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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548



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Dear Senator Mathias:

In your letter of May 24, 1971, you requested that we review and comment on a copy of a military cargo fact sheet concerning the relationship between the civil and the military air transport systems.

The opinion expressed in the fact sheet was that only through legislation would the proper balance between civil and military air transportation be ensured and that action programmed to achieve this objective was in motion. On May 11, 1971, House bill 8264 and Senate bill 1821 were introduced to provide the type of legislation suggested in the fact sheet, which is that a minimum of 50 percent of military cargo be placed with U.S. commercial carriers.

The Chairman of the Senate Subcommittee on Aviation, Committee on Commerce, in a press release dated July 20, 1971, stated that the Committee temporarily had deferred action on Senate bill 1821 because the Air Force had indicated that, in fiscal year 1972, international cargo business for the civil reserve air fleet would be increased from \$43 million to about \$85 million. In addition, the Air Force has indicated that the Army is about to begin a major new shipment by air program that should increase air cargo tonnage. As a result of these developments, the Committee feels that it is not now timely to report specific set-aside legislation when efforts are under way to ameliorate the situation by voluntary changes in procurement practices.

Enclosed is a copy of our comments to the Chairman, Committee on Commerce, U.S. Senate, on Senate bill 1821.

In summary, we commented that less than 10 percent of military cargo currently was allocated to the commercial air fleet and that, at the same time, commercial air cargo traffic had declined as a result of the current world economic condition. These facts make it difficult for airlines to maintain commitments of aircraft to the civil reserve air fleet and to obtain additional aircraft said to be needed in the event of national emergency. Although the 50-percent requirement

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contained in the bills is designed to resolve this problem, we believe that it may not be the best solution, as such a requirement might generate too much revenue to the airlines in some years and not enough in other years.

3 We have suggested to the Congress two possible alternatives: (1) appropriation by the Congress for each fiscal year of a fixed dollar amount to be expended by the military for commercial cargo airlift or (2) a direct subsidy designed to maintain the reserve fleet at a desired level. Under these alternatives the Congress could exercise more precise control over the specific amounts of money to be expended to keep the civil reserve air fleet program viable.

We shall be happy to discuss these matters with you or members of your staff.

Sincerely yours,



Comptroller General
of the United States

Enclosure

The Honorable Charles McC. Mathias, Jr.
United States Senate