed by the United States. It is patterned after Section 901(b) of the Merchant Marine Act of 1936, as amended, which establishes a preference for U.S. -flag vessels with respect to at least 50 per cent of the tonnage of cargos procured, furnished or financed by the government when transported on ocean vessels.

The second subsection would establish a policy with respect to the use of civil carriers for international air movements of persons and property for the Department of Defense. In the first subparagraph a general policy is set out calling for the use of civil carriers " (t)o the fullest extent practicable" for DOD movements of persons or property by air between a U.S. and foreign

point, or between two foreign points. An exception is made for hard-core traffic. The second subparagraph of subsection (b) would establish a minimum set-aside for international movements of military cargo. It provides that at least 50 per cent of all property moved by DOD by air between a U.S. and foreign point, or between two foreign points, shall be transported by carriers who participate in the CRAF program. I want to emphasize here that this 50 per cent is intended to be a minimum, not a maximum. The ultimate objective of the legislation is to require utilization of civil carriers "to the fullest extent practicable" for all cargo other than hardcore traffic. Therefore, we would anticipate that as more civil cargo capacity becomes available the amount of military traffic moved by the civil carriers would greatly exceed 50 per cent.

The concept of a set-aside provision for CRAF carriers is not unprecedented. The 1962 DOD Appropriation Act provided that \$80 million of the funds appropriated for MATS "shall be available only for procurement of commercial air transportation service from carriers participating in the Civil Reserve Air Fleet program" (P.L. 87-144, Sec. 631). The set-aside requirement in S. 1821 will, I believe, help to restore the proper relationship between military and civil airlift, encourage MAC to concentrate on hard core traffic and assure that routine channel traffic will be largely allocated to civil carriers.

To avoid any complications in time of national emergency due to the foregoing requirements, a further provision of S. 1821 would provide for their waiver whenever the Congress, the President or the Secretary of Defense declares that an emergency exists justifying a waiver.

SUMMARY AND CONCLUSION

In conclusion, Mr. Chairman, I want to emphasize again that the legislation which we are proposing does not represent a change in policy. Its purpose, rather, is to implement a policy which was established in 1960 with the approval of the President of the United States, and which has proved its effectiveness many times over, most notably during the Vietnam crisis. Legislation is needed at this time only because the Air Force has taken it upon itself--without authority either from the Congress or the President--to depart from that established policy.

It has been said that those who fail to learn from history are condemned to relive it. The history of the post-World War II period should have taught us at least two things. The first is that in times of national crisis the civil air carriers have a vital role to play in providing prompt and efficient airlift service to the military. The second is that the civil carriers will not be equipped to perform their wartime role if they are not permitted to play their proper role in peacetime. During the 1950's, our civil cargo fleet was woefully inadequate, because the Defense Department relied excessively on

military aircraft for the carriage of routine military cargo. In the 1960's, this policy was changed, and as a result the civil fleet was greatly expanded and modernized. We cannot now afford to stop using that civil fleet, or to interrupt the continuous process of increasing and updating our civil airlift capacity.

The Military Airlift Command, of course, also has a vital role in the nation's defense system. We do not intend in any way to interfere with the performance of that role. Nor are we trying to restrict or limit the number of MAC aircraft. Rather, we are seeking to preserve the balanced air transportation system which was developed in the Sixties, and which served us so well during that decade. The civil carriers do not want to perform MAC's mission, but neither should MAC attempt to compete with the civil airlines. A clear division of functions was worked out in "The Role of MATS in Peace and War." The preservation of that division is essential to the economic health of the air transport industry, and to the nation's defense.

CIVIL/MILITARY POSTURE
COMBINED CRAF AND MAC FLEET
1961, 1963 and 1968

1961 CRAF Fleet		1961 MAC Fleet		1963 CRAF Fleet		1963 MAC Fleet	
Aircraft	Total	Aircraft	Total	Aircraft	Total	Aircraft	Total
DC-6A	36	C-97	48	DC-6A	17	C-118	58
DC-7BF	11	C-118	102	DC-7BF	11	C-124	291
DC-7CF	12	C-121	57	DC-7CF	26	C-130	112
L-1049H	41	C-124	265	L-1049H	23	C-133	43
L-1649AF	6	C-133	45	L-1649AF	14	C-135	40
B707-300	34	C-135	38	CL-44	21		
DC-8	33			B707-100	10		
				B707-200	4		
				B707-300	48		
				B707-300C	15		
				DC-8	44		
				DC-8F	5		
				C-880	1		
Total	173		555		239		544
Grand Total	728						

APPENDIX A

CRAF INTERNATIONAL AND DOMESTIC CARGO TON MILE CAPABILITY

Scheduled and Supplemental Carriers

FY's 1961-1969

	Total (Millions)		Scheduled (Millions)		Supplemental (Millions)		% Supp ments of Total			
	Inter- national	Total	Inter- national	Domestic ^{1/}	Inter- national	Domestic ^{1/}				
1961	661.2	393.0	1,054.2	502.1	253.1	755.2	159.1	139.9	299.0	28.4
1962	886.2	292.6	1,178.8	639.1	137.6	774.0	247.2	155.0	402.2	54.1
1963	1,007.6	294.9	1,302.5	728.6	143.0	871.6	279.0	151.9	430.9	53.1
1964	1,491.1	460.6	1,951.7	1,305.5	77.0	1,382.5	185.6	383.6	569.2	29.2
1965	1,784.3	470.3	2,254.6	1,541.7	101.6	1,643.3	242.6	368.7	611.5	27.1
1966	2,315.5	500.8	2,816.3	1,981.2	38.8	2,020.0	334.3	462.0	796.3	28.2
1967	3,253.1	502.8	3,755.9	2,806.3	24.3	2,830.6	446.8	478.5	925.3	24.6
1968	4,084.0	555.2	4,639.2	3,371.5	86.4	3,457.9	712.5	468.8	1,181.3	25.5
1969	4,761.8	1,087.7	5,849.5	3,701.3	409.7	4,111.0	1,060.5	678.0	1,738.5	29.7

^{1/} No breakdown available between passenger and cargo aircraft in allocation. Total domestic capability shown in cargo ton-miles.

SOURCES: 1961-1964 - Report of the Special Subcommittee on Military Airlift of the Committee on Armed Services of the House of Representatives, 89th Congress, Second Session, May 16, 1966, pp. 7207-10.

1965-1969 - Reports from Headquarters MAC.
CRAF planning factors from Headquarters MAC.

APPENDIX C

CRAF INTERNATIONAL PASSENGER MILE CAPABILITY

Scheduled and Supplemental Carriers

FY's 1961-1969

	Total (Billions)	Scheduled (Billions)	Supplemental (Billions)	% Supplemental of Total (Billions)
1961	7.6	7.6	-	-
1962	18.3	18.2	0.1	1.0%
1963	12.5	12.4	0.1	1.0
1964	12.1	12.0	0.1	1.0
1965	12.8	12.7	0.1	1.0
1966	14.4	14.3	0.1	1.0
1967	15.1	15.0	0.1	1.0
1968	20.5	20.5	-	-
1969	21.7	21.7	-	-

SOURCES: 1961-1964 - Report of the Special Subcommittee on Military Airlift of the Committee on Armed Services of the House of Representatives, 89th Congress, Second Session, May 16, 1966, pp. 7207-10.

1965-1969 - Report from Headquarters MAC.

CRAF planning factors from Headquarters MAC.

CIVIL/MILITARY POSTURE
COMBINED CRAF AND MAC FLEET
1961, 1963 and 1968

<u>1961 CRAF Fleet</u>		<u>1961 MAC Fleet</u>		<u>1963 CRAF Fleet</u>		<u>1963 MAC Fleet</u>	
<u>Aircraft</u>	<u>Total</u>	<u>Aircraft</u>	<u>Total</u>	<u>Aircraft</u>	<u>Total</u>	<u>Aircraft</u>	<u>Total</u>
DC-6A	36	C-97	48	DC-6A	17	C-118	58
DC-7BF	11	C-118	102	DC-7BF	11	C-124	291
DC-7CF	12	C-121	57	DC-7CF	26	C-130	112
L-1049H	41	C-124	265	L-1049H	23	C-133	43
L-1649AF	6	C-133	45	L-1649AF	14	C-135	40
B707-300	34	C-135	38	CL-44	21		
DC-8	33			B707-100	10		
				B707-200	4		
				B707-300	48		
				B707-300C	15		
				DC-8	44		
				DC-8F	5		
				C-880	1		
Total	173		555		239		544
Grand Total	728						783

APPENDIX D

FY 1960 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Alaska Airlines	\$ 1,385,851	2.1
Air America	600,509	.9
American International	983,704	1.5
California Hawaiian	14,582	-
Capitol Airways	3,195,897	5.0
Central Air Transport	16,371	-
Flying Tiger Line	8,267,705	12.9
Hawaiian Airlines	1,578,525	2.5
Northwest Airlines	83	-
Northwest Orient	16,758	-
Overscas National Airways	20,154,380	31.4
Pacific International	108,080	.2
Pan American World Airways	2,365,769	3.7
Seaboard and Western Airlines	4,919,961	7.7
Seven Seas Airlines	73,255	.1
Slick Airways	7,985,744	12.5
Trans Caribbean Airways	39,389	.1
Trans International Airlines	1,833,261	2.9
Trans Ocean Airlines	779,320	1.2
Trans World Airlines	3,548,695	5.5
Twentieth Century	5,173,726	8.1
U.S. Overseas Airlines	940,625	1.5
World Airways	<u>117,675</u>	<u>.2</u>
TOTAL PAX/CARGO	\$ 64,099,865	100.0
Expenditures for PAX/Cargo To:		
Supplemental Airlines	\$ 33,991,385	
Scheduled Airlines	<u>30,108,480</u>	
Total	\$ 64,099,865	
Percent Supplemental of Total		53.0%

SOURCE: MAC Financial Reports.

APPENDIX D

FY 1961 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Aero Sud America	\$ 29,740	-
Air America	607,108	.8
Alaska Airlines	1,775,664	2.3
California Hawaiian	217,059	.3
Capitol Airways	2,207,490	2.8
Flying Tiger Line	13,809,958	17.6
Hawaiian Airlines	628,561	.8
Northwest Orient Airlines	876,854	1.1
Overseas National Airways	11,233,503	14.3
Pan American World Airways	13,269,084	16.9
Riddle Airlines	3,697,581	4.7
Slick Airways	8,067,130	10.3
Seaboard World Airlines	5,380,739	6.8
Southern Air Transport	2,233,530	2.8
Trans International Airlines	1,309,692	1.7
Trans World Airlines	3,479,003	4.4
Twentieth Century	2,121,965	2.7
United Air Lines	10,905	-
U.S. Overseas Airlines	1,560,082	2.0
Western Air Lines	562	-
World Airways	<u>6,069,097</u>	<u>7.7</u>
TOTAL PAX/CARGO	\$ 78,585,307	100.0
POST OFFICE DEPARTMENT MAIL	\$ 34,467,077	
TOTAL EXPENDITURES	\$113,052,384	

Expenditures for PAX/Cargo to:

Supplemental Airlines	\$ 27,559,526
Scheduled Airlines	<u>51,025,781</u>
Total	\$ 78,585,307

Percent Supplemental of Total 35.1%

FY 1962 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Aaxico Airlines	\$ 172,548	.1
Alaska Airlines	1,197,662	.8
California Hawaiian Airlines	357,890	.3
Capitol Airways	6,501,279	4.5
Flying Tiger Line	30,928,641	21.6
Great Lakes Airlines	529,072	.4
Northwest Orient Airlines	2,743,753	1.9
Overseas National Airways	5,530,766	3.9
Pan American World Airways	33,526,892	23.5
Riddle Airlines	13,126,070	9.2
Seaboard World Airlines	10,637,748	7.4
Slick Airways	10,777,603	7.5
Southern Air Transport	3,753,392	2.6
Trans Caribbean Airways	217,027	.2
Trans International Airlines	6,184,168	4.3
Trans World Airlines	4,720,607	3.3
United Air Lines	221,434	.2
U.S. Overseas Airlines	1,566,728	1.1
World Airways	10,136,322	7.1
Common Carriage	<u>122,802</u>	<u>.1</u>
TOTAL PAX/CARGO	\$142,952,404	100.0
POST OFFICE DEPARTMENT MAIL	<u>\$ 41,875,306</u>	
TOTAL EXPENDITURES	\$184,827,710	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$ 65,488,258	
Scheduled Airlines	<u>77,464,146</u>	
Total	\$142,952,404	
Percent Supplemental of Total		45.8%

SOURCE: MAC Financial Reports.

FY 1963 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Aaxico Airlines ^{1/}	\$ 751,200	.5
Alaska Airlines.	2,858,603	1.7
Capitol Airways	7,070,362	4.3
Flying Tiger Line	32,087,862	19.5
Northwest Orient Airlines	3,059,457	1.9
Overseas National Airways	3,202,023	2.0
Pan American World Airways	38,155,385	23.3
Riddle Airlines	9,235,564	5.6
Seaboard World Airlines	14,195,385	8.7
Slick Airways	12,113,956	7.4
Southern Air Transport	5,522,212	3.4
Trans Caribbean Airways	4,501,533	2.7
Trans International Airlines	11,722,315	7.1
Trans World Airlines	3,577,223	2.2
United Air Lines	320,138	.2
World Airways	15,660,951	9.5
Common Carriage	69,980	-
TOTAL PAX/CARGO	\$164,104,149	100.0
POST OFFICE DEPARTMENT MAIL	<u>\$ 47,844,778</u>	
TOTAL EXPENDITURES	\$211,948,927	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$ 43,929,063	
Scheduled Airlines	<u>120,175,086</u>	
Total	\$164,104,149	
Percent Supplemental of Total		26.8%

^{1/} Inaugurated supplemental air carrier operations on 10/9/62, operated as a scheduled carrier in prior periods. Classified as supplemental for entire FY 1963.

SOURCE: MAC Financial Reports.

FY 1964 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Aaxico Airlines	\$ 33,453	-
Alaska Airlines	986,884	.7
Capitol Airways	5,137,814	3.5
Flying Tiger Line	24,506,351	16.9
Northwest Orient Airlines	10,624,900	7.3
Overseas National Airways	120,975	.1
Pan American World Airways	28,266,315	19.5
Riddle Airlines	5,851,860	4.1
Seaboard World Airlines	13,707,477	9.5
Slick Airways	11,442,152	7.9
Southern Air Transport	4,487,193	3.1
Trans Caribbean Airways	6,815,581	4.7
Trans International Airlines	9,555,710	6.6
Trans World Airlines	6,042,347	4.2
United Air Lines	196,815	.2
World Airways	17,004,519	11.7
Common Carriage	50,802	-
TOTAL PAX/CARGO	\$144,831,148	100.0
POST OFFICE DEPARTMENT MAIL	\$ 47,648,771	
TOTAL EXPENDITURES	\$192,479,919	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$ 36,339,664	
Scheduled Airlines	<u>108,491,484</u>	
Total	\$144,831,148	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$108,491,484	
Category "Z" Traffic	<u>18,000,000</u> (Est.)	
Total Scheduled Airlines	\$126,491,484	
Supplemental Airlines	<u>36,339,664</u>	
Total Scheduled and Supplemental Airlines	\$162,831,148	
Percent Supplemental of Total		22.3%

SOURCE: MAC Financial Reports.

FY 1965 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Airlift International	\$ 9,633,503	5.0
Alaska Airlines	1,707,000	5.9
Capitol Airways	5,266,894	2.8
Continental Airlines	13,254,871	7.0
Flying Tiger Line	29,743,157	15.6
Northwest Orient Airlines	17,148,934	9.0
Pan American World Airways	34,305,448	18.0
Seaboard World Airlines	17,002,353	8.9
Slick Airways	11,659,579	6.1
Southern Air Transport	4,252,023	2.2
Trans Caribbean Airways	7,762,916	4.1
Trans International Airlines	9,217,525	4.8
Trans World Airlines	11,446,600	6.0
World Airways	18,195,422	9.5
Common Carriage	<u>255,645</u>	<u>.1</u>
TOTAL PAX/CARGO	\$190,851,870	100.0
POST OFFICE DEPARTMENT MAIL	\$ 40,412,850	
TOTAL EXPENDITURES	\$231,264,720	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$ 36,931,864	
Scheduled Airlines	<u>153,920,006</u>	
Total	\$190,851,870	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$153,920,006	
Category "Z" Traffic	<u>23,267,696</u>	
Total Scheduled Airlines	\$177,187,702	
Supplemental Airlines	<u>36,931,864</u>	
Total Scheduled and Supplemental Airlines	\$214,119,566	
Percent Supplemental of Total		17.2%

SOURCE: MAC Financial Reports.

FY 1966 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Aaxico Airlines	\$ 4,315,231	1.4
Airlift International	18,383,837	5.8
Alaska Airlines	3,271,278	1.0
American Flyers Airlines	51,829	-
Braniff Airways	1,257,988	.4
Capitol Airways	10,278,740	3.2
Continental Airlines	37,071,437	11.7
Delta	17,477	-
Eastern Air Lines	61,341	-
Flying Tiger Line	38,272,962	12.1
Mackey Airlines	18,636	-
National Airlines	12,578	-
Northwest Orient Airlines	36,402,868	11.5
Overseas National Airways	21,496	-
Pan American World Airways	45,636,607	14.4
Saturn Airways	143,625	-
Seaboard World Airlines	27,856,275	8.8
Slick Airways	18,295,243	5.8
Southern Air Transport	4,771,855	1.5
Trans Caribbean Airways	8,752,073	2.8
Trans International Airlines	17,957,785	5.6
Trans World Airlines	16,826,182	5.3
United Air Lines	3,339,674	1.0
World Airways	24,499,999	7.7
Common Carriage	<u>38,143</u>	-
TOTAL PAX/CARGO	\$317,555,159	100.0
POST OFFICE DEPARTMENT MAIL	<u>\$ 76,612,996</u>	
TOTAL EXPENDITURES	\$394,168,155	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$ 62,040,560	
Scheduled Airlines	<u>255,514,599</u>	
Total	\$317,555,159	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$255,514,599	
Category "Z" Traffic	<u>25,021,409</u>	
Total Scheduled Airlines	\$280,536,008	
Supplemental Airlines	<u>62,040,560</u>	
Total Scheduled and Supplemental Airlines	\$342,576,568	
Percent Supplemental of Total		18.1%

SOURCE: MAC Financial Reports.

FY 1967 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Airlift International	\$ 51,785,959	9.0
Alaska Airlines	6,976,025	1.2
American Airlines	15,271,407	2.7
Braniff Airways	30,171,468	5.2
Capitol Airways	21,567,223	3.8
Continental Airlines	65,167,975	11.3
Eastern Air Lines	67,878	-
Flying Tiger Line	65,059,751	11.3
Mackey Airlines	132,502	-
National Airlines	303,342	.1
Northwest Orient Airlines	48,075,639	8.4
Overseas National Airways	7,242,841	1.3
Pan American World Airways	94,547,705	16.4
Saturn Airways	9,410,376	1.6
Seaboard World Airlines	31,537,039	5.5
Southern Air Transport	11,191,775	1.9
Standard Airways	1,185,713	.2
Trans Caribbean Airways	6,740,437	1.2
Trans International Airlines	14,814,648	2.6
Trans World Airlines	33,131,181	5.8
United Air Lines	20,945,415	3.6
World Airways	38,018,098	6.6
Zantop Air Transport	1,910,803	.3
Common Carriage	10,266	-
TOTAL PAX/CARGO	\$575,265,466	100.0
POST OFFICE DEPARTMENT MAIL	\$109,674,949	
TOTAL EXPENDITURES	\$684,940,415	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$105,341,477	
Scheduled Airlines	<u>469,923,989</u>	
Total	\$575,265,466	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$469,923,989	
Category "Z" Traffic	<u>30,232,349</u>	
Total Scheduled Airlines	\$500,156,338	
Supplemental Airlines	<u>105,341,477</u>	
Total Scheduled and Supplemental Airlines	\$605,497,815	
Percent Supplemental of Total		17.4%

SOURCE: MAC Financial Reports.

FY 1968 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Airlift International	\$ 31,493,898	5.5
Alaska Airlines	1,484,339	.3
American Airlines	26,765,306	4.7
American Flyers	18,263	-
Braniff Airways	47,399,156	8.3
Capitol Airways	13,374,744	2.4
Continental Airlines	65,062,586	11.4
Eastern Air Lines	15,087,546	2.6
Flying Tiger Line	48,007,080	8.4
Modern Air Transport	190,590	-
National Airlines	219,300	-
Northwest Orient Airlines	46,807,733	8.2
Overseas National Airways	5,074,258	.9
Pan American World Airways	99,783,279	17.4
Saturn Airways	2,867,109	.5
Seaboard World Airlines	28,689,084	5.0
Southern Air Transport	8,993,889	1.6
Standard Airways	1,255,770	.2
Trans Caribbean Airways	12,342,417	2.2
Trans International Airlines	18,299,036	3.2
Trans World Airlines	37,320,011	6.5
United Air Lines	9,722,936	1.7
World Airways	51,627,036	9.0
Common Carriage	<u>7,573</u>	-
TOTAL PAX/CARGO	\$571,892,939	100.0
POST OFFICE DEPARTMENT MAIL	<u>\$119,530,254</u>	
TOTAL EXPENDITURES	\$691,423,193	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$101,700,695	
Scheduled Airlines	<u>470,192,244</u>	
Total	\$571,892,939	
PAX/Cargo Expenditures:		
Schedules Airlines	\$470,192,244	
Category "Z" Traffic	<u>27,302,840</u>	
Total Scheduled Airlines	\$497,495,084	
Supplemental Airlines	<u>101,700,695</u>	
Total Scheduled and Supplemental Airlines	\$599,195,779	
Percent Supplemental of Total		17.0%

SOURCE: MAC Financial Reports.

