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ESTABLISH MULTISTATE AUTHORITY TO OPERATE WASHINGTON-BALTIMORE AREA'S AIRPORTS

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON AVIATION

OF THE

COMMITTEE ON COMMERCE

UNITED STATES SENATE

NINETY-FIRST CONGRESS

SECOND SESSION

ON

S. 3128

TO AUTHORIZE THE STATES OF VIRGINIA AND MARYLAND
AND THE DISTRICT OF COLUMBIA TO NEGOTIATE AND ENTER
INTO A COMPACT TO ESTABLISH A MULTISTATE AUTHORITY
TO OPERATE THE WASHINGTON-BALTIMORE METROPOLITAN
AREA'S AIRPORTS, AND FOR OTHER PURPOSES

JUNE 11 AND 12, 1970

Serial No. 91-95

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ESTABLISHING MULTISTATE AUTHORITY TO OPERATE WASHINGTON-BALTIMORE AREA'S AIRPORTS

THURSDAY, JUNE 11, 1970

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

The subcommittee met, pursuant to notice, at 10 a.m. in room 1202, New Senate Office Building, Hon. Howard W. Cannon, presiding.
Present: Senators Cannon, Spong, and Pearson.

OPENING STATEMENT BY THE CHAIRMAN

Senator CANNON. The hearing will come to order.

Today's hearing has been called to hear testimony on S. 3128, introduced by Senator Spong.

Briefly, the bill would authorize and encourage the States of Virginia and Maryland, and the District of Columbia, to negotiate and enter into a compact for the purpose of establishing a multistate authority to operate the Washington-Baltimore metropolitan area's airports.

Under the terms of the bill, once such a compact has been approved by the appropriate State authorities and by Congress, then the Washington National Airport and Dulles International Airport would be turned over to the multistate authority for operation.

There has recently been much criticism both from Members of Congress and from the Washington community regarding the operations and the future of the Washington National Airport. While operations at Washington National are not directly involved in the bill before committee today, I have no doubt that a discussion of those matters will be involved in consideration of this legislation. I do hope, however, that the witnesses will particularly focus their testimony on the proposal before us and whether the three airports in the Washington metropolitan area should be combined into a regional authority and, if so, what form such an authority should take.

(The bill and agency comments follow:)

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

91ST CONGRESS
1ST SESSION

S. 3128

IN THE SENATE OF THE UNITED STATES

NOVEMBER 10, 1969

Mr. SPONG introduced the following bill; which was read twice and referred to the Committee on the Judiciary

DECEMBER 17 (legislative day, DECEMBER 16), 1969

The Committee on the Judiciary discharged, and referred to the Committee on Commerce

A BILL

To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Congress finds that—

4 (1) airport traffic in the Washington-Baltimore
5 metropolitan area will increase threefold by 1980;

6 (2) the Washington and Baltimore regions con-
7 stitute a single air transportation market which is served
8 by commercial airlines certified by the Civil Aeronau-

1 tics Board to use any one of the three major airports—
2 National, Dulles, or Friendship;

3 (3) there now exists no means of coordinating the
4 use of existing airport facilities in such area with the
5 result that about 65 per centum of all traffic is accom-
6 modated by one airport;

7 (4) there will be a need for new and improved
8 airport facilities and areawide planning and develop-
9 ment is the most efficient and economical way of meet-
10 ing the need;

11 (5) there are serious environmental problems asso-
12 ciated with airport operations in such area and there
13 exists no effective mechanism for dealing with them; and

14 (6) the jurisdictions served by such area's airports
15 should have a voice in their operation and no agency
16 now exists for that purpose, and such area is the only
17 metropolitan area in the Nation without some control
18 over its own airports.

19 SEC. 2. (a) The consent of Congress is given to the
20 States of Virginia and Maryland and to the District of Co-
21 lumbia to negotiate and enter into a compact for the purpose
22 of establishing a multistate authority to operate the Wash-
23 ington-Baltimore metropolitan area's airports.

24 (b) Such compact shall not be binding or obligatory
25 upon any of the States involved or upon the District of

1 Columbia unless and until it has been ratified by the legis-
2 lature of each such State and approved by the Congress
3 of the United States.

4 SEC. 3. Upon approval by the Congress of any compact
5 entered into pursuant to this Act the Secretary of Trans-
6 portation is authorized to convey to the multistate authority
7 established pursuant to such compact all right, title, and
8 interest of the United States in, and all control over, Wash-
9 ington National Airport and Dulles International Airport,
10 except for such interests or rights as the Secretary may
11 reserve for the purpose of carrying out his functions under
12 the Federal Aviation Act of 1958 or any other laws of
13 general application relating to aviation.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 17, 1970.

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

DEAR Mr. CHAIRMAN: Reference is made to your letter of December 30, 1969, requesting our comments on S. 3128, a bill to authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes.

The sponsor of the bill states that it is intended to provide a means for resolving the problems of coordinating air traffic, airport expansion, and airport operations between the three major commercial airports (Washington National, Dulles International, and Friendship International airports) serving the Washington-Baltimore air transportation market area by authorizing negotiation of a compact to establish a multistate authority to operate the airports.

Although the means to be used for achieving the objectives sought are policy matters for determination by the Congress, the bill does not delineate the manner in which the multistate authority shall accomplish these objectives. Accordingly, we offer the following comments for consideration by the Committee.

The bill identifies certain of the problems relating to air traffic, but does not deal with the financial considerations involved in organizing and operating such a multistate authority. These considerations would include such matters as terms and conditions for transferring existing facilities to the authority, financing capital improvements, establishing charges to users of the airports, and disposition of net revenues from operations.

The sponsor of the bill may anticipate that the problems involved would be resolved during the negotiation of the compact. However, if the bill is to be considered favorably, the Committee may wish to provide guidelines as to what compact terms and conditions might be acceptable to the Congress. If it is not deemed feasible at this time to incorporate such guidelines in the bill, general guidelines could be included in the Committee report on the bill.

One of the major problems noted in the bill is that there now exists no means of coordinating the use of existing airport facilities in the Washington-Baltimore area. Under present legislation, commercial airlines must have the approval of the Civil Aeronautics Board (CAB) before they can provide scheduled air service into the Washington-Baltimore area. The CAB, in approving scheduled air service into this area, has in only a very few instances specified the airport which the airline must use. Therefore, in the majority of cases, the airline is free to use the airport of its own choosing—Washington National Airport, Friendship International Airport, or Dulles International Airport. Consequently, coordination of air traffic by the multistate agency may be difficult if not impossible to accomplish without providing some additional authority in the proposed legislation. In this regard, the Committee may wish to consider providing the multistate agency with the authority to direct commercial air traffic to specific airports in the Washington area.

We suggest that the Committee consider providing for appointment by the President of a Federal representative to participate in the compact negotiations. Such representation could contribute to the development of an acceptable compact.

Section 3 of the bill would authorize the Secretary of Transportation to convey all right, title, and interest of the United States in, and all control over Washington National and Dulles International Airports to the multistate organization established pursuant to a compact approved by the Congress. The bill contains no provision, however, with respect to the conveyance by the City of Baltimore of right, title, and control over Friendship International Airport to the multistate authority. Accordingly, the Committee may wish to stipulate in the bill whether congressional approval of the proposed compact will be contingent upon conveyance of right, title, and control of Friendship International Airport to the multistate authority.

In addition, Section 3 of the bill provides that the Secretary may reserve certain rights or interests for the purpose of carrying out his functions under the Federal Aviation Act of 1958 or any other laws of general application relative to aviation, but the bill does not specifically identify the rights or interests that should be retained. The Committee may want to consider providing general guidelines as to the nature of the rights and interests to be reserved.

Sincerely yours,

LAWRENCE J. POWERS,
For the Comptroller General of the United States.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C. June 10, 1970.

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. 3128, a bill "To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes."

Under section 2(b) of the bill, such compact would not be binding or obligatory upon either of the States involved or upon the District of Columbia until it has been ratified by the legislature of each State and approved by Congress. Thus, in effect, the bill would merely encourage the named States and the District of Columbia to negotiate and enter into such compact, subject to a later grant of the consent of Congress under the Compact Clause (Art. I, § 10, cl. 3) of the Constitution. Section 3 would provide that upon such approval the Secretary of Transportation is authorized to convey to the multistate authority established pursuant to the compact all right, title, and interest of the United States in, and all control over, Washington National Airport and Dulles International Airport, except for such interests or rights as the Secretary may reserve to carry out his functions under the Federal Aviation Act of 1958 or other laws of general application relating to aviation.

Legislation encouraging various States to negotiate and enter into an interstate compact on a subject which may affect Federal interests, such as the apportionment of the waters of an interstate stream, has frequently provided that a Federal representative appointed by the President shall participate in such negotiation and make a report to the President and Congress of the proceedings and of any compact entered into. *E.g.*, Pub. L. 85-184, 71 Stat. 466. More recently, § 301(c) of the National Capital Transportation Act of 1960, 40 U.S.C. 671(c), provided for the participation of a Federal representative in the negotiation of a compact between the States of Maryland and Virginia and the District of Columbia establishing an agency to perform governmental functions of a regional character in the National Capital region, including the provision of regional transportation facilities therein. Whether the Federal interests in Washington National and Dulles International airports may make it advisable to amend the bill to include a provision along such lines involves a question on which the Department of Justice defers to the Department of Transportation.

Whether the bill should be enacted similarly involves questions on which the Department of Justice similarly defers.

The Bureau of the 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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
EXECUTIVE OFFICE,
Washington, D.C., June 11, 1970.

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

DEAR SENATOR MAGNUSON: The Commissioner has for report S. 3128, a bill "To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes."

On the basis of Congressional findings set out in S. 3128, the bill would grant Congressional consent to the States of Maryland and Virginia and to the District of Columbia to enter into a compact for the purpose of establishing an authority to operate the Washington-Baltimore metropolitan area's airports. Among the findings of concern to Congress are the uneven distribution of air traffic among the various airports in the Washington-Baltimore metropolitan area and the serious environmental problems associated with airport operation which have not been solved under existing institutional arrangements.

Upon the approval by Congress of any compact entered into under the authority of S. 3128, the Secretary of Transportation would be authorized to convey Washington National Airport and Dulles International Airport to the new authority.

The Commissioner of the District of Columbia is also concerned with the problem of air traffic in the Washington-Baltimore metropolitan area. Although no airport exists within the District of Columbia proper, the city is clearly affected by the operation of those airports which surround the city and serve the District's residents. As an example of the impact on the District, National Airport, which is the oldest and smallest of the three major airports in the region—National, Dulles, and Friendship—is currently serving 65% of the region's demand. This imbalance and the strain on National's facilities has had adverse effects in terms of air and noise pollution on the residents of the District of Columbia.

The Commissioner of the District of Columbia believes that a multistate authority consisting of Virginia, Maryland and the District of Columbia could be better able to efficiently operate the airports in the Washington-Baltimore metropolitan region and, at the same time, reflect, the needs of the individual jurisdictions involved. However, with regard to whether S. 3128 would provide the most desirable type of agency for operating the area's airports, the Commissioner defers to the appropriate Federal agencies.

The Commissioner of the District of Columbia has been advised by the Bureau of the Budget that, from the standpoint of the Administration's program, there is no objection to the submission of this report to the Congress.

Sincerely yours,

GRAHAM W. WATT,
Assistant to the Commissioner.
FOR WALTER E. WASHINGTON,
Commissioner.

DEPARTMENT OF STATE,
Washington, D.C., June 11, 1970.

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

DEAR MR. CHAIRMAN: I have received your letter of December 30, 1969, in which you request the comments of the Department of State on S. 3128, a bill "to authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes."

The Department perceives no foreign relations objection to the proposed legislation.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary for
Congressional Relations.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 12, 1970.

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. 3128, 91st Congress, a bill "To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes". The Department of the Air Force has been assigned the responsibility for expressing the views of the Department of Defense.

The purpose of S. 3128 is to authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into an interstate compact, establishing a Washington Metropolitan Area Airport Authority. That compact

would have to be approved by the Congress and the State legislatures concerned, before it would have the force of law.

Enactment of S. 3128 would add one more government agency to the already large list of those concerned with civil aviation matters. Of direct interest to the Department of Defense, however, would be the charges which the new multistate authority, if established, might impose for the use of facilities at National, Dulles or Friendship airports. The Department of Defense has negotiated several agreements with the Federal Aviation Administration, covering military use of such facilities. It is not clear if S. 3128 would permit the new authority to modify or terminate such agreements, possibly to the disadvantage of the Department of Defense. Assuming that such Department of Defense interests will be appropriately considered, the Department of the Air Force, on behalf of the Department of Defense, defers to the Department of Transportation as the agency most directly concerned with the use and operation of civil airports.

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

The Bureau of the 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.

CIVIL AERONAUTICS BOARD,
Washington, D.C., June 15, 1970.

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

DEAR MR. CHAIRMAN: This is in reply to your request for the Board's views on S. 3128, a bill "To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes."

In recent years the Board has recognized that adequate service to the National Capital region requires coordinated use of the three Washington-Baltimore area airports—National, Dulles and Friendship. In view of the increasing amalgamation of the Washington and Baltimore areas, and the significant portion of Washington traffic served by Friendship, the Board has often certificated new long-haul service to Washington/Baltimore as a single hyphenated point. In some cases, the Board has expressly prohibited the use of National for service to the Washington/Baltimore area in order to avoid further congestion at that airport. In addition, the Board instituted an investigation in June 1967 (*Washington-Baltimore Airport Investigation*, Order E-25319) as to the adequacy of service at the National Capital area's airports, although the Board recently terminated the investigation in view of the FAA's limitation of aircraft operations at National, the improved conditions at National, and the increased usage of Friendship and Dulles (Order 70-4-134, April 27, 1970).

Recent studies by the Federal Aviation Administration forecast that commercial air traffic will continue to increase in the Washington area through the decade of the 1970's. In the Board's view, this traffic growth will increase the need for coordinated use of the three major Washington-Baltimore airports. Furthermore, it is the Board's view that placing all three airports under a common administration would provide the most effective means for systematic planning to develop the airports in accordance with total regional needs.

In view of this, the Board favors the objectives of S. 3128. However, the Board defers to the views of the Secretary of Transportation—as the operator of National and Dulles—as to whether the bill is the most appropriate method for accomplishing its objectives.

The Board has been advised by the Bureau of the Budget that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

SECOR D. BROWNE, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PREPAREDNESS,
OFFICE OF THE DIRECTOR,
Washington, D.C., June 15, 1970.

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

DEAR MR. CHAIRMAN: This is in reply to your request for an expression of the views of this Agency concerning S. 3128, 91st Congress, a bill entitled:

"To authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area's airports, and for other purposes."

This bill would authorize the States of Virginia and Maryland and the District of Columbia to enter into a compact for the purpose of establishing a multistate authority to operate the Washington-Baltimore metropolitan area's airports. The Secretary of Transportation would be authorized to convey to the multistate authority established pursuant to the compact all rights, title, and interest of the United States in both Washington National Airport and Dulles International Airport except for such rights as he may reserve for the purpose of carrying out his functions under the Federal Aviation Act of 1958 or any other laws of general application relating to aviation.

In the interest of national defense preparedness, this Agency generally favors measures which will strengthen the common carrier systems of the transportation complex of the United States. We defer to the views of the Department of Transportation and other agencies which would be charged with administering this legislation as to whether S. 3128 would achieve that goal.

From the standpoint of the Administration's program, the Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely,

G. A. LINCOLN, *Director.*

Senator CANNON. This morning we will hear from Senator Dominick, Congressman Gilbert Gude of Maryland, the Department of Transportation, the Air Transport Association, and the Washington Metropolitan Board of Trade in that order.

First of all, Senator Spong of Virginia wishes to make a statement on behalf of his bill and we will hear from him at this time.

STATEMENT OF HON. WILLIAM B. SPONG, JR., U.S. SENATOR FROM VIRGINIA

Senator SPONG. Mr. Chairman, thank you very much.

In the interest of time, I will forgo reading my prepared statement, which I would ask at this time to be made a part of the record—

Senator CANNON. It will be made a part of the record.

Senator SPONG. I should like only to say that since the implementation of this legislation, should it be enacted, will take a period of 2 years or more, that I am suggesting in the opening statement that the committee give thought to providing for a community advisory committee to function during the time that the bill is under consideration.

So I am making that suggestion in the opening statement.

However, I would like to comment briefly this morning on some matters that have just come to my attention, which bear directly on the bill before us.

Over the past several weeks, my staff, with assistance from the General Accounting Office, has been looking into various aspects of the FAA's operation of National and Dulles Airports.

While they have hardly more than scratched the surface at this point, the facts already in hand are sufficient, in my judgment, to raise serious questions as to whether the taxpayer's interest has been protected or even considered in some of the management and policy decisions which have been made.

Before I go into what I am to say, I want to say that this criticism is not directed at the present administrator, because the matters that I am going to go into go back over a period of some years. One such matter concerns the manner in which landing fees at the two airports are set. Up until now I have always assumed that the deficits at Dulles Airport were the result of too few passengers and it would correct itself as the airport became better utilized. It never occurred to me that the deficits could be a planned thing as a matter of contractual agreement between the FAA and the air carriers. Yet, according to information provided by the GAO, that appears to be the case.

In early 1963, the FAA and the air carriers serving Dulles entered into 10-year agreements establishing the rights of the air carriers to use facilities at the new airport. These contractual agreements included the charges to be paid by the air carriers for space rental at Dulles, and also established the method of arriving at the landing fees to be paid by the air carriers during the term of the agreement.

Recovery of operating expenses was a basic objective in computing the landing fees. However, the Bureau and the air carriers agreed that Dulles, a new airport at the time, should not be expected to make a profit and, therefore, would not make a profit from its landing fees for the term of the agreement, which was 10 years. This was to be accomplished by providing, in advance, for a deficit each year. The deficit was assured by deducting from the expenses to be recovered under flight landing fee formulas a predetermined deficit, thus guaranteeing an operating loss.

The direct costs of the planned deficit operation to the American taxpayer was \$7.2 million for fiscal year 1969. By fiscal year 1973 the termination date of the agreement, the cost is expected to total \$8.7 million.

Mr. Chairman, this incredible provision literally meant that regardless of how rapidly Dulles grows, it could not operate in the black in the first 10 years.

By contractual agreement, and without reference to the circumstances which may prevail, this agency committed itself to operate the publicly owned Dulles Airport at a deficit.

Now it can be argued in mitigation that this agreement was necessary to provide incentive for air carriers to use the new airport. Whatever force that argument may have had was vitiated by a supplemental agreement entered into in 1966 following the admission of jets to the National Airport. That agreement, known around the Bureau—and I say this in quotes—as “the rig,” provides that the same landing fees for jet aircraft will apply at both Dulles and National.

This effectively wiped out any incentive differential between the fees at the two airports, and it also foreclosed the possibility of

charging premium fees at National to encourage a diversion of flights to Dulles and to help cover the Dulles deficit. Moreover, the supplemental agreement continued the provision for the annual deficit at Dulles even though the rate was no longer being computed just for Dulles. This meant the benefits of any subsidy paid at Dulles would accrue as well to the operations at National Airport.

In fiscal year 1969 the Dulles deficit was scheduled to be \$793,000. But because the airport was approaching a break even point that year, jet fees had to be reduced by about 10 cents per 1,000 pounds in order to assure that the planned deficit would be met.

Since the reduced fees then applied to both airports, the total loss of revenue to the Bureau has been estimated at about \$1.5 million.

Mr. Chairman, this constitutes, in my judgment, a guaranteed subsidy of the airlines without any basis whatsoever in law. This effectively hamstringed for a period of at least 10 years a Federal agency which is charged with the responsibility of managing the airports in the public interest.

Mr. Chairman, the landing fee agreement is not the only benefit the airlines enjoy compliments of the American taxpayer. The original use agreement to which I referred also established the charge to the air carriers for the use of the mobile lounges at Dulles at no less than \$6.35 and no more than \$7 per trip. Bureau records indicate that during fiscal 1969 the operating cost per trip for the mobile lounges was approximately \$23.

In a 1970 report prepared by the Bureau for the information of the administrator, it was estimated that \$4.2 million of the \$6.3 million deficit at Dulles results from limitations in the present use agreements that prevent full recovery from the air carriers of full operating costs.

Mr. Chairman, these agreements also would prevent the Government from sharing in any part of the estimated \$20 to \$40 million in pure profit which will accrue to the airlines as a result of the decision to permit stretched jets to operate at National. The reason for this was stated in the Bureau's report to the administrator.

I quote: "Any significant change in our financial picture would require extensive modification or complete renegotiation of the Dulles use agreement. Most of the carriers who are party to that agreement have nothing to gain" and parenthetically it says "and many have a great deal to lose from introducing the stretched 727's at National."

Mr. Chairman, I will not, at this time, go into further detail on this particular question, nor will I recite the very sad history of the decision to introduce stretched jets at National, except to say that the decision was made in the face of an uncompromising statement of Bureau officials that it would immeasurably damage the growth of Dulles and would represent a substantial loss to the taxpayers.

I do want to impress upon the committee that I do not believe that the FAA has operated these airports with the interest of the taxpaying public or the residents of this area being foremost in their minds. Very clearly its focus is on the interests of the airlines and the airline passengers.

I thank you.

(The statement follows:)

STATEMENT OF HON. WILLIAM B. SPONG, JR., U.S. SENATOR FROM VIRGINIA

Mr. Chairman, I want to thank you and the Committee for scheduling these hearings which give the residents of this metropolitan area their first real opportunity to begin doing something about the region's airport problems.

As you know, Washington National and Dulles International are the only Federally owned and operated airports in the country. They are also the only airports that are not in some way responsible to the community of which they are a part.

Thirty years ago, when the Federal government first got into the airport business, this was not a major concern. Washington was a smaller community then, less densely developed, and less affected by the limited operations at National Airport.

Since then, however, there have been dramatic changes both in the development of the region and the growth of its air traffic. No longer are airports something off to themselves. In their impact on the environment, their burden upon local ground facilities, their contribution to the area's economy, their performance of vital transportation services, and in a dozen other ways, airports today are an integral part of the urban complex they serve.

It is an anachronism that in the National Capital region, airport planning and development should continue to take place in a vacuum without reference to other community plans or desires.

A case in point was the decision to permit stretch jets to operate at National Airport. In the judgment of the FAA's own experts, that decision would change the entire pattern of growth of aeronautical activity in the Washington region and compound the burden which National Airport places upon access roads and other facilities in the area. Yet, so far as I have been able to determine, the only outside group which was consulted about the decision was the airlines.

