

STATUS OF THE ENFORCEMENT PROCEEDINGS

October 14, 1953

In March the Board instituted an Enforcement Proceeding against the North American Airlines group charging violations of Board regulations concerning principally frequency and regularity and methods of ticketing. The regulations of which violations were charged were adopted by the Board in rule making proceedings without any opportunity on the part of the North American Airlines group to put in any evidence. The North American Airlines group filed an answer to the enforcement complaint and questioned the validity of these regulations on the grounds that the regulations had amended and reduced operating licenses without proper adjudicatory hearing. The matter was set for hearing on May 18, later postponed to June 23 on which date North American secured a temporary order from the United States District Court in Los Angeles, restraining the Board from going forward with the case. Further temporary restraining orders were secured from the United States District Court for the District of Columbia. On appeal to the Court of Appeals, the court declined to grant a further stay or written jurisdiction of the matter. A stay was then requested from the Supreme Court which was denied. The North American Airlines group in order to avoid a long and expensive hearing and the attending publicity, then agreed with the Board's enforcement attorney to stipulate all facts found to be true in the enforcement case. As the matter now stands, the stipulation is being entered into and will presumably be completed within or not more than two or three weeks. Thereafter there will be issued an Examiner's report and later a Board opinion and order which will undoubtedly revoke North American's operating authority.