FY 1969 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Airlift International	\$ 32,685,307	6.2
Alaska Airlines	905,982	.2
American Airlines	4,960,531	.9
American Flyers	2,183,780	.4
Braniff Airways	43,309,462	8.2
Capitol Airways	17,211,499	3.3
Continental Airlines	55,362,015	10.5
Eastern Air Lines	6,342,120	1.2
Flying Tiger Line	50,019,087	9.5
Northwest Orient Airlines	33,801,337	6.4
Overseas National Airways	7,025,236	1.3
Pan American World Airways	65,221,197	12.4
Saturn Airways	11,088,284	2.1
Seaboard World Airlines	40,836,057	7.7
Southern Air Transport	5,473,456	1.0
Standard Airways	280,571	.1
Trans Caribbean Airways	17,813,553	3.4
Trans International Airlines	21,253,334	4.0
Trans World Airlines	29,319,948	5.5
United Air Lines	25,261,551	4.8
Universal Airlines	5,140,124	1.0
Western Air Lines	77,140	0
World Airways	52,334,539	9.9
TOTAL PAX/CARGO	\$527,906,110	100.0
POST OFFICE DEPARTMENT MAIL	\$ 89,326,371	
TOTAL EXPENDITURES	\$617,232,481	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$121,990,823	
Scheduled Airlines	<u>405,915,287</u>	
Total	\$527,906,110	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$405,915,287	
Category "Z" Traffic	<u>23,170,096</u>	
Total Scheduled Airlines	\$429,085,383	
Supplemental Airlines	<u>121,990,823</u>	
Total Scheduled and Supplemental Airlines	\$551,076,206	
Percent Supplemental of Total		22.1%

SOURCE: MAC Financial Reports

FY 1970 EXPENDITURES

<u>Carrier</u>	<u>Amount</u>	<u>Percentage</u>
Airlift International	\$ 30,693,774	6.82
Alaska Airlines	829,377	0.01
American Airlines	21,222,448	4.71
American Flyers	6,170,607	1.37
Braniff Airways	33,672,563	7.48
Capitol International	12,228,201	2.71
Continental Air Lines	36,526,348	8.12
Eastern Air Lines	14,342,107	3.20
Flying Tiger Line	36,547,608	8.12
Northwest Airlines	24,560,112	5.46
Overseas National	8,571,724	1.90
Pan American World	48,277,868	10.73
Saturn Airways	10,323,018	2.29
Seaboard World	39,986,526	8.89
Southern Air Transport	5,061,692	1.12
Trans Caribbean	13,608,878	3.02
Trans International	23,292,816	5.17
Trans World	21,622,494	4.80
United Air Lines	21,930,348	4.87
Universal Airlines	6,839,454	1.52
Western Air Lines	99,305	0.02
World Airways	<u>33,365,956</u>	<u>7.41</u>
TOTAL PAX/CARGO	\$449,773,236	100.00
POST OFFICE DEPARTMENT MAIL	<u>\$109,166,000</u>	
TOTAL EXPENDITURES	\$558,939,236	
Expenditures for PAX/Cargo to:		
Supplemental Airlines	\$105,853,462	
Scheduled Airlines	<u>343,919,774</u>	
Total	\$449,773,236	
PAX/Cargo Expenditures:		
Scheduled Airlines	\$343,919,774	
Category "Z" Traffic	<u>31,148,739</u>	
Total Scheduled Airlines	\$375,068,513	
Supplemental Airlines	<u>\$105,853,462</u>	
Total Scheduled and Supplemental Airlines	\$480,921,975	
Percent Supplemental of Total	22.0%	

SOURCE: MAC Financial Reports

SECTION-BY-SECTION ANALYSIS OF S. 1821

The Bill would add a new Section 1112 to Title XI of the Federal Aviation Act.

Subsection (a) of the new Section 1112 establishes a policy with respect to the use of United States air carriers for international movement by air of property procured, furnished or financed by the United States. It is substantially similar to Section 901(b) of the Merchant Marine Act, 1936, as amended, which establishes a preference for United States-flag vessels with respect to at least 50 percent of the tonnage of cargoes procured, furnished or financed by the Government when transported on ocean vessels. Specifically, Subsection (a) in the present bill provides that whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provisions for reimbursement, any property, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such property, the appropriate agency or agencies shall take such steps as may be necessary to assure that such property, whenever transported by air between a place in the United States and a place outside

thereof or between two places both of which are outside the United States, shall to the fullest extent practicable be transported by air carriers holding proper authorization from the Civil Aeronautics Board to the extent such carriers are available at rates established under the Federal Aviation Act.

Subsection (b) of the new Section 1112 establishes a policy with respect to the use of civil air carriers for international air movements of passengers and property by the Department of Defense. The general policy as set out in subparagraph (1) is that civil air carriers holding proper authorization from the Civil Aeronautics Board shall be used to the fullest extent practicable for all DOD movements of persons or property by air between a place inside the United States and a place outside thereof or between two places both of which are outside the United States, to the extent such carriers are available at rates established under the Federal Aviation Act. An exception is made for persons and property that must move in military aircraft because of special military considerations which by their nature preclude the use of civil aircraft, or because of security, or in the case of property because of limiting physical characteristics such as size or dangerous properties. This is the so-called "hard-core" traffic.

Subparagraph (b)(2) establishes a specific rule for international movements of military cargo. While the general policy established in Subparagraph (b)(2) should, if fairly and properly applied, result in substantially more than 50 percent of DOD international cargo moving by civil carriers, and while it is expected that it will have that result, nevertheless in view of the attitude of the Air Force on this subject, it seems necessary to establish a specific minimum which must be met in any case. Accordingly, Subparagraph (2) provides that as a minimum at least 50 percent of the annual gross tonnage (measured in ton-miles) of all property moved by the Department of Defense by air between a place in the United States and a place outside thereof, or between two places both of which are outside the United States, shall be transported by United States civil air carriers participating in the Civil Reserve Air Fleet program and holding certificates of public convenience and necessity under Section 401 of the Federal Aviation Act to the extent such carriers are available at rates established under such Act. No exception is provided with respect to "hard-core" cargo because the proportion of "hard-core" cargo is small enough to permit compliance with the 50 percent rule without

any such exception. The term "property" as used in this subparagraph does not include mail.

Subsection (c) of the new Section 1112 provides that the provisions of this section may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States or the Secretary of Defense, declares that an emergency exists justifying a temporary waiver of the provisions of this section and so notifies the appropriate agencies and certificated air carriers. There is a similar provision in Section 901(b) of the Merchant Marine Act, 1936, as amended, applying to ocean shipping.

Subsection (d) of the new Section 1112 provides that every department or agency having responsibility under this section shall administer its program with respect to this section under regulations issued by the Comptroller General of the United States. The Comptroller General of the United States shall review such administration and shall annually report to the Congress with respect thereto. A similar provision applying with respect to ocean shipping was added last year to Section 901(b) of the Merchant Marine Act, 1936, except that in that case the regulations are to be issued by and the reports made by the Secretary of Commerce.

BIOGRAPHY

Edward J. Driscoll was elected President of the National Air Carrier Association in September 1967. His prior experience includes the areas of military, federal regulatory and airline operations.

He served as legal advisor to the Commander of MATS from 1952-1958. From 1958-1960 he was Special Assistant to the Assistant Secretary of the Air Force for Communications and then from 1960-1963 he served as Deputy Assistant Secretary of the Air Force for Transportation and Communications.

In 1963, Driscoll left the Air Force to accept an appointment as Executive Director of the Civil Aeronautics Board. He served in this capacity until May of 1966. At that time he joined World Airways and assumed his duties as Vice President and Assistant to the President until being elected President of NACA in September 1967.

He is a member of the District of Columbia bar and has been admitted to practice before the Supreme Court, the U.S. Court of Appeals and the U.S. District Court for the District of Columbia.

(Whereupon, at 12:35 p.m., the subcommittee was adjourned, subject to the call of the Chairman.)

The first part of the report deals with the general situation of the country and the progress of the work done during the year. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and a list of the names of the staff members who have been engaged in the work.

THE PROGRESS OF THE WORK DURING THE YEAR

The work done during the year has been of a very satisfactory nature. The various projects have been carried out in accordance with the programme of work laid down in the report for the year. The results achieved have been of a high standard and have contributed to the advancement of the work of the organization.

TRANSPORTATION OF GOVERNMENT TRAFFIC BY CIVIL AIR CARRIERS

THURSDAY, SEPTEMBER 30, 1971

U.S. SENATE,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON AVIATION,
Washington, D.C.

The subcommittee met, at 10 a.m., in room 5110, New Senate Office Building, Hon. Howard W. Cannon (chairman of the subcommittee) presiding.

Present: Senators Cannon, Moss, Cotton, Pearson, Baker, Stevens, and Beall.

Senator CANNON. The hearings will come to order.

OPENING STATEMENT BY THE CHAIRMAN

Today's hearing is a continuation of an inquiry which began in May regarding the airlift procurement policy of the Department of Defense relating to shipment of international military cargo.

The committee has heard testimony on the general subject and more specifically on S. 1821, introduced by Senator Magnuson, the so-called military airlift procurement set-aside bill. Simply stated, Senator Magnuson's bill would require that at least 50 percent of the Defense Department's international cargo be carried by the airlines participating in the Civil Reserve Air Fleet program.

Following 2 days of committee hearings, an executive session was scheduled July 20 to discuss and consider S. 1821. At that meeting I had planned to recommend to the committee that the legislation be reported. However, on that day I received a letter from the Assistant Secretary of the Air Force, Mr. Whittaker, who is with us this morning, explaining what appeared to be revised DOD policy on airlift procurement. In effect, Mr. Whittaker's letter indicated that based on a new evaluation of DOD requirements, the civil carriers could expect that their international military cargo revenues would be double the original projections for fiscal year 1972. The letter said projected revenues would increase from \$43 to \$85 million. In addition Secretary Whittaker reported that a new program being established by the Army called the routine economic airlift program (REAL) would result in even further cargo increases available to the CRAF carriers. Mr. Whittaker said, "the potential results of this effort is significant; an increase in air cargo tonnages in the magnitude of 200,000 per year is foreseeable."

After receipt of that letter I recommended to the committee that we defer action of S. 1821 pending a more complete review of and an analysis of DOD's revised estimates. In particular we were anxious to ascertain exactly what affect the REAL program might have on the total airlift buy for fiscal 1972. I was hopeful that this new program could lead to significant additional cargo tonnages and revenue for the CRAF carriers.

In a letter of September 1, I asked the Department of Defense to provide its best possible estimate of the impact of the REAL program on cargo tonnages and revenue for the CRAF carriers for fiscal 1972.

Assistant Secretary Whittaker replied on September 21. In that report DOD estimated that the REAL program "may generate approximately 76 million ton miles of commercial airlift and an added revenue of \$13 million.

Secretary Whittaker went on to conclude that "Even with the low tonnages to be generated by the REAL program through the end of fiscal year 1972, we expect the international cargo business to approach \$85 million."

I assume that Secretary Whittaker's estimate of \$85 million includes the \$13 million of new revenue expected to be generated by the REAL program. Therefore, I am puzzled by what appears to be an apparent reduction of \$13 million which occurred between July 20 and September 21.

While I must say that in July, I was pleased and encouraged by what appeared to be a favorable shift in policy, I am now disturbed by what appears to be more of the runaround from the Pentagon.

I was hopeful that through voluntary efforts, this committee, the CRAF carriers and the DOD, could reach an agreement reflecting a strengthening of the CRAF program and the peacetime incentives needed to maintain a strong civil reserve fleet to serve in the event of an emergency.

Senator Magnuson and I are reluctant to recommend to the Senate legislation which forces DOD to buy a certain percentage of international airlift requirements from the civil carriers.

This is probably a less flexible and therefore less satisfactory approach. But apparently, the DOD has failed to heed our message and plans to continue to ignore long standing policy of providing our civil carriers a reasonable share of the routine channel type international cargo traffic.

I have called today's hearing to hear once again from the Air Force regarding the reports made in the correspondence on July 20 and September 21. I want the record to be absolutely clear in reflecting the DOD's refusal to provide a meaningful and voluntary solution to this problem.

In addition I have invited the spokesmen for the trade associations representing the certificated air carriers to appear this morning to give us a late assessment of DOD international military cargo revenues experienced since our last hearing.

Since Mr. Whittaker has no prepared statement this morning, I shall begin the hearing by calling the carriers first. In this way Secretary Whittaker will have the opportunity to hear them, and to respond to them if he cares to do so.

(The letter follows:)

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C., September 1, 1971.

DEAR MR. SECRETARY: On July 20 in a letter to me, you outlined several new developments regarding international carriage of DOD cargo which had arisen since the Subcommittee held hearings on this matter earlier this year.

Specifically, you related a new and much greater requirement for civil airlift to meet DOD needs above that originally estimated for FY 1972. In fact, DOD requirements for civil airlift augmentation were re-estimated to be almost double the original estimates for the current fiscal year.

As a result of your report, the Subcommittee deferred action temporarily on S. 1821, legislation dealing with DOD airlift procurement policy. In addition to the revised needs for military airlift, you outlined in your letter a new program being instituted by the Army known as the "REAL" program. As you put it: "The potential results of this effort are significant; an increase in air cargo tonnages in the magnitude of 200,000 tons per year is foreseeable." In addition, you noted that: "A listing of items mandatory for air shipments will be disseminated to the field by late August 1, with an effective date of September 15, 1971".

I presume that such a listing has now been compiled and disseminated. Based on it, it should now be possible to provide the Committee at least a rough estimate of how much additional air cargo tonnage will be generated in FY 1972 as a result of the program. Further, I would think that you could provide an estimate of the cargo ton miles which the civil carriers could expect to carry as a result of this program and the amount of revenue which would result for the remainder of Fiscal 1972.

Only with a general estimate of the magnitude of this program in the immediate future will the Committee be able to accurately assess the military requirements for civil airlift augmentation and the revenues which the carriers will be able to realize. Therefore I ask that you provide, as best you can, by September 15 such an estimate together with the actual military airlift procurement results for the months of July and August and a projection for revenues for September and October.

This information will be invaluable to myself and the Committee in determining whether additional Committee action is warranted in an effort to maintain the strength and integrity of the CRAF program.

I look forward to your timely response.

Sincerely yours,

HOWARD W. CANNON,
Chairman, Aviation Subcommittee.

DEPARTMENT OF THE AIR FORCE,
Washington, September 21, 1971.

DEAR MR. CHAIRMAN: This letter is in response to your letter of September 1, 1971.

In regard to international cargo movements, cargo actually turned over to the Military Airlift Command (MAC) for airlift from July through August, and now estimated for September and October exceeds forecast levels for Fiscal year 1972. To accommodate these added requirements, the capability of the military airlift force was increased to the maximum extent practical, within existing resources. Since the cargo being generated exceeded this adjusted military capacity, the increased requirements have resulted in additional orders for commercial air cargo services.

The actual military airlift procurement of intercontinental and short range international cargo service for July and August was \$9.7 million and \$13.1 million respectively. The forecast procurement for September and October is \$15.2 million and \$8.6 million respectively. The total military airlift procurement (cargo, passenger, and mail, not including Logair/Quicktrans/Alaska) was \$45.6 million in July, \$45.9 million in August, and the forecast for September and October is \$42.4 million and \$38.3 million respectively.

The Department of the Army has advised us the "REAL" program is being initiated on schedule. As you will recall, it was explained to your staff that it will take some time for this program to come into full fruition, and that initially tonnages will not be too significant, because existing stocks in the surface pipeline should be used before new supplies are purchased and shipped by air. They expect that these tonnages will increase, however, as more experience and

cost avoidance statistics are gained in this program. Beginning September 15, 1971, the Army estimates additional tonnage will be about 235 tons per month to Europe and 395 tons to the Pacific, expanding to 500 tons per month and 850 tons, respectively, by the end of Fiscal Year 1972. The median tonnage per month would be 368 tons to Europe and 623 tons to the Pacific. For the approximately ten months remaining in Fiscal Year 1972, the total should be around 10,000 tons.

In response to your request that we provide "an estimate of the cargo ton miles which the civil carriers could expect to carry as a result of the program and the amount of revenue which would result for the remainder of Fiscal 72," the following is provided. The estimate is based upon the actual dollars for commercial augmentation purchased in July and August and the dollar figure forecast for September and October. With this base, it would appear, providing this trend of commercial buy continues for the remainder of Fiscal Year 1972, that the Army "REAL" program may generate approximately 76 million ton miles of additional commercial airlift and an added revenue of approximately \$13.0 million.

Even with the low tonnages to be generated by the "REAL" program through the end of Fiscal Year 1972, we expect the international cargo business to approach \$85 million. The domestic Logair, Quicktrans, and Alaskan cargo will exceed \$45 million. Thus, it is my belief that our July 20th prediction of \$130 million for DOD air cargo procurement is still a realistic figure.

I trust that the above information will be useful to you and the Subcommittee.

Sincerely,

PHILIP N. WHITTAKER,

Assistant Secretary of the Air Force (Installations & Logistics).

Attachments.

ATTACHMENT A

DESIGNATED MILITARY COURIER FLIGHTS

Kitty Hawk

Operates daily (Monday thru Friday)—Dayton, Ohio, to Washington, D.C. and return to Dayton (same day).

Capitol Flyer

Operates daily (Monday thru Friday)—Washington, D.C. to Dayton, Ohio, and return to Washington, D.C. (same day).

ADC Courier

Operates (Monday & Wednesday)—Colorado Springs thru Dayton, Ohio, to Washington, D.C.

Operates (Wednesday & Friday)—Washington, D.C. thru Dayton, Ohio, to Colorado Springs, Colorado.

Operates (Monday Only)—Colorado Springs, Colorado thru Sacramento, California, and San Francisco, California, to Los Angeles, California.

Operates (Wednesday Only)—Los Angeles, California, thru San Francisco, California, and Sacramento, California, to Colorado Springs, Colorado.

McClellan Courier

Operates (Monday & Friday)—Dayton, Ohio, thru Ogden, Utah, to Sacramento, California.

Operates (Monday & Thursday)—Sacramento, California, thru Ogden, Utah, to Dayton, Ohio.

SAC Courier

Operates (Monday & Friday)—from Omaha, Nebraska, to Dayton, Ohio, and return to Omaha (same day).

Robins Courier

Operates (Monday)—Dayton, Ohio, thru Marietta, Georgia, Macon, Georgia, to Ft. Walton Beach, Florida, and return thru Macon, Georgia, to Dayton, Ohio, (same day).

Operates (Friday)—Dayton, Ohio, thru Macon, Georgia, to Ft. Walton Beach, Florida, return to Macon, Georgia, to Dayton, Ohio (same day).

Kelly-Tinker Courier

Operates (Monday & Thursday)—San Antonio, Texas, thru Oklahoma City, Oklahoma, and Dayton, Ohio, and return thru Oklahoma City to San Antonio (same day).

TAC-Coronet Express

#1 Operates (Friday)—Newport News, Virginia, thru Greensboro, North Carolina, to Sumter, South Carolina, return reverse route (same day).

#2 Operates (Sunday, Monday & Wednesday)—Newport News, Virginia, thru Greensboro, North Carolina, Fayetteville, North Carolina, Sumter, South Carolina, to Ft. Walton Beach, Florida, return reverse route (same day).

#4 Operates (Wednesday)—Sumter, South Carolina, thru Homestead, Florida, Tampa, Florida, to Ft. Walton Beach, Florida, return to Sumter, South Carolina (same day).

#5 Operates (Friday)—Homestead, Florida, thru Tampa, Florida, to Sumter, South Carolina, return reverse route (same day).

#6 Operates (Sunday)—Ft. Walton Beach, Florida, thru Tampa, Florida, to Homestead, Florida, return reverse route (same day).

#7 Operates (Monday, Wednesday & Friday)—Newport News, Virginia, to Washington, D.C., two round trips per day.

#8 Operates (Monday)—Newport News, Virginia, to Austin, Texas, returns (same day).

#9 Operates (Thursday & Friday)—Newport News, Virginia thru Austin, Texas, to Las Vegas, Nevada, remains overnight and returns reverse route (next day).

#10 Operates (Monday)—Las Vegas, Nevada, to Austin, Texas, returns (same day).

#11 Operates (Monday)—Clovis, New Mexico thru Alamogordo, New Mexico, to Austin, Texas, returns reverse route (same day).

#12 Operates (Friday)—Alamogordo, New Mexico, thru Clovis, New Mexico, to Austin, Texas, return reverse route (same day).

#13 Operates (Monday)—Wichita, Kansas, thru Topeka, Kansas, to Austin, Texas, return reverse route (same day).

#14 Operates (Friday)—Topeka, Kansas, thru Wichita, Kansas, to Austin, Texas, return reverse route (same day).

#15 Operates (Wednesday)—Austin, Texas, to Little Rock, Arkansas, to Ft. Walton Beach, Florida, return to Austin, Texas (same day).

#16 Operates (Friday)—Alexandria, Louisiana, thru Ft. Walton Beach, Florida, to Sumter, South Carolina, return reverse route (same day).

NOTE: An example of the extent to which above "TAC-Cornet" flights compete with the schedule airlines is that at just one city alone, of those served by these flights, it is estimated that 700 passengers a month are handled at a loss of \$25,000.00 per month to the scheduled airlines.

ATTACHMENT B

SCHEDULED MILITARY FLIGHTS OPERATED BY THE MILITARY AIRLIFT COMMAND (MAC) BETWEEN DOMESTIC POINTS WITH THE UNITED STATES

C-141 Flight #693 (Monday & Friday)—Operates between McChord Air Force Base, Washington and Elmendorf Air Force Base, Alaska, (twice a week.)

C-141 Flight #694 (Sunday & Wednesday)—Operates between Elmendorf Air Force Base, Alaska and McChord Air Force Base, Washington, (twice a week.)

C-141 Flight #607 (Friday)—Operates between McChord Air Force Base, Washington/Travis Air Force Base, California/Norton Air Force Base, California and McGuire Air Force Base, New Jersey.