The community interest is also directly involved in the FAA's proposed expansion and modernization of National Airport facilities under a plan drawn up by Kling and Associates. The program recommended by the FAA involves among other things, major changes in the access roads and utilities serving the airport. But, again, has anyone asked the city of Alexandria or the County of Arlington what they thought about it or how the Kling report fits in with their own development plans?

One of the major purposes of my bill (S. 3128) is to give a voice to the communities which are affected by the operation of these airports. The interests of the airlines and the flying public have long been represented in the decisions of the FAA. It is time that we concerned ourselves as much with the views of those who must live with the consequences of those decisions.

The second major purpose of the bill is to assure that the region's airports themselves are developed on an orderly, systematic, regional basis.

The Washington Metropolitan area is fortunate in being served by three major airports. It is probably the only urban center in the country today with such a surplus of airport capacity. Yet, at the same time, it suffers from airport congestion as severe as any I know of.

There is a simple explanation for this paradox. The development of the airports in this region has simply been left to the forces of the market place. And in that situation, the airlines have continued to expand the use of National to the point where that facility now handles about 65% of all passengers in the region.

When Dulles Airport was constructed at a cost of \$110 million to the taxpayers, the FAA concluded that a proper distribution of the region's air traffic would be Dulles 45.8 percent, National 33.9 percent and Friendship 20.3 percent. Today, the FAA's projections for that same year are Dulles 19.6 percent and National 52.1 percent.

In light of the decision to allow stretch jets to operate at National, there is serious question in my mind whether even those percentages will hold. The FAA study to which I previously alluded makes it very clear that such a decision would seriously compromise the future growth of Dulles and Friendship, unless compensated for by a proportionate reduction in the number of flights.

For many years, the Civil Aeronautics Board has regarded Washington and Baltimore as a single, hyphenated point for purposes of certifying air carrier service. Unfortunately, that is as far as the regional concept has advanced. Once certified, airlines generally have discretion within the limits of FAA safety requirements to use any of the three airports—National, Dulles, or Friendship. There is no long-range plan or program for the balanced development of these

facilities nor is there any mechanism for centralizing or coordinating their management.

It is particularly appropriate that we begin to move in the direction of regional planning now at a time when rapid progress is being made toward improving access to Dulles. The construction of the Three Sisters Bridge and connecting free-ways on both sides of the Potomac will reduce travel time to Dulles to less than a half hour. The addition of a rapid rail link to Dulles will further enhance the convenience of using the airport. Studies are also underway for improving access to Friendship.

Five years ago, it may not have been practicable to urge the more balanced use of the area's other airports. Today, it is not only practicable but essential that this be done.

I want to emphasize that National Airport should continue to play an important role in the area's air transportation picture, primarily as a short-haul airport. Regional planning and development, however, should result in a leveling off of traffic at that facility and the more reasonable scheduling of flights at Dulles and Friendship.

Specifically, S. 3128 authorizes the States of Maryland and Virginia and the District of Columbia to negotiate and enter into an interstate compact establishing a Washington Metropolitan Area Airport Authority. The compact must be approved by the Congress and by the State legislatures concerned before it has the force of law. This is only the necessary first step in the journey toward a sound airport policy for the National Capital region.

I might say that this approach is consistent with P.L. 86-154, enacted by the Congress in August 1959, granting consent in advance to states that wish to enter into interstate airport compacts. Unfortunately, that law did not apply to the District of Columbia and that is one reason for my proposed legislation.

The second and more important reason, of course, is that the bill contemplates transfer of National and Dulles airports from the FAA to the ownership of the authority when it is created. It would make little sense to begin negotiations until the Congress has given some expression of approval to the proposed transfer.

Mr. Chairman, my bill does not attempt to spell out the exact form or detail of the proposed airport compact. Those are matters that can only be resolved through negotiations among the parties concerned—Virginia, Maryland, the District of Columbia, and the Federal Aviation Administration.

It is entirely possible, for instance, that Friendship Airport will not at this time wish to be included in a greater Washington Airport Authority. In such case, the authority would be confined to ownership and operation of National and Dulles alone, although I would hope in close coordination with Friendship.

There are many other questions to be answered. For instance, what will be the relationship between the Federal government and the authority? How should the members of the authority board be selected? Should the authority concern itself with the development of general aviation airports in the region?

What I hope will come out of these hearings is a bill which would result in the appointment of negotiators by the parties involved so that, hopefully within two years, the Congress will have a finished interstate compact which it can approve.

Beyond that, my own position is quite flexible, I am willing to listen and to consider every suggestion for improving the legislation.

Mr. Chairman, because it will take at least two years in my opinion to negotiate this compact and to arrange transfer of ownership to the authority, I intend to offer an amendment in committee to provide for an interim Washington area airport advisory commission to represent the interest of the communities concerned in the development and operation of National and Dulles Airport.

Whatever differences there may be on other questions, I believe all parties will concede the need to give such a voice to the residents of this area. This advisory commission, which would be made up of an equal number of representatives from Maryland, Virginia and the District of Columbia, should have a meaningful role to play in advising the Administrator on all questions concerning new developments or changes in policy at the airports. Essentially, it is nothing more than is required of the Department of Transportation in its administration of programs financed under the Airport-Airways Act. After hearing the comments and suggestions of some of the witnesses I will introduce an amendment to my bill for the consideration of the Committee.

Mr. Chairman, again I want to express my appreciation to you and the Committee for providing this forum for considering new approaches to the operation of the airports in this region.

Senator CANNON. Thank you, Senator Spong.

The first witness is Senator Peter Dominick. Senator, we are happy to have you.

STATEMENT OF HON. PETER H. DOMINICK, U.S. SENATOR FROM COLORADO

Senator DOMINICK. Thank you, Mr. Chairman, Senator Pearson, Senator Spong. I am glad to be here.

Mr. Chairman, I listened to your opening statement, and it was my understanding that this hearing would also encompass my bill, which is S. 2570.

Am I correct in that?

Senator CANNON. Well, that was not the announced purpose of the hearing. However, we are happy to have you make a statement with respect to that.

Senator DOMINICK. I appreciate that. I hope that it will be considered by the committee as well as Senator Spong's bill, which incidentally, I support as well as my own. But I think the comments which Senator Spong has just made are indicative of some of the problems which we have here in the Washington-Baltimore area, which could be cured either by the passage of his bill or by the passage of mine. And it is on those points that I would like to speak this morning.

My own bill, as the Senators probably know, would phase out the use of National Airport by jet airliners and direct the Secretary of Transportation to come forth with a program to provide high-speed surface transportation links between Washington and Dulles and Washington and Friendship.

Now I fully recognize that jets have been using Washington National regularly since they were first permitted at that airport in April 1966. During the ensuing 4 years or so, the operations involving jet planes have become rather deeply entrenched. Recognizing that to cause a withdrawal of such plane operations overnight would create an undue hardship on the carriers involved, I am proposing a gradual phaseout to cover perhaps 18 months from the time of enactment. I think this is only fair.

But I insist that the jets have got to go from Washington National.

This is not a snap judgment on my part, because I have been considering this situation for 4 years. Back in June 1966, I called the attention of the Senate to the problem that jet operations at Washington National were creating for the people of the metropolitan area.

At that time I had written to Gen. William F. McKee, Administrator of the Federal Aviation Agency, protesting the jet operations at the airport. I based my protest on four criteria:

First, that the congestion of traffic at this busy air facility was made worse by the advent of jet operations.

Second, that the noise level had become particularly acute especially in certain areas of the Metropolitan Washington region. With the coming of warm weather, resulting in open windows and increased outdoor activities, the frequent noise problem became all the worse.

Third, that the opening of Washington National to jet planes resulted in a transfer of activity from underutilized Dulles International

Airport, which was designed and located to accommodate jets, to Washington National, which was not designed for them, and certainly not located with the jet in mind.

Finally, I pointed out that the use of jets at the closein airport made use of this facility by general aviation less feasible.

There is, however, still another source of irritation and complaint which has grown steadily worse since the advent of jet aircraft at National. I refer to the sooty exhaust plume which is emitted from these jets as they land and takeoff over our city.

According to a report from the Secretary of Health, Education, and Welfare, pursuant to the Air Quality Act of 1967, aircraft operating out of Washington National Airport, dumped an average of 17.6 tons of pollutants into the air over Washington every day during 1967. With the sharp increase in traffic at National since that time, a new measurement today would undoubtedly show a sharp increase in the amount of pollution being generated by this increased traffic.

Commercial air carriers alone conducted 238,224 landings and takeoffs at Washington National in 1968. Multiply that number of takeoffs and landings by the average pollution emission of these aircraft and we reach the startling result that air carriers using Washington National Airport last year, 1969, dumped 10,553 tons of pollution on the Nation's Capital.

Based on the most recent statistics for the month of May, 1970, the traffic at Washington National has grown at a projected rate of 8½ percent over what it was in 1967, and with the advent of the jumbo stretched jetliners, the passenger jam and the access roadway congestion will get steadily worse and worse.

I might interject here that I have watched and listened and read the testimony concerning the introduction of the jumbo stretched jetliners and there is certainly a good deal of either misunderstanding, or lack of fulfillment of agreements in this introduction. I congratulate Senator Spong on his examination of this.

Probably the most apparent objection by the people of the metropolitan area is, and always has been, their subjection to the noise bombardment every few minutes during heavy traffic periods.

On the first of May alone, there were 30 complaints registered with the FAA Complaint Center. In the past 2 months there have been a total of 270 such complaints by telephone from irate Washington citizens. Countless other residents have suffered in silence.

I might say, Mr. Chairman, I do not live in Georgetown. I live near the Georgetown reservoir, but not in the Georgetown area directly, and I can't even sit outside on my own back porch and conduct a reasonable conversation with anybody. And this is not a situation where an airport has been built and then residences have been built around the airport. This is a question of where the residences were already there and the airport was built and by the action of the FAA they have created the noise bombardment that is becoming pretty insufferable to everybody in that total northwest section of Washington.

Mr. Chairman, as I mentioned before, Washington National Airport was neither designed nor located to take on jet traffic. We have no less than the word of a former Federal Aviation Administrator on this point.

During hearings on Washington, D.C., airports, held in 1963, before the House Subcommittee on Transportation and Aeronautics of the

Interstate and Foreign Commerce Committee, Administrator Najeeb Halaby was replying to a comment of Congressman Friedel on the use of Friendship Airport and Administrator Halaby, referring to his predecessor at the Federal Aviation Agency, told the subcommittee:

Mr. Chairman, it occurs to me, in a sense the Federal Aviation Agency diverted traffic to Friendship Airport and gave it this great surge of traffic in the first three years of the jet age. If the Federal Aviation Administrator had wished to hurt, to be unjust to Friendship, he would have built up Washington National as a jet airport, and monopolized all the traffic. He didn't do that, sir. He refused the jets in there because Washington National is not built, designed, or set up for jet traffic. Therefore, the Congress built a new airport, in its wisdom.

Administrator Halaby, later in the same hearings, reiterated this specific point while commenting on the buildup of traffic at Friendship brought on by the jet plane. He told the subcommittee:

Then the jet came in and for the simple, artificial reason that the jet could not properly be accommodated by the Washington National Airport at Gravelly Point, they got an airfall, or windfall of flights in Friendship.

J. B. Hartranft, Jr., in a statement to the subcommittee on behalf of the Aircraft Owners & Pilots' Association pointed out that Dulles was designed to serve jet traffic, while Washington National was not.

Mr. Chairman, you and I both know, both of us have been pilots and have been here for a long time, that physical facilities at National Airport are obsolete. The airport is being hemmed in more tightly with each passing year by the construction of high-rise buildings in Virginia. Expansion possibilities of the site are very limited. Access facilities serving the airport are overcrowded at peak hours, and the potentials of remedying the situation are extremely limited.

Under the best of circumstances National's role in dealing with the "air revolution" may be limited. Vast sums of money would be required to improve the physical facilities to serve the passengers which the forthcoming generation of jets will transport. These are but the forerunners of the coming "revolution." It is doubtful that an improved National could accommodate the coming next generation of jets beyond the current crop, irrespective of the pollution problem, which I have brought up before.

Mr. Chairman, I insist that it is highly incongruous to foist jet traffic on overcrowded Washington National which is not designed for such planes, while not doing everything possible to utilize Dulles, and perhaps Friendship, more since they are fully prepared for jet planes.

The maddening congestion which exists at Washington National not only tries the patience of passengers and employees alike, but is a serious hazard to the residents of Washington. Congestion is so bad lately that at times the shuttle flights between Washington and New York have been delayed from 1 to 2 hours in both directions. And under such conditions, a midair collision could result in losses of life and property damage of catastrophic proportions.

A statistical comparison of operations at Washington National with Dulles tells the full story.

During 1968, the total volume of nonmilitary traffic at Dulles was:

	<i>Takeoffs and landings</i>	
Air Carriers.....	-----	58, 876
General Aviation.....	-----	98, 128
Total.....	-----	157, 004

For 1968, the nonmilitary volume at Washington National was:

	<i>Takeoffs and landings</i>	
Air Carriers.....		238, 224
General Aviation.....		104, 939
Total.....		343, 163

In terms of air carriers alone, the air carriers had five times as many takeoffs and landings at Washington National as they did at Dulles.

So there we have it, specifically spelled out. Over twice as many operations crowded in at Washington National than at Dulles. And Dulles is handling a volume which is far below its capacity.

An Editorial Research Reports study, "Airport Modernization," published February 22, 1967, emphasized the point of deliberately underutilizing Dulles while overloading Washington National.

"Dulles International, which opened in 1962, was intended to be the nation's first jet-age airport. Located 26 miles west of Washington, Dulles in its four and a half years of operation has remained a jet-age white elephant, operating at a loss and accommodating only a fraction of the passenger traffic it is capable of handling."

Perhaps Senator Spong's statement he made this morning indicates that has been deliberate, even though none of us knew it. In part, however, this must be due to the convenience of National, in contrast to the 45-minute motor coach ride at \$2.50 per person to Dulles. Cab fare to the city from Dulles is \$13. The airlines serving Washington failed to shift sufficient flights from National to Dulles because of these factors, and perhaps because of the factors indicated by Senator Spong. As a result, in fiscal 1965 National accommodated 6.5 million passengers while Dulles recorded a total of only 863,000 passengers.

Dulles suffered still another blow when the FAA decided in April 1966 to allow small jets to use National. Almost immediately National was serving 16,000 additional passengers a day while Dulles was serving 15,000 fewer. Overloading of terminal facilities created chaos at National. Consequently, authorities ordered the airlines to limit combined operations to 40 flights an hour in order to cut the number of passengers crowding into the terminal, and a number of flights were shifted back to Dulles. Nevertheless, during calendar 1966 National served almost 8 million passengers while Dulles served 1.2 million.

Reports that consideration was being given to a \$200-million expansion of National to make it possible for larger jets to use the field provoked 3 dozen citizen groups to organize a campaign to phase aircraft operations out of the Potomac River airport altogether by 1970. FAA officials tried to damp down complaints about noise by requiring pilots in good weather to reduce power at 1,500 feet and follow the Potomac or Anacostia rivers until their planes reached the 3,000 foot level. But pilots contend that reduction of power is not safe, and citizens insist that the noise has not been measurably reduced.

As a citizen, I would certainly vouch for that statement.

An FAA study issued January 26 asserted that noise from the jets was no greater than from propeller craft, but the study convinced neither the irate residents, including me, nor the citizens' Committee Against National.

The President submitted a message to Congress last year outlining the problems of air transportation in the Nation. In it the President cautioned:

Existing jet ports are adding to the noise and air pollution in our urban areas . . . these important social and conservation considerations must be taken into greater account in future air systems development.

I think this is indicative of a growing awareness that jet aviation is a significant contributor to our urban air pollution problem, as well as the noise problem. And, recognizing the proximity of Washington National Airport to the city, this caution applies to that air facility.

Mr. Chairman, all you have to do is to leave your own car at National Airport, which I am sure you do, on weekends, particularly when you are going back and forth to Nevada as much as you are, and I go back to Colorado, and when you come back from the weekend you find the whole car covered with soot, oil and soot, from the exhaust coming out of the jets flying out of Washington National.

I can't leave an automobile outside of the garage in front of my own house without having it look the same way.

It is a mess, and we should do something about it.

The main attraction at Washington National, of course, is its proximity to the downtown area. In other words, the time-distance factor involved in transportation to and from the facility at Washington National compared to that for travel to and from Dulles Airport places the latter at a disadvantage.

In order to make Dulles more attractive to both carriers and travelers, and incidentally to realize a more equitable return on the obviously large investment at Dulles by way of utilization, we must plan and construct some means of rapid transit to connect the downtown area with the airport.

The problem of travel to and from airports has become a general one since today's airport must be located at a considerable distance from the central city, as is the case of Dulles. In his message on the problems of air transportation, the President recognized that travel between the airport and the city required special attention, and therefore, he stated:

Most important, government at all levels, working with industry and labor, must see to it that all aviation equipment and facilities are responsive to the needs of the traveler and the shipper and not the other way around. Transportation to airports whether by public conveyance or private vehicle, is as much a part of a traveler's journey as the time he spends in the air, and must never be viewed as a separate subject. A plane travels from airport to airport, but a person travels from door to door. I have directed the Secretary of Transportation to give special attention to all the components of a journey in new plans for airways and airports improvements.

This is exactly what I have in mind in my bill, and what I am recommending for Dulles. Such a facility has already been built and placed in service at Cleveland. It was built with the assistance of Federal funds, and appears to be a success. It could serve as a model to serve other cities as a rapid transit link with their airports. The Cleveland facility is a rail transit line.

But there are other possible types of rapid transit facility which could be adapted to serving Dulles and other major airports.

One possibility would be the use of a combination bus and monorail system. The bus would travel between the center city and the airport at high speed by suspension using an overhead monorail device. Then

at either end of the trip, the bus would disengage from the monorail and travel conventionally. This system would combined the features of high speed for the city-airport with full flexibility while in the city and also at the airport.

A regular monorail system operating between the city and the airport would, of course, greatly aid the problem of travel to and from Dulles, if the bus-monorail plan would delay such a program or be considered for some reason, not feasible. The George Washington Parkway, Beltway, and Dulles express road affords the right-of-way needed for a monorail system.

But whatever the system decided upon, high-speed transportation to Dulles International Airport will aid materially in having this excellent terminal achieve its potential.

The people of Washington have waited patiently, and I might add in vain, for relief from the evils that jet operations at Washington National thrust upon them. I fear that the situation will not correct itself, and that it will continue to grow worse. This fear, I might add, has been emphasized by the introduction of stretched jets into Washington National. It seems evident to me, at least, that only through specific legislation will a solution be found.

Mr. Chairman, I have received a considerable number of telephone calls on this matter, and quite a lot of mail on it. The following letter from Mr. David H. Scott, who is a Georgetown resident, is typical of the many letters I have received:

May 26, 1970.

Hon. PETER H. DOMINICK,
U.S. Senate.
Washington, D.C.

DEAR PETER: Although I do not plan to testify on behalf of any aviation organization at the hearings on June 9th and 10th concerning an airport authority to operate National, Friendship and Dulles Airports, still I am in favor of such a plan. It is logical to remove the FAA from responsibility for operating National and Dulles to create an agency that could develop an airport system for the entire Washington/Baltimore area.

I would like to comment and make some suggestions in regard to your bill S. 2570. There is no doubt that the intense noise from jet aircraft flying over the residential sections of Washington is an imposition on the public. At my location in Georgetown, we cannot carry on a normal conversation in our garden, neither can we play music or read out loud. Occasionally I wish to make tape recordings and this privilege is denied to me also.

I have little hope that jets can be banned at National Airport due to the heavy investment there by the airlines and opposition to this move by Congress. But perhaps the noise problem could be relieved in time by the establishment of maximum perceived noise levels by the FAA for all aircraft operating at this airport. Noise standards equivalent to the Lockheed Electra would be acceptable in my opinion. This would spur the industry to develop noise suppressors and other means of quieting aircraft. If the Federal Government would take the lead in this effort it would have a profound effect upon other airports.

I realize that quieting jet engines is no easy task. Doubtless there are qualified people who will say now that it is impossible. On the other hand human ingenuity can often solve a problem when it is severe enough. It would be costly but the alternative, to live with noise, will also be very costly and damaging to the airlines. The public has many ways to express its objections to noise around airports. This can be very harmful to the airlines in the long run.

I wish you every success in controlling the noise problem around National Airport. If there is anything I can do personally to help your cause, I hope you will let me know.

Yours faithfully,

DAVID H. SCOTT.

Senator DOMINICK. I also want to include for the record, a brief memo I have received from the Honorable and Mrs. Stuart Symington:

DEAR PETER: As a member of Citizens Association of Georgetown and long-time sufferers, we strongly support your bill (S. 2570).

EVE and STUART SYMINGTON.

Senator DOMINICK. If we don't force affirmative action on the FAA either through Senator Spong's bill or through mine, or through a combination of both, we may very well find ourselves in the position that local people will take the kind of action that has been taken in other areas. Court orders have been obtained in Minneapolis, Minn., and at Morristown, N.J., imposing a curfew on all jet operations—business as well as commercial—between the hours of 9 p.m. and 7 a.m. I respectfully urge that the committee act favorably on the matter of phasing the commercial jets out of Washington National and into Dulles and Friendship where they belong.

Now, Mr. Chairman, as you well know, the National Capital Planning Commission issued its report No. 1, entitled "The Air Revolution in the National Capital Region."

The introduction of this, I think, is extremely important. And I would ask unanimous consent to include the introductory statement of one page in the record.

Senator CANNON. Without objection, it will be included.

(The article follows:)

INTRODUCTION

As part of the National Capital Planning Commission's responsibility in planning for the National Capital, and as a direct feature of the transportation element of the Comprehensive Plan, air transportation and associated terminals must be part of the overall land development objectives.

Airport terminals have a very strong relationship and impact on development or redevelopment on adjoining and surrounding land areas. Approach zones and air travel routes affect environmental conditions which affect people and in turn land development. Air access and terminals represent tremendous advantages and potentials to a community if appropriately located and developed.

This report concerns itself with the National Capital Region's ability to cope with the coming "air revolution." This revolution will have a profound effect on air travel to and from the Nation's Capital. The Bi-region¹ airports, by 1990, (according to a recent air demand-capacity study) will have to accommodate, above today's level: five times as many air passengers; 15 times the freight tonnage; and a general aviation fleet that is six times larger. The existing regional facilities cannot be expected to absorb the additional load. Because of profound changes now occurring in the air industry an efficient system of air terminals and support facilities is needed in this region to meet future air transportation needs.

Very briefly, the problems at the principal airports in the Washington Metropolitan Area, National and Dulles International Airports, are summarized below.