C-141 Flight #608 (Saturday)—Operates McGuire Air Force Base, New Jersey/Norton Air Force Base, California/Travis Air Force Base, California and McChord Air Force Base, Washington.

C-141 Flight #807 (Wednesday)—Operates Norton Air Force Base, California/Travis Air Force Base, California/McChord Air Force Base, Washington/Hill Air Force Base, Utah/Scott Air Force Base, Illinois and McGuire Air Force Base, New Jersey.

C-141 Flight #808 (Thursday)—Operates McGuire Air Force Base, New Jersey/Scott Air Force Base, Illinois/Hill Air Force Base, Utah/McChord Air Force Base, Washington/Travis Air Force Base, California and Norton Air Force Base, California.

C-141 Flight #407 (Sunday)—Operates Charleston Air Force Base, South Carolina/Dover Air Force Base, Delaware/McGuire Air Force Base, New Jersey/Scott Air Force Base, Illinois, Hill Air Force Base, Utah/Travis Air Force Base—(Terminates)

C-141 Flight #408 (Monday)—Operates Travis Air Force Base, California/Hill Air Force Base, Utah/Scott Air Force Base, Illinois/McGuire Air Force Base, New Jersey/Dover Air Force Base, Delaware/Charleston Air Force Base, South Carolina—(Terminates)

C-141 Flight (Daily) McGuire Air Force Base, New Jersey/Charleston Air Force Base, South Carolina/McGuire Air Force Base, New Jersey (Shuttle)

C-141 Flights (Daily) Travis Air Force Base, California/Norton Air Force Base, California/Scott Air Force Base, Illinois.

The C-5A operation into Dover Air Force Base, Delaware, from England, Germany, Spain and South East Asia via Alaska, carrying up to 75 passengers per flight, has moved the following number of military and civilian passengers into Dover Air Force Base :

June -----	805
July -----	1, 148
August -----	1, 892
September -----	1, 794

Data pertaining to the total number of seats made available on the domestic routes operated is not readily available. These flights are operated in a mixed cargo/passenger configuration making anywhere from 5 to 70 passenger seats available per segment.

ADDITIONAL SCHEDULED FLIGHTS FROM U.S. AIR FORCE INSTALLATIONS

SCHEDULED PASSENGER FLIGHTS DEPARTING KIRTLAND AIR FORCE BASE, CANNON AIR FORCE BASE AND HOLLOWMAN AIR FORCE BASE, NEW MEXICO

Date, origin station and route/destination

Daily, Kirtland AFB, Holloman AFB, New Mexico (Return to Kirtland).

Monday only, Cannon AFB, Holloman AFB/Bergstrom AFB, Texas, Turn around to Holloman AFB/Cannon.

Friday Only, Holloman AFB, Cannon AFB/Bergstrom AFB. Turn around Cannon AFB/Holloman AFB.

T-29 SCHEDULED PASSENGER FLIGHTS DEPARTING TINKER AIR FORCE BASE, OKLAHOMA

Date, origin station and destination

October 1, Tinker AFB, Okla., Peterson Field, Colorado Springs, Colo.

October 4, Tinker AFB, Okla., Hill AFB, Utah.

October 4, Tinker AFB, Okla., Thru Tulsa, Okla. to Altus AFB, Okla.

October 4, Tinker AFB, Okla., Eglin AFB, Florida.

October 7, Tinker AFB, Okla., Eglin AFB, Florida.

October 7, Tinker AFB, Okla., Cannon AFB, New Mexico.

NOTE: These flights are scheduled to accommodate up to 20 passengers per flight.

HAMILTON AIR FORCE BASE, CALIFORNIA

Date, origin station, and destination

October 4, Hamilton AFB, Cal., Kingsley Field, Klamath Falls, Oregon, return same day.

October 5, Hamilton AFB, Cal., George Air Force Base, Victorville, California, return same day.

October 5, Hamilton AFB, Cal., Kingsley Field, Klamath Falls, Oregon, return same day.

October 8, Hamilton AFB, Cal., Tri-cities, Washington, return same day.

October 8, Hamilton AFB, Cal., Ent Air Force Base, Colorado Springs, Colorado, return same day.

October 9, Hamilton AFB, Cal., Davis-Monthan Air Force Base, Tucson, Arizona. Return following day.

PATRICK AIR FORCE BASE, FLORIDA

Date, origin station, and destination

Each Friday, Patrick AFB, Fla., Charleston Air Force Base, Charleston, South Carolina, return each Saturday.

WESTOVER AIR FORCE BASE, MASSACHUSETTS

Date, origin station, and destination

Each Friday, Westover AFB, Mass., Andrews Air Force Base, Washington, D.C., return same day.

WRIGHT-PATTERSON AIR FORCE BASE, OHIO

Date, origin station, and destination

Daily Departures, Wright-Patterson AFB, Ohio, To various cities (East and West).

NOTE: These flights are operated with C-118's, T-29's and T-39's. Between the period 1 October 1971 thru 10 October 1971 these scheduled flights generated 365 seats which were available to transport military and civilian passengers.

M'CLELLAN AIR FORCE BASE, CALIFORNIA (COURIER)

Date, origin station, and destination

Thursday/Friday, Monday/Tuesday, McClellan AFB, Cal., Wright-Patterson Air Force Base, Dayton, Ohio, return same day.

NOTE: These flights are operated with C-118 type aircraft. During the month of October 1971 these schedules generated 784 seats which were available to transport both military and civilian passengers.

MAXWELL AIR FORCE BASE, ALABAMA

Date, origin station, and destination

Daily, Maxwell AFB, Ala., (To various cities East/West/North.)

NOTE: These flights are operated with T-29 and C-131 type aircraft. Some of these aircraft are designated as "courier" which are now scheduled five days weekly from Maxwell to Andrews and return to Maxwell. In one case, a military aircraft was set up to carry only one passenger to Norton AFB, California, at an operating cost of \$199.00 per hour and the government could have saved \$1,716.00 by using commercial air.

ATTACHMENT D

OPERATIONS, TRAVEL COORDINATING AGENCY

Purpose: This Manual:

(a) Provides the general operating procedures to be employed in all TAC Travel Coordinating Agencies.

(b) It is applicable to all TAC Bases and TAC units on other than TAC bases having a requirement for travel. Requests for deviation to fit local requirements will be submitted, in writing, to this headquarters (ATTN: DOOS-ST) for approval.

EXPLANATION OF TERMS

1. *Command Travel Coordinating Agency*.—A branch of Headquarters TAC, Directorate of Operations Services (DOOS-ST), responsible for the supervision of TAC Base Travel Coordinating Agencies in coordinating TAC-wide travel of command personnel.

2. *T.C.A.*—The abbreviation of Travel Coordinating Agency. This abbreviation will be used throughout this publication.

3. *Unit Travel Coordinator*.—The personnel appointed for individual units having a requirement for travel.

4. *T.C.*—The abbreviation for Travel Coordinator.

5. *Mission Support Aircraft*.—TAC aircraft assigned specifically for mission support of tactical units and/or headquarters personnel. This will include all "S" coded aircraft except the T-33.

CHAPTER 1

TRAVEL COORDINATING AGENCY AND ORGANIZATION

SECTION A.—INTRODUCTION

1. The Travel Coordinating Agency System was organized as an intensive effort to greatly reduce essential travel costs through more effective utilization of the passenger carrying capability of the TAC Mission Support Aircraft.

2. The basic program for TCA is for the Command TCA to maintain a current status of the number of available seats for passengers on all mission support aircraft moving throughout the command. This information will be obtained from each TAC base on a weekly basis, and the information will be kept current at all times.

3. The TCA will function within the confines of present and future support aircraft flying hour programs.

SECTION B.—ORGANIZATION

1. A Command TCA will be established at TAC Headquarters, Langley AFB, Va. Each TAC base will establish a base TCA. Each unit on TAC bases having a requirement for travel will appoint a Travel Coordinator (TC) and an alternate TC to coordinate travel requirements with the base TCA.

2. Base TCA's will be located within the most appropriate agency on the base as designated by the local commander. Attention will be given to the purpose of the TCA system in designating the agency to perform this function. Such local units as Base Operations, Passenger Services and Base Travel Section are normally the most adequately located and manned agencies for performing these duties.

3. No increase in manning is authorized for maintaining base TCA's. Local resources must be utilized, with particular care given to the caliber of personnel assigned to this responsibility.

4. Units having minimum travel requirements may consolidate their requirements through a central TC for the combined units.

5. The name of the agency designated as the Base TCA will be forwarded to Headquarters TAC (ATTN: DOOS-ST), along with the on-base location, telephone number(s), Officer in Charge, hours of operation and the alternate base TCA in the event the primary agency does not operate on a 24 hour basis.

6. Each unit appointing a TC will forward the name of the TC and alternate and the telephone number(s) where he can be reached both during duty hours and off-duty hours to Hq TAC (ATTN: DOOS-ST).

CHAPTER 2

PROCEDURES AND RESPONSIBILITIES

SECTION A.—GENERAL

1. Economy and maximum use of available aircraft must be considered as factors in fulfilling mission requirements. The base TCA will be the only agency or office requesting Mission Support aircraft from the Flight Scheduling Section to satisfy TDY passenger requirements.

2. Upon arrival at the TDY station, travelers will contact the Base TCA giving office to be visited, date and times of anticipated departure, and telephone number where they can be reached at the TDY station.

3. Base travel requirements for space which cannot be satisfied within local capability will be forwarded to the Command TCA.

SECTION B.—RESPONSIBILITIES

1. *The Command TCA will:*

(a) Receive and distribute to all base TCA's information on known TAC Mission Support flights which have available passenger seats.

(b) Correlate reported requirements with total TAC-wide opportune airlift capability.

(c) Assist in coordination between base TCA's when necessary in connection with interbase flights.

(d) Formulate and issue policies and directives governing TDY travel by military air when necessary.

2. *The Base Transportation Section will:*

(a) Insure that TR's are issued during other than normal duty hours when a valid request is presented. It is recommended that a central contact, such as the Air Terminal or Officer of the Day, be supplied names and telephone numbers for referral of TR inquiries.

(b) Establish procedures for monitoring cargo placement on passenger-configured aircraft which could displace seats that would be used by TDY travelers.

3. *Base Flight Scheduling*: will control selection and assignment of aircraft for mission support, and will promptly inform the local TCA of flights scheduled, flights cancelled, seating capacity of aircraft and itinerary of weekly flights. This report will be made within 24 hours of flight approval. The base TCA will forward the report to the Command TCA including seats to be utilized by that section. This report will be submitted by message and information copies will be transmitted to all TAC base TCA's.

4. *The Local TCA will*:

(a) Insure that all base TDY travel requirements received are consolidated by destination and aligned with existing or planned aircraft capability.

(b) Forward all requirements which cannot be satisfied locally to the Command TCA within 10 days of the TDY departure date and continue to review capabilities for possible assignment of airlift.

(c) Submit to the Command TCA all flights of base-assigned aircraft on which additional passengers can be accommodated. Information on flights with available seats and operating within 72 hours will be submitted by telephone; 24 hour notice flights will be telephoned directly to concerned TCA's during holidays.

(d) Coordinate with Command TCA, requesting TC's, and other base TCA's to insure maximum utilization of military aircraft.

5. *Each Organization Commander* having a requirement for airlift support will:

(a) Appoint a TDY Travel Coordinator (TC) within his organization and inform the local TCA of the TC's name, rank, organizational code and telephone number. Alternates will be designated when necessary. Organizations with low requirements for mission support airlift may select one TC who will pool requests of those organizations.

(b) Assure that requests for mission support airlift emanating from his organization are necessary for support of the Command mission.

SECTION C.—PROCEDURES

1. *The Local TCA will*:

(a) Consolidate all TDY travel requirements received by destination or general area.

(b) Screen requirements for possible assignment to programmed flights prior to submission to flight scheduling for merger with other submitted requirements.

(c) Report requirements which cannot be satisfied locally or by flights listed on TCA flight advisories to the Command TCA. Requirements for three or more travelers will be reported as early as possible. Requirements for less than three, when known more than 10 days prior to departure date, will be retained for possible consolidation until that time before submitting to Command TCA. Submission will be made by teletype or administrative message. Requirements received within 4 days of departure date will be coordinated by telephone. The following information will apply:

A. Number of Passengers.

B. Destination.

C. Departure Date/time.

D. TDY Contact Point Office Symbol/ Tele. Nr.

E. Return Date/time.

(d) Coordinate with requesting TC on requirements for which confirmation of flight capability has not been received from Command TCA, 48 hours prior to reporting time.

(e) Insure that all available TDY requirements have been consolidated and are presented to the scheduling section prior to the weekly scheduling meetings or as soon as possible.

(f) Advise Command TCA as far in advance as possible of all flights, including flights outside CONUS, of base-assigned aircraft on which additional passengers can be accommodated. Information will be submitted by telephone, administrative message, or teletype as follows:

(1) Type of aircraft and tail number;

(2) Departure stations in sequence;

(3) Date of departure from above station(s);

(4) Estimated time of departure;

(5) Arrival stations in sequence;

(6) Estimated time of arrival;

(7) Seats available by route segment; and

(8) Total seats installed in aircraft.

NOTE: Any changes or cancellations on flights previously forwarded will be coordinated with concerned TCA's.

(g) CONUS flights for tenant organizations using "S" coded aircraft will be forwarded, included information requested in paragraph 1b, above.

2. *The Organization Travel Coordinator will:*

(a) Determine the urgency of travel and its organizational priority.

(b) Consolidate all travel requests for airlift to the same general area or destination and forward to the base TCA each weekday that requirements are received. When necessary, request an organization to change dates and/or times of meetings to consolidate requests. Travel requests may be submitted 30 days in advance. Short notice requests (less than 72 hours notice) are discouraged but will be accepted if justified by mission and/or number of travelers.

(c) Act as liaison representative and coordinate with the local TCA in matching and consolidating requirements with airlift capability and inform travelers of their status.

(d) Forward or insure that the appropriate passenger manifesting agency receives a list of TDY personnel for whom the airlift was requested. Names of additional TDY or leave personnel will not be deleted or added without coordination and/or approval of TCA and/or manifesting agency.

3. Use TAC Form 87, Request for Air Transportation, for all TDY airlift requirements. (See Chapter 3). Blank forms will be requisitioned through normal supply channels.

4. A monthly report, in letter form will be submitted by each base TCA to the Command TCA (DOOS-ST) to arrive not later than the 10th calendar day following the month reported. This report is assigned Reports Control Symbol (RCS) TAC-U48. The following items are required in this report:

(a) The number of locally assigned TAC TDY personnel issued Commercial Air Travel Requests, or reimbursed for Commercial Air Travel Expenses, and the combined costs of both.

(b) The total number of TAC TDY personnel provided military airlift on TAC Mission Support aircraft.

(c) The commercial air costs which would have been incurred if military airlift had not been utilized.

(d) The number of Transient TAC TDY personnel issued commercial TR's and the total cost of the TR's.

CHAPTER 3

REQUESTS FOR AIR TRANSPORTATION

SECTION A.—GENERAL

1. This chapter prescribes procedures for obtaining, preparing, submitting and cancelling transportation requests.

2. Requests for transportation will be submitted in connection with travel orders or other proper travel authorization.

3. TAC Form 87 will be used to request air transportation on mission support aircraft.

4. Requests for transportation on any form in lieu of the TAC Form 87 will not be authorized.

SECTION B.—RESPONSIBILITIES

1. Travelers:

(a) Upon determination that a requirement for transportation exists, the traveler will immediately contact his unit Travel Coordinator (TC) and insure that a TAC Form 87 is submitted as soon as possible.

(b) He will cite the authority for travel, i.e., higher Hq message, directives or regulations in Section 2 of the TAC Form 87, giving date and time requirement for travel was received.

(c) Upon arrival at a TDY station, the traveler will contact the base TCA on TAC bases, or his unit Travel Coordinator when on a non-TAC or non-military installation, and leave a telephone number where he can be reached.

(d) He will confirm return airlift, even though he is scheduled for pickup through a TAC Form 87 at the home station, with the TAC base TCA or his unit TC.

(e) Return travel by commercial means will be performed only after the traveler has been specifically informed by the base concerned that military air is not available. This holds true even though the traveler may have a return TR in his

possession. The traveler, upon determining the non-availability of military air, may then proceed as directed by his own headquarters to arrange commercial travel to his home base.

(f) The traveler will immediately call in to the base TCA(s) concerned any change affecting the date/time of a scheduled flight or pick-up previously indicated on a TAC Form 87.

(g) Under no circumstances will personnel depart a TDY station by other means than arranged for on a TAC Form 87 without notifying the appropriate agency responsible for the travel, who, in turn, will notify the section responsible for scheduling the pickup requested on the TAC Form 87.

2. Unit Travel Coordinators (TC) :

(a) Unit TC will insure that a TAC Form 87, Request for Air Transportation, is prepared by all personnel requesting travel.

(b) A separate form 87 will be required for each request for transportation between TDY locations to include requests for return travel.

(c) TC's will correlate requests to coincide with known availability of military airlift to the maximum extent possible.

(d) TC's will determine the exact limitations of travel time and make every effort to allow sufficient leeway in departure and return dates to allow TCA adequate flexibility in attempting to procure travel space.

(e) TC's will review all TAC Form 87's for completeness and accuracy prior to submitting the requests to the base TCA. A copy or record of the TAC Form 87 will be maintained for future reference.

(f) TAC Form 87's will be forwarded to the base TCA in the most expeditious manner available to allow the base TCA maximum time to affect action.

(g) Upon notification by the base TCA that military airlift is unavailable, TC's will contact the traveler(s) who will proceed, as locally directed, to arrange for commercial transportation. TC's will be responsible for contacting all traveler(s) listed on the TAC Form 87 signed by the respective TC.

(h) Base TCA will be informed of any changes in travel dates/times indicated on the TAC Form 87.

3. Base TCA.

(a) Base TCA's will insure that Unit Travel Coordinators (TC) are designated and that they function in accordance with the provisions of these and all previous written institutions. Base TCA's will prepare a consolidated listing of Unit Travel Coordinators for units being supported to include names, unit or staff agency represented and duty/non-duty telephone numbers of each Travel Coordinator and alternate Travel Coordinator. Base TCA's will keep Headquarters TAC TCA (DOOS-ST) informed of any changes to the Travel Coordinator listing. The number of TC's to be designated per unit is at the discretion of the Commander concerned and will be contingent on volume of travel, but, as a guideline, one TC and one alternate TC per unit or squadron, should be designated.

(b) The TAC Form 87, Request for Airlift and/or Transportation, will be processed as follows :

(1) Base TCA's will insure that separate TAC Form 87's are received for outbound travel, for return travel and for each request for transportation between TDY locations. The TCA will check the reverse side of each Form 87 to insure that a specific statement concerning limits of travel times has been listed, and that these limits are broad enough to allow the TCA a reasonable opportunity to arrange military airlift. The request will be assigned a control number, and the Unit TC advised of the number assigned his particular request(s).

(2) The base TCA will attempt to satisfy the request from local resources and known availability of scheduled flights or opportune airlift. If the requirement cannot be satisfied locally, the request will be forwarded to the Command TCA for assistance. If the Command TCA cannot fulfill the requirement within 48 hours prior to the requested departure time, the requesting unit will be notified to proceed, as locally directed, to arrange for commercial travel. The individual travel orders will be stamped, or a certificate of non-availability of military airlift issued as part of local procedure.

(3) Travelers have been instructed to contact the base TCA at the TDY location, or the unit TC when TDY is at a non-TAC installation, to confirm return travel. The base TCA contacted will confirm return travel airlift requests with the home base TCA of all travelers who have submitted a TAC Form 87 prior to departure from their home station. If return transportation has not been requested, assistance will be provided in securing military airlift from any of the resources available at the home station.

(c) **Confirming Reservations:** The Command TCA will coordinate and control passenger space reservations on all scheduled Navigation Training Flights. Base TCA's will contact the Command TCA to get confirmation of all reservations. They will also insure that a TAC Form 87 for return travel has been received or is on file at the travelers home base as applicable. In cases of "walk-in" passengers, the base TCA or Base Operations, as appropriate, will insure that a TCA Form 87 is completed and filed with the base TCA prior to assigning travel space or issuing a non-availability of military aircraft. Changes or cancellations of previous confirmations must be called to Command TCA immediately. When the base TCA receives a call concerning a change in date/time on a TAC Form 87 a notation will be made on the Form 87 in question including the following information:

- (1) Date and time of call
- (2) Name of person calling the change
- (3) Action taken by the base TCA
- (4) Name of Base TCA operator that receives the call
 - (a) When the called-in change affects an aircraft that has already been scheduled to pick up or deliver the personnel on the specific Form 87 being changed, Flight Scheduling Section will be notified immediately, and notation to this effect made on the Form 87, including the name of the person receiving the change information.
- (d) TCA Flight Following Procedures:
 - (1) The base TCA will report all deviations from the published weekly flying schedule to Command TCA immediately when such deviations are known.
 - (2) The base TCA will monitor, through the Base Command Post, all base initiated flights of mission support aircraft on other than local area missions. Deviations from scheduled flight routes and take-off time deviations in excess of one hour will be reported to the Command TCA as in j(1) above.
- (e) A monthly report, in letter form, will be submitted to Command TCA (DOOS-ST) to arrive not later than the tenth (10th) calendar day following the month reported. This report is assigned Reports Control Symbol (RSC) TAC-U48. See Chapter 2, Section c4.

CHAPTER 4

PREPARATION OF MANIFEST, AF FORM 96B AND LOADING INSTRUCTIONS

1. *General:* Air Force Regulations 76-2, "Preparation and Use of AF Form 96b, Passenger Manifest Revenue/Non Revenue" will be complied with by TCA's and Base Operations for TAC Mission Support Aircraft transporting passengers. Manifests provide a complete record of the actual movement of all passenger traffic aboard Air Force aircraft on a particular flight or trip and therefore copies will be retained by Base Operations and Unit TCA's as prescribed by AFM 181-5.