The physical facilities at the National Airport are obsolete. The airport is being hemmed in more tightly with each passing year by the construction of high-rise buildings in Virginia. Expansion possibilities of the site are very limited. Access facilities serving the airport are becoming overcrowded at peak hours, and the potentials of remedying the situation are limited.

Under the best of circumstances National's role in dealing with the "air revolution" may be limited. Vast sums of money would be required to improve the physical facilities to serve the passengers which the forthcoming generation of jets will transport.² These are but the forerunners of the coming "revolution." It is doubtful that an improved National could accommodate the coming next generations of jets beyond the current crop. Aircraft design today is aimed at larger pay-loads. This means larger, heavier and more powerful equipment.

¹ The Bi-region includes the Metropolitan Areas of Baltimore and Washington.

² Estimates range from \$166-200 million dollars.

Any investment in the facilities at National at this time will probably require additional moneys in the future for runway expansion and other improvements to protect the investment. National will continually be running to catch up. Can it continue to serve as the aviation "hub" of the National Capital Region in the coming air age?

Because of the unique location of the Dulles International Airport, in a relatively undeveloped portion of the region, its effect on adjacent properties in regard to noise nuisance is minimal. Two important factors will change in a relatively few years, in regard to this important facility; the number of flights will increase substantially, and development, particularly housing, will, at an ever accelerating rate, encroach upon the runway approach zones.

One of the objectives of this report is to suggest ways in which this encroachment might be minimized. This would forestall the possibility of Dulles becoming an obsolete facility because of its adverse effects on adjacent lands, at a time when its importance as a major transportation facility will be crucially needed in the region.

This study will attempt to: (a) indicate the various problems now existent at the two major airports in the Metropolitan area; (b) assess the nature of the growth in air movement and equipment improvements, and (c) suggest the next steps required in meeting the needs of the air revolution as it affects the future development of the National Capital Region.

Senator DOMINICK. I would like to read this part of it at this point. This is not me. This is not anybody in the Senate. This is the National Capital Planning Commission. This is what they say:

The physical facilities at National Airport are obsolete. The airport is being hemmed in more tightly with each passing year with the construction of high-rise buildings * * *

Et cetera.

All of the points I brought out are specifically within this introductory statement.

It seems to me that with an official planning commission reporting this way, a committee designed to plan for the future on the aviation problems in the Washington Metropolitan Area, we, in the Senate and the House should really be paying some attention to it.

Let me just give you an example of their forecast under the situation as it now exists. In table 3, on page 5, they show that at Dulles in 1980, the way we are now going, the total number of passengers will be five million less than the number of passengers using Washington National.

This is just ridiculous. I mean, here is an airport which is totally built for jet aviation, which will obviously be the main passenger transportation system, it is now, and certainly will be by 1980, unless we develop rockets or something. It seems to me nonsense to plan on using Washington National more than we are going to use Dulles when Washington National isn't even equipped and never has been and probably can't be made properly equipped for jet operations.

I could go on and on, but I would suggest to the committee that this is an extremely valuable document in connection with the airport problems that we have and which we will be seeing for the next 10 years.

I sincerely appreciate the opportunity to appear before you.

I would like to ask unanimous consent to include for the committee's consideration, some of the many letters and other correspondence which I have had on this problem with people in this area and around the country?

Senator CANNON. We will be glad to accept them for the files.

Senator DOMINICK. Fine, thank you.

Senator CANNON. Senator Pearson, do you have any questions?

Senator PEARSON. Mr. Chairman, I don't think I have any questions. I would hope that Senator Dominick's bill would be made a subject of these particular hearings. It is most appropriate. It is relative to the discussions that we will have, and the witnesses we will call.

I might remind Senator Dominick, who is one of the best students and one of the leaders in aviation in the U.S. Senate, who has been working on this high-speed problem for a considerable period of time, I think in the 89th Congress Senator Cotton introduced a bill which passed the Senate, which would provide for a study of high-speed ground transportation between Dulles and National and Friendship. It didn't go anywhere in the House. But that is a problem with the institution itself.

I would hope that somehow or other, we could make great strides in high-speed ground transportation.

I understand they have a system in Cleveland that I hope to see before very long. But, if we can, through study and through the institution of actual developments and employment of high-speed transportation, I think we will solve a lot of problems all around the country, not just in the Washington area.

Senator DOMINICK. I thoroughly agree with you.

Senator PEARSON. I am very grateful for your statement. I will not only give it my attention here, but study it in the days ahead.

I thank you, Senator.

Senator DOMINICK. I thank the Senator from Kansas.

I know of the hard work he has put into this and I sincerely hope we can make some progress on that rapid transit.

Mr. Chairman, before I close here, there was a WTOP editorial broadcast on April 23 and 24, which deals with the introduction of bigger capacity jets into Washington National, and deals with the public interest in connection with operations at National.

I would ask unanimous consent that this be included at this point.

Senator CANNON. Without objection.

(The editorial follows.)

FAA PLAYING SNEAKY TRICK AT NATIONAL

(A WTOP editorial, broadcast April 23 and 24, 1970)

The Federal Aviation Administration is playing a sneaky, despicable trick at National Airport.

The FAA now is allowing bigger-capacity jets to use the field—something the agency has said time after time it wouldn't do.

During the recent air controllers' walkout, the FAA lifted its ban on the so-called "stretch" jets in what it claimed was a temporary move to help ease the air-travel situation. Now, however, with the walkout ended, the FAA says it will continue to allow airlines to bring in the bigger planes. We need to study the situation more broadly, says the FAA, "to properly assess the public interest."

That's pure balderdash. The public interest will be served by *phasing down* activity at National Airport. The stretch-jets will do exactly the opposite, particularly in terms of adding a bigger load to terminal facilities which already are badly overcrowded.

The FAA, you see, has been scheming for a long time to get a *bigger* National Airport. This latest maneuver is an obvious piece of strategy to create what amounts to artificial pressure for a modernized, expanded facility.

At Senate hearings last year, FAA spokesmen gave repeated assurances that stretch-jets and airbuses would not be permitted to use National. Arven Saunders of the FAA went on to say, "we will not change our policy."

Well, they've changed it, all right.

The FAA speaks reverently of "the public interest," but it hasn't even bothered to consult the public. Its tactics in this affair have been evasive and deceitful. It's one more justification for Congress to create a locally-oriented authority to run Washington's airports.

Meanwhile, the FAA should end its tricks and get the bigger jets out of National Airport.

This was a WTOP Editorial . . . Norman Davis speaking for WTOP.

Senator CANNON. Senator Spong?

Senator SPONG. Mr. Chairman, I would like to thank Senator Dominick for his testimony and welcome his expertise as we focus on these problems together.

I might say for Senator Pearson's benefit that I followed the Cotton effort last year in the appropriations bill. We were able to get an appropriation for a study specifically confined to rapid rail transit to Dulles and that study is underway and I intend, in the course of the hearings, to ask for a status report.

For Senator Dominick's benefit, I will say the evidence we submitted to the Appropriations Committee at the time we asked for the appropriations to do the study was the Cleveland situation mentioned in your testimony, which has been quite successful. We think it is a model for what can be done.

I would only have one question for Senator Dominick. His bill speaks for itself insofar as jet aircraft are concerned. But he does not ask for the closing of National Airport.

I would ask what he envisions as the future role for National Airport in the metropolitan area?

Senator DOMINICK. That is an extremely good question, and I think I have a fairly simple answer to it. It is my feeling that my bill in its present form probably wouldn't pass anyhow, to be truthful with you. Certainly not the House.

Hopefully we can get some action in the Senate in combination with yours.

But the air shuttle situation is going to continue to be important, I think, for the local commuter service. It may be that air shuttle service will be enlarged, not only between Washington and New York, but maybe between Washington and Chicago or Washington and Cleveland, something of that kind.

It may be that we can get a jet pool which might initially be run by the FAA or some joint agency of airlines, where the airlines would pool on the basis of potential traffic their jet equipment used between cities and run them one an hour or two an hour, whatever it might be, depending on the volume of traffic, and divide the proceeds between the airlines contributing to this, and ban anybody else from operating commercially between those cities.

It would seem to me under those circumstances, and talking probably about twin jets more than anything else, we could keep the noise level down to a reasonable level and continue using that system for commuter-type service.

Secondly, I would also believe that you would continue using it for the large number of general aviation aircraft which will continue rising and growing at astronomical rates in my opinion, for the next 10, 15, or 20 years.

Senator SPONG. I thank the Senator.

On March 19, 1969, General Quesada testified before a subcommittee of the D.C. Committee and I would refer the Senator to his testimony. In some respects, it parallels his own view of what the future might be for what he called a short-haul intercity service airport.

I would also like to point out for the record, that Dulles is probably the most modern jetport in the world, and it is rapidly becoming a general aviation center.

There are almost as many private planes using Dulles as National, although Senator Dominick has pointed out this is probably a natural future role for National. But National, which is better suited as a general aviation field, remains a major jet center rather than a general aviation center.

Senator DOMINICK. I would thoroughly agree. I have on several Sundays flown my own airplane to Dulles to get some ILS practice. It's necessary, of course, to get permission from the control center to make such practice approaches and often I've been unable to get it because of the large number of small planes flying around like a beehive while their enormous runways stick out into the blue not being used by commercial jets.

The new jet executive aircraft are fully equipped to be able to use Washington National or Dulles, either one. I would think we could make an extremely useful field out of Washington National for that. I don't think it would go out of the aviation picture at all.

I am glad the Senator shares my thoughts on this.

Senator SPONG. Thank you very much.

Senator CANNON. Thank you very much, Senator Dominick, for a very fine statement. The next witness is Congressman Gilbert Gude of Maryland.

STATEMENT OF HON. GILBERT GUDE, U.S. REPRESENTATIVE FROM MARYLAND

Mr. GUDE. Thank you Mr. Chairman. I would like to thank you for the opportunity of appearing before you this morning.

I am here to lend my support to S. 3128, introduced during the last session of the Congress by Senator Spong which would authorize the creation of a regional airport authority for the operation of the three major airports which serve the Greater Washington-Baltimore metropolitan area. I have introduced identical legislation in the form of H.R. 17667 in the House of Representatives.

This legislation is a rational approach to the solution of a host of problems which become more and more grave with each passing day. Congressional approval would permit the States of Maryland and Virginia and the District of Columbia to negotiate and enter into a compact for the establishment of a multistate authority to operate the Washington-Baltimore metropolitan area airports. Upon ratification of this compact by the two States and with the approval of the Congress, the Secretary of Transportation would be authorized to convey to this regional authority all title in and control over National and Dulles airports. I would anticipate that under compact terms Friendship would also be brought into the regional system.

The need for such legislation should be apparent to all who have studied the present situation to any extent. Washington, D.C., is not only the Nation's Capital, it has become the world's capital. Our responsibility is not only to local air travelers but to the international public-at-large in providing air transportation services to and from the Washington-Baltimore region which meet the highest standards of safety, adequacy, comfort and convenience. At the present time, we fall far short of meeting these standards.

The creation of the multistate compact which this legislation would permit would be the first required step toward meeting these objectives. In a recent address, the Administrator of the Federal Aviation Administration, John H. Shaffer, stressed the necessity for such an authority, saying:

* * * I am of the opinion that a Washington-Baltimore airport organization or authority should be established to operate the facilities as an integrated community resource and an integral national resource.

He went on to say:

A single authority simply makes good sense from the management point of view; but, further, a regional authority would seemingly be in the best position to deal with problems of congestion and imbalance, and to give the community a voice in airport affairs.

His opinion is supported by the views expressed by Arven H. Saunders, Director of the Bureau of National Capital Airports, who, in testimony before the Senate Committee on the District of Columbia, said:

Many diverse organizations in this area have an interest in, and some responsibility for the control of the three airports and their impact on the environment. The task of coordinating the planning and operations of airports with the community in the Baltimore, Maryland-Washington, D.C. area is a complex process * * * Many advantages would result from planning, operating and financing them as a single system.

Although no central authority such as envisaged in this bill yet exists, the Civil Aeronautics Board has for some time regarded Washington and Baltimore as a single, hyphenated point for purposes of certifying air carrier services. Airlines have the discretion within FAA safety requirements of utilizing any of the three airports concerned according to their needs. But, regretfully, this is about as far as the concept of a regional-integrated system has progressed. What is desperately needed is a coordinated plan for the long-range development and rational utilization of these facilities, and a mechanism for directing their operations so that each of the three airports can play its proper role.

It is obvious that the three airports comprise, in effect, one market for air travelers to and from the Washington-Baltimore area. This makes it feasible to adopt an integrated system of operation and planning for the three facilities concerned. In a recent report, the National Capital Planning Commission stated:

The National Capital Region is in the best position of any of the metropolitan areas in this country to develop an integrated system of airports required to meet all the future needs of the aviation industry.

However, they specifically warned that:

Unless the National Capital Region institutes a Metropolitan Air Facilities Plan soon and conscientiously pursues its effectuation, air travel into the Nation's

Capital will become as acute as any metropolitan area in the country. A strategy for coping with the "air revolution" must be agreed to immediately if Washington is to face up realistically to its responsibilities in this important matter.

The term, "air revolution", used is indeed an apt description of what we are now witnessing. When Washington National Airport first opened in June of 1941, it was designed to handle 3 million passengers a year, at that time considered more than adequate to the needs of this area. But by the time Friendship International opened in July 1950, National had almost attained this level, accommodating 2.45 million passengers that year. Dulles International opened in November 1962; and by that time National Airport was handling a total of 5.46 million passengers per year—almost twice the number for which it had been originally designed. Last year these three airports combined handled a total of over 15 million passengers. And in terms of future passenger growth, the Bureau of National Capital Airports predicts that by fiscal 1980 the levels should exceed 43 million passengers—a tripling of passenger volume within the next decade.

Airport policy cannot be determined solely by the law of the marketplace. As a result of this law, the oldest, the least well-designed and equipped, the smallest of the three airports with which we are concerned here is today handling more than 65 percent of all air traffic within the Washington-Baltimore region. While National operates far in excess of its designed capacity, both Friendship and Dulles continue to be underutilized; and they will continue to be as long as ease of access from Washington is the dominant consideration in allocation of air traffic, to the neglect of all other factors.

It is essential that balanced utilization of all three airports be conceived and implemented. There is a place for each. But, at present, their most effective use has been subverted under the various pressures exerted upon them and because of a lack of central coordination and direction.

Dulles International Airport is a sad case in point. Dulles Airport was constructed entirely from Federal funds for the purpose of relieving the congestion at National Airport. Air traffic in the area has increased, but Dulles continues to operate at a deficit running at about \$7 million a year. It was built at a cost of \$110 million in the expectation that it would eventually become self-sustaining. Instead it has accrued in 8 years a total deficit to the Federal Government of approximately \$50 million. Again this illustrates a failure of coordinated planning to carry out original objectives for Dulles.

The most recent decision of the Federal Aviation Administration allowing the use of National Airport by the 727-200 aircraft, so-called stretch jets, has aggravated these conditions. Despite repeated urgings by Senator Spong and myself, and over the strong protests of many concerned citizens groups, actions have been taken which will put off the day when Dulles International can become a profitable facility and serve the needs of both air passengers and of the area residents as it was intended. Until such time as an autonomous planning authority—giving a voice to the local communities affected—can exert a measure of control over the air traffic situation of this area, we will continue to see an imbalance in the utilization of these facilities and an unjustified waste of taxpayer-financed resources.

What I have said concerning Dulles is true also in respect to Friendship International Airport. Concerned Maryland citizens were deeply dismayed by a recent ruling of the Civil Aeronautics Board which purported to show that congestion at National Airport was not serious enough to require rerouting of additional traffic to Friendship International. Many Maryland State officials, civic groups, and businessmen have long felt that National and Dulles—both owned and operated by the Federal Government—have continued to receive favored treatment by Federal air administrators at the expense of Friendship International.

There is a strong market for air transportation at Friendship which because of the lack of coordinated concern is just not being met. The combined effect of decisions such as that of the Civil Aeronautics Board in suspending its investigation and that of the Federal Aviation Administration in permitting "stretch" jets to National is to cut Friendship out of good competitive position in the Washington-Baltimore air traffic market.

I think you will agree that the picture I have described must be changed. But it will not be changed unless the proposed legislation we are discussing here is approved. If we continue to operate without a central, autonomous authority with coordinating powers—I feel certain we will continue to pour additional money into patching up National Airport—to the dismay of the citizens of the Washington area and to the discomfort of National users—while neglecting the two facilities which are ready and able to handle the ever-growing passenger demand.

Thus far, I have emphasized consideration of efficiency and of cost. However, there are two other topics which I think should be of equal—if not greater—concern to us all as we consider this proposed legislation. The first of these is the question of local community control. Of all the airports in this country, National and Dulles are the only two which have no direct connection with a local public body. I can think of no other case in which a responsible Federal agency is so insulated—so isolated—from the community which is immediately affected by its decision. I feel that the recent decision to permit the "stretch" jets to use National Airport over the protests of myself and Senator Spong on behalf of our constituents is a direct slap in the face of the citizens whose daily lives are affected by the decision. The people of the jurisdictions directly involved—the citizens of Maryland and Virginia and of the District of Columbia—must have a voice in this vital matter.

Related to this question of local community control is the issue of the impact of planning—or lack of planning—on the quality of life. More than ever, men need to preserve a little peace and privacy in an environment hospitable to health and sanity. And yet, it is estimated that air carriers are responsible for dumping over 35 tons of pollutants on this city every day. Peace and quiet are hard to find when curfew regulations are suspended and jet aircraft roar up and down the Potomac Valley every few minutes. The citizens of my own district—and, in this, I think I can also safely speak for those of the neighboring Virginia communities and for the District of Columbia—are discouraged over the prospect of a continued neglect of these concerns.

Because there must be a lapse of time before this compact legislation can be effective, an advisory committee which can operate in the interim is essential. Such a committee must provide a vehicle for the rightful interests of the citizens of the metropolitan area and the full spectrum of environmental factors which cannot be ignored.

But in closing, I cannot stress too strongly that every taxpayer of the 50 States has paid and is paying unnecessarily with his hard earned money for uneconomical and inefficient operation of these airports. It would be bad enough if the airports were privately owned, but the fact that there is ownership by the American taxpayer, only compounds the grievance.

Thank you, Mr. Chairman.

Senator CANNON. Thank you very much for a fine statement.

Senator PEARSON. I have no questions. Thank you Congressman, very much.

Senator CANNON. Senator Spong?

Senator SPONG. I want to thank Congressman Gude for his excellent statement and say how pleased I am that he is sponsoring similar legislation in the House. I am also pleased that this morning he has also recommended an advisory committee which can operate in the interim period before any legislation is enacted. Again I commend Congressman Gude for his very fine statement.

Senator CANNON. Thank you, sir.

Senator SPONG. Thank you, very much.

Senator CANNON. The next witness is the Honorable John H. Shaffer, Administrator, Federal Aviation Administration.

STATEMENT OF HON. JOHN H. SHAFFER, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION; ACCOMPANIED BY ARVEN H. SAUNDERS, DIRECTOR, BUREAU OF NATIONAL CAPITAL AIRPORTS; AND OSCAR BAKKE, ASSOCIATE ADMINISTRATOR FOR PLANS, FEDERAL AVIATION ADMINISTRATION

Mr. SHAFFER. Mr. Chairman and members of the committee:

I am accompanied today by Mr. Arven Saunders, the Director of the National Capital Airports, and Mr. Oscar Bakke, the Associate Administrator for Plans.

I appreciate this opportunity to appear before you today to discuss Senate bill 3128, proposing that the States of Virginia and Maryland and the District of Columbia enter into a compact to establish a multistate authority to operate the Washington-Baltimore metropolitan area airports. The question of establishing a new instrument to operate the airports in the Washington-Baltimore area is of particular importance because of its potential impact on Federal, State, and local governments in the Washington area and on the general public everywhere.

The Department has been conscious for some time of the problems associated with the existing structure for the management of the area airports, and plans to seriously consider the need for a new approach to planning and operating the airports on a regional basis. Under the terms of the Federal Aviation Act of 1958, we are charged with the

responsibilities of enhancing the safety and promoting the development of civil aviation, and of operating the Nation's air traffic control system. These are very large responsibilities which make very substantial demands upon the personnel and resources of the Department.

Operation of the two proprietorships, Washington National and Dulles International Airports, places the FAA Administrator, in particular, in a role which involves completely different responsibilities from his usual function. As airport proprietor he must of necessity negotiate and deal on a contractual basis with some of the same segments of the aviation industry that he regulates in his capacity as Administrator of the FAA. The safety regulation of civil aviation and the operation of two civil airports, are, therefore, quite separate and distinct functions, based upon different legal and administrative powers, even though the parties to both types of functions are the same. Maintaining this distinction, particularly in the mind of the public, is not easy.

I would parenthetically add that that explains part of the problem with the operation of the 727-200's at National Airport.

There are other reasons, too, for creating an authority structured to operate the region's present airports and to plan for future demands and provide for general aviation growth. A major airport, by its nature, serves the surrounding area and population. It is not a separate, fiscally independent entity operating in an environment unrelated to the communities around it. To effectively serve the traveling public and those who benefit indirectly—the general public—an airport must maintain an effective, close relationship with other airports and other modes of transportation in the same area. This requires that all of these be responsive to the same local political jurisdictions. This is impeded by the present arrangement in the Washington-Baltimore area. When one considers that by 1980 the Washington-Baltimore area airports may be handling approximately 41½ million passengers annually, the need for continuing coordination is apparent.

Finally, the operation of two major civil airports by the Federal Government is inconsistent with the management of other similar airports in this country, all of which are operated by units of State or local governments or by multi-governmental agencies. The exclusive operation of Washington's two airports by the Federal Government is also inconsistent with the concept of federalism, in which local government has a voice in public matters in the same proportion that these directly affect local affairs.

Turning specifically to S. 3128, I would like to offer the following comments. We are pleased to see congressional interest and initiative in achieving the goal of a regional airport system. The concept of a multistate airport authority embodied in this bill is one of several possible approaches. One of its greatest assets is legislative simplicity. This approach, however, has several significant deficiencies which should be remedied for the benefit of all interests.

First, the bill lacks a guarantee of positive action. No one can predict when the States of Virginia and Maryland and the government of the District of Columbia might reach an agreement which the Congress would approve, especially since none of them are parties to this legislation nor are operators of any of the airports involved. We submit that the need for prompt action will grow more critical each year.

Second, the bill contemplates no participation in a regional airport system by the Federal Government at any level. While we agree and have stated that local administration and operation of airports is most appropriate, the operation, to be successful, must be adjusted to the particular local needs. Washington is the seat of the National Government, and the area airports serve far more than purely local interests. They are, in fact, essential to the efficient functioning of the Federal Government. We believe that the Federal Government, therefore, has a genuine and legitimate, although limited, interest in the operation of any regional airport agency for the Washington area.

Third, we believe that regional air transportation should be regarded on a much broader basis than just the matter of how Washington National and Dulles Airports will be administered. The needs of general aviation, as well as those of the air carriers, must be recognized and satisfied. The Department of Transportation is encouraging this idea with regional and local airport administrations all across the country. This concept is a fundamental premise of the recently enacted Airport and Airway Development Act of 1970. Future aviation needs of the area, such as a downtown STOLport, should also be included within the scope of a regional airport authority. Bitter experience has taught us that in attempting to develop a comprehensive approach to any type of regional transportation system, planning authority alone is not sufficient. Any regional agency with this type of responsibility must have the authority to finance and implement its plans. In our opinion, S. 3128 does not present a sufficient mandate for this degree of authority.

We come before this committee today, Mr. Chairman, as much to listen as to speak. The Department of Transportation would welcome an opportunity to consider this bill along with other alternative proposals, the comments of the other witnesses at this hearing, the suggestions of the committee, and then develop a truly comprehensive regional airport system concept. While many details would have to be carefully considered, I should like to give you some of the ideas that the Department presently has under consideration:

As to possible organizational structure, our inquiry to date suggests that two somewhat different basic forms are worthy of more explicit study. The first would be a multi-jurisdictional airport authority, created either by act of Congress or through the process of a negotiated multijurisdictional compact which would become effective upon approval by the Congress. This familiar form of organization or variations of it are now widely and successfully used for the management of local or regional airports and other publicly provided transportation facilities.

A second possibility, as yet untried in transportation, involves the establishment of a mixed private-public structure using the corporate form of organization established for the Communications Satellite Corporation. This organizational form has considerable attraction because of its flexibility, its potential for attracting private capital and permitting wide participation by the States and local governments involved, airport users, and the general public while at the same time assuring that the public's interest in the use and development of the airports is amply protected. At the same time, the very novelty of such an approach and the issues that it raises suggest that

this approach must be given considerably more study before it can be definitely considered.

Irrespective of the particular organizational choice eventually selected, a number of key elements, would of necessity have to be taken into account:

1. The Secretary of Transportation's authority to initiate action to create a regional airport system and to negotiate with appropriate parties.

2. Any organization must have and be assured of an adequate financial structure before the Secretary relinquishes Federal control of the two federally operated airports.

3. It must have the authority to develop and implement plans for all types of facilities for commercial and general aviation in its region of operation.

4. Specific provision could be made for the development and coordination of necessary ground transportation systems either in conjunction with other agencies charged with this task or by the organization itself.

5. Prior to any transfer of the two Federal airports by the Secretary there would have to be specific provision for the continuance and preservation of existing contracts with the concessionaires and the air carriers and the rights and interests of the employees of the Bureau of National Capital Airports.

While in the foregoing, the majority of my comments have been directed to the future of the two airports over which we exercise direct control, it has not been my intent to ignore the very important place of Friendship International Airport. We feel that a regional airport system, and its inclusion would be a valuable contribution to such system. We, of course, are willing to discuss this matter further with the Friendship officials as we have in the past and would suggest in any proposed legislation the eventual inclusion of Friendship at its option. We do not believe, however, that the failure to include Friendship at the outset should prevent implementations of whatever steps we might be authorized to take with respect to the two Virginia airports. For the reasons mentioned earlier, we do not regard the existing organizational arrangements as desirable and, as soon as possible, would hope to alter them.

These are but a few of the more significant features that must be considered in establishing a regional airport system for the Washington area. If one had to be chosen as the most important, it would probably be the need for concentration of authority to exercise initiative leading toward a comprehensive regional airport system and operating agency. Any new organizational structure for the airport system for the National Capital area should be a model for the entire country.

This concludes my prepared statement, Mr. Chairman. I shall, of course, be glad to answer any questions.

Senator CANNON. Thank you, Mr. Shaffer.

It is my understanding that the Bureau of the Budget has disapproved of this type of approach, or at least didn't permit your agency to approve the proposal.

Do you have any comments on that? Do you know why?

Mr. SHAFFER. Mr. Chairman, I don't believe that there was any disapproval of it. It was suggested that we hadn't sufficiently studied

all alternatives to this really come before you with an administration position at this time. There is no reluctance on our part, however, to comment fully and candidly on this bill or any proposals for separating these two federally operated and owned airports from the aviation administrator's responsibility.

Senator CANNON. In other words, the agency thinks or the Bureau thinks not enough study has been given to it?

Mr. SHAFFER. Not enough study and not enough time to provide appropriate clearance procedures. But it is not, I am sure, any indication that we would not fully endorse such a proposal when we have had sufficient time to study to sift the facts.

Senator CANNON. How much time would the Bureau need? We asked them last November to comment on it and we haven't had a comment on it yet. It seems to me that is quite a period of time for them to be able to sift the facts and determine what their position is.

Senator Pearson?

Senator PEARSON. Thank you, Mr. Chairman.

I think actually my attention has been directed to the compact authority. There is general authority for the several States to enter into such a compact, title 49 of the United States Code. The real problem with that approach, I take it, is the transfer of the title of National and Dulles over to some multijurisdictional compact authority which would require an act of Congress.

Is that your understanding?

Mr. SHAFFER. I am sure that this is one of the factors. I also suggest that the current level of income might also be one. The operating incomes of the two airports exceed the operation and maintenance cost of them. However, the depreciation charges produce the deficit. I believe all of these things affect it.

Senator PEARSON. The airlines, air carriers want to go into National to satisfy what they deem to be a public demand. Is that right?

Mr. SHAFFER. This has been the argument that I have used or the reasoning process I have used. I don't really believe that you can induce greater demand at the other airports than exists there. I hope we don't get to the point where we force people to use facilities that are not their preference. Obviously man is a creature of habit.

I also think he uses the most efficient terminals and the origination demand facts clearly indicate that the communities served by the other two airports don't create the demand that the Washington National community generates. More people are concentrated near National than the other two and as a result it has a greater enplanement.

Senator PEARSON. Well, the FAA runs National Airport and Dulles. If you should issue an order and it would be your judgment and wisdom to issue an order that there would be no further jet operations out of National, we would still have the same traffic, we would still have the same passenger load either out of Friendship or Dulles, wouldn't that be true?

Mr. SHAFFER. Yes, sir, the Washington National area, or the National Capitol area, including Baltimore, generates at the moment about 15 million passengers and it is estimated that by 1980 that number will probably grow to 41½ million passengers for the three airports.

At that point, because of the limitations on Washington National the passenger enplanements will be split virtually one-third to each

airport. I believe Senator Dominick underscored the fact that National would still be serving more passengers than either Friendship or Dulles, but the percentage of growth has already flattened at National and as a matter of fact thus far in this year the enplanements there are down more than 2 percent from last year, while the enplanements at Dulles are up over 6½ percent for this year. These are percentage figures, they are not, they do not count the bodies behind the safety belts, but there is a trend in the right direction, I think, and I believe this trend is according to the original projection.

Dulles will grow and is growing, contrary to this morning's Post, it is not quite the way it is suggested there, it is not quite the inactive facility that they suggest.

Senator PEARSON. You see in the next decade a balancing out of the traffic load between National and Dulles and Baltimore. I cite your own report of your own Agency of November 1969 entitled "Washington National and Dulles International Airports Forecast."

At the present time National has about three times as many passengers as Friendship and about four times more than Dulles, but you have a table here indicating that, as you said, it will be about balanced one-third each 10 years from now.

Mr. SHAFFER. This is correct.

National will still be, all other things being equal, the more popular airport.

Senator PEARSON. Balanced against the desire of the air carriers, and the convenience of the air passengers you must, and I hope you make it part of the record, indicate that you are considering the problems of ecology, problems of congestion in the air and on the ground. These are constant balances.

Is this a continuing study? A continuing investigation on the part of the agency?

Mr. SHAFFER. Senator Pearson, this is a great concern of ours. No one seems to want to focus on the fact that the so-called stretched airplane really has a beneficial impact on both noise and smoke. We carry more people in an airplane that is the equivalent in terms of powerplant and performance as the earlier airplane. It is not a jumbo jet as has been suggested, it is an airplane that has a 20-foot section added to it. It can accommodate 40 more passengers than the 727-100, or 20 more passengers than the stretched DC-9 that has been operating there for some time, but the fact that those seats are available does not mean that it is going to induce a greater demand at National. It is simply providing greater flexibility and serves the public better with the same or fewer numbers of airplane movements.

It will not generate and does not generate any greater noise over the community. It is the same powerplant. Unfortunately for the investors in the airline industry those airplanes aren't flying with a full load. The load factors are below 70 percent in most cases and between 50 and 60 percent both incoming and outbound.

So we are flying the airplane virtually half empty or half full. And we are not really creating any greater congestion at National Airport.

Now I am trying to put this in the record not to be defensive, but to put this thing in the proper perspective. The same number of airplane movements, fewer, if the airlines manage themselves a little more carefully their current economic condition, and the airplane,

same noise, and because it is a more efficient airplane in terms of productivity, it will get the burn earlier.

This will take the dark plum that Senator Dominick referred to out of that airplane in the earliest possible time frame and you will start to see a marked improvement in exhaust pollution over the Potomac estuary.

I have some question about the veracity of the numbers of tons of carbon deposited by the airplanes in the community. It is a fact that the HEW reports say air pollution contributed by jets is about 1 percent of the total air pollution in America. And it is 3 percent around any active hub airport. As a matter of fact, the reciprocating engines create more solid particulate air pollution than the jets, the turbine powered airplanes are cleaner by a wide margin in every form of pollutant than the earlier reciprocating engine aircraft.

I think it is an important factor and shows that—this issue can become emotional rather than practical or reasonable—that those earlier airplanes are disappearing principally because they are not productive, they are not nearly as productive as the turbine powered airplane.

I hope that we can focus on the need for permitting the economic considerations to be just as important as they must be or this country is going to go in the same direction in air transportation that it has already gone in rail transportation.

The airplane is by far and away the cleanest, quietest form of transportation in terms of unit productivity of any that we have.

As a matter of fact, the automobile contributes roughly 30 times the air pollution of the airplane in terms of unit productivity.

Senator PEARSON. Thank you.

Thank you, Mr. Chairman.

Senator CANNON. Senator Spong has a comment to make.

Senator SPONG. I understand, Mr. Chairman, that we have to go to the floor and the committee can no longer meet. So Mr. Shaffer and I can continue this later. But I do want to make this comment with regard to Senator Pearson's question.

First, the approach we are using is consistent with Public Law 89-154. The reason for the legislation here is that that law is not applicable to the District of Columbia and that is why it was done in this manner.

Now, secondly, insofar as the growth of Dulles and National are concerned, I would like to read the following into the record: "Since fiscal 1964, Dulles first full fiscal year of operations, passenger traffic growth has averaged 21.9 percent per year, ranging from a low of 17.6 percent in fiscal 1967, to a high of 29 percent in fiscal 1966. During the same period of time, National passenger traffic growth averaged 11.4 percent, but the total passenger traffic increase at Dulles during the period was only 1.2 million, whereas for the same period National traffic increased by 4 million."

Senator CANNON. Thank you very much.

Mr. Shaffer, we are going to have to recess the hearings and we will ask that you return. We will resume the hearings at 10 o'clock tomorrow morning.

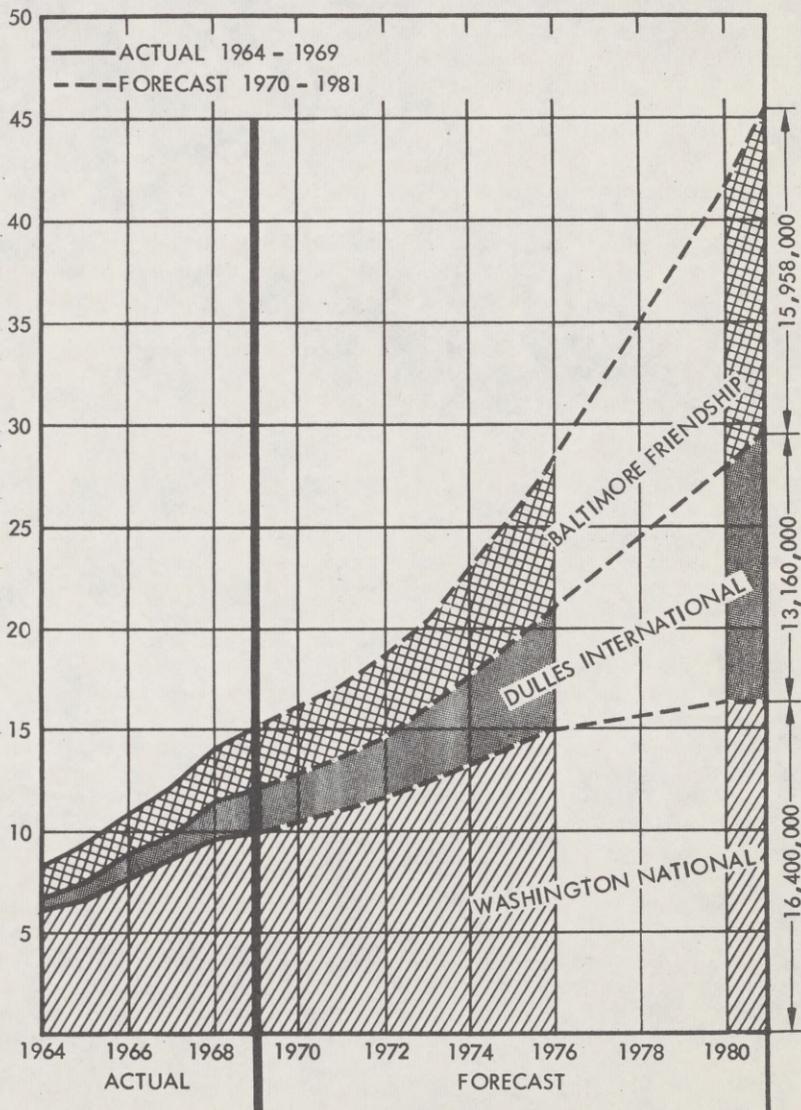
Mr. SHAFFER. If I may make one final comment, I agree with everything Senator Spong has said about the traffic, actual and projected, at National Airport and I would like to suggest that this chart be in-

cluded in the record at this point. It is consistent with the Senator's comments.

Senator CANNON. We can't very well put the chart in, in that form. If you will supply a smaller copy for the record, it will be included. (The chart follows:)

WASHINGTON - BALTIMORE AREA AIRPORTS PASSENGERS FISCAL YEARS 1964 - 1981

MILLIONS



SOURCE: Washington National and Dulles International Airport Forecasts, Fiscal Years 1970 - 1981 (November 1969)

Senator CANNON. The hearings will resume at 10 o'clock tomorrow morning.

(Whereupon, at 11:30 a.m., the subcommittee was recessed, to reconvene at 10 a.m., Friday, June 12, 1970.)

ESTABLISHING MULTISTATE AUTHORITY TO OPERATE WASHINGTON-BALTIMORE AREA'S AIRPORTS

FRIDAY, JUNE 12, 1970

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

The subcommittee met, pursuant to recess, at 10 a.m. in room 5110, New Senate Office Building, the Honorable Howard W. Cannon, presiding.

Present: Senators Cannon and Spong.

Senator CANNON. Committee will come to order.

Mr. Shaffer was testifying yesterday. We hadn't completed with him, so if you will resume, Mr. Shaffer.

STATEMENT OF HON. JOHN H. SHAFFER, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION; ACCOMPANIED BY ARVEN H. SAUNDERS, DIRECTOR, BUREAU OF NATIONAL CAPITAL AIRPORTS; AND OSCAR BAKKE, ASSOCIATE ADMINISTRATOR FOR PLANS, FEDERAL AVIATION ADMINISTRATION—Resumed

Mr. SHAFFER. Mr. Chairman, Mr. Spong, at the end of yesterday's session we were talking about the projections of growth at the three airports and we asked permission to include in the record a chart showing those projections, which I am reasonably confident are roughly the same data that Senator Spong had previously addressed. I think it would help to fill out the record in that specific area. I would hope that we would have an opportunity as a result of this result of this morning's newspaper story to review the record totally and to respond to those statements in complete detail so that the record truly reflects what we consider to be valid fact.

I have no specific quarrel with most of it but there are some rather significant statements that seem to be based on data that I don't feel is accurate and I think that the record must show what are really the facts and to make certain that we understand this I believe it would be important for Mr. Saunders at this point to discuss the history of the landing fees and to compare these landing fees with other landing fees at major hub airports around the country so that we show clearly to the people who have read this story that rather than Dulles' subsidizing National operations, National, in effect, is subsidizing Dulles' operations. As a matter of fact, in total operating income from the two airports, it is in fact a profit rather than a deficit and the tax laws

of this country are based on a normal depreciation schedule of 30 to 40 years on everything you can think of from apartments to rental properties.

To think that you are going to recapture \$170 million total investment at Dulles Airport in less than 30 years is just not realistic. That is exactly what the schedule is. It was to operate at a deficit for 10 years, to run at a break even roughly for the next 10 years, and for the third 10-year program it would be a profitable period in which there would be full recapture of the Dulles investment.

I think this is normal. I believe that the story must tell this or relate this in the story. I hope we will have this opportunity.

Thank you.

Senator SPONG. Of course we do not want to preclude you, Mr. Shaffer, or Mr. Saunders, from having an opportunity to express yourselves on anything relative to this. I would say to you that the statement I made speaks for itself. It was written out. I read it. The only thing that was not written in the statement was what I said about not pointing any finger at you; that it concerned all those who had anything to do with this.

Now, we are not talking about amortization of the capital investment out there. I am talking about operating deficits. The statement makes that very clear.

I want to give Mr. Saunders every opportunity to respond before these hearings are over. If you feel like you have to do it this morning, I suppose the only proper thing to do would be to let you do it, but we are here to talk about a bill, a piece of legislation, that is before us.

Now, I initiated the subject, and what I do say to the chairman is: I am not interested in going back over the capital expenditures at Dulles and how they are to be amortized; what I am interested in—and I guess if we are going to talk about what was said in the newspaper this morning that means everything that was said and we can determine what is nonsense and what is not—is a discussion of whether the subsequent action in which National's landing fees were tied in to Dulles' fees, what effect that can have on the development of Dulles Airport.

Now, I want to say that we intend to have the General Accounting Office pursue the studies that it has already initiated, but I want to say to the chairman that I want these gentlemen to have every opportunity to say anything they wish.¹

Senator CANNON. Well, I would simply say that the administrator will have the opportunity to respond to anything that has been said here in testimony or statements before the committee and if he is not prepared to do so today, he can do it at a later time by submitting to me a letter in writing addressed to those points and if we determine that further hearings are necessary on it we will go into them.

He may respond in such detail as he may desire because we are certainly not going to hold a closed-door hearing here where we hear only one side of the issue. We expect to go into the issue very thoroughly.

¹ The General Accounting Office Report appears in the appendix on p. 121.

Now, Mr. Saunders, if you are prepared to address yourself to this landing fee issue at this time, we would be very happy to hear from you.

MR. SHAFFER. May I make one further clarification, Senator Spong? In all fairness, the newspaper chose one sense now instead of a full two-sense statement. The word "nonsense" is totally out of context, but I think it is kind of typical of reporting these days and that is for the record.

Senator CANNON. I am in the dark on this. I went to work at 7 o'clock this morning and did not see the newspaper, so whatever the article was, it is not part of the record in this hearing.

Senator SPONG. And I do not not intend to make it part of the record. I would say Mr. Shaffer and I are both occupying public positions and the public will have to judge the language we use against the context of the facts that are presented.

Senator CANNON. Mr. Saunders, you may proceed. Would you like to address yourself now to this matter of the landing fee issue that was raised?

Mr. SAUNDERS. If I may, I will summarize what we believe the position is and ask that we be allowed to submit more detailed information for the record.

Senator CANNON. Very well.

Mr. SAUNDERS. As Senator Spong indicated, the capital investment of Dulles is a long, complicated subject. It is not possible this morning to get into it fully. It is obvious that \$108 million complicated operating facilities cannot pay for itself overnight.

I simply make the point that in hearing after hearing before various committees in Congress for almost 10 years there was clear recognition of this fact by appropriate committees.

The operating expenses, as well as the recovery of capital expenses, capital investment, would take time. The arrangement made initially for the 10 years involved recognition of this fact, involved very clear understanding on the part of all parties that the first 10 years would be loss years on an operating basis and that there would be no recovery of the capital investment.

For example, in a hearing in 1963, Administrator Halaby said to the Senate committee, "Mr. Hobbs"—Mr. Hobbs was the prior Director of the Bureau of National Capitol Airports—"Mr. Hobbs and his boys, with a little help from me, have negotiated the fees out there that are rather high, but they will promise to pay back over 30 years the investment and the operating costs, but it is going to take a lot of patience."

Senator CANNON. Is that with relation to National or Dulles?

Mr. SAUNDERS. With respect to Dulles, Mr. Chairman, very clearly. And there are other references which we would like to make for the record clearly establishing the fact that this had been discussed for a long period of time. Specifically on landing fees, as at most airports, landing fees at Dulles are determined by dividing the landing area costs by the aircraft weight landed.

In 1966, an addition was made to the agreement in recognition of the admission of jets at National and the authorization for this was stated in the supplemental agreement, and I will quote only one part of it, Mr. Chairman, in the interest of time.

The agreement says in part, "The use-fee rate for jet aircraft at National shall be the use-fee rate established for Dulles under the Dulles use agreement and lease."

Specifically, Mr. Chairman and Senator Spong—

Senator CANNON. That was in 1966?

Mr. SAUNDERS. Yes, sir.

Senator CANNON. All right.

Mr. SAUNDERS. Specifically that meant as of that date the air carriers which had been paying $14\frac{1}{2}$ cents per 1,000 pounds landing weight at National and had been paying 37 or 38 cents per 1,000 pound landing weight at Dulles would now pay 32 cents at both airports and the arrangement was that the costs would be reviewed yearly as is true in the Dulles agreement, and the rate would be adjusted accordingly.

Since 1966, the airlines have paid a premium, or as we sometimes call it, a jet credit, in accordance with this agreement, totaling almost \$3 million. There is no question in our mind that as a result of this arrangement in 1966, we have collected more in landing fees than we would have had we retained the separate arrangement for each airport.

Mr. Chairman, that is a very brief statement of the situation and again, if we may, we would like to submit for the record a complete rundown on the history and the various steps involved in the process.

Senator CANNON. You raised at National from 14 to 32?

Mr. SAUNDERS. Yes, sir.