2. *Policies and Procedures:*

(a) All passengers will be manifested prior to the arrival of the aircraft on which they are scheduled to depart (See AFR 76-21). In no case is an aircraft commander to be kept waiting for take-off because of a manifesting delay. Separate manifests will be made for each base of intended landing.

(b) Time permitting, the aircraft commander's copy of the manifest will list passengers in order of rank. The aircraft commander will be verbally notified of the highest rank of passengers involved. The aircraft commander should make every effort to afford rank its privileges with regard to aircraft accommodations.

(c) Coordination with Base Operations dispatchers will be maintained at all times concerning the required number of copies of manifests to be typed, insuring that no delay occurs due to improper accomplishment of these documents.

(d) Any cancellations due to no shows, last minute changes, etc., will be called in to Command TCA immediately when such change is known. Exceptions to this will be the ability of the local TCA to fill the vacated seat from local resources.

PRIORITIES

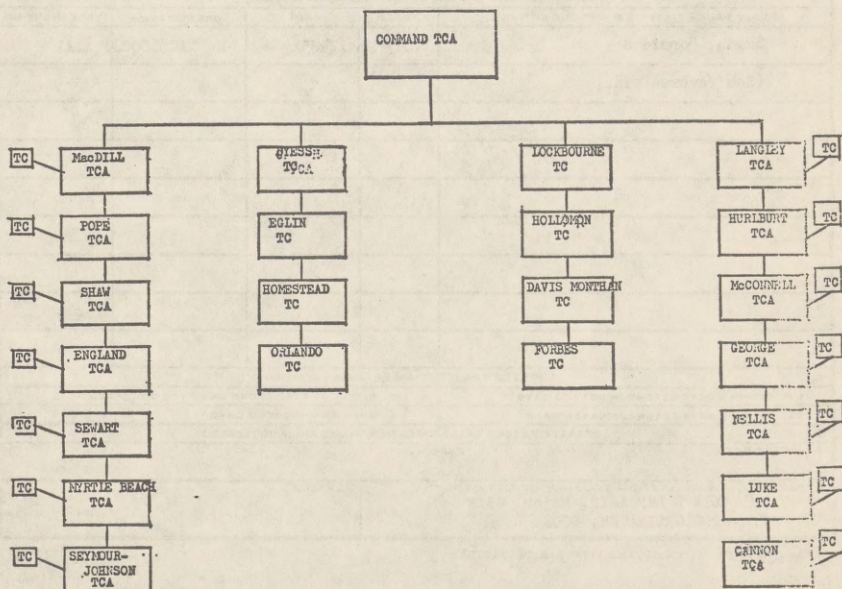
Priorities of air travel will be determined by the agency directing the travel on the basis of the following guidance. The order in which the various categories are listed indicates the precedence by which traffic will be moved. Within priorities and sub-priorities movement will be on a first-in first out basis. The Base Transportation Coordinating Agency (TCA), has the right to change this precedence if the situation requires.

Priority I—Duty Traffic

- (a) DV Temporary Duty Travel.
- (b) Members of Tactical Air Command Inspection teams carrying out inspection duties.
- (c) Members of the Office of Standardization/Evaluation (SE) carrying out evaluation duties.
- (d) Directed TDY which cannot be accomplished by any mode other than military air.
- (e) Other Temporary Duty travel.
- (f) Unaccompanied Military PCS.
- (g) Invitational Orders (ie fund cite).

Priority II—Non-duty Traffic

- (a) Emergency Leave (Military).
- (b) Convalescent Leave (Military).
- (c) Permissive Orders.
- (d) Retired (Military).
- (e) All space-available as authorized by AFR 76-6, paragraph 4.



S A M P L E

S A M P L E

REQUEST FOR AIRCRAFT AND/OR AIR TRANSPORTATION (Forward one copy only. Request will be coordinated by telephone.)		DATE OF REQUEST 24 March 1965				
TO <u>Base TCA</u>		FROM <u>Originating Office</u>				
1. REQUEST THAT NON-OPERATIONAL AIR TRANSPORTATION BE FURNISHED FROM (Place) <u>Langley AFB, Va.</u>						
TO <u>Destination</u> WITH INTERMEDIATE STOPS IF SHOWN ON ITINERARY						
2. PURPOSE OF TDY To present TAC briefing to Destination Base Survival School personnel on 1 April 1965. Travel directed by message, Headquarters USAF, CSAF 1-242 28 March 1965.						
3. PROPOSED ITINERARY (Including RON'S) (Use reverse side if more space is required)						
TAKE-OFF FROM	DATE	TIME	ARRIVE AT	DATE	TIME	RON
Langley AFB	1 Apr 65	1500Z	Destination Base	1 Apr 65	2400Z	Yes
4. PASSENGER LIST (Use reverse side if more space is needed)						
LAST NAME - FIRST NAME - MIDDLE INITIAL		GRADE	AFBN	ORGANIZATION	TELEPHONE NR	
Smith, Ronald S		Maj	12345A	Hq TAC (DOOS)	4111	
(See reverse side)						
5. LIMITS OF TRAVEL (Check applicable box or boxes)						
a. WITHIN 30 DAYS BEFORE INDICATED DATE			c. WITHIN 30 DAYS BEFORE OR AFTER INDICATED DATE			
b. WITHIN 30 DAYS AFTER INDICATED DATE			d. ONLY ON INDICATED DATE			
6. SEPARATE RETURN TRANSPORTATION BY MIL AIR IS REQUESTED						
a. PICKUP DATE		b. TIME	c. LOG NO.			
TYPE NAME, GRADE, SECTION & TEL NR OF DEPUTY OR RA. FRANKLIN L BENJAMIN, Major, USAF Travel COORDINATOR, DOOS			SIGNATURE			



TCA CORONET EXPRESS SCHEDULE

RESERVATIONS.. MUST BE MADE AS SOON AS TRAVEL REQUIREMENTS ARE KNOWN. TRAVELER MUST CONFIRM RESERVATIONS FOR RETURN TRAVEL AFTER ARRIVAL AT TDY DESTINATION WITH LOCAL BASE TCA.

SCHEDULES..... TIMES SHOWN ARE LOCAL TIME FOR EACH STATION. THESE TIMES ARE BLOCK TIMES (AIRCRAFT OPEN AND CLOSE DOOR TIMES).

SHOW TIME..... PASSENGERS WILL REPORT 45 MINUTES PRIOR TO DEPARTURE BLOCK TIME EXCEPT CORONET EXPRESS 9 WHICH REQUIRES 1 HOUR AND 15 MINUTES PRIOR TO DEPARTURE BLOCK TIME. MANIFEST CLOSE OUT FOR FLIGHT 9 IS 45 MINUTES PRIOR TO BLOCK, ALL OTHERS 30 MINUTES PRIOR TO BLOCK.

LEGEND..... (+) STOPS AS REQUIRED. (*) INDICATES POSSIBLE POINTS FOR COMBINATION FLIGHTS. (/) OVERNIGHT STOP. (M,TU,W,TH,F,SA,SU) DAY OF WEEK. (-) CONNECTING FLIGHT ON THE SAME DAY. [SC] SOF COURIER. (VEH) VEHICLE. (----) NO SATISFACTORY TRANSPORTATION AVAILABLE VIA CORONET EXPRESS

HOW TO READ FLIGHT CONNECTIONS CHART. (PAGES 5 THRU 8)
FIND INDEX OF DEPARTURE BASE AND READ ACROSS FOR DESTINATION BASE. EXAMPLE - IF ADW TO CVS, READ W7/TH9-10. THIS MEANS WEDNESDAY FLIGHT 7 TO LFI, THURSDAY FLIGHT 9 CONNECTS WITH FLIGHT 10 AT BSM FOR CVS.

ICAO	AIR FORCE BASE	TCA AUTOVON PHONE NUMBER
ADW	ANDREWS AFB, MD.	858-3525/3526
BSM	BERGSTROM AFB, TEX.	685-2431/2422
CVS	CANNON AFB, N.M.	681-2316
DYS	DYESS AFB, TEX.	885-3400 EXT 2315
AEX	ENGLAND AFB, LA.	683-2245/2246
FDE	FORBES AFB, KAN.	865-4979
VCV	GEORGE AFB, CAL.	353-3108
HIF	HILL AFB, UTAH	824-3142
HMN	HOLLOMAN AFB N.M.	867-3490
HST	HOMESTEAD AFB, FLA.	791-7455
HRT	HURLBURT (EGLIN AUX 9) FLD. FLA.	872-1110 EXT 884-4240
LFI	LANGLEY AFB, VA.	432-5735/4698
LRF	LITTLE ROCK AFB, ARK.	435-3400 EXT 3286
LCK	LOCKBOURNE AFB, OHIO	987-3712/3127
LUF	LUKE AFB, ARIZ.	853-2423/2425
MCF	MACDILL AFB, FLA.	894-1500 EXT 2119/3801
IAB	MCCONNELL AFB, KAN.	962-5315/5300/5465
MUD	MOUNTAIN HOME AFB, IDAHO	857-2444/2503
MYR	MYRTLE BEACH AFB, S.C.	748-3689
LEV	WELLS AFB, MISS.	602-2137/4107
PDB	POPE AFB, N.C.	486-2269/2701
WRB	ROBINS AFB, GA.	468-5976/3166
GSB	SEYDOR-JOHNSON AFB, N.C.	582-6373/6374
SSC	SHAW AFB, S.C.	965-2360/2858
TIK	TINKER AFB, OKLA	735-5682
FFO	WRIGHT-PATTERSON AFB, OHIO	787-6235-6534

EFFECTIVE 1 JULY THRU 31 AUG 1970
PREPARED BY COMMAND TCA HQ TAC, AUTOVON NUMBER 723-1650

PAGE 1

T.C.A. EASTERN OPERATION

CORONET EXPRESS 1 T-29/C-118=
(MONDAY)

ARRIVE	ITINERARY	DEPART
0815	LANGLEY	0830
0920	S-JOHNSON	0925
0955	POPE	1000
1045	SHAW	1115
1230	HURLBURT	1330
1630	MACDILL	1700
1950	S-JOHNSON	1955
2040	LANGLEY	TERM

= C-118 ACFT WILL BE UTILIZED DURING JULY

CORONET EXPRESS 2 T-29
(WED, FRI, SAT)

ARRIVE	ITINERARY	DEPART
0815	LANGLEY	0800
0850	S-JOHNSON	0855
0925	POPE	0930
1015	SHAW	1045
1145	ROBINS	1150
1215	* HURLBURT	1315
1630	SHAW	1645
1730	POPE	1735
1805	S-JOHNSON	1810
1900	LANGLEY	TERM

CORONET EXPRESS 3 T-29
(MONDAY AND FRIDAY)

ARRIVE	ITINERARY	DEPART
0815	(MON) S-JOHNSON	0700
0815	(FRI) POPE	0715
0755	MYRTLE BEACH	0800
0840	* SHAW	0845
1040	* LANGLEY	1045
1300	LOCKBOURNE	1305
1345	WRIGHT-PATTERSON	1445
1645	* LANGLEY	1650
1750	(MON) S-JOHNSON	TERM
1805	(FRI) POPE	TERM

CORONET EXPRESS 4 C-54
(WEDNESDAY)

ARRIVE	ITINERARY	DEPART
0815	SHAW	0810
0905	+ POPE/S-JOHNSON	0920
1025	LANGLEY	1040
1250	LOCKBOURNE	1305
1340	W-PATTERSON	1445
1655	LANGLEY	1710
1815	+ S-JOHNSON/POPE	1830
1925	SHAW	TERM

CORONET EXPRESS 5 T-29
(WEDNESDAY AND FRIDAY)

ARRIVE	ITINERARY	DEPART
0815	HOMESTEAD	0915
1025	MACDILL	1045
1145	* HURLBURT	1245
1545	MACDILL	1605
1715	HOMESTEAD	TERM

CORONET EXPRESS 6		T-29
(SUNDAY / MONDAY)		
ARRIVE	ITINERARY	DEPART
0810	LANGLEY	0820
0910	S-JOHNSON	0915
0945	POPE	0950
1035	SHAW	1105
1110	HURLBURT	1310
1155	MACDILL	1610
1720	HOMESTEAD (RON)	0830
0940	MACDILL	1010
1110	HURLBURT	1210
1525	SHAW	1540
1625	POPE	1630
1730	LANGLEY	TERM

CORONET EXPRESS 7		T-29
(MON, TUE, WED, THU, FRI) =		
ARRIVE	ITINERARY	DEPART
0810	LANGLEY	0630
0715 *	ANDREWS	0820
0915 *	LANGLEY	1545
1630 *	ANDREWS	1720
1805 *	LANGLEY	TERM

7-31 JULY CE 7 OPERATES ONLY ON MON WED + FRI

CORONET EXPRESS 8		C-54
(SATURDAY)		
ARRIVE	ITINERARY	DEPART
0810	BERGSTROM	0730
0915	ENGLAND	0945
1145 *	HURLBURT	1245
1445	ENGLAND	1515
1645	BERGSTROM	TERM

SOF COURIER		C-47/C-123
(WEDNESDAY)		
ARRIVE	ITINERARY	DEPART
0810	ENGLAND	0730
1000 *	HURLBURT	1400
1630	ENGLAND	TERM

T.C.A. WESTERN OPERATION

CORONET EXPRESS 9		C-118
(MON / TUE AND THU / FRI)		
ARRIVE	ITINERARY	DEPART
0810	LANGLEY	0815
1300 *	BERGSTROM	1400
1630 *	NELLIS (RON)	0830
1515 *	BERGSTROM	1615
2230	LANGLEY	TERM

CORONET EXPRESS 10		C-54
(MONDAY AND THURSDAY)		
ARRIVE	ITINERARY	DEPART
0810	CANNON	0730
0840 +	HOLLOMAN	0900
1245 *	BERGSTROM	1345
1500 +	DYESS	1520
1530	CANNON	TERM

CORONET EXPRESS 12		T-29
(THURSDAY)		
ARRIVE	ITINERARY	DEPART
0810	LUKE	1540
1700 *	NELLIS	1800
1900	GEORGE	1915
2015 *	NELLIS	2030
2150	LUKE	TERM

CROWNET EXPRESS 13		C-54
(MONDAY)		
ARRIVE	ITINERARY	DEPART
0816	MCCONNELL	0830
0915	FORBES	0930
1055	+ TINKER	1110
1110	+ BERGSTROM	1130
1400	+ TINKER	1415
1740	+ FORBES	1755
1940	MCCONNELL	TERM

CROWNET EXPRESS 13		C-54
(THURSDAY)		
ARRIVE	ITINERARY	DEPART
0816	FORBES	0820
0905	MCCONNELL	0920
1015	+ TINKER	1030
1230	+ BERGSTROM	1330
1530	+ TINKER	1545
1640	MC CONNELL	1655
1740	FORBES	TERM

CROWNET EXPRESS 14		C-118
(MONDAY)		
ARRIVE	ITINERARY	DEPART
0816	GEORGE	1545
1445	+ NELLIS	1715
1830	LUKE	1900
2015	+ NELLIS	2045
2145	GEORGE	TERM

CROWNET EXPRESS 15		T-29
(THURSDAY)		
ARRIVE	ITINERARY	DEPART
0816	MOUNTAIN HOME	1400
1515	HILL	1530
1615	+ NELLIS	1715
2000	HILL	2015
2130	MOUNTAIN HOME	TERM

CROWNET EXPRESS 16		C-54/C-118
(MONDAY)		
ARRIVE	ITINERARY	DEPART
0816	+ NELLIS	1715
2005	HILL	2035
2145	MOUNTAIN HOME	2215
2335	+ NELLIS	TERM

INDEX ANDREWS

AEX TU7/W2-SC F7/SA2-8. BSM W7/TH9 F7/SA2-8. CVS W7/TH9-10. DYS W7/TH9-10. FFO KITTY HAWK DR CAP FLYER. FOE W7/TH9-13. GSB M7-3 W7-4 F7-3-VEH. HIF W7/TH9-15. HRT TU7/W2 TH7/F2 F7/SA2. HST TU7/W2-5 TH7/F2-5. IAB W7/TH9-13. LCK M7-3 W7-4 F7-3. LFI M THRU F 7. LSV W7/TH9. LUF W7/TH9-12. MCF TU7/W2-5 TH7/F2-5. MUO W7/TH9-15. MYR TU7/W2-VEH TH7/F2-VEH F7/SA2-VEH. POB M7-3-VEH W7-4 F7-3. SSC W7-4 TH7/F2 F7/SA2. TIK W7/TH9-13. WRB TU7/W2 TH7/F2 F7/SA2. VCV W7/TH9-12.

INDEX ENGLAND

ADW WSC-2/TH7 SA8-2/M7. BSM SA8. CVS SA8/M10. DYS SA8/M10. FFO WSC-2/F3. FOE SA8/M13. GSB WSC-2 SA8-2. HIF SA8/M9-16. HRT WSC SA8. HST WSC-5 SA8/SU6. IAB SA8/M13. LCK WSC-2/F3 SA8-2/M3. LFI WSC-2 SA8-2. LSV SA8/M9 WSC-2/F9. LUF WSC-2/TH9-12 SA8/M9-14. MCF WSC-5 SA8/SU6. MUO WSC-2/TH9-15 SA8/M9-16. MYR WSC-2-VEH SA8-2-VEH. POB WSC-2 SA8-2. SSC WSC-2 SA8-2. TIK SA8/M13. WRB----- VCV WSC-2/TH9-12 SA8/M9-14.

INDEX BERGSTROM

ADW TU9/W7 SA8-2/M7. AEX SA8. CVS M10 TH10. DYS M10 TH10. FFO TU9/W4 SA8-2/M3. FOE M13 TH13. GSB TU9/W2 F9/SA2. HIF M9-16 TH9-15. HRT TU9/W2 SA8. HST TU9/W2-5 SA8/SU6. IAB M13 TH13. LCK TU9/W4 SA8-2/M3. LFI TU9 F9 SA8-2. LSV M9 TH9. LUF M9-14 TH9-12. MCF TU9/W2-5 SA8/SU6. TUD M9-16 TH9-15. MYR TU9/W2-VEH SA8-2-VEH. POB TU9/W2 F9/SA2 SA8-2. SSC TU9/W2 F9/SA2 SA8-2. TIK M13 TH13. WRB TU9/W2 F9/SA2. VCV M9-14 TH9-12.

INDEX CANNON

ADW M10/TU9/W7. AEX TH10/SA8. BSM M10 TH10. DYS M10 TH10. FFO M10/TU9/W4. FOE M10-13 TH10-13. GSB M10/TU9/W2 TH10/F9/SA2. HIF M10-9-16 TH10-9-15. HRT M10/TU9/W2 TH10/SA8. HST M10/TU9/W2-5. IAB M13 TH13. LCK M10/TU9/W4. LFI M10/TU9 TH10/F9. LSV M10-9 TH10-9. LUF M10-14 TH10-12. MCF M10/TU9/W2-5. MUO M10-9-16 TH10-9-15. MYR M10/TU9/W2-VEH TH10/SA8-2-VEH. POB M10/TU9/W2 TH10/SA8-2. SSC M10/TU9/W2 TH10/SA8-2. TIK M10-13 TH10-13. WRB M10/TU9/W2 TH10/F9/SA2. VCV M10-9-14 TH10-9-12.

INDEX DYESS

ADW M10/TU9/W7. AEX TH10/SA8. BSM M10 TH10. CVS M10 TH10. FFO M10/TU9/W4. FOE M10-13 TH10-13. GSB M10/TU9/W2 TH10/F9/SA2. 896 M 0-9-16 TH10-9-15. HRT M10/TU9/W2 TH10/SA8. HST M10/TU9/W2-5. IAB M10-13 TH10-13. LCK M10/TU9/W4. LFI M10/TU9 TH10/F9. LSV M10-9 TH10-9. L46 4 9-4 TH10-9-12 MUO M10-9-16 TH10-9-15. MYR M10/TU9/W2-VEH TH10-9-15. POB M10/TU9/W2 TH10/F9/SA2. SSC M10/TU9/W2 TH10/SA8-2. TIK M10-13 TH10-13. WRB M10/TU9/W2 TH10/F9/SA2. VCV M10-9-14 TH10-9-12.

INDEX W-PATTERSON

ADW M THRU F KITTY HAWK DR CAP FLYER. AEX M3/W2-SC F3/SA2-8. BSM W4/TH9 F4/SA2-8. CVS W4/TH9-10. DYS W4/TH9-10. FOE W4/TH9-13. GSB M3 W4 F3-VEH. HIF W4/TH9-15. HRT M3/W2 W4/F2 F3/SA2. HST M3/W2-5 W4/F2-5 F3/SU6. IAB W4/TH9-13. LCK VEH. LFI M3 W4 F3. LSV W4/TH9. LUF W4/TH9-12. MCF M3/W2-5 W4/F2-5 F3/SU6. MUO W4/TH9-15. MYR M3/W2-VEH W4-VEH F3/SA2-VEH. POB M3-VEH W4 F3. SSC M3/W2 W4 F3/SA2. TIK W4/TH9-13. WRB M3/W2 W4/F2 F3/SA2. VCV W4/TH9-12.

INDEX FORBES

ADW M13/TU9/W7. AEX TH13/SA8. BSM M13 TH13. CVS M13-10 TH13-10. DYS M13-10 TH13-10. FFO M13/TU9/W4. GSB M13/TU9/W2 TH13/F9/SA2. HIF M13-9-16 TH13-9-15. HRT M13/TU9/W2 TH13/SA8. HST M13/TU9/W2-5. IAB M13 TH13. LCK M13/TU9/W4. LFI M13-9 TH13-9. LSV M13-9 TH13-9. LUF M13-9-14 TH13-9-12. MCF M13-9-14 TH13-9-12. MYR M13/TU9/W2-VEH TH13/SA8-2-VEH. POB M13/TU9/W2 TH13/F9/SA2. SSC M13/TU9/W2 TH13/F9/SA2. TIK M13 TH13. WRB M13/TU9/W2 TH13/F9/SA2. VCV M13-9-14 TH13-9-12.