Senator CANNON. Was that based on cost of space at National or as an attempt to equalize the two airports?

Mr. SAUNDERS. The latter: Attempt to equalize jet landing fees at both airports.

Senator CANNON. Does that mean the landing fees at National are actually subsidizing Dulles?

Mr. SAUNDERS. Yes, sir; to the extent of about \$3 million. We will submit the exact figure for the record so far. Yes, sir; that is exactly right. In other words, they paid that much more at National for jet traffic than they would have on the basis of the actual cost at National. Further, as a matter of fact, since National is an older airport and amortized over many years already, the landing fees have tended to decline over the years.

What we call the top landing fee at National is now 12.98 cents, so it could be argued that the jets landing at National on the basis of the arrangement there and on the basis of the cost there would pay no more than 12 cents or as little as 7 or 8 cents per 1,000 pounds landing weight for the privilege of landing at National and for full recovery of the costs at National on the standard basis used for 30 years. Instead they paid 32 cents and the rate had changed and it is now about 21 cents, but still vastly more than the fee in effect at National for prop aircraft.

Senator CANNON. Would you state generally how the fees do compare?

Mr. SAUNDERS. Certainly. Atlanta, for example, is 16 cents; Baltimore, our best information is $16\frac{2}{3}$ cents; Chicago is 34.7 cents; Cleveland is $18\frac{1}{2}$ down to $16\frac{1}{2}$ on a sliding scale; Dallas is 8 cents; Denver is 17 cents; Detroit is 10 cents; and so on.

There are a number of large airports in the country receiving far less than we charge at the airports for landing fees.

Senator CANNON. The statement was made yesterday that the contract was written so as to guarantee a deficit at Dulles even if the fees had to be lowered. Why was that done? If it is a fact.

Mr. SAUNDERS. The arrangement was made in recognition of the negotiating position of the FAA and the Bureau of National Capitol Airports in 1962 and 1963. It should be pointed out that the FAA then, the FAA now, has had no power to force the airlines to move to Dulles. We have no power to force them to pay certain rates. It is a negotiated contract in light of our proprietary relationship, not our regulatory relationship, as the Administrator pointed out yesterday.

It should be pointed out, too, that the airlines did not ask for Dulles and saw no need for it when it was proposed. They already had staffing and equipment at two airports to serve what they considered to be, with the CAB's concurrence, a single market. They were very reluctant to duplicate this investment at a third airport which they felt at that time would not be needed for some years.

In light of these facts our predecessors negotiated the best contract they could in light of the circumstances and recognized that some parts of the capital investment could not possibly be recovered in a 10-year period or perhaps later in the case of the access road and tower and light. So the arrangement included a projection of costs, revenues and deficits, and it was very definitely per the contract and an agreed upon deficit and agreed upon revenue and agreed upon cost figure with provisions for adjustments.

All we can say, Mr. Chairman, is that it is a very complicated contract. All we can say again is that our predecessors negotiated that contract in good faith with the airlines on the basis of the facts then and got, as Mr. Halaby indicated in his testimony before the Senate in 1963, what was then considered to be a high rate, including these various deficits and agreed on arrangements for adjustments.

Senator CANNON. In this term of "deficit" you keep bringing into that the capital investment. Is the deficit based on operating revenues, on an operating basis only, or does this include the capital investment and amortization into it?

Mr. SAUNDERS. Both, Mr. Chairman. While the cost of an airport begins instantly, the revenues do not begin instantly. The expenses of running Dulles began at a fairly high level to open the door. Obviously revenues began slower.

The contrast between the two is quite striking. From the start to now revenues at Dulles have increased about 88 percent; costs have increased only about 15 percent. The arrangement on deficits, including operating deficits, was in recognition of the fact that concession revenues and other income would not be forthcoming in great measure in the early years.

Senator SPONG. Mr. Saunders, I am going to submit five questions to you and Mr. Shaffer. In the interest of time, I am going to submit them. They deal with the operating cost of the airports rather than the capital investment, as I stated.

Now, I would, however, like to make a point or two. These questions deal with your present fees but I would like to go back to a letter I received from Mr. Shaffer, dated the 21st of May this year, in which he advises me that he received from the Bureau a revised study containing certain projections and assumptions.

The study I have here deals with the introduction of stretched jets into National Airport and what they may mean.

Now Mr. Shaffer and I, in previous dialog in other hearings, have established that at the present time a limited number of stretched jets are being used at National and that matter is under study. The projections here were based on stretched jets ultimately being used rather generally at National. It recommended that they be brought in very gradually but it assumed, I think, that ultimately there would be a great many of them.

The study suggests that if this is done, the taxpayers and the management, those operating the two airports, ought to share to a larger degree in the profits that would result.

Of course in the report, as you know, it is suggested that the decision will have an effect on the growth of Dulles and Friendship Airports. I quote this language: "This is a big price to pay for additional revenues even if the benefiting air carriers could be persuaded to accept fee and rate adjustments that would put the Bureau's airports totally in the black."

Now that statement in the report comes along after discussing the profits that would accrue to the airlines and, secondly, making the observation that if this takes place—and that is the total introduction of stretched jets into National Airport—that it would impair the growth of Dulles.

Now I go to the next page. No, it is two pages later. These pages are not numbered.

"All nine of these carriers"—and they are the nine of the 14 carriers serving Dulles—either don't own a stretched 727 or don't operate out of DCA.

Now I quote: "All nine of these carriers can be counted on to resist any changes in the contract and fee structure that we might propose as a price for admission of the stretched 727 since the fee structure of the two airports are inextricably interwoven. This will make it extremely difficult, if not impossible, to achieve adjustments which would permit us to share in any real measure the financial bonanza that this decision offers to about one-half of our airline customers."

Now the point I was making in my remarks yesterday was that I can understand, although it is unique, the initial contract with Dulles with the built-in deficit plan because I think this was as an incentive to promote business at Dulles and to bring the airlines in. I don't yet understand the tying in of the fees at National to the fees at Dulles and I do say, in submitting this series of questions to you, which I think you and Mr. Shaffer should have time to review before they are answered for the record, that the tying in of the fees of the two airports, given the deficit agreement for Dulles and the fact that Dulles fees are tied to those at National, has the effect of making it desirable to promote business at National rather than Dulles and also has the effect of impeding growth at Dulles.

Now I make that statement and I submit these questions and I think in the public interest and in fairness to you and myself that we ought to examine all of this and then continue this later. But I have these questions and I will submit them.

Senator CANNON. The questions will be submitted. You may answer them for the record. However, that last one, I don't come to that conclusion at all. I come to exactly the opposite conclusion.

I would like Mr. Saunders to respond to that.

Isn't in fact just the opposite true? If the old National rate went into effect or if you considered the rate at National irrespective of any rate at Dulles you would have a lower rate today at National than is now in existence and, therefore, you would be inducing more flights into National, whereas by using a joint rate, the two of them, and resulting in a higher rate, you are, in effect, subsidizing Dulles out of National and really not encouraging the use of National at the expense of Dulles; is that correct?

Mr. SAUNDERS. Yes, sir, Mr. Chairman. I think the figures are really striking. The fee now for prop aircraft, which would have been the fee, overall, for all aircraft without this special arrangement for jet aircraft is, as I have indicated, 12.98 cents. If you had continued National on an independent basis in accordance with its contract and with the jets landing there, we estimate that the landing fee by now would be perhaps 8 cents per 1,000 pounds landing weight. By contrast the fee at Dulles, when we went into this arrangement, was 38 cents. It probably would still be in the 30-cent range even now by contrast.

So, as we see it, there very definitely is a jet credit, a penalty, an extra fee paid for the privilege of landing at National which should be credited to Dulles.

Senator CANNON. Well, you will get the questions submitted by Senator Spong and submit answers for the record.

Senator SPONG. Mr. Chairman, since we have gone this far in the record today, I would like to ask Mr. Saunders: Isn't it true that the agreement signed in 1966 provides for a minimum landing fee at the two airports of 30 cents per 1,000 pounds except where a downward adjustment is necessary to reach the preplanned deficit at Dulles?

Mr. SAUNDERS. This is exactly right, Mr. Chairman. The arrangement at Dulles initially had a 30-cent minimum landing fee.

Senator CANNON. That landing fee at the two airports today is 20.8 cents.

Mr. SAUNDERS. Yes, sir. 20.98 approximately.

Senator CANNON. All right.

Thank you very much.

Do you have anything to add, Mr. Shaffer?

Mr. SHAFFER. No, sir.

Mr. Chairman, I would like to switch to a previous statement. This is not any real challenge to it. The operation of the 727-200 at National is not the threat that it is stated to be in the draft report and in the report that we have already introduced in this record and in the record of another committee. It is important for all of us to understand that my challenge or my inability to accept it as fact is not with Senator Spong. It is with my own people.

The basic assumption—and then I will stop and enlarge on it or amplify it for the record—was that the small airplane, the BAC-111 operating with a load factor of 56, has 65 seats. You would then substitute a bigger airplane with 124 seats, assume the same load factor and you would have 72 people in that airplane as contrasted to 31

people in the smaller airplane. This is the typical fallacy that is in the staff study that was created in the Bureau of National Capital Airports. It is based on nonfacts.

So we aren't going to create congestion at National Airport by substitution of the stretched airplane. We will reduce congestion. We will have an impressive improvement in noise over the community and, as a matter of fact, because it is of superior airplane in any regard, it will be the first to be retrofitted with the smokeless burners and the environment will be improved in this community.

So the stretched airplane is truly in the public interest and the public benefit and I hope that the record will show that when we finish, because it is not going to be substituted one-for-one. There are only 192 of them in existence and they are in the mix of the random scheduling throughout the air traffic system of the United States or the air carrier system of the United States and it is reasonably certain that very few of them will show in the Washington area on a regular basis. The maximum number that have thus far been admitted on any one day at National is 27 out of a schedule of approximately 600.

So it is not any swarm of locusts. It will be admitted only during the study period on a rare basis rather than on a one-for-one basis and it is, as I stated, clearly in the public interest. It provides more seats but it does not induce any greater demand by and of itself. There aren't very many people using this airport today as compared to a year ago. As a matter of fact, we had a decline. I wouldn't say there aren't many people. There are fewer people using the airport today than a year ago and the airplanes are flying with lower load factors.

So the appearance of a bigger airplane will not bring greater numbers of customers into the terminal. Congestion isn't the problem. Pollution isn't the problem. Noise and smoke will be less with this plane. There will be fewer of them needed to haul the same number or all of the people who want to use the airport.

One final statement.

All of the people who want to use the airport are already using the airport. Another airplane isn't going to pull any more people into the terminal.

Senator CANNON. Thank you very much, Mr. Shaffer.

Senator SPONG. Mr. Chairman, I am not going to proceed with this any longer but I would appreciate Mr. Shaffer's saying that in large measure this is a matter of disagreement within his own department insofar as some of these conclusions are concerned, but I do feel for the record I should state that the conclusions made and the recommendations made to Mr. Shaffer insofar as the introduction of the stretched jet is concerned contemplated that the 134 flights of these aircraft would represent about 30 percent of existing aircraft and that only about 130 seats to 152 seats would be occupied rather than the maximum number 170 seats.

I think these figures are going to relate to the value that I put in this report as we continue this dialog.

Mr. SHAFFER. Senator Spong, I am not trying to destroy the man who made the report—there are not 170 seats in the airplane. The airplane was certified to carry 170 people but we don't have any configuration that has more than 134 seats in it.

As a matter of fact, the average configuration of the 727-200 is 124 seats. For the record, only about nine more seats on the stretched C-9 that operates in and out of National. So the staff study was based on some rather invalid—I won't call them facts—but assumptions. There are not 170 seats in the plane. That is the certified number but we don't fly any of those planes—there are not any of them built. That was the problem with the report. He started with a higher base and multiplied it by an average of \$40 fare. He multiplied it with an average of 56-percent load factor. That is not valid.

All of this then comes out with the end result that this would induce roughly 900 to 1 million additional passengers at National Airport. I am sure that we would all be happy if the airlines were fortunate enough to get another million passengers out of National Airport but that won't happen in today's market.

This airplane does not induce new customers. All the people using the airport are presently using the airport. All the people who want to use it.

Senator SPONG. A report from the Comptroller General dated June 9 says the Director and Deputy Director of the Bureau advised us that the final report is the official Bureau position and that the information and conclusions in the report, although prepared about 5 months ago, are valid today, assuming that the air carriers are allowed unrestricted use of the stretched 727 at National.

Senator CANNON. I think that last statement answers it. Assuming they are allowed unrestricted use and they are not using unrestricted use, that is obvious. I have the sheet from one airline that has been operating and it shows their configuration for the stretched 727 at 123 seats. Their same configuration for the other aircraft, the regular, is 113 seats, and they are running an inbound load factor of 50 percent and outbound of 57.6. So it is quite obvious that the seating capacity is quite different than that used in the report.

Senator SPONG. The report was based, as I said, on 130 seats and 30 percent of the existing flights.

Senator CANNON. What kind of load factor?

Senator SPONG. Fifty-six percent.

Mr. SAUNDERS. May I add something? I would like to emphasize the point on the assumption. This was a staff study which is no more than an educated guess. It assumes certain things. The important assumption that needs to be emphasized is that it assumed that the airlines would have unrestricted access by the 727-200 and that they would indeed take advantage of this at every possible opportunity.

We have said that there will be less usage of the 727-200 than that by far and there may be continuing restrictions on the use of the aircraft. That makes quite a difference between a free assumption on the one hand and a different claim on the other.

Senator CANNON. I see next—is Senator Mathias here?

Senator SPONG. Mr. Chairman, we have not gotten around to asking questions on the bill. I regret that very much but Mr. Shaffer came in and said he wanted to reply to something yesterday. We have some legislation before us and I would like very much to question Mr. Shaffer.

Senator CANNON. You may proceed.

Senator SPONG. Mr. Shaffer, in your statement yesterday, you requested time to further study this legislation and possible alternatives. I have no objection to careful study by anyone. However, I am concerned by the past track record of the Department of Transportation and the FAA.

For instance, the Department was asked to comment on this legislation—when, in December?—December of last year and we are now in June and the committee has not had the comment until you testified yesterday.

In the CAB investigation the Department of Transportation asked for time to evaluate certain studies and to arrive at a Department position. I think this investigation is pertinent to what we are talking about in view of your earlier statement or that of Mr. Saunders that the FAA had no power to order any flights into Dulles.

We had a CAB investigation and hearing underway for the Washington/Baltimore area, in which those interested in Friendship and Dulles sought through the CAB some type of relief.

And a preliminary hearing was held. Now, the Department asked for time to evaluate some studies before giving the CAB its position. Two years elapsed before the Department of Transportation got around to filing its position and then it was to ask that the investigation be called off.

That was the action taken. Now, what I would like to ask you is: How long would you anticipate it will take to arrive at a position on this legislation which was introduced in November of 1969? How long do you think it would take the FAA or the Department of Transportation to give us a full evaluation based on some of the questions you raised yesterday and the studies that you think are necessary?

Mr. SHAFFER. Senator Spong, in my prepared statement I had hoped to include the thought that we would propose or have a legislative proposal ready for the 92d Congress. I am not ready to speak for the Secretary on what their position is but I don't think we have any differences there either. Assistant Secretary Baker was scheduled to be here as the Department's witness but another committee preempted both Under Secretary Beggs and Assistant Secretary Baker.

They could not address the point but I hope we will with the record of this hearing and the team of other witnesses be ready to make a legislative proposal for the tristate authority or the triparty authority that would operate hopefully all of the airports and do the planning for the new airports that are certain to be required.

I now speak of the reliever and the satellite airports as well as—I think people have trouble with this—but we will see the day when we need another major hub airport in the Greater Washington/Baltimore area. Hopefully we can create such an authority and do an adequate job of planning in a dispassionate way that needs to be done to better serve the people here and all of the other people who use the air system of the United States.

Senator SPONG. Generally speaking, I think the areas of our agreement are much larger than those on which we might have some differences. That is with regard to this legislation now, Mr. Shaffer. For instance, I would have no objection to giving the Secretary of

Transportation the authority to initiate the negotiation and I agree that the Federal Government has and will continue to have an interest in the airports and that that interest should be represented in any authority that is created.

I would also agree that consideration, as you stated yesterday, ought to be given to bringing general aviation airports under the authority. But most of the details and conditions that you referred to in your statement on yesterday seemed to me matters that can only be settled through negotiation among the parties concerned.

Would you agree with that?

Mr. SHAFFER. Yes, sir. We all, for example, have to agree on the worth of these properties.

Senator SPONG. I take it that you agree that such negotiations are necessary and that we can't simply let someone draw up a proposal and submit it to the jurisdictions on a take it or leave it basis, do you agree with that?

Mr. SHAFFER. I certainly do.

Senator SPONG. What I am seeking is the immediate beginning of these negotiations because I think that time is very much of the essence and I think it is very important not just for the State of Virginia and the State of Maryland and the District of Columbia but the political subdivisions adjacent to the Washington metropolitan area, to share not only in the negotiations but also in some of the decisions. I might say to the chairman here, by way of apology to him, that I didn't want to muddle up his hearing this morning with factual situations and figures that neither Mr. Saunders nor myself have completely put in one form where either of us can comment upon them.

The point I am making is that I believe in all of these decisions made with regard to National Airport or Dulles Airport, more so than any other airports in the Nation, because they are owned by the Federal Government, that political subdivisions bordering on the Washington metropolitan area ought to have some opportunity to participate in the decisionmaking process.

The stretched jet matter was done some 6 or 7 months after Mr. Saunders testified before me that stretched jets were not going to come to National Airport and some weeks after you wrote me or told my office on the telephone that there was a 99-to-1 chance against it happening. I don't know that I have the expertise to quarrel with either you or Mr. Saunders about weight loads and passenger capacities and all of this, but I do feel competent to ask, through this bill, a community voice and community consultation in the planning and the future of these airports in the Washington metropolitan area.

If I understood your speech at the National Press Club and your testimony yesterday, you have said exactly the same thing.

Now, I don't think we can wait 1 year or 2 years for more reports over something that has been studied to death to begin this. That is my position.

Now, yesterday you mentioned the possibility of Comsat type of organization. What role would the air carriers have in that and would they have a veto over policy?

Mr. SHAFFER. As I indicated yesterday, we had not fully developed the Comsat type concept, but to answer your last question, the air carriers would not have veto type voice in arrangements like that.

Senator SPONG. The Department of Transportation, did they not suggest a similar kind of organization with respect to railroads?

Mr. SHAFFER. I worked for the Department of Transportation and I fully embraced the idea of balanced transportation systems with all modes being complementary, but I have my hands full with the aviation component. I do not know what the railroads propose.

Senator SPONG. I think you have.

Now, I will submit these questions to the Department. I do believe that the Comsat idea has been considered previously with regard to the Nation's railroads.

Now, I have probably already covered this, but I did not give you much of a chance to say anything. You have been quoted several times as saying the community should have a voice in the affairs of these airports.

Given the probability that it will be sometime before any reorganization can take place, what is your feeling about creating an interim community airport advisory commission, to advise the FAA of its views concerning new developments at the airport and major changes of operating policy?

Mr. SHAFFER. Well, my immediate reaction to most committees, this committee notwithstanding, is that—this committee has an entirely different structure and posture and purpose than most committees. I am talking about advisory committees—I find very definite reluctance on the part of most advisors to accept the—I will call it responsibility. It is one thing to give advice and it is another thing to be responsible for it.

As a result I avoid committees that are advisory in nature. If we really had a task force or a working group that was chartered with a specific mandate to create this instrument, then I would be strongly for it, but to have an advisory committee as such, I find them rather difficult to work with because it is a sort of hobby, extracurricular activity, but if it were full time, with a specific purpose in mind, that by a certain date there would be a specific proposal, then I would think that it would be worthwhile.

We will be doing virtually that, as we did with the airport/airway bill that has recently become law. We consulted with every possible segment of the aviation community that had anything to say about that and then sorted it out, I think in a reasonable way, and came up with a legislative proposal that reflected, as has been indicated by the vote in both Houses, pretty much what the aviation community wanted. I would hope we would be able to do much the same thing with the tripartite authority to operate and plan the aviation facilities.

Senator SPONG. Would you submit for the record any ideas you might have as to how such an advisory group might function to be constructive in the policymaking?

Mr. SHAFFER. Yes, sir.

Senator SPONG. Now, Mr. Shaffer, you have indicated that stretched jets are being allowed to operate at National pending

further study. Can you give us some indication of how long it might be before you are in a position to give us the results of your study and any comments you might have upon its effect on the growth of Dulles and Friendship Airports if the stretched jets are allowed to operate at National permanently?

Mr. SHAFFER. Senator Spong, there are two peak travel seasons in this part of the system—one in June and one in October. That is the effect of the school closings and openings and this sort of thing.

I would hope to include that much data in it so that everyone will have a better appreciation of it. I believe in the first 2 months—April and May—the total number of stretched operations in the airport was 676. I will correct that; that is an average—a rather low average. We have to have a good data base.

Hopefully, if it is agreeable to you, this study could complete after the October results and I say this with the hope that all the people who have whatever opinion they want to hold about the stretched 727 will understand that we are doing it on a very restricted basis and that it is carefully controlled.

This is not a promiscuous substitution or the unfettered substitution of equipment. The scheduled arrivals are very carefully controlled; the nonscheduled arrivals are random in nature and are a result of where those airplanes are in the total air transportation system of those carriers operating in and out of National. They do not come in the same numbers each day. This is in the interest of greater flexibility and better savings.

The answer to your question is October of 1970.

Senator SPONG. After the October period?

Mr. SHAFFER. Yes, sir.

Senator SPONG. Now, Mr. Shaffer, perhaps Mr. Bakke might have been in a better position to answer this, but yesterday Senator Dominick, Senator Pearson and I had some discussion about the Dulles rapid transit situation. I secured an appropriation for a study from the Department of Transportation. I wonder if any of you gentlemen are in a position to give us any status report.

Mr. SHAFFER. To my knowledge—I think both of these gentlemen also share this—the work statement is virtually complete and that contract for the study will be awarded very, very soon. I do not know the specific date, but they are working to get it out. Mr. Bakke may have some comments about, not the general subject, but this specific subject of high-speed surface system access to and from that airport.

Mr. BAKKE. Only to confirm what Mr. Shaffer already said, namely, the work statement is in process at the present time and I am unable to forecast when that work will be initiated.

Senator SPONG. Thank you.

Thank you, Mr. Chairman.

Senator CANNON. Mr. Shaffer, you say the 727-200's are controlled under very strict control conditions. I wonder why you control them at all in the light of your testimony. If you say that they are configured for only about 120 seats and are running at less capacity than that, which is considerably less than the regular 727's, so that they are not increasing the load, you say that they will be the first engines to get the antipollution devices on them, so they will be cleaner engines,

and I believe the noise levels are likewise less. Why do you place any controls on them at all?

Mr. SHAFFER. Senator Cannon, the controls that we have imposed are in response to, I will call it the community reaction as a result of, I believe, fundamental misunderstanding of what kind of airplane it was. There were lots of people who had the impression this was the jumbo jet or this was a monster. This has been in the press, these kinds of statements.

The control is partly in response to that, but very specifically the controls are necessary so we can quantitatively determine the effect of the stretched operation at Dulles—the effect of the stretched operation on Dulles as well as—we have to know how many came, what the load factors were, how many seats were occupied on arrival and departure, and what happened at Dulles on that day and on—

Senator CANNON. So it is mainly for purposes of comparison then.

Mr. SHAFFER. We are doing an absolute quantitative comparison of the effect of the airplane operation here.

Senator CANNON. Are those assumptions I gave you a moment ago on the 727-200 correct?

Mr. SHAFFER. They are correct as all of the experts view it. I think maybe there are some who do not share that view, but the facts are clear as you state them.

Senator CANNON. Which ones of the items are in issue, in contention?

Mr. SHAFFER. I call it the bizarre reporting of the 727-200 in some of the press has resulted in a complete distortion of the program in the views of many, but the airplane is no noisier than—and as a matter of fact some of them have the hush kits on them, so we have in fact decreased the noise level over the community or the noise exposure over the community. The airplanes have priority on retrofit of the burner can so they will be cleaner quickly.

They do not induce any new demand on the terminal area because, as I indicated, all the people who want to fly and want to use the airport are already using the airport and the additional seats do not create anything except to contribute to the economic performance of the airlines because of the flexibility and the fact that they can operate fewer flights and serve the same number of people.

We are trying to translate that greater benefit to the public benefit. We think we are. We agree with your statement, sir, that the airplane has nothing but a beneficial impact on the air operations, the economic performance of the airlines and the community.

Now, the problem is, does it have a derogated effect on Dulles? Do we by reason of the fact we have introduced this bigger airplane here, have we retarded Dulles development?

Senator CANNON. You hope to have that information for us shortly after October?

Mr. SHAFFER. That is correct.

Senator CANNON. All right.

Now, getting back to the bill, section 3, is there any precedent as far as you know for the action contemplated and proposed in that section of the bill? That is the section that would authorize the Secretary to convey to the multistate authority all rights, title, and interest of the United States in or control of the Washington National Airport and Dulles to the authority.

Mr. SHAFFER. Mr. Bakke may be better prepared to answer it, but section 16 of the Federal Airport Act and section 23 of the New Airport/Airway Development Act of 1970, both speak to this point, and I do not think we have any basic problem with it.

The Secretary has this kind of authority today to some degree and maybe full authority to do this.

Mr. BAKKE. The statutes cited have to do with the responsibility of the Secretary to propose to the Secretary of Defense the transfer of title to properties owned by the Federal Government for the purpose of development and use as an airport.

The provision for the mechanism for transfer titles to appropriately qualified local sponsors is not a new one in Government and has been used extensively in the past, primarily, however, with respect to military problems.

Senator CANNON. But you see no particular problem in this?

Mr. BAKKE. None whatever.

Mr. SHAFFER. As Mr. Bakke indicated there is no specific precedent for the transfer of two civil airports but plenty of precedent for the transfer of Government property.

Senator CANNON. Thank you very much.

(The questions of Senator Spong and answers thereto follow:)

Question. What is the passenger capacity of the present Dulles terminal building?

Answer. The capacity of the present Dulles terminal building is approximately 1600 passengers per hour.

Question. Is an airport terminal building designed to fully accommodate passenger traffic peaks or something less? By what percentage should average peak passenger traffic normally be expected to exceed non-peak traffic?

Answer. A terminal is designed to accept a period of high passenger activity, but something less than the *absolute* peak of passenger flow. The guidance material published by FAA on this subject has recommended terminal design criteria related to "typical peak hour passengers," this being defined as the total passenger flow during the busiest hour of a busy day of a typical week.

The percentage of passenger activity which occurs in a peak period varies widely from airport to airport. It also varies at a particular airport as that airport develops. Studies by FAA at a number of airports have identified the following general relationships between typical peak hour passenger levels and annual passenger levels.

<i>Total annual passengers</i>	<i>Typical peak hour passengers as a percent of annual</i>
20,000,000 and over	0. 030
10,000,000 to 19,999,999	. 035
1,000,000 to 9,999,999	. 040
500,000 to 999,999	. 050
100,000 to 999,999	. 065
Under 100,000	. 120

These relationships are not truly "normal" because they involve averaging a wide range of peaking characteristics. Separate standards have not been published to distinguish between growing and fully developed airports, international and domestic traffic and other factors which significantly affect peaking characteristics.

Non-peak traffic is any traffic volume other than that which occurs during a peak period. It therefore ranges from a volume of zero to a volume approaching the peak level. The extent to which peak traffic would exceed non-peak traffic would vary from slightly over 0% to infinity.

Question. Is Dulles experiencing abnormal peaking of passenger traffic and air carrier operations during certain hours of the day as compared to National?

Answer. Dulles and National both experience peaks that are "abnormal" in the light of the general peaking relationships shown in the table under Question Number 2.

Washington National has very low peaks because of the restrictions on operations which tend to spread passenger loads throughout the day. The typical peak hour passenger load at National is .022% of the annual passenger load as compared with the norm of .040%.

Dulles peaking, on the other hand, is extremely severe because: (1) the airport is not fully developed; (2) the predominantly long haul traffic at Dulles produces greater peaks (Dulles dominates the long haul market in the area); (3) international traffic produces greater peaks (15.1% of Dulles schedules are international.) The typical peak hour passenger load at Dulles is .071% as compared with the "norm" of .040%.

The relationship of Dulles and National peaks to each other and to the national "norm" can best be visualized, in terms of typical peak hour passenger loads:

	Actual	National "Norm"
Dulles.....	1,327	802
National.....	2,352	3,987

As Dulles grows it can be expected to approach more "normal" peaking characteristics but it will probably never reach the "norm" because it is predominantly a long haul, international airport and the "norm" is a composition of experience at numerous airports including many which are predominantly short haul and domestic.

Question. Why is the terminal building being expanded? Is it because (1) more passenger gates are needed, (2) more mobile lounges are needed or (3) more terminal building space needed?

Answer. We plan to expand the Dulles terminal building primarily to provide more terminal building space. We are feeling the most pressure right now in the area of baggage handling space and ticket counter space. However, an expansion should provide more gates as well.

It should be pointed out that the same increase in passenger activity which is necessitating the terminal expansion will, in the near future, require that our mobile lounge fleet be enlarged.

Question. What methods of expanding the terminal building were considered? Why was the 320 foot westward expansion chosen? Since it was estimated to cost about \$4 million less, why was the alternative of increasing the width not chosen?

Answer. This question suggests that the final determination on the method of expanding the terminal has been made. In fact, that decision has not been made. While we believe that a westward extension is probably the most balanced approach to expansion, the alternative of a widening of the building will be considered in the design process which is just now beginning. It is, in fact, possible that some combination of lengthening and widening will be decided upon.

With respect to the estimated cost differential of widening versus lengthening, it must be recognized that the estimates referred to do not deal with projects of similar scope. The estimated \$10,000,000 widening project would simply expand several critical terminal areas, while ignoring others, such as ticket counters. The \$14,000,000 project will be directed towards a more balanced expansion of all terminal elements.

Question. Are the air carriers serving Dulles participating in the \$14 million expansion of the terminal building? If not, why? Were they asked to participate?

Answer. The air carriers are not providing capital for the proposed expansion and have not been asked to do so. All tenants of the building, including the air carriers, will pay rentals or other fees designed to recover the government's investment, including interest and depreciation, on an amortized basis over the useful life of the improvement.

Question. Are the air carriers taking advantage of Dulles by scheduling operations primarily at times they are assured of attaining maximum passenger loads; therefore creating the abnormal peaking conditions and not providing service which would result in more efficient use of the terminal building and development of Dulles?

Answer. It is a standard airline practice to schedule operations "primarily at times when they are assured of attaining maximum passenger loads." Since this is a universal practice it does not take advantage of Dulles any more than any other developing airport. The peaks are "abnormal" only in the sense that they deviate from the peaking patterns normally experienced when an airport is fully developed. Such "abnormal" peaks are characteristic of airports in their early stages of development.

The overall capacity of the commercial aviation system in the United States (in aircraft and airways as well as airports) is designed to cope with the peak uses created by public demand. Unless and until the system, and its underlying concepts of free market interplay are changed, the airlines will continue to "follow the market" in their scheduling practices—at Dulles no less than at other airports.

Question. By expanding the terminal building at no cost to the air carriers, aren't we catering to the air carriers? Since it is costing them nothing, they have no incentive to schedule the operations to effect more efficient utilization of the terminal facilities. Would the air carriers schedule their operations in this manner if it were their facilities and it was going to cost them several million dollars?

Answer. The costs of expanding the terminal building will be recovered from tenants of the building, including the air carriers, through rental and concession fees. Deferring the expansion would therefore not provide an economic incentive to the carriers to reschedule their operations to make more efficient use of the terminal facilities. Despite the increased costs to them they will, in our judgement, continue to schedule their operations in response to the public demand to travel at prime times.

We cannot say how the carriers would react if the facilities were "theirs" and they had to make the capital investment involved. However, they have funded major improvements at other airports which are built to accommodate "peaks" rather than a flattening out of schedules. They have also recently invested heavily in new aircraft fleets which provide a capacity considerably in excess of that which can be profitably utilized in the next few years.

Question. Will Dulles ever be self-sufficient to the extent of recovering all operating expenses, interest and depreciation?

Answer. We believe that Dulles will make an operating profit in Fiscal Year 1971, that it will make a net profit (including annual interest and depreciation charges) in Fiscal Year 1978, and that by Fiscal Year 1991 Dulles will have paid all of its cumulative deficit including pay-off of the original investment.

Question. Wouldn't the planned \$14 million expansion result in additional interest and depreciation charges that would make it more difficult for Dulles to become self-sufficient?

Answer. The \$14 million expansion to the terminal will not make it significantly more difficult for Dulles to become self-sufficient. This investment will be amortized over the period of its useful life. Its addition to the total debt base might delay reaching break-even posture by one year. However, projected revenues are such that even with this additional interest and depreciation, Dulles will make a net profit by Fiscal year 1979 and will have paid off the cumulative deficit by Fiscal year 1992 or within the 30-year period contemplated in our financial plan.

Question. The initial use agreement with the air carriers serving Dulles included a provision for annual deficit. Each year a designated amount was deducted from the expenses to be recovered thereby guaranteeing an operating loss in the landing field area. This accumulated deficit totaled over \$7 million through FY 1969 and will total over \$8 million by 1973, the termination date of the agreement. Why did the Bureau agree to this provision which literally meant that regardless of how rapidly Dulles grew, it could not operate in the black during the first 10 years?

Answer. The air carriers did not ask for Dulles and saw no need for it when it was proposed. They already had staffing and equipment at two airports to serve what they considered (with CAB concurrence) to be a single market. They were reluctant to duplicate this investment at a third airport which they felt would not be needed for some time to come.

It was in this atmosphere that the initial use agreement for Dulles was negotiated. The FAA representatives were not acting as agents of FAA, with its legal regulatory authority, but as airport owners and operators trying to make the best financial arrangements they could under the circumstances. They did not then have and do not now have the authority to require the air carriers to use Dulles. While landing fees could be unilaterally established, this would not likely be incentive for the airlines to use that airport. The process was a bargaining process between equals subject to all the give and take of any such negotiations.

The use agreement that was "hammered out" in these circumstances represents a compromise between the positions of the parties to the negotiations and is by no means as one-sided as it has been pictured. For example, the air carriers entered the negotiations seeking a 30-year lease and an initial landing fee of 20 cents. They left the bargaining table with a 10-year lease and a landing fee of 30 cents.

The decision to operate Dulles at a loss for the first 10 years arose from the normal, universal business practice of recovering the capital costs of a facility over the period of its useful life. Thirty years was selected as a useful life for the airport based on standard Government accounting practices and general practice at other airports. A reasonable financial plan keyed to this useful life was then developed by airport management. It provided for a decade of loss, a decade of break-even, and a decade of payoff. (As indicated in Mr. Saunders' testimony, this plan has been discussed with Congressional appropriations committees on several occasions and accepted by them as reasonable.)

The deficits which were "agreed upon" by the negotiators of the use agreement were based upon projections of landing area expenses and traffic (aircraft weight landed) which are the usual basis for calculating landing fees. The forecasts themselves were "agreed upon" only after lengthy bargaining and the use agreement itself contained protections for both parties in the event the actual traffic and landing area expenses deviated significantly from the agreed upon projections.

The expense and traffic levels initially "agreed upon" resulted in an initial landing fee of 30 cents—one of the highest in the country at the time. The use agreement provided that this fee would be sustained at the 30-cent level as long as the Government's actual deficit exceeded the deficit which would result from the projected levels of traffic and expenses "agreed upon" by both parties as reasonable.

Although these negotiations took place under a previous administration, I do not feel that the Government representatives could have been expected to get a "better deal" under the circumstances. Certainly the airlines would never have agreed to a fee schedule which would put the Government in "the black" during the first 10 years in the face of projected traffic and expense levels which would have made such a fee unconscionable. It is remarkable that they were prevailed upon to accept an initial fee that was one of the highest in the country at an airport which they considered superfluous to their real needs.

Question. As a result of the National weight transfer, the jet landing fee for Dulles and National was reduced from \$.30 in FY 1968 to less than \$.19 in FY 1969. Being aware that increased jet usage of National could drive the jet landing fee down with the weight credit transfer, why did the Bureau agree to annual landing fee adjustments using the weight credit transfer?

Answer. The primary purpose of the 1966 agreement which set up the weight credit transfer was to require the airlines to pay a premium fee for landing jets at National (\$.32) rather than the 14.5 cent fee existing at National at that time. It was agreed that the differential between these two fees would be "credited" to Dulles as compensation for the loss of jet traffic at that airport. Since this revenue differential was to be considered as Dulles revenue, a weight credit to Dulles was also necessary under the formulas for landing fee calculation contained in the original Dulles use agreement. It is important to keep in mind, however, that the entire weight of jets landed at National is not credited to Dulles but merely the weight associated with the differential in the landing fees.

This means that the Bureau collects a jet landing fee which is the same in toto of which airport is used. A portion of this fee (the differential between the current jet and prop fees at National) and an equivalent portion of the weight are credited to Dulles. Accordingly, total revenues increase as jet weight landed increases and the landing fees goes down as a result but not in the same proportion as the increase in revenues.

In summary, the following factors operate under this agreement to prevent the weight credit from injuring the Bureau's overall financial position:

- (1) The total revenues from jet operations at National are significantly greater than they would have been if the jet premium fee had not been established.
- (2) Only a portion of the weight associated with these revenues is considered in calculating the jet landing fee applicable to both airports.
- (3) There is a 30 cent floor on the jet fee as long as the Dulles airport exceeds anticipated levels.
- (4) As the jet fee is driven down the differential between the prop fee and the jet fee at National decreases with the result that less weight is added into the jet landing fee formula and the rate is thus driven upward again.

Question. Is the Bureau obligated under the existing use agreement with the air carriers to accept the National weight transfer and the predetermined annual deficit until 1973 when the agreements are scheduled to terminate?

Answer. Yes. These agreements continue in effect until 31 December 1973.

Question. Isn't it true that the agreement signed in 1966 provides for a minimum landing fee at the two airports of \$.30 per 1000 pounds except where a downward adjustment is necessary to reach the preplanned deficit at Dulles?

What is the landing fee per 1000 pounds at the two airports today?

I take it then that the fee was allowed to drop below \$.30 for the simple reason that it was necessary to reach the predetermined deficit at Dulles?

Answer. The agreement signed in 1966 ties the jet fee at National to the Dulles fee. This agreement supplements the original Dulles use agreement which provides that the air carriers will continue to pay a minimum landing fee of 30 cents as long as the actual deficit experienced by the Government exceeds the deficit agreed upon by both parties as reasonable in the light of projected traffic and expense levels. The provision assures the Government that the air carriers will continue to pay more than a "normal" fee as long as the Government's deficit is greater than was anticipated but permits them to revert to "normal" fees when the deficit is within the level anticipated when the use agreement was developed.

The jet landing fee at the two airports today is 20.38 cents per 1000 pounds of landing weight.

The 30-cent fee was allowed to revert to the "normal" level (now 20.38 cents) because the Government was no longer experiencing deficits exceeding those which had been anticipated. Actually the fee is calculated annually on a "normal" basis, that is, by following the usual practice of dividing the aircraft weight landed into landing area expenses. Whenever the fee calculated by this means is less than 30 cents, a 30-cent rate is used for the year in question if the actual deficit is greater than the anticipated deficit.

Under the term of the use agreement, the actual deficit is compared with the anticipated quarterly. Whenever the deficit is within anticipated levels, the "normal" fee is established. This did not happen under the present use agreement until the last quarter of fiscal year 1968. The fee was not dropped because such action was "necessary to reach the predetermined deficit at Dulles." It reverted from the artificial level of 30 cents to normal levels because the landing area deficit had been reduced to within the level considered reasonable when the use agreement was developed.

Question. It appears to me that there was positive incentive under these agreements for the FAA to maintain a disproportionate share of the air traffic in this region at National Airport. If Dulles had been allowed to grow too quickly, fees would have to come down and your overall financial situation might have deteriorated. Would you comment?

Answer. The original use agreement for Dulles established a 30¢ landing fee at that airport as compared with the 14.5¢ fee in effect at National Airport at the time. From a purely economic point of view, this would have established an air carrier incentive to use National and an FAA incentive to have the air carriers use Dulles. The FAA framers of the agreement anticipated that traffic would shift from National to Dulles because the air carriers were rapidly converting to jet equipment which was banned at National pending the opening of Dulles. Reports of hearings with Congressional Appropriations Committees clearly show that the FAA Administrator and his staff expected National traffic to decline significantly after Dulles went into operation. It is therefore clear that they had no intent to "maintain a disproportionate share of the air traffic in this region at National Airport."

Similarly, the intent of the supplemental agreement entered into in 1966 was not "to maintain a disproportionate share of the traffic at National" but rather to ensure that Dulles would be compensated for losses of revenues resulting from the decision to allow jets to use National. It was for this reason that the air carriers were not allowed to land jets at National at the existing landing fee of 14.5¢ per 1000 pounds but were required instead to pay a premium jet landing fee equated to the fee at Dulles.

In either case, a build-up of traffic at Dulles would not have deteriorated the overall financial situation. Although the landing fee rate would have been driven downward, the revenues obtained from that rate would not have deteriorated because the weight landed would have increased. In any event, the landing fee would have been sustained at the 30-cent minimum as long as the actual deficit was greater than that anticipated.

Question. Do you know of any other airport in the country which has signed an agreement with the airlines stipulating that landing fees would be set according to a formula that assures an operating loss? What is the usual formula for establishing landing fees and other airport fees?

Answer. There is, to our knowledge, no airport in the U.S., including Dulles, that has ever negotiated an agreement with the airlines that has as its objective assuring an operating loss for the airport. There are, however, many U.S. airports that for varying economic reasons do have contracts with airlines that do set rates and charges which result in an operating loss in the airport's landing area cost center (this cost center normally includes runways, taxiways, etc.). If an airport has rates and charges which produce an operating loss in the landing area, it is normally the result of one or more factors in operation: (1) the airport is in its early years and expected traffic would be insufficient to recover full cost at a rate and fee level the users would be willing to pay; (2) the airport is mature but is located in a small city where the traffic probably never will be sufficient to produce cost recovery at a rate and fee level which the users would be willing to pay.

There are a number of different approaches to the establishment of landing fees and other airport fees. Each approach, however, takes into account two very basic factors: (1) costs are usually allocated to users on a cost center basis (e.g. the terminal area is a cost center, the landing area is a cost center, etc.); (2) the fees are set by negotiation and therefore reflect the value placed on the facility by the users. Generally, negotiations between airport management and airport users determine costs appropriately charged to the users. Unit prices are then derived by some simple but relevant arithmetical method (e.g., terminal costs are divided by total square footage in the terminal to arrive at rental rates, landing area costs are divided by aircraft weight landed to arrive at landing fees).

Question. I don't quite understand why the FAA feels it has to negotiate everything with the airlines.

Isn't it true that the airlines have little choice about serving this area, that they must do it under CAB certification rules?

Isn't it true that these CAB certifications generally leave open the question of what airport in the region the air carriers should use?

Isn't it true that the FAA as manager of the two airports could require the air carriers to make more balanced use of Dulles and National and that the airlines would have no option but to go along? In short, they couldn't simply pick up their airplanes and go home?

Answer. It is true that the airlines could not "simply pick up their airplanes and go home." It is also true that they would not do so if they could. They can, and do upon occasion, limit the amount of service between two points if it proves to be uneconomical.

As indicated in our testimony, we have no more authority than other airport operators to require the airlines to use a specific airport. As proprietor of Washington National we can, and have, restricted the use of that airport but we cannot specify whether the resultant overflow will go to Dulles or Friendship, except in the case of those few airlines who are not certified by the CAB to use Friendship. And, if we forced some service from National to Dulles, the airlines could curtail it if it were not sufficiently patronized. In the operation of our airports, in addition to protecting the interests of the public as taxpayers and owners of the airports, we also have the obligation to give due regard to the interests of the public as air travelers to and from the Nation's Capital. We do not, however, give either consideration disproportionate priority.

The questions regarding CAB certification of air carrier service are not as simple as they may seem. It is essentially correct that the airlines are generally free to select the airport for a given service area, assuming there is more than one approved by the FAA in the area. There are major exceptions to this, however. The CAB does have authority to limit or specify service at certain airports in a service area, and upon occasion uses it. For example, Braniff, Ozark, Northwest and Southern cannot use Friendship. Ozark, Southern and Piedmont can serve New York only through Dulles. Ozark and Southern cannot use National. CAB can also impose route restrictions which apply to a particular airport, e.g., Allegheny can fly non-stop to Cincinnati or New York from Friendship but not from National or Dulles.

Question. (a) Using FY 1969 figures, under present use agreements what would the landing fee for jets have been at National and Dulles, had Dulles handled 15 percent of the jet operations which in fact went to National (assuming for weight purposes that 15 percent was made up of 727-100's)?

(b) Given the landing fee calculated in (a) above, what effect would it have had on the overall operation picture of the two airports?