INDEX S-JOHNSON

ADW M3-7 W4-7 FVEH-3-7. AEX W2-SC SA2-8. BSM W4/TH9 SA2-8. CVS W2/TH9-10 SA2/M9-10. DYS W2/TH9-10 SA2/M9-10. FFO M3 W4 FVEH-3. FOE W2/TH9-13 SA2-8/M13. HIF W2/TH9-15 SA2/M9-16. HRT SU6 M1 W2 F2 SA2. HST SU6 W2-5 F2-5. IAB W2/M9-13 SA2-8/M13. LFM M3 W4 FVEH-3. LFI M6 W2 F2 SA2. LSV W2/TH9 SA2/M9 LUF W2/TH9-14 SA2/M9-14. MCF SU6 M1 W2-5 F2-5. MUD W2/TH9-15 SA2/M9-16. MYR M6-VEH M1-VEH W2-VEH F2-VEH SA2-VEH POB VEH. SSC SU6 M1 W2 F2 SA2. TIK W2/TH9-13 SA2-8/M13. WRB W2 F2 SA2. VCV W2/TH9-12 SA2/M9-14.

INDEX HILL

ADW M16/TU9/W7. AEX TH15/F9/SA8. HSM M16/TU9 TH15/F9. CVS----. DYS----. FFO M16/TU9/W4. FOE----. GSB M16/TU9/W2 TH15/F9/SA2. HRT M16/TU9/W2 TH15/F9/SA2. HST M16/TU9/W2-5. IAB----. LCK M16/TU9/W4. LFI M16/TU9 TH15/F9. LSV M16 TH15. LUF----. MCF M16/TU9/W2-5. MUD M16 TH15. MYR M16/TU9/W2-VEH TH15/F9/SA2-VEH. POB M16/TU9/W2 TH15/F9/SA2. SSC M16/TU9/W2 TH15/F9/SA2. TIK----. WRB M16/TU9/W2 TH15/F9/SA2. VCV TH15-12.

INDEX HURLBURT

ADW M6/TU7 W2/TH7. AEX W5C SA8. BSM W2/TH9 SA8. CVS W2/TH9-10 SA8/M10. DYS W2/TH9-10 SA8/M10. FFO M6/W4 W2/F3 SA2/M3. FOE W2/TH9-13 SA8/M13. GSB M6 W2 F2 SA2. HIF W2/TH9-15 SA8/M9-16. HST SU6 W5 F5. IAB W2/TH9-13 SA8/M13. LCK M6/W4 W2/F3 SA2/M3. LFI M6 W2 F2 SA2. LSV W2/TH9 SA8/M9. LUF W2/TH9-12 SA8/M9-14. MCF SU6 W5 F5. MUD W2/TH9-15 SA8/M9-16. MYR M6-VEH W2-VEH F2-VEH SA2-VEH. POB M6 W2 F2 SA2. SSC M6 W2 F2 SA2. TIK W2/TH9-13 SA8/M13. WRB----. VCV W2/TH12 SA8/M9-14.

INDEX HOMESTEAD

ADW M5-7 W5-2/TH7. AEX W5-SC F5/SA8. HSM W5-2/TH9 F5/SA8. CVS W5-2/TH9-10. DYS W5-2/TH9-10. FFO M5/W4 W5/F3. FOE W5-2/TH9-13. GSB W5-2 F5-2. HIF W5-2/TH9-15. HRT M5 W5 F5. IAB W5-2/TH9-13. LCK M6/W4 W5-2/F3. LFI M6 W5-2 F5-2. LSV W5-2/TH9. LUF W5-2/TH9-12. MCF M6 W5 F5. MUD W5-2/TH9-15. MYR M5-VEH W5-2-VEH F5-2-VEH. POB M6 W5-2 F5-2. SSC M6 W5-2 F5-2. TIK W5-2/TH9-13. WRB M6/W2. VCV W5-2/TH9-12.

INDEX MCCUNNELL

ADW M13/TU9/W7. AEX M13/TU9/W2-SC TH13/SA8. BSM M13 TH13. CVS M13-10 TH13-10. DYS M13-10 TH13-10. FFO M13/TU9/W4. FOE M13 TH13. GSB M13/TU9/W2 TH13/F9/SA2. HIF M13-9-16 TH13-9-15. HRT M13/TU9/W2 TH13/SA8. HST M13/TU9/W2-5. LCK M13/TU9/W4. LFI M13/TU9 TH13/F9. LSV M13-9 TH13-9. LUF M13-9-14 TH13-9-12. MCF M13/TU9/W2-5. MUD M13-9-16 TH13-9-15. MYR M13/TU9/W2-VEH TH13/F9/SA2-VEH. POB M13/TU9/W2 TH13/F9/SA2. SSC M13/TU9/W2 TH13/F9/SA2. TIK M13 TH13. WRB M13/TU9/W2 TH13/F9/SA2. VCV M13-9-14 TH13-9-12.

INDEX LOCKBOURNE

ADW M THRU F VEH-KITTY HAWK OR CAP FLYER. AEX M3/W2-SC F3/SA2-8. BSM W4/TH9 9. CVS W4/TH9-10. DYS W4/TH9-10. FFO M3 W4 F3 OR VEH. FOE W4/TH9-13. GSB M3 W4 F3-VEH. HIF W4/TH9-15. HRT M3/W2 W4/F2 F3/SA2. HST M3/W2-5 W4/F2-5 F3/SUB. IAB W4/TH9-13. LFI M3 W4 F3. LSV W4/TH9. LUF W4/TH9-12. MCF M3/W2-5 W4/F2-5 F3/SUB. MUD W4/TH9-15. MYR M3/W2-VEH W4-VEH F3/SA2-VEH. POB M3-VEH W4 F3. SSC M3/W2 W4 F3/SA8. TIK W3/TH9-13. WRB M3/W2 W4/F2 F3/SA2. VCV W4/TH9-12.

INDEX LANGLEY

ADW M THRU F VEH. AEX W2-SC SA2-8. BSM M9 TH9 SA2-8. CVS M9-10 TH9-10. DYS M9-10 TH9-10. FFO M3 W4 F3. FOE M9-13 TH9-13. GSB M1 W3 F2 SA2 SU6. HIF M9-13 TH9-15. HRT SU6 M1 W2 F2 SA2. HST SU6 W2-5 F2-5. IAB M9-13 TH9-13. LCK M3 W4 F3. LSV M9 TH9. LUF M9-14 TH9-12. MCF SU6 M1 W2-5 F2-5. MUD M9-16 TH9-15. MYR SU6-VEH M1-VEH W2-VEH F2-VEH SA2-VEH. POB SU6 M1 W2 F2 SA2. SSC SU6 M1 W2 F2 SA2. TIK M9-13 TH9-13. WRB W2 F2 SA2. VCV M9-14 TH9-12.

INDEX NELLIS

ADW TU9/W7. AEX F9/SA8. BSM TU9 F9. CVS TU9/TH10. DYS TU9/TH10. FFO TU9/W4
FOE TU9/TH13. GSB TU9/W2 F9/SA2. HIF M16 TH15. HRT TU9/W2 F9/SA8. HST TU9/
W2-5. LCK TU9/W4. LFI YU9 F9. LUF M14 TH12. MCF TU9/W2-5. MUD M16 TH15.
MYR TU9/W2-VEH F9/SA2-VEH. POB TU9/W2 F9/SA2. SSC TU9/W2 F9/SA2. TIK TU9/
TH13. WRB TU9/W2. VCV M14 TH12.

INDEX LUKE

ADW M14/TU9/W7. AEX TH12/F9/SA8. BSM M14/TU9 TH12/F9. CVS----. FFO M14
/TU9/W4. FOE----. GSB M14/TU9/W2 TH12/F9/SA2. HIF TH12-15. HRT M14/TU9/W2
TH12/F9/SA8. HST M14/TU9/W2-5. IAB----. LCK M14/TU9/W4. LFI M14/TU9 TH12/
F9. LSV M14 TH12. MCF M14/TU9/W2-5. MUD TH12-15. MYR M14/TU9/W2-VEH TH12/
F9/SA2-VEH. POB M14/TU9/W2 TH12/F9/SA2. SSC M14/TU9/W2 TH12/F9/SA2. TIK---
-. WRB M14/TU9/W2 TH12/F9/SA2. VCV M14 TH12.

INDEX MACDILL

ADW M6-7 W5-2/TU7. AEX W5-SC F5/SA8. BSM W5-2/TH9 F5/SA8. CVS W5-2/TH9-10
DYS W5-2/TH9-10. FFO M6/W4 W5-2/F3. FOE W5-2/TH9-13. GSB M6 W5-2 F5-2. HIF
W5-2/TH9-15. HRT M6 W5 F5. HST SU6 W5 F5. IAB W5-2/TH9-13. LCK M6/W4 W5-2/
F3. LFI M6 W5-2 F5-2. LSV W5-2/TH9. LUF W5-2/TH9. MCF W5-2/TH9-12. MUD W5-2/TH9-15.
W5-2-VEH F5-2-VEH. POB M6 W5-2 F5-2. SSC M6 W5-2 F5-2. TIK W5-2/TH9-13.
WRB M1/W2. VCV W5-2/TH9-12.

INDEX M HOME

ADW M16/TU9/W7. AEX TH15/F9/SA8. BSM M16/TU9 TH15/F9. CVS----. DYS----.
FFO M16/TU9/W4. FOE----. GSB M16/TU9/W2 TH15/F9/SA2. HIF TH15. HRT M16/TU9
/W2 TH15/F9/SA8. HST M16/TU9/W2-5. IAB----. LCK M16/TU9/W4. LFI M16/TU9
TH15/F9. LSV M16 TH15. LUF TH15-12. MCF M16/TU9/W2-5. MYR M16/TU9/W2 TH15/
F9/SA2. POB M16/TU9/W2 TH15/F9/SA2. SSC M16/TU9/W2 TH15/F9/SA2. TIK----.
WRB M16/TU9/W2. VCV TH15-12

INDEX M BEACH

ADW M3-7. AEX VVEH-2-SC SAVEH-2-8. BSM VVEH-2/TH9 SAVEH-2-8. CVS VVEH-2/TH
9-10 SAVEH-2/M9-10. DYS VVEH-2/TH9-10 SAVEH-2/M9-10. FFO M3 VVEH-4 F3. FOE
VVEH-2/TH9-13 SAVEH-2/M9-13. GSB VVEH-1 VVEH-2 FVEH-2 SAVEH-2. HIF VVEH-2/
TH9-15 SAVEH-2/M9-16. HRT M3-1 VVEH-2 F3-2 SAVEH-2 SUVEH-6. HST SUVEH-6
VVEH-2-5 F3-2-5. IAB VVEH-2/TH9-13 SAVEH-2/M9-13. LCK M3 VVEH-4 F3. LFI
VVEH-2 F3-2 SAVEH-2. LSV VVEH-2/TH9 SAVEH-2/M9. LUF VVEH-2/TH9-12 SAVEH-2/
M9-14. MCF SUVEH-6 M3-1 VVEH-2-5 FVEH-2-5. MUD VVEH-2/TH9-15 SAVEH-2/M9-16
POB M3-1 VVEH-2 FVEH-2 SAVEH-2. SSC M3 F3 OR VEH. TIK VVEH-2/TH9-13. SAVEH-
2/M9-13. WRB VVEH-2 F3-2 SAVEH-2. VCV VVEH-2/TH9-12 SAVEH-2/M9-14.

INDEX POPE

ADW VVEH-3-7 W4-7 F3-7. AEX W2-SC SA2-8. BSM W2/TH9 SA2-8. CVS W2/TH9-10
SA2-8/M10. DYS W2/TH9-10 SA2-8/M10. FFO VVEH-3 W4 F3. FOE W2/TH9-13 SA2-8/
M13. GSB VEH. HIF W2/TH9-15 SA2/M9-16. HRT SU6 M1 W2 F2 SA2. HST SU6 W2-5
F2-5. IAB W2/TH9-13 SA2/M9-13. LCK VVEH-3 W4 F3. LFI M6 W2 F2 SA2. LSV W2/
TH9 SA2/M9. LUF W2/TH9-12 SA2/M9-14. MCF SU6 M1 W2-5 F2-5. MUD W2/TH9-15
SA2/M9-16. MYR SU6-VEH VVEH-3 W2-VEH F3 SA2-VEH. SSC SU6 M1 W2 F2 SA2. TIK
W2/TH9-13 SA2/M9-13. WRB W2 F2 SA2. VCV W2/TH9-12 SA2/M9-14

INDEX SHAW

ADW M3-7 W4-7 F3-7. AEX W2-SC SA2-8. BSM W2/TH9 SA2-8. CVS W2/TH9-10 SA2-8
/M10. DYS W2/TH9-10 SA2-8/M10. FFO M3 W4 F3. FOE W2/TH9-13 SA2-8/M13. GSB
M6 W4 F2 SA2. HIF W2/TH9-15 SA2-M9-16. HRT SU6 M1 W2 F2 SA2. HST SU6 W2-
5. F2-5. IAB W2/TH9-13 SA2-8/M13. M3 M3 F3. LFI M6 W2 F2 SA2. LSV W2/M9
9 SA2/M9. LUF W2/TH9-12 SA2/M9-14. MCF SU6 M1 W2-5 F2-5. MUD W2/TH9-15 SA2
/M9-16. MYR VEH. POB M6 W2 F2 SA2. TIK W2/TH9-13 SA2-8/M13. WRB W2 F2 SA2.
VCV W2/TH9-12 SA2-8/M9-14.

Our first witness this morning will be Mr. Edward Driscoll, president of the National Air Carrier Association.

STATEMENT OF EDWARD J. DRISCOLL, PRESIDENT, NATIONAL AIR CARRIER ASSOCIATION; ACCOMPANIED BY STEEDMAN HINCKLEY, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER, OVERSEAS NATIONAL AIRWAYS

Mr. DRISCOLL. Mr. Chairman, members of the committee, Mr. Steedman Hinckley, chairman of the board and chief executive officer of Overseas National Airlines is with me, and he also has a short statement to make, which ties in with the overall appraisal of the effect of the military program during July, August, et cetera.

I am pleased to have this opportunity to appear before this committee again, and to report to you directly on our experience over the past few months with respect to the transportation of international military cargo.

I would like to say at the outset that we in the air transport industry, are truly appreciative of this committee's continuing interest in this important subject.

At the time of your previous hearings last May and June, it was quite clear that the Air Force was following a policy of using military aircraft almost exclusively for the transportation of routine international military cargo.

After those hearings were closed, however, the Air Force supplied the committee with some additional information which suggested a change in policy might be in the offing.

I regret to say that it is now apparent that no policy change has taken place, and none appears to be contemplated by the Air Force.

In accordance with the chairman's request of September 15, we have obtained from each of our carriers a compilation of their actual revenues derived from international DOD cargo airlift business during the months of July and August 1971.

In order to present a fuller picture, we also asked the carriers to report the amount of such business which has already been committed to them for the months of September through December. These figures are shown in appendix A to my prepared statement.

Appendix A¹ shows that in July the supplemental carriers had \$203,700 expansion for the movement of cargo; August, \$1,018,100; September, \$2,618,300; October, \$1,730,700. For November and December, as of this date, our carriers show zero as far as expansion in the area of cargo.

To understand what really happened during July and August, however, it is necessary to look behind the revenue figures. While it is true that the carriers handled somewhat more military cargo during July and August than was originally forecast, the mere fluctuation of cargo traffic, whether up or down, does not necessarily indicate any change in policy with respect to the manner in which such cargo is allocated.

The key question is not how much cargo did the civil carriers receive, but rather what share of the total amount of available cargo was allocated to them.

Secretary Whittaker's letter of September 21 to Chairman Cannon clearly shows that the Air Force is not giving the civil carriers a

¹ The information discussed by Mr. Driscoll appears on p. 140.

greater share of total military cargo. On the contrary, the letter states that there was greater use of military aircraft for the carriage of international cargo in July and August.

If the volume of cargo offered to the civil carriers was also increased, it was only because the short-term demand exceeded the capability of MAC. To quote Secretary Whittaker:

To accommodate these added requirements, the capability of the military airlift force as increased to the maximum extent practical, within existing resources. Since the cargo being generated exceeded this adjusted military capacity, the increased requirements have resulted in additional orders for commercial air cargo services.

It is apparent that the Air Force still intends to rely primarily on MAC to transport international military cargo, and to use the civil carriers only for the overflow.

This approach, of course, is entirely unrealistic. The civil carriers cannot afford to maintain idle capacity on a standby basis waiting for sporadic, unplanned, short notice military requirements.

Unless MAC utilizes the available civil capacity on a programmed basis to provide the day-to-day routine cargo service for the military, that capacity will be put to use elsewhere—or it will be disposed of. Either way, it will not be available to the Defense Department when the need arises.

The experience of the past 2 months is illustrative. Let me quote from the report I received from one of our carriers:

Since the inception of Fiscal 1972 MAC contract, it has been increasingly difficult to respond to MAC procurement policies. This has been particularly true in regards to cargo requirements as most of the requests for service came so late, in the carrier's busiest season, to make efficient response almost impossible.

We, as a carrier, are required to plan in advance for commercial sales and are presently selling for the summer of 1972. If we could have an indication of MAC requirements, we could schedule and provide the airframe and crews to meet their requirements and to perform efficiently and on time. This is not possible on a day-to-day basis when operations are forced to try and fit trips into limited operation periods and preplanned maintenance schedules.

Another carrier has advised me that it had to refuse MAC cargo trips worth \$340,000 which were requested in mid-July for performance in August. Because these requests were made on such short notice in the midst of the peak tourist season, the carrier simply was unable to accept them, and suffered a loss of award credit as a result.

In its report to me, this carrier stated:

It has become increasingly common for MAC to request on an untimely basis, airlift for specific channels on specific dates. It is not unusual to receive these requests only 2 weeks from the date of operation. The carrier that cannot accept this business is subject to having his record charged with the revenues involved. This is an unfair practice, and reflects ignorance on the part of MAC concerning the complexities of scheduling and the lead time required to absorb this type of request.

Still another carrier gave me a complete listing of MAC's expansion requests in the period June 24 through August 25, 1971. A copy of that list is attached to my statement as appendix B.² If you will examine it, you will see that many of the requests for cargo service provided only a few days' notice.

That one is set forth. It is the legal size sheet. It sets forth the date of the message from MAC, the route, the cargo, the passenger, period of performance, missions, and when the answer is required.

All in all, it shows a very short response time and a very short period of time in which to plan.

² See p. 141 for list discussed.

What obviously happened in July and August, is that MAC was suddenly faced with some unanticipated military cargo requirements. We understand that there were some military exercises during that period which probably accounted for at least a part of this increased demand.

The military fleet, however, was already heavily committed, and MAC was therefore required to turn to the civil carriers to satisfy much of this unexpected demand. The civil carriers, in turn, had great difficulty responding upon such short notice in the midst of their peak civil season.

This, of course, is just the opposite of the way in which these matters should be handled. The routine, day-to-day cargo requirements of the military should be handled by the civil carriers, not by MAC.

These requirements can be anticipated and programed well in advance, thus making it possible for the civil carriers to plan and integrate their military and civil operations on an efficient basis.

MAC, on the other hand, should keep as much of its capacity as possible on reserve—so that it will be able to respond to emergency situations and unanticipated fluctuations in demand without having to disrupt routine operations.

Imagine what would have happened in July and August if some real emergency had arisen. It is obvious that we did not have the military reserve capacity needed to meet such an emergency.

If a crisis had occurred at that time, it would have caused a serious disruption of routine but essential military services, as well as normal civil service.

I am not suggesting, of course, that all requirements placed with the civils have to be on a programed basis. What I am suggesting is that unless the civil carriers are involved in the movement of cargo to the maximum extent feasible on a programed basis, they will not be able to maintain the capacity needed to take care of short-notice requirements.

It is entirely unrealistic to expect the civil carriers to maintain idle equipment on a call basis for the military if the basic MAC policy is to utilize civil carriers only where sufficient military capacity cannot be generated.

The policy of the Air Force and the Department of Defense has reversed the roles of the civil carriers and MAC.

If the experience of the past few months is discouraging, the outlook for the future is even bleaker. While we applaud the Army's REAL program as a step in the right direction, the amount of additional cargo traffic which it will generate is relatively small.

Moreover, it appears that whatever new traffic this program may produce will be offset by equivalent reductions elsewhere. Secretary Whittaker's letter of July 20 to Chairman Cannon estimated that apart from the REAL program, "The CRAF carriers will receive close to \$85 million in fiscal year 1972 international cargo business." In his letter of September 21, however, Secretary Whittaker seems to be including the REAL program in his \$85 million forecast.

If you will look again at appendix A to my statement, you will see that the carrier's expected revenue from international military cargo for the months of September through December are far below their July and August levels.

Admittedly, there may still be some additional expansion business which has not yet been committed, but the trend is nevertheless clear.

In short, Mr. Chairman, there has been no change in Air Force pol-

icy. The policies of the 1960's which were approved by the Congress and the President, are still being flouted. MAC is still attempting to operate as an airline in competition with the civil carriers, thus ignoring its military mission. And the civil carriers' losses are mounting.

The effect on the Nation's overall airlift capability is already being felt. For example, the *Aviation Daily* of September 27, 1971, reported that Seaboard World Airlines is about to sell a DC-8-63F to Icelandic Airlines and quoted Seaboard as saying that, "It no longer needs this aircraft because of the reduction of Defense Department utilization of the airline's equipment." (P. 149.) That is one less cargo aircraft available to the United States in the event of an airlift emergency.

Another story on the same page of the same publication reported the sale of a B-707 freighter by American Airlines to Varig Airlines of Brazil. That is another cargo aircraft down the drain.

I might add, I have attached as appendix C to my statement, the recent letter from MAC concerning lease of aircraft, in which they are querying the industry for answers to questions and proposals as to how lease aircraft should be handled.

I am not here suggesting that I want to get into a discussion of the benefits of leasing versus ownership. I merely want to call to the committee's attention that it appears to me that all actions that the military has taken, looking at it in toto, is an attempt to depreciate the CRAF program by eliminating as many civil aircraft as it can from those that would be available in the event of emergency.

Mr. Chairman, MAC's decreasing use of the civil carriers' capacity will inevitably impair the total airlift capability which has been the foundation of our national security over the past decade.

The importance of this capability was demonstrated in the Vietnam situation. What would our posture have been if this cargo capacity had not been available?

In the years ahead, the United States is going to need more cargo capacity, not less, in order to maintain an effective defense system. We simply cannot afford to dismantle the airlift system which was built so carefully over the decade of the 1960's.

But the civil carriers will not be able to maintain and expand their cargo capacity if it is not put to use—on a regular, planned, programmed basis.

The only solution to the problem in our view, is the prompt enactment of S. 1821. It is now even more apparent than it was in May and June that the Air Force will not reverse its present policy voluntarily. Legislation is needed, and it is needed now. The Nation simply cannot afford any further erosion of its cargo airlift capacity.

Thank you, Mr. Chairman. That concludes my prepared statement.

Senator CANNON. Would you explain this full exhibit a little more in detail?

Do I understand now from this exhibit, for example, on the first line, that a message dated from MAC on June 23 related to 10 missions for the period of June 24 through the 30th, and required an answer by the 24th of June?

Mr. DRISCOLL. That is correct, sir.

Sneator CANNON. In other words, the carrier had 1 day's notice as to whether or not it could perform 10 missions during that period of time?

Mr. DRISCOLL. That is correct, sir.

And this in time, from the carrier's standpoint, to look at what his

capability is, what trips he is operating, if he can measure these in, if at all, and get back and respond.

Senator CANNON. What has been the general situation with respect to this short notice problem in the past?

Has this always been the method of doing business, or have you had more advance notice in other years, for example, last year?

Mr. DRISCOLL. In fact, in the prior year, more requirements were placed on a firm contract, so that the carrier was able to program both in the passenger and the cargo area, so that he had some base from which to operate.

This year there was no cargo in the basic awards, the basic contracts. So, everything had to come out on an equal basis.

Now in the past we have had more notice than what was evident during the period of July and August, and this really doesn't tell the whole story, Mr. Chairman, because I think one of our carrier's could explain to you more fully than I that is in the day-to-day operating business, but from some of the reports we have received, they place a requirement, it is definitely time oriented, that if you can't do it on that specific hour and that specific time, then, you are nonresponsive.

If you could do within a 3-hour period later, why, that is unsatisfactory. That may be a valid military requirement. I am not questioning it. But this poses another freight problem.

The other thing is, I am advised that orders are placed, you are awarded a trip, only to find that the next day the trip is taken away and that the requirement has changed, here is another requirement, give us a bid on that.

As I see it, from my own experience, the manner in which the requirements are being handled is back to the 1956-58 time period, when I was intimately involved within the military and that is the way we are doing business, and we had to change that system because it wasn't benefiting either the military or the civils.

Senator CANNON. Do you have a statement to present, Mr. Hinckley?

Mr. HINCKLEY. Yes, sir.

Mr. Chairman, members of the committee, I am pleased to have the opportunity to appear here today. First, I would like to associate myself with the statements that have been submitted by the industry witnesses, and especially that of Edward J. Driscoll, president of National Air Carrier Association.

My purpose of being here, Mr. Chairman, is merely to elaborate from a carrier standpoint what we, and we hope MAC, learned from this past summer's operation. The lesson learned should be that you can't go from zero to 100 without some preplanning and without a base from which to expand or accelerate.

It is true that MAC offered additional cargo to the civil carriers during the summer. It is also true that this was at the height of the civil carriers' commercial operations, especially in the transatlantic. Consequently, on such short notice as these requirements were offered on, it was extremely difficult to satisfy MAC's request.

I might also point out that fixed contracts generally are greater in the summer than they are in the off-season months, so that we already in our basic fixed contracts are absorbing the surge capability for the military.

Senator PEARSON. Why is that so?

Mr. HINCKLEY. I gather it is because the military has a surge requirement themselves in the summer.

I can only guess as to why. I would think it would be due to the rotating of families and phasing it during the break in the school year and such.

Anyway, they do apparently have a greater requirement in the summertime and consequently in the negotiation of our contracts, we generally have to accept more business in the summer and less during the period of the year when, of course, we would like more and would like to take it.

I suggest, Mr. Chairman, that had the civil carriers adequate knowledge in advance of the size of the MAC requirements, preplanning could have been accomplished which would have permitted satisfying more of MAC requirements than was done.

Let me make it clear, I am not apologizing for inability to satisfy short notice requirements. I am merely trying to emphasize the importance of the civil carriers being able to rely upon a specific volume of traffic on a recurring basis rather than being expected to operate in a peak or valley situation which, in our judgment, is the role of MAC.

To put it another way, the legislation before this committee would provide the civil carriers with a base amount of traffic which they would be committed to move under any circumstances. They would provide some expansion capability, but the military fleet would be available to satisfy unprogramed requirements on the same basis as they are expected to satisfy emergency requirements. This, as you know, is not the case today. The military are too heavily committed in routine operations to satisfy emergency requirements.

I can illustrate that with a specific situation which took place around the time of the Vietcong Tet offensive a few years ago.

In the week or two prior to the Tet offensive which, of course, none of us commercial carriers expected, I gather the military did not expect it either, but in those 1 or 2 weeks, MAC was cancelling on a day-by-day basis with minimum notice of a day or two trip by trip, and my recollection is that those cancellations, included fixed contract trips as well as the expansion trips which had been awarded earlier.

Then came the Tet offensive. Overnight we were being asked by MAC, and I think it might be more accurate to say that MAC was pleading desperately with the commercial carriers to cancel commercial business contracts which we had, in order to make the aircraft available to MAC to support the military, the U.S. military reaction to the Vietcong Tet offensive.

Now, when I got that telegram, I believe there were telegrams signed by the commander of MAC personally to the chief executives of the airlines, asking us to cancel out our commercial business. I was a bit startled because if I was adding up two and two correctly to come to four, apparently the civil carriers were providing the day-to-day expansion and surge capacity for the military, and apparently the MAC fleet was totally committed to the routine type of airline operation in support of what had become a sort of routine war by then.

Senator CANNON. In other words, what you are saying is it appeared that MAC had really no surge capacity at that time and they were then calling on the CRAF carriers to take care of all the surge capacity?

Mr. HINCKLEY. Yes, sir; exactly.

I was really much more concerned as a citizen, because I was stunned to think, my God, what would happen if the North Vietnamese should come across the 38th parallel, or that we should have another Cuban or Berlin situation, or Lebanese situation?

They were so heavily committed in the routine support of the Vietnam war, that to handle a minor emergency such as the Tet offensive was requiring MAC to literally plead with the commercial carriers to cancel commercial business to help them out.

I was so surprised by it, that I called several other airlines to see if their experience had been the same, that MAC was cancelling trips the week or two before on a day-to-day basis, and they confirmed it was the case.

Senator CANNON. Thank you very much. We appreciate your being here.

The next witness is Mr. Leo Seybold, vice president, Federal Affairs, Air Transport Association of America.

STATEMENT OF LEO SEYBOLD, VICE PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. SEYBOLD. Thank you, Mr. Chairman. My name is Leo Seybold, and I am vice president of the Air Transport Association, representing virtually all of the U.S. scheduled air carriers. I have with me three gentlemen who are expert in the area of military procurement. On my left, Mr. William Gelfand, vice president of Flying Tiger Line; on my right, Mr. James Rice, vice president of Military Transportation of Pan American World Airways, and Mr. Peter T. Craven, vice president of Overseas Services and Contracts of Continental Air Lines. At the conclusion of my statement, Mr. Rice wishes to make a statement in connection with the leasing program.

We thank you for the opportunity to discuss the important question of military airlift policy.

History is repeating itself. In its apparent desire to establish a completely self-sufficient military airlift system, the Air Force has forgotten the lessons of the past. The Air Force has reversed military airlift policy and in the process is materially contributing to the systematic deterioration of the Civil Reserve Air Fleet.

In your hearings in July, the civil carriers were led to believe that there would be a restoration of substantial amounts of routine international cargo traffic to the civil carriers. Our survey of the carriers in response to the committee's questions indicates that this has not been the case.

Civil cargo aircraft committed to CRAF are being used only to meet Department of Defense emergency needs, while military aircraft are being used to the maximum in routine international cargo operations.

This situation is clearly brought out in the statement of September 21 submitted by Secretary Whittaker to this committee in which the Secretary said that international cargo movements turned over to the Military Airlift Command for July and August and the estimated

amounts for September and October exceed forecast levels. The Secretary added that:

To accommodate these added requirements, the capability of the military airlift force was increased to the maximum extent practicable, within existing resources. Since the cargo being generated exceeded this adjusted military capacity, the increased requirements have resulted in additional orders for commercial air cargo services.

Thus, it is clear that the Military Airlift Command is giving the civil carriers only seasonal and short-notice, excess demand cargo. They are pushing their utilization rate as high as they can—far higher than is reasonably required for training and tactical exercise purposes. They are calling on the civil carriers only when they get in trouble on their own scheduled cargo operation. Yet, when the C-5 program was being justified to Congress, Secretary of the Air Force Harold Brown testified in October 1965 before the House Armed Services Committee as follows:

As commercial carriers make available modern, economical, long-range cargo craft, and further orientation of MATS to the hard-core function is effected, increased use should be made of the services of such common carriers.

If "the capability of the military airlift force was increased to the maximum extent practicable" and could not meet a modest increase in routine cargo requirements as Secretary Whittaker said, what sort of airlift operation will the military airlift force be able to conduct when they have to drop the routine channel traffic they are carrying to meet a true military emergency airlift requirement?

Civil carriers cannot keep crews on hand on a standby basis waiting for emergency calls from the military. They need a reasonable lead-time on crews and aircraft planning. More than a decade of experience shows the civil carriers can provide expansion if they have basic airlift contracts on which to build. It sometimes appears that the military is trying to make a case of carrier lack of response by preemptory requests for specific airlift tasks, by providing no contract base and by often failing to allow a reasonable time to meet the requests.

Senator CANNON. Does the situation with your carriers pretty much follow the experience of the previous witness? I am referring now to the type of notice given.

Mr. SEYBOLD. I will ask the cargo experts of the carriers to testify.

Mr. RICE. Yes; our situation is pretty much the same.

Mr. CRAVEN. Continental's is exactly the same.

Mr. GELFAND. The military approaches each of the carriers on the same basis according to our information.

Mr. SEYBOLD. Clearly the failure to utilize the civil carriers for routine cargo operations under contract weakens national defense capabilities. The folly of an all-out military aircraft approach for the routine movement of passengers and cargo was brought out repeatedly in the late 1950's and early 1960's in the many hearings, both in the House and Senate, on airlift posture.

From those hearings emerged a clear-cut policy that MAC—then MATS—had its own special role to perform and that routine channel traffic was to be handled by civil carriers. After careful consideration of the issue, Congress wrote into the 1961 statute authorizing the purchase of the original C-141 fleet, the provision that these aircraft could

not be used in scheduled passenger service. Nevertheless, violations of the spirit and letter of that provision with respect to passengers is continually taking place, both with respect to the C-141's and the C-5A.

Assistant Secretary Philip N. Whittaker of the Air Force stated before the Aviation Subcommittee in May 1971:

As you are aware, MAC's modern jet aircraft were approved by Congress on the understanding that they would not be used for normal passenger operations.

In complete disregard of this policy, the C-141 is being utilized to carry passengers over domestic and international routes on programmed schedules. For example: The Military Airlift Command Passenger Schedule F for October 1971 contains a number of schedules with programmed passenger capacities on C-141 cargo flights operating from the west coast to New Zealand, Australia, and the Pacific Islands, and on one operating around the world. Schedules from the east coast similarly have been programmed for passenger capacities to Spain, Germany, Canal Zone, and points in South America. With regard to the MAC flights to Australia and return, it is also noted that the Military Airlift Command embargoes essential military cargo on the last trip of each month in order that military dependents may be transported.

The MAC scheduled C-141 passenger operation is so extensive that it publishes public schedules of its services. Unbelievable as it may seem, MAC has also for some time been operating regularly scheduled C-141 transcontinental passenger flights to accommodate DOD personnel from all services both on official orders and on leave.

On July 12, 1971, the C-5A cargo aircraft entered into the competition for passenger traffic by virtue of the testing phase of the C-5 having advanced to such a point that it will not restrict the transportation of passengers. In announcing this policy change, Headquarters, Military Airlift Command, officially stated that in addition to active duty personnel, retirees and their dependents, dependents of military personnel on ordinary leave and both female and male students are now able to travel to and from overseas in the C-5A.

I think it might be appropriate at this point, Mr. Chairman, if the announcement of the Military Airlift Command in connection with the availability of the C-5 aircraft to passenger flights of all types could be put in the record, the complete statement.

Senator CANNON. If you will supply that to the reporter, that will be made a part of the record.

(The document referred to follows:)

[Release No. 7-12-71-264]

COMMAND LIFTS GALAXY SPACE "A" RESTRICTIONS

Hq MAC, Scott AFB, Ill. (MNS)—Military Airlift Command has lifted restrictions which permitted only active duty military on leave to travel space available aboard the C-5 Galaxy.

MAC officials said the restrictions were lifted since the testing phase of the C-5 has advanced to such a point that it will not restrict the transport of passengers.

The change allows all people authorized to travel under the provisions of the Joint Regulations to travel on the C-5 when seats are available.

Officials said that in addition to active duty people, retirees and their dependents, dependents of military people on ordinary leave when accompanied by the sponsor and both female and male students are now able to travel to and from overseas on the C-5. Dependents are not authorized by regulation to travel space available in the continental United States.

Seats will not be scheduled against port calls but will be used to move standby duty passengers and space available passengers. Movement will be voluntary for space "A" passengers because of the limited comfort items available on these flights.

This is part of a MAC program to insure that all empty seats are made available equally to all passengers awaiting transportation.

* * * * *

Mr. SEYBOLD. A review of the history of the explanations submitted to Congress by the Defense Department and the Air Force, on the need for and the purpose of the C-5 aircraft, indicates that it was designed to carry heavy, large, outsized pieces of Army equipment and to operate on relatively unimproved, short fields. The C-5A aircraft was described as a "home base to foxhole" airlift. So far as we have been able to learn, no home base to foxhole operations have been conducted nor have any tactical exercises yet been performed with the aircraft. So far as we can determine, few if any tanks or heavy military equipment are being carried. These aircraft, like the C-141's, are operated extensively in scheduled operation carrying normal day-to-day cargo traffic. The military does not appear to be operating its fleet in a manner to train for or meet an emergency or surge requirement.

In response to the committee's questions concerning our cargo airlift experiences for the 6-month period for July through December 1971, we have compiled the information contained in attached table A.

The attached table indicates that no cargo was procured from the scheduled carriers on a fixed contract, but that the MAC cargo business procured on an expansion basis from the scheduled carriers totaled \$6.6 million in July, \$8.2 million in August, and \$9.8 million in September. Apparently, the procurement request requirements were primarily due to a special problem which confronted the military.

It appears there may have been a considerable backup of return traffic—household goods and unaccompanied baggage. Some of the latter reportedly had been delayed a considerable period of time and undoubtedly caused considerable inconvenience to military personnel and their families. This would not have occurred if MAC were less committed to routine airline type of operation and more prepared for emergency surging.

The short-term emergency nature of the cargo lift purchased from our carriers is indicated by the reduced cargo requirements presently forecast for subsequent months. So far as the carriers know at this time, cargo procurement will decline to \$5.9 million for October, \$580,000 for November, and no cargo procurement is forecast for December.

If the higher level of expenditures experienced in the last 3 months is to continue in future months, it will obviously result in short-notice last minute demands on the civil carriers.

It is our very strong feeling that the foregoing demonstrates the need for the pending legislation. The present method of operation raises a serious question about the ability of the military to meet their surge and emergency requirements.

There is another very strong reason why this legislation should be enacted. Although we have been talking about section (b) of S. 1821 which deals with the international cargo traffic of the Defense Department, it is necessary to keep in mind the significance of section (a) dealing with the use of U.S.-flag carriers for all Government-financed transportation. Two recent actions reinforce the need for this legislation.

One foreign government has ordered its national carrier to offer a 40-percent discount for travel to and from its country for all foreign nationals, including U.S. citizens, who are engaged in work on Government projects. This would apply to all AID, Peace Corps, et cetera, personnel whose expenditures, including transportation, are funded by the U.S. Government. AID has already told its personnel to utilize this program.

This development is ominous for two reasons: (a) if all a foreign government has to do is order its national carrier to introduce a discounted fare for U.S. personnel in order to divert this big market from U.S. carriers, it will do so, since it knows there exist no U.S. statutory requirements for U.S. personnel to use U.S. carriers; and (b) we understand other governments are studying this action particularly in view of the fact that AID has taken action to implement the program in the first instance it had the opportunity. The use of foreign carriers contributes adversely to our balance-of-payments problem.

The West German Government has directed that all personnel participating in events which are financed by the Federal Republic, by appropriations or by other means, must use German air carriers. Moreover, this directive even applies to those employed with unions, organizations, or enterprises the capital of which (original capital or capital stock) is wholly or partly owned by the Federal Republic.

In conclusion, Mr. Chairman, we submit that this legislation is urgently needed, both with respect to the need to restore our military airlift posture to a more rational basis—the policy which has existed over more than a decade—and also to require use of U.S.-flag carriers in connection with Government-financed traffic so that they may make their proper contribution to the balance-of-payments problem.

I thank the committee. Mr. Rice would like to make a statement.

Senator CANNON. Who is the foreign government that you refer to?

Mr. SEYBOLD. Well, it is the Government of Afghanistan, and there is considerable traffic to Afghanistan.

Senator CANNON. We have in an appropriation bill, as I recall, a provision that U.S. personnel on official business should to the greatest extent practicable use U.S. carriers; is that correct? Do I remember that correctly?

Mr. SEYBOLD. There is an executive department policy with respect to the executive branch of the Government, but it does not apparently apply to organizations such as Peace Corps, AID, and also to contractor travel which is financed by the U.S. Government but is under contract. The policy was enunciated by this committee in 1962, approved by the Senate and the House and implemented by the Bureau of the Budget at that time as a general policy; but there are so many loopholes that we feel the only way to close it is with a statutory provision.

At the time the Senate Commerce Committee reported the resolution stating the policy, they said if it was not adequate the committee would consider further legislation.

Senator CANNON. If you would have your legal staff draft some proposed legislation to cover these loopholes, we will take a look at it.

Mr. SEYBOLD. I think that section (a) of the bill together with the amendment we suggested in our testimony of May 20, would meet the problem.

Senator CANNON. You think this would take care of it?

Mr. SEYBOLD. It is designed to do that.

Senator CANNON. Mr. Rice.

STATEMENT OF JAMES J. RICE, VICE PRESIDENT, MILITARY TRANSPORTATION, PAN AMERICAN WORLD AIRWAYS

Mr. RICE. Yes, sir. At the last hearings, Mr. Daley made some comments about leasing of CRAF aircraft. Mr. Driscoll today referred to the Department of the Air Force letter of September 8 which raised several questions concerning leasing of aircraft.

On this subject, the carriers have divergent views, and they are expressing them to MAC. Concerning the letter, MAC had advised the carriers, among others, Pan American, that we can respond not in mid-September but within the the first week of October. We intend to respond this coming week. I believe it would be advisable for the committee to get directly from MAC the views of all the air carriers as expressed to MAC.

Senator CANNON. Do you have something further?

Mr. RICE. I can express Pan American's viewpoint on it, sir. We feel this, that as far as foreign leasing goes, we don't believe it is really credible to expect that a foreign carrier in a time of emergency will readily turn back a leased aircraft to the U.S. Government within 24 hours.

First off, we don't know which side that foreign government may be on—ally, enemy or nervous neutral. Secondly, if they do have an emergency within their own country, in all probability they would hold on to that aircraft.

In addition, within the framework of MAC procurement, CRAF aircraft do get an allocated award which can be several million dollars. Within that framework, the aircraft is earning a profit from the Air Force. In turn, the carrier in leasing that same aircraft to a foreign carrier, because of that profitability, could lease the aircraft at a lesser price to the foreign carrier, and in one instance that is taking place at the present time with a foreign lease, that airplane could be competing directly against Pan American and TWA in areas that they serve.

We don't believe this is a very equitable way of doing a competitive international business. That is pretty much our position.

Senator CANNON. Do you other gentlemen have anything to offer?

**STATEMENT OF WILLIAM GELFAND, VICE PRESIDENT, CONTRACT
ADMINISTRATION, THE FLYING TIGER LINE**

Mr. GELFAND. The Flying Tiger Line responded to the military request on leased aircraft, and we would be more than pleased to advise you that our position on lease of equipment, CRAF eligible equipment, to foreign carriers is that such aircraft should not be credited against the CRAF program. We absolutely feel that there is zero operational control by an owner of an airplane once he leases that airplane out to a foreign airline. We are 100 percent in support of the military in their position that they have taken this past year with regard to dry leases of equipment to foreign carriers.

Senator CANNON. Mr. Craven?

**STATEMENT OF PETER T. CRAVEN, VICE PRESIDENT, OVERSEAS
SERVICES AND CONTRACTS, CONTINENTAL AIR LINES, INC.**

Mr. CRAVEN. I have nothing further to add, just to indicate my similar feelings to those of Mr. Rice and Mr. Gelfand, on leased aircraft. We have responded to MAC and we would be very happy to furnish you with a copy of our response.