(c) What number of jet operations at National in FY 1969 would have had to transfer to Dulles to convert the actual overall net operating profit that year to a deficit, assuming, for weight purposes the diverted flights were 727-100's?

Answer. (a) The question cannot be answered precisely as stated because the landing fees applicable in a given year are based on actual traffic and expenses in the previous year. In order to make the requested comparison we have assumed that the 15% transfer occurred in fiscal year 1969. The jet fee derived for 1970 under these circumstances would have been 18.74 cents as compared to the actual fee of 20.38 cents. The prop fee at National would have been 13.15 cents as compared to the actual fee of 11.42 cents. The jet premium would therefore have been 5.59 cents as compared to the actual premium of 8.96 cents.

(b) Application of these fees in fiscal year 1970 would have reduced Bureau revenues from landing fees by \$237,366. In the ensuing year, however, the decrease in the jet premium at National would result in a reduced weight credit to Dulles and therefore in a higher landing fee and greater revenues which will approximately offset that \$237,366 loss in 1970.

(c) The overall operating profit for both airports in FY 1969 was \$3,057,369. Revenues from landing fees total only \$2,645,101 at both airports. Since this amount is less than the operating profit, there would still be an operating profit if there were no revenues from landing fees at all.

Senator CANNON. Is Senator Mathias here at the moment?

The next witness will be Mr. Stuart Tipton, president of the Air Transport Association.

STATEMENT OF STUART G. TIPTON, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA; ACCOMPANIED BY LEO SEYBOLD, VICE PRESIDENT, FEDERAL AFFAIRS; AND ROBERT HUMPHREYS, ASSISTANT TO THE VICE PRESIDENT

Mr. TIPTON. Mr. Chairman, Senator Spong, before starting my statement I would like to introduce these gentlemen who accompany me.

On my left is Mr. Leo Seybold, vice president, Federal Affairs of the Air Transport Association. On my right, Mr. Robert Humphreys, Mr. Seybold's assistant.

My name is Stuart G. Tipton, president of the Air Transport Association of America, the trade and service organization representing virtually all the scheduled, certificated airlines of the United States. I speak today in behalf of the airlines serving the Washington-Baltimore area airports. We appreciate the opportunity to present the carriers' views on S. 3128, a bill to authorize the establishment of a multijurisdictional compact to operate the airports in this area.

On the basis of our study to date, the airlines are opposed to the establishment of an authority such as that proposed in S. 3128. We believe it would result in more costly and less efficient airport management than exists today. We are especially concerned about the proposal to transfer Washington and Dulles Airports built and owned by the Federal Government and designed to serve the Nation's Capital, to an organization representing Maryland, Virginia, and the District of Columbia.

The two Washington airports are, and should be, the responsibility of the Federal Government. They are the gateways to the seat of Government, and their constituencies are all parts of the Nation, not merely the District of Columbia and the Virginia and Maryland suburbs.

The anticipated growth of air travel is such that the number of passengers flying the airlines will more than double by 1980. We fully expect the Washington airports, and Baltimore's, to participate in this rapid growth.

Such growth in passenger traffic means an accelerating need for improved airport facilities—runways, terminals, and possibly even a new airport. In order that these requirements can be met efficiently, an airport or airports must have management that can respond quickly to need. The proposed tripartite authority for the Washington and Baltimore airports most certainly would not improve efficiency, effectiveness of management, nor would it be more responsive to need. On the contrary, it is our firm opinion that the reverse would be true.

Authorities historically have not always been responsive to the airport needs of the constituencies they are designed to serve. If the tripartite superauthority is created, we can expect some of the same problems we have experienced with the Port of New York Authority. That organization has not met the airport needs of the New York metropolitan area. We have tried, without success, to obtain improvements at John F. Kennedy International. For years we have sought the renovation of Newark. Finally it is being done—the Newark improvement—but at a very late hour and at very great cost.

Aside from previous bad experience with authorities, there are grave problems inherent in attempting to create an authority of the nature contemplated in S. 3128. Interjurisdictional rivalries, which would in all probability diminish greatly the efficiency of operation and delay the construction of needed facilities, are inevitable.

The authority would have total ownership and control over the two airports which are now federally owned. It is to be assumed that, under the compact, the new Friendship International Airport Authority would be required to relinquish its right, interest, title, and control in Friendship to the new superauthority. Many questions arise upon pondering the above assumptions, and difficult problems result from their asking.

First, where will the superauthority get the money to pay for these airports? Surely the Congress would not permit the conveyance of the two Washington airports for no consideration, nor would the Maryland Legislature or the city of Baltimore with respect to Friendship. Would Virginia be willing to put up the money for its share of the value of the three airports?

Second, under the new Maryland law which created the Friendship International Airport Authority, the city of Baltimore is to be paid rent of \$1.4 million per year for 30 years by the authority. Will Maryland continue to require this payment after takeover of the airport by the super authority?

Third, how will the creation of the new authority affect the improvement of the airports? The time needed to establish the mechanism would inevitably put in limbo any new construction, and the delay might result in a loss of valuable dollars under the new airport development program.

We must confess an inability to see what advantages the proposed superauthority would have over the current arrangement. We further fail to see precisely what is wrong with the existing situation. Washington National is a vastly improved airport over what it was just a few years ago. Terminal capacity has increased 60 percent in only 3 years. The airlines have invested over \$15 million of their own money to bring this about. Public parking space has increased 37 percent. There is little terminal congestion at the airport, and, of course, airline operations are limited to 40 per hour. We believe that limit

should be raised, but have accepted FAA's decision that some ceiling should be imposed. Dulles Airport is growing fast, and is one of the finest airports in the world. Friendship is doing well, both with respect to its finances and its passenger traffic.

It has been said that one reason for establishing an authority like the one recommended in S. 3128 is to "balance" the passengers at the three airports so that one airport does not have an "unfair advantage" over another. Aside from the fact that the superauthority could not lawfully distribute traffic among the airports, this concept disregards the basic nature of the airports themselves. National is now, and traditionally has been, a commuter or short-haul airport. It does not inhibit the growth of the other airports, but merely meets the demand of passengers who want to use it. Passengers should not be forced to go to an airport to which they do not want to go, nor should they be compelled to expend time and money they do not want to expend. Table A, attached to this statement, demonstrates that Washington National traffic is predominantly short-haul. Dulles is designed as a medium and long haul domestic and international airport.

Friendship, an airport which has as its predominant function the service of Baltimore and the entire State of Maryland, has the combined function of being a long, medium, and short-haul facility. In this connection, it is often heard that Friendship is part of the Washington market and it is dying because traffic properly attributable to its share of the market is all being diverted to National or Dulles. This concept is a myth. Table B, attached hereto, shows that, without question, Friendship is a Baltimore airport. The airport is performing its function, and is doing it admirably well. It is not dying, but is thriving and healthy.

The airlines oppose the enactment of S. 3128. We believe the operation and financing of the area airports are better left as they are. One of the primary concerns that prompted the introduction of this legislation, as we understand it, is the belief that Washington National is cornering the market on air traffic, that Friendship and Dulles are now suffering as a result, and that this problem will continue or grow worse. Trends in traffic and our experience strongly suggest that this is not the case. Traffic in the Washington-Baltimore area will increase substantially in the next decade. The concern should not be whether Dulles and Friendship will be underutilized, but rather what is to be done to meet the current and future requirements of additional facilities at Friendship, National, and Dulles, and where we are going to put our fourth major airport.

Friendship and Dulles traffic growth is accelerating without the existence of a superauthority as proposed in this legislation. (The tables follow:)

WASHINGTON NATIONAL AIRPORT

Washington National Airport's short haul characteristics are dramatized in the Table shown below. As can be observed, 78% of all air carrier operations at National are within a 500-mile radius, and 91.2% of all such operations begin or end within 650 miles.

TABLE A.—LENGTH OF PASSENGER HAUL

Stage length	Number of flights	Percent
0 to 300 miles.....	329	53.2
300 to 500 miles.....	153	24.7
500 to 650 miles.....	82	13.2
650 to 1,000 miles.....	55	8.9
Over 1,000 miles.....	0	0

TABLE B.—PASSENGER ORIGINS FOR WASHINGTON AND BALTIMORE AIRPORTS

The Washington-Baltimore Airport Access Survey, prepared by Abt Associates, Inc., for the Department of Transportation and released in 1968, shows that Friendship Airport draws its departing passengers primarily from Baltimore and its suburbs. Conversely, passengers for both Washington National and Dulles Airports are heavily concentrated in the Washington-Virginia area.

[In percent]

	National	Dulles	Friendship
Downtown District of Columbia.....	25	26	7
Rest of District of Columbia.....	23	17	7
Arlington County.....	11	12	3
Rest of Virginia suburbs.....	15	20	3
Total.....	74	75	20
Downtown Baltimore.....			5
Rest of Baltimore City.....	1		18
Baltimore suburbs.....	3	1	30
Maryland suburbs of District of Columbia.....	19	19	15
Total.....	23	20	68

Note: Totals in each column do not equal 100 percent due to passenger originations from other than the 8 classifications listed. For example, in the case of Friendship, 12 percent of the passengers came from outside the areas represented above.

Mr. TIPTON. Mr. Chairman, a number of issues have come up since I prepared this statement. If I may I would like to take a few minutes—and they will be few—to touch on some of them.

Senator CANNON. You may proceed.

Mr. TIPTON. First, financial arrangements at Dulles. There has been much discussion of this, and I think the matter was greatly clarified this morning. I think the important thing to recognize as far as the financial plan for Dulles, which was established by the FAA and was reported constantly to the appropriations Committees of both Houses, is this. that in order to get a new airport started—this is true wherever you may be and it is particularly true in this case—you have to anticipate that the airport at the outset is going to be hard to serve. The reason it is hard to serve from the standpoint of the airlines, and why it is expensive to serve at the outset, is that you have to change people's habits. You have to get them to go someplace else.

I need not report that at the beginning of Dulles we had a miserable time getting people out there. Dulles has changed now. It is operating. It is doing well. But at the outset difficulty is always the case.

The financing plan for Dulles recognized the fact that you can't get all your money back quickly. The financial plan to recover investment over 30 years was a good businesslike plan and it is working in accordance with the plan.

At the present time, as a result of the original agreement and the subsequent agreement in 1962, which provided for the subsidization

of Dulles by National, you have this financial situation, and I will use one set of figures.

The combined Dulles-Washington financial situation in fiscal year 1971 is this: you are going to get roughly \$15 million of revenue. Operation and maintenance expense will be \$10 million. Operating profit, \$5 million, roughly. That is what was being discussed here a moment ago.

I didn't feel it was made clear. These two airports combined make an operating profit. They make a cash profit. Interest in depreciation expense, capital cost, in other words, is \$7 million for 1971. Thus, resulting in a deficit in capital expense of about \$2.5 million.

It is estimated by the FAA that that deficit will disappear in accordance with the original plan within the next 2 or 3 years. Based upon the rapid growth that Dulles is making, it appears to me that that estimate is a sound one.

The second point that has arisen, and I would like to comment on it, is the use of the stretched 727 at National. I think the case for using stretched 727's was a clear one. It is a constructive step for airlines to take, not only with respect to the ability to move more traffic with less operation, but also with respect to the environmental contribution that it makes.

There isn't any possibility of Washington National growing substantially in terms of numbers of operations because there is a 40 schedule an hour cap on the field. Thus we can't operate any more schedules than that.

In order to take care of our consumers more effectively the use of a larger airplane is obviously indicated if you can do it without damaging the environment and making the surrounding situation worse.

I would hope when this study is over that the FAA will come to that conclusion and that experience with the use of this airplane on the field will recognize the fact that it is an improvement.

I really must comment on the study to which reference has been made because the study is, as the Administrator just said, so non-factual that it results in distortions which must be dealt with and I will deal with them quickly and ask you, Mr. Chairman, to accept a memorandum from me for the record which covers it a bit more.

Senator CANNON. Very well.

(The article follows:)

AIRLINE COMMENTS ON "ADMISSION OF THE STRETCH 727 TO WASHINGTON NATIONAL AIRPORT"

(A Study by the Bureau of National Capital Airports transmitted to the Administrator of the FAA on January 21, 1970)

The "Stretch 727", or 727-200, is a longer version of the original 727 (727-100). Its use at Washington National Airport was banned until April 9, 1970 when it was authorized during the air controllers' strike. As a result of improved service to the public and the absence of operational, environmental or facilities problems, continued use was authorized, and an examination of its use was instituted and is now underway. The Study referred to in this paper is an earlier "study" or theoretical memorandum sent to the Administrator on January 21, 1970, several months before the 727-200 began service at Washington National.

SUMMARY OF AIRLINE VIEWS ON THE STUDY

1. The Study ignores the improvements in service to the traveling public which stem from the operational and schedule flexibility possible through use of 727-200s at Washington National;
2. The Study grossly overstates both the possible and probable increase in passengers from the authorization to use 727-200s at Washington National;
3. The Study ignores the fact that most 727-200s have already been delivered to the airlines and are being productively utilized in existing markets and there is no incentive to pull them out of present service to shift them into Washington National service. This simple error of omission negates the conclusions of the Study;
4. The Study erroneously concludes that use of the 727-200 will substantially alter the prospects for growth of Dulles and Friendship. It ignores the rapid growth taking place at Dulles and Friendship and the fact that both airports presently need expanded terminal facilities to meet traffic growth;
5. The Study gives inadequate recognition to the fact that because of the frequency restrictions imposed in 1966 at Washington National, new service in the metropolitan area has been and will continue to be added at Dulles and Friendship;
6. The Study overlooks the fact that use of the 727-200 will not tax airport facilities at Washington National and in fact, it may decrease airport congestion at Washington National and other airports by the ability to accommodate more passengers on fewer flights;
7. The Study gives inadequate recognition to the fact that since 1967, airport terminal space has been increased 60%, public parking has been increased 37% and employee parking 33%. Traffic flows well and the terminal area congestion which existed several years ago has been eliminated. Use of the 727-200 will have no visible impact on airport facilities;
8. The Study ignores the fact that the 727-200 causes no new operating or environmental problems;
9. Contrary to claims in the Study, all airlines support the authorization to use 727-200s at Washington National;
10. The Study grossly overstates the possible and probable "profit" and revenue input to the airlines while admitting "this estimate of potential financial impact . . . is at best rough and loose" and the probable impact is "rough."

COMMENTS ON SPECIFIC STATEMENTS IN THE "STUDY"

1. *Potential traffic.*—The Study alleges that "full use of the aircraft by seven of the trunk carriers serving the airport could increase daily seating capacity by almost 16,000 or 30% and annual seating capacity from 18.3 million to almost 24.2 million or by more than 5.8 million."

Comment: The conclusion is so far from reality as to be ridiculous. A reasonable estimate, detailed later, of the impact of the decision on the ultimate increase in seating capacity in and out of Washington National would be approximately 5%. The report itself states that "this is a theoretical and ultimate potential which may never be fully realized . . ." The report states that the estimate of the potential financial impact of the 727-200 "is at best rough and loose." Yet this is the departure point for the whole study.

The assumption is made that 727-200s would be substituted for all or virtually all present jet schedules. This would be impossible even if all carriers serving Washington National wished to make such substitutions. Schedule and aircraft routing requirements would preclude it. The small porportion of 727-200s in relation to the total 2 and 3 engine jet fleet would preclude it. Present use of 200s in other markets would preclude it.

2. *Potential profit for affected airlines.*—The Study alleges that use of 200s at Washington National "very roughly" is estimated to offer a *potential* increase of around \$120 million in annual gross revenues to the airlines involved and "at least 50% of this potential or \$60 million would be pure profit."

Comment: The estimated revenue and profit potential is as exaggerated as is the traffic potential since it is based on the erroneous assumptions of the traffic potential.

3. *Probable profit for affected airlines.*—Proceeding from the theoretical "potential and ultimate gain" to a "hard-nose, practical assessment of probable impact," the Study shows in Exhibit B a probable capacity increase for the seven major airlines involved of almost 5,000 seats daily or 1.8 million seats annually. On the basis of the current 56% Washington National load factor "this means 1 million

additional passengers at DCA annually." Assuming "an average ticket value of \$40, this 10% increase in production for affected carriers would increase their annual gross revenues by some \$40 million with the profit increase estimated conservatively at \$20 million."

Comment: (a) Whatever change occurs from use of the 200s will take place gradually. A more realistic estimate of the ultimate probable effect on traffic in 6 months to a year from now would be a maximum of about 2,600 additional seats and 1,500 passengers per day or about 100 per hour;

(b) One of the errors made in the Study was the failure to recognize the fact that the bulk of the 200 fleet has already been delivered to the airlines and is presently productively utilized in other markets. The carriers' primary interest in the use of the 200s at Washington National is for efficiency and flexibility in operations;

(c) The effect on profit is virtually impossible to estimate. Possible use of the 200 in Air Shuttle operations probably would mean a decrease in seats and a decrease in total operations by elimination of most Lockheed aircraft used in extra sections.

(d) The average ticket value involved in Washington National service is believed to be closer to \$30. Thus, a more realistic estimate of potential revenue to the airlines would be about 35% to 40% of the Study estimate.

(e) Since the airline earnings picture has been called the worst in airline history, any potential profit is sorely needed.

4. *Effect on area growth pattern.*—The Study alleges that "the cold hare facts are that the stretch 727 cannot be employed profitably at DCA without substantially altering the prospects for growth at Dulles and Friendship."

Comment: Both airports will continue their recent rapid rate of growth. The Washington-Baltimore metropolitan area is growing much faster than the nation as a whole. Its air traffic is growing much more rapidly than the national average. It will primarily be reflected at Dulles and Friendship. The statement is not correct.

(a) The *potential* increase in passengers at Washington National stemming from use of 727-200s is limited by a variety of considerations previously pointed out. The probable increase in a year's time would be about 5%—half the estimate in the Study. This is about in line with the rate of growth at Washington National in the past two years but far below the rate at Dulles and Friendship and about half the nationwide rate of growth.

(b) The Abt Associates study for the Department of Transportation in 1968 revealed that Friendship airport draws 53% of its passengers from Baltimore and suburbs, 15% from Maryland suburbs of the District, and 12% from other areas of the state or nearby states. Only 20% came from the District and Virginia suburbs. Thus, limited additional capacity at Washington National will have little or no effect on Friendship.

(c) Frequency of service is a more important factor in passenger traffic growth than size of aircraft. The rapid increase in Dulles and Friendship schedules in the past two years has resulted in major traffic increases. That momentum will continue. The schedule ceiling at Washington National and the rate of traffic growth in the metropolitan area guarantee that the additional public demands for service could not begin to be met by the relatively few additional seats that might be available at Washington National from use of 727-200s. The schedule restriction works primarily to the benefit of Dulles.

(d) Dulles and Friendship passenger traffic increases in the past two years have been so great that both airports now have terminal congestion problems. Failure to provide the necessary facilities would be a more restraining factor on growth than the addition of a few seats of capacity at National could be.

(e) The following table of projected growth for the three airport is still realistic :

	Millions	
	1969	1981
Washington National.....	9.7	16.0
Dulles.....	1.9	12.8
Friendship.....	3.0	16.0
Total.....	14.6	44.8

5. *Probable opposition of other airlines.*—The Study says "the decision to admit the stretch 727 will not be popular with all of the air carriers serving the Washington metropolitan area." "Some will vigorously oppose its use."

Comment: All U.S. air carriers serving the area favor use of the 200s at Washington National and none of the foreign carriers at Dulles are known to oppose it.

6. *Conflict with motion to discuss CAB investigation.*—The Study contends that admission of the 200s would conflict with the position that the Civil Aeronautics Board's area investigation should be dismissed on the grounds that congestion at Washington National has been contained and that "increases in passenger levels can be accommodated under existing controls by increases in passenger facilities constructed by the air carriers."

Comment: Admission of the 727-200 would not be in conflict with dismissal of the CAB Investigation since there would be minimal impact on terminal facilities and probable improvement in operational congestion. The Investigation was dismissed and rightly so, largely because of the improvements in facilities in the last two years:

	<i>Percent increase</i>
Terminal space.....	60
Public parking.....	37
Employee parking.....	33

Conclusion: Admission of the 727-200 to Washington National would improve service to the public, improve airline operating efficiency, have minimal effect on Washington National traffic, and not alter growth prospects at Friendship and Dulles. It is supported by all airlines.

Mr. TRIPTON. I will comment on two statements.

One, the statement that the carriers serving the airport could increase daily seating capacity by almost 16,000. That is completely fanciful for many reasons. We just don't have that many stretched 727's. If we did have them, they all wouldn't be operated into Washington National Airport. The ones we have, of course, are responsible for moving traffic all over the continental United States and the nearby Caribbean. So that that is quite an impossible estimate.

We estimate actually that using a stretched 727 it will permit us to accommodate about 5 percent more people during the coming years.

A second thing I need to talk about, because under the present financial circumstances of the airline industry I was particularly struck by this: As a result of this increase in traffic which I have already said was fanciful, the study indicates that we have a potential increase in revenue of about \$120 million and at least half of this potential or \$60 million would be pure profit.

Now that would be the day when we can take as net half of our revenue. Actually the fact is—it would have been easily ascertainable by whoever did this study—that we carried a net 1.6 cents out of every dollar of revenue.

Now that is a bad situation but that is what the situation is.

Other elements of this are commented on in the memorandum, and I wouldn't try to deal with them.

I would like to talk for a minute about the role of Washington National Airport. The reason I want to talk about it is because since I prepared this statement the committee has very properly said that Senator Dominick's bill, which excludes jets from Washington National, should be considered also. I have had the feeling in listening to the discussion of this legislation dealing with the compact that one of the major reasons for having this compact legislation is to cause Washington National Airport to disappear and that, of course, Senator Dominick's bill would cause it to disappear as a transport airport.

If you take jets out of Washington National, you close it. We have very few airplanes left that are not jets and we can't go buy back all the other airplanes we had. If we could buy them back we couldn't operate them because they don't meet the standards of economy and

efficiency which prevail now. We have to operate jets or fares must go up at a very rapid pace. So that would close Washington National Airport.

Washington National should not be closed. Its operations shouldn't be impaired. I think that the consumers of air transportation really should have some part to play and not be totally excluded from consideration of Washington National Airport. About 10 million people, largely commuters, largely short-haul traffic people, utilize Washington National Airport and they utilize it because it is a convenient airport. It is a good airport. With the terminal expansion that has been provided in the last 3 years, the terminal capacity is adequate. Parking is adequate. Washington National, as I said, cannot grow in terms of numbers of operations because of the limit on schedules but I think it should continue to play that role and I really believe, as I listened to the testimony here, that one of the effects of this bill would be inevitably to cause Washington National to be either closed or severely impaired and surely that would be the result of Senator Dominick's bill.