Senator CANNON. I am going to ask the Secretary if he will provide us the summary of the results of that policy when they are all in.

Now, I note that you recently sold a DC-8 cargo aircraft. Does that have any relationship—

Mr. GELFAND. Excuse me. That was Seaboard World, that was not Flying Tiger Line. It did not sell any of its modern jet cargo aircraft.

Senator CANNON. I thought you recently sold a DC-8.

Mr. GELFAND. No, sir. We have leased some of our DC-8's to American carriers for short periods of time, but these are carriers also in the CRAF plan. We have sold none of ours. The recent announcement was of a sale by Seabord World to Icelandic.

Senator CANNON. I am aware of that. I made a mistake. Thank you very much, gentlemen.

The next witness is the Honorable Philip N. Whittaker, Assistant Secretary of the Air Force for Installations and Logistics.

Mr. Secretary, it isn't always the case that you have the opportunity to respond directly to some of these problems, but I think in light of the fact that you came to answer questions, perhaps this will give you a good opportunity.

You may proceed.

(The following information was subsequently received for the record:)

APPENDIX A

Cargo expansion, fiscal year 1972

Month:		
July	-----	\$203, 700
August	-----	1, 018, 100
September*	-----	2, 618, 300
October*	-----	1, 730, 700
November*	-----	0
December*	-----	0

*Projected.

APPENDIX B

MAC EXPANSION REQUESTS, JUNE 24 THROUGH AUG. 25, 1971

Message dated and routing	Cargo	PAX	Period of performance	Number of missions	Answer required
6/23/2115Z					
Yokota-Travis	O/W		June 24 through 30	10	June 24, 1971
Kimpo-Travis	O/W		do	7	Do.
Clark-Travis	O/W		do	1	Do.
McGuire-Danang-McGuire	R/T		do	1	Do.
6/25/2002Z:					
Andrews-Roosevelt Rds-Andrews		R/T	O/B: 1200-2000Z July 10; I/B: 1200-2000Z July 25.	1	June 28, 1971
McGuire-Rota-Naples-Athens-Rota-McGuire		R/T	O/B: Arrv Rota 0630Z July 11; Dept Athens 2000Z July 11.	1	Do. ¹
Brunswick-Rota-Jacksonville		R/T	O/B: 0600-0700Z July 1	1	Do.
Yokota-Travis	O/W		June 25 through 30	2	Do.
Kimpo-Travis	O/W		do	4	Do.
Clark-Travis	O/W		do	2	Do.
McGuire-Frankfurt		O/W	June 30	2	Do.
7/19/1943Z:					
Pope-San Juan-Lawson		R/T	July 31	1	July 20, 1971
Kadena-East Coast Conus	O/W		July 19 through 31	5	Do.
Kadena-West Coast Conus	O/W		do	6	Do.
8/17/1920Z:					
Yokota-Travis	O/W		August 18 through 31	2	Aug. 18, 1971
Kimpo-McChord	O/W		do	1	Do.
Kelly-S.E.A.-Charleston	R/T		do	8	Do.
Travis-S.E.A.-Charleston	R/T		do	16	Do.
8/25/1500Z					
New Orleans-McGuire-Rota-McGuire-New Orleans		R/T	Sept. 4 2100Z	1	Aug. 26, 1971
Atlanta-Rota-New Orleans		R/T	Sept. 18 2130Z	1	Do.
Charleston-Frankfurt/Naples-Rota-McGuire		R/T	Dept. Naples Sept. 6	1	Do. ¹
Kelly-S.E.A.-Kelly	R/T		Sept. 2	1	Do.
Travis-S.E.A.-Travis	R/T		Sept. 1 and 2	2	Do.
Norfolk-Rota-Norfolk	R/T		Sept. 8	1	Do.
Norfolk-Rota-Naples-Rota-Norfolk	R/T		Sept. 5 and 30	2	Do.
McGuire-Goose-Thule-Soddestrom-McGuire	R/T		Sept. 2, 9, 16, 23, and 30	5	Do.
Dover-Asmara-Dover	R/T		Sept. 2, 9, 16, 23, and 30	5	Do.
McGuire-Goose-Keflavik-McGuire	R/T		Sept. 1, 8, 15, 22, and 29	5	Do.
Cam Rahn Bay-McChord		O/W	Sept. 1 and 2	4	Do.
McChord-S.E.A.-Travis		R/T	Sept. 5	1	Do.
Cam Rahn Bay-McChord		O/W	Sept. 2	1	Do.
East Coast-S.E.A.-East Coast	R/T		Sept. 1, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 19, 21, 22, 23, 26, 27, 28, and 29.	21	Do.

¹ Special mission.

APPENDIX C

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS MILITARY AIRLIFT COMMAND,
Scott Air Force Base, Ill., September 8, 1971.

The principal purpose of the MAC airlift program is to develop, motivate, and maintain the mobilization base composed of US aircraft which are responsive to meet stated Joint Chiefs of Staff national emergency and expansion airlift requirements. National resources must therefore be managed so as to provide the maximum quantity and highest quality of required airlift.

In this connection, the matter of eligibility of US carrier aircraft leased to foreign carriers and under foreign registry for award credit in the MAC mobilization base procurement was raised in early 1971. The Air Force decided that the existing policy would not be changed to allow FY 1972 award credit for other than US registered aircraft.

Because of the questions raised in the evaluation concerning the availability and responsiveness of leased aircraft, MAC has been directed to conduct a review of the policy of awarding credit for all categories of leased aircraft which might be offered to the mobilization base program. The result of the review will provide the basis to determine whether or not any policy changes are necessary for FY 1973 procurement of airlift services. To assist in our review, your comments and recommendations are solicited. Specifically, it is requested that your response to this letter include answers and comments to the attached questions.

We would appreciate having your response by *mid-September* to meet the timetable for DOD's review of airlift policy.

Sincerely,

JAMES C. SHERRILL,

Lieutenant General, U.S. Air Force, Vice Commander.

Please provide answers to the following groups of questions concerning leased aircraft. Address responses to MAC/XPRC.

GENERAL

1. What control should a US air carrier retain on CRAF aircraft leased to other carriers to insure 10 hours a day utilization and response to the various stages of activation?

2. Do you maintain a specific aircrew ratio to the number of aircraft in your inventory? If so, would that ratio maintain adequate qualified aircrews for 10 hours utilization on all CRAF aircraft, including aircraft on long-term dry lease?

WET LEASED

1. Are there any obstacles to allowing wet leased aircraft in the CRAF? Should wet leased aircraft, if allowed, receive full or partial award credit?

- (a) If wet leased to a US air carrier.
(b) If wet leased to a foreign carrier.

DRY LEASED TO US AIR CARRIERS

1. Should aircraft on short-term (less than one year) or long-term dry lease between US air carriers be considered suitable for CRAF allocation?

2. Should cargo aircraft leased to a non-CRAF US air carrier receive less award credit than aircraft in the physical possession of a mobilization base contractor? If so, what credit?

3. Can aircraft dry leased between a CRAF carrier and non-CRAF carrier be considered as responsive to CRAF activation and the 10-hour per day utilization rate as aircraft dry leased between two CRAF carriers?

4. How would total or partial loss of award credit affect your tentative decision on lease of CRAF eligible aircraft to US air carriers?

AIRCRAFT DRY LEASED TO FOREIGN CARRIERS

1. Do you anticipate in the next five years leasing any of your CRAF cargo or convertible aircraft to foreign air carriers? If so, how many of these aircraft might be leased at any one time? Would such a lease be short term (less than one year) or long term?

2. How would total or partial loss of award credit affect your tentative decision on lease of CRAF eligible aircraft to foreign air carriers?

3. If you were to require an effective recapture clause enabling you to repossess a foreign leased aircraft immediately in the event that the Department of Defense activated CRAF, how much do you estimate this would affect the annual rental you can get for the aircraft? Alternatively, how much do you estimate you might have to pay to the foreign operator if you did repossess the aircraft?

4. Would you agree to contractually commit your company to maintain the readiness of the aircrew and maintenance personnel required to operate and maintain aircraft dry leased to foreign operators? If so willing, would you accede to compensate the Government for failure to perform as stated in the contract?

5. Would you contractually agree to monitor the continuing airworthiness of CRAF aircraft dry leased to foreign operators by performing required FAA inspections (or having them performed by FAA certified inspectors) according to your certificate holders manual? In order to confirm such inspections and simplify reregistration procedures, would you keep all aircraft records up-to-date in accord with FAA regulations?

6. Should US registered cargo aircraft leased to foreign airlines have a lesser award credit than aircraft in the physical possession of US air carriers? If so, what credit?

AIRCRAFT DRY LEASED TO FOREIGN CARRIERS AND REGISTERED IN OTHER COUNTRIES

1. If the Department of Transportation considers that it is able to allocate US owned cargo-capable aircraft which are leased to foreign airlines and registered in other countries, should they be allocated to CRAF? If so, should they be eligible for consideration in the annual MAC airlift procurement?

2. In your opinion, can US aircraft dry leased to a foreign carrier and registered in a foreign country be considered under the operational control of the lessor?

3. If foreign registered aircraft are determined to be eligible for CRAF, should they receive the same or a lesser award credit as other CRAF aircraft? If they should receive less, how much less?

4. What commitments, and what actions at the time the lease was entered into, would you consider necessary from (i) the foreign operator, and (ii) that operator's government, to satisfy you that the leased aircraft would in fact be returned to you promptly in the event of a CRAF activation (a) if it was still under US registry and (b) if it was foreign registered?

5. How much confidence would you have in the efficacy of such a recapture clause? If you had a recapture clause with the accompanying commitments and actions described in your answer to question 4, would you consider it sufficiently reliable to justify you, if necessary to get the aircraft included in the MAC mobilization base for credit in computing the amount of annual airlift contract, in agreeing to—

(a) Compensate the Government an amount equal to 100% of the award that year based on that aircraft's award points if the aircraft was not available for MAC use within 48 hours after CRAF activation as required in the MAC contracts?

(b) If your answer to part a is no, what is the minimum response time you would want to sign such an agreement?

6. How many of your CRAF cargo or convertible aircraft do you anticipate may be foreign registered at any one time while you are still the owner of record for purposes of the Convention on International Recognition of Rights in Aircraft?

AD HOC STATEMENT OF HON. PHILIP N. WHITTAKER, ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS); ACCOMPANIED BY MAJ. GEN. DARRIE H. RICHARDS, ASSISTANT DEPUTY CHIEF OF STAFF FOR LOGISTICS, U.S. ARMY

Mr. WHITTAKER. Thank you, Mr. Chairman.

I feel after these statements a little like the fellow who was tarred and feathered, and ridden out of town on a rail, who made the remark on his way out of town, "If it weren't for the honor of this thing, I would just as soon walk."

I would like to deliver myself, if I may, sir, of an ad hoc statement that is, I hope, responsive in part to some of the problems raised by the earlier witnesses.

Let me go back very quickly, if I may, sir, to the fundamentals. When looking at the military airlift problem, the Air Force has felt consistently over the years that it needs both organic and commercial strategic airlift. We consider tactical airlift, by the way, to be a separate and purely military function.

The type and size of the Air Force's organic strategic airlift has got to be determined by our Department of Defense contingency plans, and that is the basis on which we have structured the C-141 and the C-5 fleet. We believe that in peacetime we have got to maintain our capability to deal with contingencies within the times allotted and under the conditions specified by the Joint Chiefs of Staff.

To do so, we have got to maintain proficiency, we have got to train

our people, not only our flight people but our support people; we have got to exercise our fleet at least to a minimum level.

Senator CANNON. Wouldn't that also carry with the ability to respond quickly if the situation does arise rather than operating at practically full capacity prior to that time?

Mr. WHITTAKER. That's right, sir, and what we have done, as I think we have testified previously, is, for example, to reduce the flying hour program in the Military Airlift Command down to 4 $\frac{1}{4}$ hours for the regular Air Force, plus a half hour a day for the Reserves, for a total of 4.75 hours a day. This then gives us some surge capability of going up if conditions suddenly demanded it. So, our position, Mr. Chairman, has consistently been that to the extent this maintenance of a readiness capability gives us a cargo carrying capability, we believe that we should be using this in the interest of the taxpayer.

At the same time, we have been conscious, very conscious of the importance of a healthy air carrier industry. Incidentally, the total military carriage of passenger and cargo and mail, the whole business, represents something in the order of 12 percent of the revenue of the commercial carriers. So in one sense, we are not a predominant user of the commercial carriers, although we are obviously an important one.

Senator PEARSON. Mr. Secretary, in any way that you want to, make this measurement for me: What is the difference in cost in a given flight or a given month or a given period of flying hours or a given gross weight of cargo, what is the difference in cost between contracting with civilian carriers and carrying through military air cargo?

Mr. WHITTAKER. Senator, the last figures I have show that the cost of operating the C-5 is 2.3 cents per available ton mile, the cost of the C-141 is about 5 cents per available ton mile, and commercial is costing us about 7.7 cents per available ton mile.

Senator PEARSON. And your 5 cents is what?

Mr. WHITTAKER. The C-141, sir.

Mr. Chairman, if I may continue, sir, in the May 19 and June 24 hearings before your committee, we testified that we contemplated in fiscal year 1972 carrying international cargo in the amount of approximately \$43 million during this current fiscal year. Then, in our July 20 letter to you and in conversation with your staff at that time, the middle of July, we reported that that \$43 million looked as though it was going to increase to approximately \$85 million. We also at that time reported that the Army was initiating a program called the routine economic airlift program which we had hopes that over time would develop into some significant ton mileage.

Incidentally, on my left this morning, I have Maj. Gen. Darrie Richards, who is Assistant Deputy Chief of Staff for Logistics in the Army, who has been invited to come over here with the thought that he might tell you a little more about the so-called REAL program.

As a result of those conversations and the letter of July 20, there was a press release issued by your office on July 20 which, if I may quote in part from that press release, said:

The Committee has temporarily deferred action on S. 1821 because of information provided to the Committee only yesterday by the Air Force.

It goes on to say:

In a briefing and memorandum submitted to me yesterday, the Air Force indicates that in the current fiscal year (1972) international cargo business for

the CRAF carriers will be increased from a level programed this spring at \$43 million to close to \$85 million in fiscal year 1972. This increase of nearly 100% over that previously programed, will result in the nation's air carriers carrying nearly 20% of the total DOD military cargo destined for international shipment. Projections given the Aviation Subcommittee in May during hearings indicated that the DOD would carry more than 90% of its international airlift needs in the Air Force's MACC-141 and C-5A aircraft.

Going on it said :

In addition to nearly doubling the amount of business available to the civil carriers in the current fiscal year the Air Force has pointed out that the Army is about to begin a major new shipment by air program that will increase air cargo tonnage in the magnitude of 200,000 tons per year in the foreseeable future.

While it is not possible to estimate the amount of new business which will accrue to the civil air carriers as a result of this program, it should be significant.

Mr. Chairman, the reason I read the excerpts from that July 20 press release is to simply say to you, sir, that those statements were valid at the time they were made and in fact, they remain valid.

Senator CANNON. How do you reconcile, then, the statement there and your statement where you use the \$85 million figure. You say that the REAL program has generated about \$13 million, and you are still talking about the same \$85 million figure. It seems to me we have lost \$13 million there some place.

I realize to you people that may not be very much, but it is to some of us.

Mr. WHITTAKER. Mr. Chairman, the \$85 million figure, as was the \$43 million and as the \$13 million is, are all estimated figures, and we did not frankly consider that the amount of revenue accruing from the REAL program in this current fiscal year was going to be significant enough to upset the statements that we had made.

As a matter of fact, subsequent to that exercise out of which we computed the \$85 million, I have had an updated computation made within the last 48 hours that tells me that we may be coming up with something like \$94 million in fiscal 1972, and yet I don't feel that these kinds of statements are the kinds of things that we should be shifting and modifying on a day-by-day basis.

Senator CANNON. Of course, if you add to your original estimate your \$85 million and that \$13 million for REAL, that would bring you up really to \$98 million.

Mr. WHITTAKER. That's right, sir. So, the point was that we consider this to be within the estimating accuracy error range at the time we made the \$85 million estimate.

As I say, today, although we still officially hold it to the \$85 million figure, my personal opinion is that that is very conservative and, as I say, I have another figure of \$94 million that we have not offered officially, but which I wanted to simply advise you of unofficially.

That point, sir, I am trying to make is what we said in July and what we reiterated in September is still valid, it looks to us as though the total international air cargo is going to be \$85 million or higher, the total amount of business that will be paid by the Department of Defense to the commercial airlines is going to near three-quarters of a billion dollars. It looks to us as though something in the order of 30 percent—between 30 and 40 percent—of our total air carriage will be by commercial carriers, and it seems to me, Mr. Chairman, that the enactment of S. 1821 would serve as a detriment to what we like to

feel is a close and positive relationship that we have with the airlines in trying to work out these very difficult problems of passenger and cargo carriage.

Senator CANNON. I must say, in looking at one of these exhibits, I don't see how you can say it is a close and positive relationship when you call on the carriers with 1-day's notice to see if they can handle 10 flights in a period of 2-weeks' time. I don't know too much about this business, but it seems to me from what little I do know that that is kind of unrealistic. To call a carrier with that kind of an investment with 1-day's notice to say in a period of 2 weeks we can do this for you, it would seem to me that they must have an awful lot of equipment on the shelf standing there ready and waiting for that phone call.

Mr. WHITTAKER. This short notice has been a problem over time, Mr. Chairman, and I can only say unfortunately this seems to be the name of the game, the nature of the business. We continually try to work to improve this, but all I can say is I agree that it represents a real problem.

Senator PEARSON. What happens, Mr. Secretary, if the air carrier cannot meet your time requirement on short notice?

Mr. WHITTAKER. One of several things happens, sir. Either we try to schedule a MAC flight or we try to reschedule and rearrange the requirement for shipment, if we can, to accommodate to a schedule that can be met.

Senator CANNON. And the air carrier loses credit, does it not, with respect to CRAF; it loses points?

Mr. WHITTAKER. There is no loss in points, no, sir.

Senator CANNON. Is there anything they lose as a result of not being able to respond when you call on them like that?

Mr. WHITTAKER. They lose the revenue that they otherwise would obtain from flying that particular trip.

Senator CANNON. And that is all?

Mr. WHITTAKER. They suffer no other penalty other than the fact that they can't handle that particular flight?

Mr. WHITTAKER. That's right, sir.

Senator CANNON. In your letter of September 21, you said, and I quote:

To accommodate these added requirements, the capability of the military airlift force was increased to the maximum extent practical within existing resources.

Now, does this indicate that MAC flying hour program was increased from the programed 4.25 hours per day?

Mr. WHITTAKER. Yes; what happened, Mr. Chairman, was that during that period of time we went to the commercials, and I think their point about going on a short notice basis is a valid problem that we are trying valiantly to lick, but nonetheless, we went to the commercials and they could not provide all of the airlift that was required during that period of time. We, therefore, increased the flying hour program on the C-141's from this 4.75 hours a day to 5.45 hours a day during July, and to 5.06 hours during August, a rather moderate increase in daily flying hours, but nonetheless some increase to take care of the traffic.

Our estimate is that during September the rate will be approximately the same as August.

Senator CANNON. What about the C-5?

Mr. WHITTAKER. The C-5 during July flew 2.33 hours per day, and during August 2.54 hours per day, and again September is expected to be approximately the same as August.

Senator CANNON. What is your objective for the C-5 as to flying hours?

Mr. WHITTAKER. Eventually we hope to get to the 4.25 level, the same as for the C-141.

Senator CANNON. Does this mean that you are going to be hunting additional cargo to carry in the C-5 when you increase that hourly utilization?

Mr. WHITTAKER. Absolutely. That is one of the reasons why we are trying to be just as friendly to the Army as we know how to be.

Senator CANNON. You are going to be double the size of the C-5 fleet. How many do you now have?

Mr. WHITTAKER. Forty-eight aircraft have been produced.

Senator CANNON. So you have 33 to go. This means that you are just about going to double your capacity and double your flying hours; is that correct?

Mr. WHITTAKER. That's about right, sir.

Senator CANNON. Whose hide are you going to take it out of?

Mr. WHITTAKER. Well, by the time the entire C-5 force is delivered and flying 4.25 hours a day, we hope that the REAL program and other programs will have come into full fruition to the point where they will be absorbing this capacity and perhaps then some, because the entire C-5 force will not be flying 4.25 hours a day for about another 2 years.

Senator CANNON. Now, the committee has information that MAC cargo business procured from the civil industry during July, August and September was procured primarily because of a special problem which confronted the military concerning unaccompanied baggage, household goods and personal effects of servicemen returning from overseas assignments. These items were stockpiled and delayed at ports in the Far East to such an extent that it required emergency procurement to relieve this over-saturated condition at the ports. The relief provided by the civil industry is apparent. Procurement has declined from approximately \$12 million in September to \$508,000 for November and no cargo expansion for December has yet been procured.

Now, I would like to ask this: Is this the only reason that you procured additional cargo, and why did you allow such a stockpile to build up in the first place, rather than farming this out to some of the civil carriers?

Mr. WHITTAKER. I would like to ask Mr. John Perry, who is my Deputy for Transportation, to speak to that.

Mr. PERRY. Mr. Chairman, there were several points involved there. First of all, the problems that we encountered in July and August were not merely associated with cargo returning to the United States, although that was a complicating factor. We also found that the level of outbound air cargo movement was substantially higher than had been forecast by the services.

I am not in a position to address why the flow of cargo was above forecast, but it was a two-way problem.

Second, I think it is very important to recognize that the Military Airlift Command receives what we call 80-day forecasts of traffic requirements from the three military departments. These are updated and adjusted forecasts delivered to MAC 80 days before the start of each operating month. Those 80-day forecasts have so far in this fiscal year tended to run significantly above the long-term forecast.

You mentioned the apparent drop to almost nothing in November. My figures indicate that MAC is anticipating a commercial cargo procurement in the neighborhood of \$8 million in November. They are just in the process in translating that—

Senator CANNON. Why do you keep that a secret from the carriers and wait and give them 1-day notices to see if they can respond? You say you require the services to give you an 80-day forecast. Do you give the carriers any kind of a forecast rather than sending them a TWX saying can you respond on 24-hours notice?

Mr. PERRY. Yes, Mr. Chairman. As the 80-day forecasts are received and processed by MAC, MAC goes through a rather extensive expansion procurement with the industry (this applies to passenger service and cargo service, incidentally) giving them as much advance notice as this 80-day forecast permits.

The short-notice requirements to which you refer reflect the fact that even these 80-day forecasts are just that they are forecasts. The actual generation of cargo, that is, the delivery of the cargo to the MAC aerial ports fluctuates literally from day-to-day and frequently results in a situation where for a short period of time, the amount of cargo being received in the ports is greater than that which was anticipated. It is when that sort of situation arises that MAC must go out to the industry on 24 hours' notice, as in the example that you cited.

That is not their normal way of doing business, and indeed it reflects a very small percentage of the total flow of cargo through the system.

Senator CANNON. Why does MAC continue to insist that the civil carriers only be used for the surge requirements rather than scheduling the civil carriers for an even flow and letting MAC take care of those surge requirements as they come up. This is the job of MAC, to respond in case of an emergency or in case of a surge type situation.

Why don't you reverse your process and give the civil carriers an even flow of scheduled traffic and let MAC take care of that surge, let them be able to respond to a minute's notice or 24 hours' notice or whatever it may be? You have got the flying hours there, so they can do it if they needed to do it?

Mr. PERRY. Secretary Whittaker has referred briefly to the relative cost of the different types of aircraft available to us. That obviously has to influence our decision.

Senator CANNON. I heard the costs, but you didn't figure any depreciation and you didn't figure any interest, and I don't think you figured the cost of the crews in there. Does that 2.3 cents per ATM on a C-5 include the cost of the crew over the long-range period, including the retired military costs and so on?

Mr. WHITTAKER. No, sir; it does not, and I have testified previously to the fact that this is an apples and oranges comparison, but nonetheless, it is the basis on which the Government agencies do their cost accounting.

They consider the acquisition costs of the aircraft as a sunk cost, and don't charge depreciation, for example.

Senator CANNON. So, it really is not a very fair comparison, because the 7 cents for the civil carriers applies to the whole package, that is the total cost, whereas your 2.3-cent cost on the C-5 and your 5-cent cost on a C-141 is just the tip of the iceberg?

Mr. WHITTAKER. Well, it is fair in the sense that it represents—

Senator CANNON. Just direct operating costs.

Mr. WHITTAKER. It reflects what the direct operating cost is, assuming you have to have the C-5's for contingencies in the first place.

Senator CANNON. I don't think we bought the C-5's to handle the REAL program. I think the record is pretty complete in the past the purpose for which we bought these aircraft and I think you would have a hard time selling them if some of the facts coming out now had been brought out at the time that we were going into these programs.

Let's get back to the question that I asked of Mr. Perry, and maybe you ought to answer that. Why can't you schedule an even flow of this business for the civil fleet and let MAC take care of the surge requirements as they come up, these short-notice requirements?

Mr. WHITTAKER. Mr. Chairman, that is exactly what we are doing as evidenced by the increase in flying hours programed during July and August, we are sharing the surge problem between MAC and the commercial carriers. We went to the commercial carriers and we got every bit of capability they had to offer us, and then we used the C-5's and the C-141's for the residual.

So, we would like to continue to do that, to share the surge problem between the organic and the contracted airlift.

Senator CANNON. What is the number of flying hours per day presently being flown by MAC crews? Or per month, any way you want to figure it, if you have it?

Mr. WHITTAKER. I would like to provide that, if I may, sir. I don't believe I have that right here.

(The information requested follows:)

Following is a résumé of the average hours flown per month (by crew position) by MAC airlift aircrews during August 1971:

	<i>Hours</i>
Aircraft commanders-----	47.2
Copilots-----	44.3
Navigators-----	59.2
Flight engineers-----	48.5
Loadmasters-----	45.1

The averages for September 1971 are not yet available however, they are expected to closely parallel those of August 1971.

Senator CANNON. In your September 21 letter, you estimate that 10,000 tons of cargo should be generated as a result of the REAL program in 1972. What percentage of that estimate will be carried by the MAC fleet and what percentage will be turned over to the civil carriers?

Mr. PERRY. I think it is very difficult to answer that question now, Mr. Chairman, because it will depend on exactly when that specific cargo goes into the system. It is flowing in as a part of the total flow of cargo for the Department of Defense. We will not segregate REAL program cargo from other cargo coming into the system.

The best figures that we have at the moment appear to indicate that the commercial carriers will transport just over 20 percent of our total cargo requirements for the fiscal year. We will not be keeping records

of the makeup of that 20 percent in terms of how it relates to something like the Army's REAL program.

Senator CANNON. Mr. Secretary, in your July 20 letter, you indicated that air cargo tonnage in the magnitude of 200,000 tons a year are foreseeable as a result of the REAL program. You estimate that for 1972 that 10,000 tons will be shipped.

Perhaps I should direct this to General Richards. When is it likely that the estimate of 200,000 tons a year will be reached?

Mr. WHITTAKER. I would like to ask General Richards to speak to that.

General RICHARDS. Mr. Chairman, we are just really beginning to develop this program at the present time, actually the 15th of September was the kickoff on it. We estimate that there are 7,000 tons per year as of now. We are hoping by January to be up at a level higher than that, on a sustained level of 10,000 to 12,000 tons a year. We are coming online with our data analysis program in February, and we would hope by the end of the current fiscal year that this requirement for REAL movement would be somewhere in the neighborhood of 20,000 short tons per year as a level of operation.

We have several things that need to be done before we really can predict at what point in the future we will attain a level anywhere near 200,000 tons per year. One of these essentials is an analysis that has to be made is on risk. As I am sure you are well aware, it is a lot easier to buy out of a surface supply system than it is to buy back in. As a consequence, these risk analyses must take place and experience data must be examined. Therefore I'm not in a position to tell you at any predictable time when we will reach a level of activity of 200,000 short tons per year in the program.

Senator CANNON. Do you think you ever will reach that level?

General RICHARDS. I think it is entirely possible, yes. It depends, of course, on many things, including the international situation.

Senator CANNON. Mr. Secretary, it is my understanding that both the Military Airlift Command and the Tactical Airlift Command maintain a complex scheduled military airlift service which parallels the routes of some of the scheduled carriers. I would like to know what type of equipment is used and with the abundance of scheduled flights, why are the military schedules maintained, and also, I would like you to direct your comments to the comments that were made by one of the previous witnesses with respect to the C-5 passenger use.

Mr. WHITTAKER. Mr. Chairman, let me speak first, if I may, to the last point.

Over 90 percent of the passengers, military passengers, are carried by commercial flights. I am not aware of any widespread continuing kind of passenger business that MAC is engaged in other than in filling empty space on flights that are otherwise scheduled.

Senator CANNON. What do you mean, "that are otherwise scheduled?" Do you mean that they are running a schedule of service, and if there is space available, then, they are going to make it available to these passengers; is that it?

Mr. WHITTAKER. If they are flying a cargo flight, for example, from some point on the west coast to Southeast Asia, and if there are some seats available on a cargo flight, they may wedge a few passengers in on the flight.

Senator CANNON. But does that imply that they are running a regularly scheduled service and therefore there may not be enough cargo to fill the aircraft on a particular schedule, but the aircraft is going to go anyway, so you may have some excess capacity?

Mr. WHITTAKER. It is my understanding that the Military Airlift Command does run regularly scheduled cargo flights to major military offload points, again, for example, Southeast Asia.

Senator CANNON. The testimony that we had a little earlier was that—

The MAC scheduled C-141 passenger operation is so extensive that it publishes public schedules of its services. Also for some time it has been operating regularly scheduled C-141 transcontinental passenger flights to accommodate DOD personnel from all services, both on official orders and on leave.

Is that correct?

Mr. PERRY. Mr. Chairman, the C-141 scheduled passenger flights which can be found in MAC's published schedules fall generally into three categories. In the first place, there are a certain number of routes around the world where the size of the Department of Defense requirement is such that only a very small number of flights are needed, and these flights are scheduled to handle a mixture of passenger and cargo business on a single aircraft.

For example, the last time I had occasion to look at the situation, MAC was flying two flights a week down into Central and Southern Africa in a configuration with the 141 that moved both our passenger requirements and our cargo requirements on the same aircraft. These appear in published schedules.

Secondly, MAC's 141's are used on a worldwide basis for our medical air evacuation missions which, generally speaking, are one-way missions, moving medical patients back to the United States. Those aircraft, when they are positioned, frequently carry regular passenger traffic on the outbound portion rather than to operate empty and then turn around coming in with the medical passengers.

Finally, there are, of course, a limited number of flights which involve special sizing considerations or which, for military reasons, call for using military aircraft. Transportation of Navy crews, replacement crews, has on occasion been accomplished with 141's because the Navy wished to have them moved as a unit, and the number of people that the Navy wished to move was not anything close to large enough to fill a commercial-chartered aircraft. We would have been operating with nearly half the seats empty if we had used a commercial aircraft.

Under those circumstances we have used the military 141's.

I would like to, if I may, touch just for a moment on your earlier question with regard to the use of passenger capacity on the C-5's. As I heard the statement earlier this morning, I think I was correct in understanding that the description of the types of people who are now permitted to use seats on the C-5 are those people who we refer to as "space available travelers." They are people whose transportation is not paid for by the U.S. Government.

In other words, there is no legal or regulatory authority by which we could purchase a seat for those people on a commercial charter flight. Retired people, people in a leave status, dependents who are moving in a situation where they are not authorized to travel at Gov-

ernment expense are commonly permitted to move on either military flights or charter commercial flights if there is in fact an empty seat, and I believe that is the essence of this new authorization for the use of C-5 space, simply that the aircraft has reached a point in its test and introduction program where we have determined that it is safe for these people to be permitted to use the seats on that aircraft.

There is not, to my knowledge, any conscious program of using the C-5 for meeting our passenger requirements.

Senator PEARSON. Mr. Secretary, I have a layman's notion and concern about this, and it goes beyond helping the air carriers who are in pretty bad shape now. It just seems to me when you withdraw from Vietnam, the Philippines, Korea, Okinawa, Japan, there is no doubt that we are going to see a substantial reduction of our forces in NATO—I think the mood of Congress is in that direction—as we withdraw, we cut back the necessity for overseas flights, cargo, personnel, at the very same time you are increasing the military cargo fleet.

If they are carrying 20 percent of the cargo now, I can foresee within a very short period of time when the total demand will decrease 20 percent as you increase your capability. Are we headed for a period when military air transport is going to do this whole job? Is that the policy of the Pentagon today?

Let me add one other thing: If that is the case and if I have correctly stated it, we are going to enter a period where the rapid and accelerated need to deploy all around the world will be greater than ever before.

Really, what is the policy? Have I exaggerated anything or misstated it?

Mr. WHITTAKER. Senator, let me respond by saying that my personal feeling is that your prophecy with respect to pulling back from around the world is indeed valid. It seems to me that as you do that, the requirement to have the capability represented by aircraft such as the C-5 increases in importance. Unless you wish to assume a purely isolationist viewpoint, it seems to me you do have to be prepared continually over time in the future to be able to put troops and equipment aboard aircraft and fly them to troubled spots around the world on relatively short notice.

Now, with respect to the other half of your statement relative to what happens to the cargo and to the passengers, the fact is that in the case of Southeast Asia, for example, over 95 percent of all the cargo that went to Southeast Asia went by sea, went by surface, and, therefore, it will not take a very sizable reduction in the surface transportation of cargo to fill every commercial and every military aircraft you could lay your hands on to contend with a contingency of that type in the future.

Furthermore, as I think the Army REAL effort indicates, and as we believe we have proven in the Air Force, it is an awful lot cheaper, particularly for high-value inventory items, instead of having them sitting in warehouses all around the world for issuance as needed, it makes an awful lot more economic sense to keep such items in relatively smaller numbers back here in a single central depot in the country, and then to air supply whatever units that are located wherever they may be around the world.

So, the idea of not having to have as many depots around the world, as much prepositioning, seems to many of us to make economic sense. All of this seems to us to imply the generation of additional air cargo. So, I for one feel that as the full complement of C-5's get flying their full flying hour program, there will indeed be a requirement for these and we may in fact find we would like to have some more aircraft of that general type sometime out in the future.

Senator PEARSON. If you will pardon a personal reference, I was in the Navy Air Corps in World War II and by happenstance I ended up in NATS, Naval Air Transport Service. As we came out of Pensacola and Corpus Christi, we didn't know an awful lot about flying transport, and we really built NATS by going to the airlines, taking their airplanes and taking their pilots to start.

That will not be the case in the future. You are going to already have your air transport system set up and going with your C-5's and all the rest.

Mr. WHITTAKER. We certainly hope we will, sir.

Senator PEARSON. And whatever flexibility and whatever capacity you need to act quickly on an emergency situation, you hope to have that already in being in the Air Force?

Mr. WHITTAKER. We certainly do, sir. We believe that if you reduce the flying hour program significantly below 4.25 hours or some such level, you in fact begin to severely impact on the readiness of the crews and on the airworthiness of the aircraft.

Senator PEARSON. What do you see as the role in the future for the commercial air carriers?

Mr. WHITTAKER. It seems to us that the commercial air carriers should and will continue to carry the very high percentage of all international military passengers, No. 1; and No. 2, it seems to us that they will continue to carry at least some level of air cargo.

Senator PEARSON. What would this bill cost, S. 1821?

Mr. WHITTAKER. We have computed that it would cost something in the order of \$140 million over and above what we have in our appropriation bill this year sir.

Senator PEARSON. Which you estimate to be about \$84 million?

Mr. WHITTAKER. Actually we have in the budget \$43 million.

Senator PEARSON. Thank you.

Senator CANNON. The official estimate is, if S. 1821 were enacted, that an increased appropriation of at least \$100 million would be required by DOD in fiscal year 1972? But that doesn't mean that the overall cost is \$100 million more, does it, because of these factors that we have discussed previously?

In other words, your cost is direct operating costs and does not include the added factors?

Mr. WHITTAKER. That's right, sir. This means we would require an additional \$100 million in appropriations to pay for the commercial carriage of cargo.

Senator CANNON. Would you supply us how many flights a month are scheduled by MAC and the TAC, how many passengers a month are required to utilize these flights, and what percentage of the total of passengers carried on military flights are on official orders versus leave and so on.

Mr. WHITTAKER. Space available?

Senator CANNON. Space available.

Mr. WHITTAKER. Yes, sir, we will provide that for the record.
(The information requested follows:)

MAC and TAC operate mission oriented courier systems in the Continental United States connecting the primary operating bases of each command. MAC operates an average of 52 such flights per month and TAC operates 82. The bulk of these flights are operated with conventional prop engine aircraft of the T-29/C-131 category. The only exceptions are the scheduled MAC transcontinental flight which operates between the East and West Coast Aerial ports and the East Coast Shuttle which operate with C-141 aircraft. An intransit stop is made at Scott AFB and Hill AFB.

The primary purpose of the MAC courier flights is to move operational crews to their home stations as rapidly and expeditiously as possible. Austere manning in the air crew category dictates that air crews be returned to their home station with the least possible delay so that they may become available for subsequent mission assignments. Over 130 crews per month are repositioned by this courier system. The use of commercial service for crews terminating at Dover AFB for example, would require the movement by ground transportation to Philadelphia, New York and Newark. The resulting crew delays, inconvenience, personal hardships and cost makes the courier system essential.

The couriers are also used to move NORS (not operationally ready for supply) parts, sensitive courier material and TDY (temporary duty) personnel. Specifically the Inspector General, air crew standardization and airlift command post evaluation teams use this as a primary means of transportation in the accomplishment of their inspection and evaluation tasks. Of additional importance is the use of these missions by TDY personnel transporting classified material who are not authorized to travel aboard commercial aircraft because of potential skyjacking threats.

Finally, these courier (T-29/C-131) flights provide flying training hours for pilots and navigators who must maintain currency in multi-engine aircraft. Extensive use is made of these flights to pick up NORS and critical items of supply at AFLC depots. These items are required on an immediate and unscheduled basis to put an aircraft in commission. During the past 15 months MAC has moved a monthly average of 2973 duty passengers including 1300 aircrew members being repositioned, and 3229 space available travelers on ordinary or emergency leave orders.

The TAC courier system is used for similar purposes. Essentially, the TAC flights are used for training and performance of operational mission purposes. The service is provided by T-29 and C-118 aircraft between widely scattered and relatively isolated bases. During the past 15 months TAC has moved an average of 2133 duty passengers and 1331 space available travelers per month.

Senator CANNON. Staff advised me that recently an announcement was put out inviting noncertificated carriers to participate in intra-U.S. carriage. Is that a policy of the DOD, to go beyond the certificated carriers for carriage in the United States?

Mr. WHITTAKER. I think that refers to an action taken by the Military Traffic Management and Terminal Service, Mr. Chairman, not anything to do with MAC or the Air Force. I can obtain the information.

Senator CANNON. Wouldn't that come under your jurisdiction as a spokesman for DOD? Isn't that under DOD?

Mr. WHITTAKER. I will have to obtain the information and provide it to you, sir.

Senator CANNON. You supply that for the record.
(The information follows:)

No invitation to non-certificated carriers has been issued by the Military Traffic Management and Terminal Service (MTMTS). In response to representations made by Air California and Pacific Southwest Airlines (certificated for interstate service by the Public Utilities Commission of the State of California) MTMTS informed the carriers that they could be used for interstate charter service only if they obtained from the Civil Aeronautics Board (CAB) (1) a certificate authorizing the performance of such service, or (2) an exemption to provide this type service, or (3) an opinion that a certificate or exemption is not necessary and that the particular services may be performed on a "private carriage" basis. These two airlines filed their respective applications

for Exemption with the Civil Aeronautics Board on 31 August and 10 September 1971. Answer to these applications was filed on behalf of the DOD by the Chief Regulatory Law Division, Office of the Judge Advocate General, Department of the Army. The answer stated in part: "the national defense is served by the availability of added capability and competition which would exist upon granting the instant applications. Wherefore, the Department of Defense supports the underlying basis for these applications and respectfully requests the Board to consider them favorably." The carrier applications are pending action by the Board.

Senator CANNON. Do any of you gentlemen have anything further to add?

General RICHARDS. I would only say, sir, that the success of our REAL program will depend, of course, on a generally declining tariff rate to the Army. The generation of additional cargo, since this is an economic formula, would be very much dependent upon the continued downward trend of MAC tariffs. That is one of our hopes.

Senator CANNON. I thought it was pretty well established that by reason of reduced inventories and time in the pipeline that the tariff itself was not too important a factor, because you would have very substantial savings. Am I wrong on that?

General RICHARDS. Certainly it is a part of the formula. We take into account the reduction in inventory, which is a one-time cost savings, and the reduction in the pipeline, as we'll call it, or the amount that is committed to be in motion, also as a one-time cost saving. We take as continuing cost avoidance the savings generated by reduced facilities for storage, reduced pilferage, reduced loss from deterioration even taking into account, if you will, the interest charges that would be reasonable on the inventory that has been saved. Then we balance this off against the differential between the cost of air and surface transportation. There is a very definite relationship to the amount of cargo that would flow into the air stream and the cost per ton-mile. As the cost per ton-mile comes down for airlift, additional cargo flows naturally toward air.

Senator CANNON. Isn't it a fact at the present day cost per ton-mile, you can achieve very substantial savings in this type of program?

General RICHARDS. This is quite true. Our calculations at the present time are based on the recent rate to the Army of 10.28 cents per ton-mile.

Mr. WHITTAKER. Mr. Chairman, if I may, sir, there was some comment made by one of the earlier witnesses with respect to the foreign registry matter, and we would be glad to provide information on that.

Senator CANNON. I am sorry. I forgot to ask that. After the responses have come in from the carriers, would you supply to the committee the consensus or the results of those responses?

Mr. WHITTAKER. We will be glad to, sir.

(The information follows:)

The responses of the CRAF carriers concerning leased aircraft were expected to be received by the Military Airlift Command by 15 October 1971, with the summary of carrier responses to the Committee not later than 1 November 1971. Several of the major carriers have not responded to the MAC leased aircraft questionnaire and have been urged to expedite their comments. The summary as requested by the Committee should be provided by 17 November 1971.

Senator CANNON. Thank you very much, Mr. Secretary.

The hearings will stand in recess subject to the call of the Chair.

(Whereupon at 11:40 a.m., September 30, 1971, the hearing was adjourned to reconvene at the call of the Chair.)

of 1960 and with the first hearings held on 23 September 1960. The hearing in these applications was held in London on 10 July 1961. The hearing in the applications of the other parties was held in London on 10 July 1961. The hearing in the applications of the other parties was held in London on 10 July 1961. The hearing in the applications of the other parties was held in London on 10 July 1961.

Senator Caxson: Do any of you gentlemen have anything further to add?

General Harrison: I would only say, Sir, that the extent of our I.M.A. program will depend on a number of factors, this is true to the fact. The generation of additional capacity, this is an economic factor, would be very much dependent upon the cost of the program. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program.

Senator Caxson: I thought it was quite well established that the cost of reduced production and time in the program is the main factor. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program.

Senator Caxson: I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program.

Mr. Warriner: Mr. Harrison, I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program. I think that a very important factor would be the cost of the program.

Senator Caxson: Thank you very much, Mr. Harrison. The hearing will stand in recess subject to the call of the Chair. (Whereupon at 11:40 a.m., September 30, 1971, the hearing was adjourned to convene at the call of the Chair.)