I couldn't help thinking as I listened to the Senator yesterday that the result of his legislation, in effect, would turn Washington National into a facility used by general aviation. What that would do, of course, would discriminate in favor of those people that can afford to own their own airplanes. It would discriminate against those people that cannot afford or don't want to own their own airplanes because everyone recognizes that Washington National is the most convenient airport in this area.

If Washington National is put out of business, great financial problems arise, particularly if it is continued as a general aviation airport. The expenses are now being covered and profits are made. If transport is driven out of Washington it collapses financially because general aviation either can't or won't pay the bills. That would throw the entire airport complex as proposed here into a deficit and a very severe deficit position because it would take more than the profits of Friendship to restore the profits that are now made and the revenue now made by Washington National.

I feel strongly that the role of Washington National Airport should continue to be recognized. As far as environment is concerned, and that is an important element here and it should be, as far as environment is concerned, as far as smoke, air pollution is concerned, we have developed and are installing as rapidly as we can, new burner cans on the jets. The jets themselves were an improvement as far as far as environment is concerned but as everyone recognizes, some of them make a log of smog. Five years ago we set about with Pratt & Whitney to eliminate that smoke.

The new burner cans have done it. We have undertaken with the Departments of Transportation and Health, Education and Welfare, to virtually eliminate that smoke by the end of 1972. Of course we will do it. Probably faster than that.

As far as noise is concerned, I say right now that we are doing the best we can. We were using these river approaches. We are cutting back—(demonstration)—we are cutting that—

Senator CANNON. The meeting will be in order.

I don't want to have to clear the committee room.

Proceed.

Mr. TIPTON. So I think that as we tackle these environmental problems we can improve them and we will try, and with that I think again taking into account the requirements of airline consumers that Washington National should continue to be a useful and convenient part of the area's transportation system.

Thank you, Mr. Chairman, particularly for permitting me to go beyond my statement.

Senator CANNON. Thank you.

Senator SPONG?

Senator SPONG. Mr. Tipton, you have discussed both in your statement and subsequently the motives of those who introduced this legislation.

I take sole responsibility for introducing the legislation. I have some parochial interest in the development of Dulles Airport. But I have either conducted or been present at five hearings regarding this problem, either before the District committee or in this committee, and I have constantly tried to make my views known that I thought National Airport had a role to play in the future plan for all the airports in the area. So I want to say to you that my reasons for introducing the legislation were these: As a result of oversight hearings conducted over a period of 3 days with all those interested in the development of area airports, everyone that we asked to come before us and testify—General Quesada, people in the area, experts who had looked at this area problem over a long period of time—said that such an authority was necessary with the exception of the airlines. Everyone.

So I introduced the legislation. That was the prime reason for doing it.

Secondly, you said that you see no advantage to this legislation.

Now I can well understand the airlines opposition to any authority but, everyone you have talked about are consumers—don't you believe that the public, people living in the area within which the airports operate, should have some voice in the future and in the development of these airports?

Mr. TIPTON. I do, indeed. All three airports are operated by public bodies just as we as airline people have an opportunity to come before those bodies and voice our opinions, so do the governmental agencies in the surrounding neighborhood.

Thank heaven that is a characteristic of our country. You are entitled to voice your opinion. You have public officials to whom you can voice it. We do it.

Senator SPONG. Mr. Tipton, I will observe to you that the record, as nearly as I can determine, with regard to the decision affecting stretched jets and to decisions affecting the Kling report, which deals with the future expansion of National Airport, that with the exception of chambers of commerce in the area and of the airlines, no public body or no person residing in the areas has had an opportunity, through any quasi-public body or authority, to express their views that might have any effect upon that decision.

I understand the public can't run the airlines and can't run the airports. I don't intend that they should. I think it is absolutely necessary in some way to make the operation of these airports closer to the public than they presently are.

Now you have been critical of the Bureau's report. I want to emphasize that the report you are talking about is the official report of the Bureau of the National Capital Airports and that they still stand by it.

I think you ought to know what the Bureau said about an airlines report. This report is credited to American Airlines and deals with the introduction of the stretched jets. I quote from that airline report. This is the Bureau being critical, not me, or GAO, or the Comptroller. What the Bureau had to say about the airlines report:

In summary, the report does nothing to mitigate the case against the B-727-200 at Washington National Airport. It can be misleading since the details are essentially correct but a careful reading reveals the flaws in some effect on growth of Dulles, Friendship and Washington National Airport of the conclusions reached.

So they have, I think, sort of disagreed with some of the things that were previously submitted to them. But I thank you for your testimony.

Mr. TIPTON. I do want to emphasize that in attacking that report pretty hard I recognize that it was not something you were advocating but something the Bureau was advocating, in my opinion quite unwisely.

Senator SPONG. Thank you, Mr. Chairman.

Senator CANNON. Thank you very much.

Mr. TIPTON. Thank you, Mr. Chairman and Senator Spong.

Senator CANNON. Our next witness is Senator Mathias.

STATEMENT OF HON. CHARLES McC. MATHIAS, JR., U.S. SENATOR FROM MARYLAND

Senator MATHIAS. Thank you very much, Mr. Chairman. I appreciate the opportunity to appear before the committee to discuss this problem of airports in the national capital area.

I have a statement prepared and I respectfully request that it might be made a part of the record. I will just comment very briefly thereafter.

Senator CANNON. Fine. It will be made part of the record after your oral testimony.

Senator MATHIAS. I was heartened yesterday by the testimony of the Administrator in this matter and by his open attitude toward the possibility of a regional airport authority. I know he did not endorse the plan without qualifications; but at least he is obviously considering it seriously and conscientiously and encouraged many to go forward in that.

I think we should be clear, however, on the record that when we talk about a regional airport authority we are not talking about traffic allocation only but about all of the facets of regional air service which are involved.

For instance, a rapid and cheap interconnection between the three airports, Friendship, National, and Dulles, which would make it possible for travelers to have a wider variety, a wider choice of the air traffic that is available to the rest of the country and overseas.

I think that the regional authority should have a broad jurisdiction to consider not only the problem of the air traveler but also that vastly larger part of the population which doesn't travel by air and

has never in fact been on an airplane. This would include the pollution problem that Senator Dominick discussed yesterday.

I believe he told the committee whenever he parked his car overnight at his home in Georgetown he got a fine film of dust and grease on the car. Of course, the fact of the matter is that that fine film is part of 35 tons daily deposited in the atmosphere of the National Capital region. This is a figure estimated by George Oberlander, Director of Long Range Planning and Regional Affairs for the National Capital Planning Commission.

Now, I am happy to agree with my good friend Stuart Tipton that Friendship is not dying. Friendship isn't dying. But the fact that it isn't dead and buried is due to the remarkable efforts that have been made by a great many citizens in the Baltimore area which kept it alive and which provided it with that long period of nursing care when it would have died if it had not had the help and the interest that it got.

I would say this, however: Friendship is more than a Baltimore airport. You just have to consider the day to day commonplace experience of the traveler in this area who is making plans to go someplace by air. He may see what he can get out of Friendship at a given hour on a given day to a given location or destination.

If there is nothing convenient, he may try National and then Dulles or there may be any combination of these inquiries. This is a choice which is made by literally millions of people not only in the Metropolitan Baltimore/Washington corridor but also throughout the State of Maryland and, I am sure, a very large part of the State of Virginia, so that these three airports have a regional character. I think that our direction should be to develop that regional character and to make it more functional and more convenient for the consuming public.

I am delighted to hear Stuart Tipton advise the committee that the question of air pollution is at the point where some relief is immediately in sight. I hope that both the industry and the Government will continue to press on the question of noise pollution.

One of the noncontroversial aspects of the introduction of jets to National, I think, was the fact that it probably gave the biggest shot in the arm to research on noise pollution that has ever been given in the entire history of aviation.

One of my colleagues told me of being present in the Rose Garden at the White House a day or 2 after jets were first introduced. This is a colleague who had long pioneered in the cause of noise abatement, but whose pleas had fallen on deaf ears—or deafened ears—up to that time. But, there in the Rose Garden of the White House, one of the first jets to land at National came screeching through just at the moment when some presidential words were being uttered and which were lost to history because of the noise of the jet.

I think from that moment on there has been an increasing interest on the part of the Government and, I hope, on the part of industry in the noise abatement problem.

Mr. Chairman, I appreciate the opportunity to appear before the committee and I appreciate the interest and the concern that the committee is showing in this regional airport problem.

Senator CANNON. Thank you very much. We are happy to have you appear here and happy to have your statement.

I am not sure from what you said whether all of the effects of the noise are bad or good.

Senator MATHIAS. It might depend on your politics, Mr. Chairman. Senator CANNON. Senator Spong?

Senator SPONG. Well, Senator Mathias, we appreciate your testimony and I have known of your concerns through the District Committee to many of these problems we have been talking about the past 2 days.

I am very interested in your statement.

In the early part of it you commented upon the introduction of the stretched jets. As I understand it, you have never passed judgment on that decision because you felt that all the facts were not in, but you have, before the District Committee, and here today in your testimony, and I quote, said "but it was apparently made without regard to the public interest—not necessarily from malice, but because a decision with regional impact was made in isolation."

Later in your statement you comment upon the 95 percent of the public in the area who are not consumers within Mr. Tipton's language, who you believe share an interest in what is done and what happens to the future of these airports.

I am very happy that these sentiments have again been expressed by you here today.

Senator MATHIAS. Senator Spong, you will recall that at the hearing of the District Committee I asked the Administrator if he would respond to a question that I asked, and respond in writing. I haven't yet seen the answer. I hope it will be forthcoming soon.

The question was as to the philosophy of his administration and his agency in considering the interest of the 95 percent of the public that doesn't fly, as well as the 5 percent that do. And, if it would be of interest, Mr. Chairman, I think it might be well to submit a copy of that response when it is received as part of these proceedings.

Senator SPONG. As the Senator well knows, the recent Airport and Airways Development Act recognizes the principle that any major development in the establishment or development of any airport ought to in some measure be geared to its effect upon the public at large over and above just the traveling public and that these are the only two airports in the United States, by virtue of the present ownership and operation, that do not come within the thrust of that legislation.

Senator MATHIAS. The Senator is exactly right.

Senator SPONG. Thank you.

Senator CANNON. Thank you very much.

(The statement follows:)

STATEMENT OF HON. CHARLES McC. MATHIAS, JR., U.S. SENATOR FROM MARYLAND

Mr. Chairman: I welcome the opportunity to testify before the Senate Commerce Aviation Subcommittee. I am particularly glad that you will carefully review the underlying proposals made in S. 3128, to establish a multi-state authority to operate the Washington-Baltimore metropolitan area's airports.

On May 19, 1970, I attended hearings before the District of Columbia's Subcommittee on Business and Commerce on the Federal Aviation Administration's decision to permit the continued use of stretch-727 jets at Washington National

Airport. The decision was made by an agency with regard to one airport. But it was apparently made without regard to the public interest—not necessarily from malice, but because a decision with regional impact was made in isolation.

Indeed, a study prepared by senior budget officials of the National Capital Airports Bureau, the agency charged with operating National and Dulles Airports for the FAA, and transmitted by the Bureau Chief to the FAA administration, stated:

Admission of the stretch-727 to Washington National Airports can and probably will change the entire pattern of growth of aeronautical activity in the Washington metropolitan area.

The danger of any decision about one of the area's three airports—National, Dulles or Friendship—without regard to their interdependent relationship is manifest. Because of the impending change in the administrative structure of Friendship International Airport, the role of that facility in any cooperative arrangement is unclear. However, there can be little doubt that some action by the Congress is called for in order to insure a truly regional approach to air service for the Washington-Baltimore area.

The need for giving primary attention to regional considerations in the development of air service for this ever-burgeoning megapolis might well be answered by a proposal such as the present bill, which deserves your careful review. Congressional policy, as restated in the National Capital Transportation Act of 1960, has been to promote regional cooperation in all forms of transportation. An agency to consider the economic, societal, and environmental effects of airport development and policy decisions is mandatory.

In his prepared statement to the District of Columbia Subcommittee on Business and Commerce last month, the Administrator of the FAA, Department of Transportation, stated:

The Department believes that the most effective and efficient means of determining and balancing the various public needs and encouraging the development of supporting transportation systems would be to place all three Washington-Baltimore area air carrier airports under some common administration, reflecting the interests of the Federal, District of Columbia, Virginia, Maryland and City of Baltimore Governments. This would ensure that all facets of local public interest are reflected in policies in the appropriate relationship to other competing interests.

The three Washington-Baltimore airports give our capital area unique air capabilities. While National offers unparalleled access for an urban airport, it presents unequalled problems to its metropolitan region.

The region and—not to impersonalize the situation—the citizens of the area can best be served by a balanced development of the three facilities.

These facilities were designed to share the burden of passenger growth, for it is expected that airport traffic in the Washington-Baltimore metropolitan area will increase threefold by 1980, and the number of travelers will double in the next six years. In fact, Administrator Schaffer of the FAA predicted that the three airports would share 45 million passengers by 1980. But Friendship and Dulles are not carrying the burden of the continually expanding air traffic.

In spite of the claims of a Civil Aeronautics Board study—which appears to have been prematurely terminated—that congestion has been contained, analysis of the figures reveals that while National expands, to quote one official, by “uncontrolled evolution” far beyond efficient passenger-handling capacity, Friendship and Dulles remain grossly under-utilized. In 1968, National handled 69 percent of the traffic, while Friendship and Dulles received 19.6 percent and 11.4 percent respectively. To view the area airports as separate competing enterprises is to disregard the fact that the Civil Aeronautics Board certifies commercial airlines to use any of the three.

Last spring, E. Q. Quesada, former director of the Federal Aviation Agency, warned

“The proximity of Friendship and Dulles Airports, which serve this area with comparable ease and efficiency, remains under-used. At the same time, National Airport is obviously over-used.

I agree with the former director that a reappraisal is required—a look which treats the area as a whole.

Indeed, the mere introduction of stretch-jets into National was, again in the words of the FAA's own memorandum, “inconsistent with the DOT motion for dismissal of CAB's Washington-Baltimore airport investigation.”

A regional authority, created by negotiations among the states of Virginia and Maryland and the District of Columbia, appears to be the answer if the mushroom-

ing growth of air traffic and the increasing demands of the public are to be reconciled. And I am afraid that we forget the overwhelming numbers—95 percent of the public—who do not fly but suffer from the ground congestion, noise, fear of accidents, and pollution. In fact, last spring, George Oberlander, Director of Long-Range Planning and Regional Affairs for the National Capital Planning Commission, stated that “currently the operations at National contribute 35 tons of pollutants daily, primarily in the form of unburned hydrocarbons.”

The creation of the multi-state authority will be a concrete step forward. But it will not answer the hard questions which still remain.

(1) What is the proper distribution of air traffic and what is the proper policy with regard to stretch jets and proposed “air buses.”?

(2) What are the required measures to minimize further damage to our environment—particularly from Washington National Airport?

(3) How can the interests of all the people—the 5 percent who fly and the 95 percent who do not—best be served?

These questions need to be answered. They can best be considered in a regional context—through cooperation among the three facilities and the state and city governments of the area. Not acting to allow for a balanced approach to air service for an area which has in its three airports more than adequate facilities for its foreseeable future needs would be to truly fail to serve our community.

Senator CANNON. Our next witness is Mr. Thomas McLachlen, Chairman of the Transportation Committee, Washington Metropolitan Board of Trade.

STATEMENT OF THOMAS P. McLACHLEN, PRESIDENT, McLACHLEN NATIONAL BANK, APPEARING AS CHAIRMAN OF THE TRANSPORTATION COMMITTEE OF THE METROPOLITAN WASHINGTON BOARD OF TRADE; ACCOMPANIED BY T. MURRAY TOOMEY, VICE CHAIRMAN FOR AVIATION; CHARLES COON, ASSISTANT EXECUTIVE VICE PRESIDENT OF THE BOARD OF TRADE; AND HERMAN SCHEURER, AVIATION COUNSEL TO THE TRANSPORTATION COMMITTEE

Mr. McLACHLEN. I am Thomas P. McLachlen, president of the McLachlen National Bank and I appear here today as chairman of the Transportation Committee of the Metropolitan Washington Board of Trade. I have with me Mr. T. Murray Toomey, our vice chairman for aviation; Mr. Charles Coon, assistant executive vice president of the board of trade; and Mr. Herman Scheurer, aviation counsel to the transportation committee.

The thrust of legislation proposed to establish an interstate airport authority appears to be based on two premises: First, that the capacity of Washington National Airport to handle passengers should be established and measures instituted to treat that capacity as a passenger limit; and second, that—communities affected by those operations should have a mechanism; namely, an airport authority with regulatory powers—through which they can effectuate their judgments as to airport operations and service.

We agree to the first premise that the role of National Airport be more clearly defined and in some fashion limited. We disagree to the second premise that an authority reflecting the wishes of area communities and/or governments is the most desirable way to accomplish this objective.

There is an underlying basis for these two proposals—the proposition that there is no need to force feed traffic through National Airport when Dulles International Airport can handle 10 times its

present volume of passengers. This is the basic point which everyone should accept in assessing the use of our airports.

We seek in air transportation the same goal we hope to see achieved in ground transportation in the National Capital area—balanced use of all modes of transportation to provide the best possible service for the public. The tremendous urban expansion we have undergone in recent years has expanded the definition of public service to include attention to matters of congestion, ground service, and environmental considerations as well as air service. The fact we have one very heavily used airport which is congested and does present environmental problems and one grossly underused airport leads us to the question, "What should be the role of National Airport in a balanced air transportation system?" The answer is that it should be a short haul, east coast facility. Longer domestic flights and international service would be based at Dulles.

This balanced and logical use of our airports can be achieved expeditiously and equitably by establishing a 500-mile nonstop flight rule at National in place of the present 650-mile rule and by eliminating "grandfather cities." On January 11, 1966, the Federal Aviation Agency in establishing the nonstop 650-mile flight rule for jets exempted "grandfather cities"; that is, cities beyond 650 miles already being serviced nonstop from National Airport. These cities are up to 1,000 miles from Washington and include Hamilton, Bermuda; Memphis; Minneapolis-St. Paul; St. Louis; Miami, Orlando, Tampa, West Palm Beach, and Jacksonville, Fla. These are clearly long-haul flights which should be based at Dulles International Airport in keeping with National's role as a short-haul, east coast airport.

Our proposal to reduce the 650-mile limit to 500 miles would transfer service from four more major cities to Dulles from National. They are Milwaukee, Chicago, Nashville, and Atlanta.

We think it reasonable to estimate that a 500-mile rule with no cities exempted would reduce the passenger load at National from roughly 10,950,000 passengers a year to 8,850,000 or about 23 percent. On a daily basis, the reduction would be from about 30,000 to around 23,000. Under the 500-mile rule, which would include such cities as Montreal, New York, Detroit, Indianapolis, Cleveland, and Charlotte, the passenger load at National would reflect the demand for short-haul service to Washington and that is the role National should fulfill in our balanced transportation system. Basing service to cities beyond 500 miles from Washington at Dulles would insure the utilization of that magnificent airport by overcoming what the FAA has referred to as the "critical point in the growth of Dulles (which) will occur when restrictions at National force transfer of significant service, particularly Chicago service, to Dulles International." Submitted with this statement is a map showing the cities encompassed by the 500, 650, and 1,000 statute mile distances from Washington.

We think this solution to balancing the use of National and Dulles Airports is preferable to a scheme of authority regulation which would necessarily substitute administrative judgments regarding markets, service, costs, types of equipment, and so forth, for the judgments that only professionals who run the airlines daily should make. Air service is a highly competitive business, and long-term investments are tremendous. Since the type and frequency of service as well as the

cities to be served are basic elements to profitable operations, they should remain undisturbed under the control of airline management and guidelines provided by the Civil Aeronautics Board. On the other hand, the mileage limit we suggest would not generate more participation by Government in the business management of airlines.

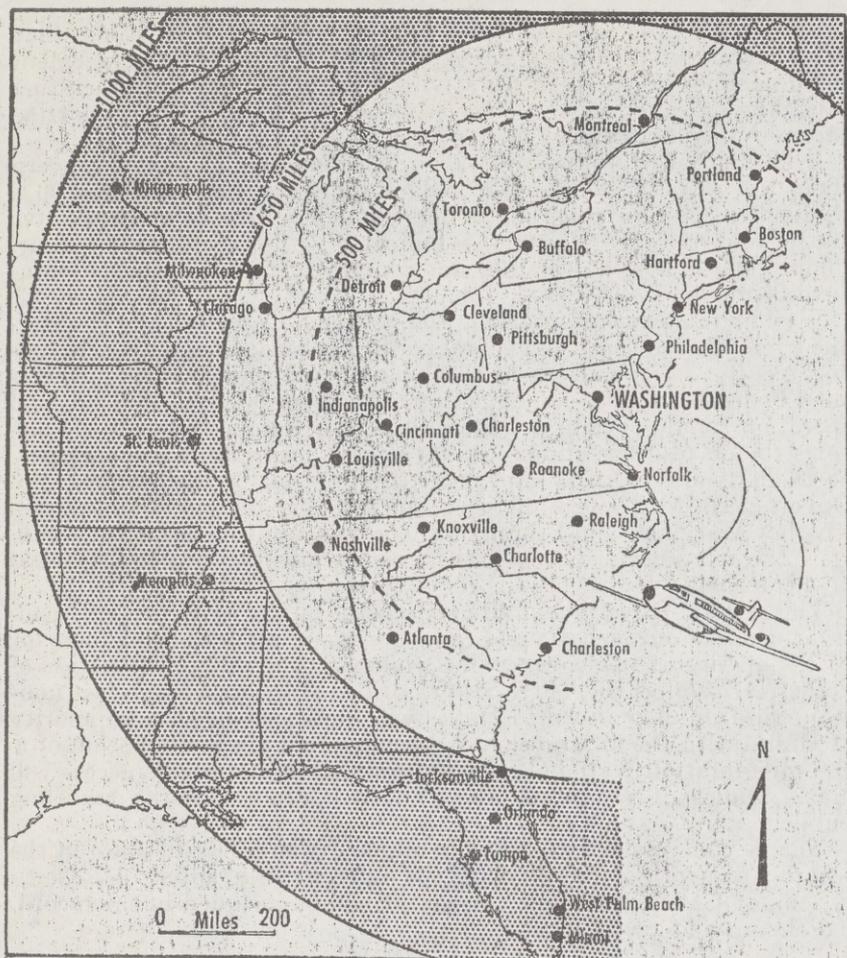
In harmony with these proposals which would reduce public concern about the use of National, we would not object to the use of 727-200's. Under the 500-mile rule, air carriers should be free as a competitive matter to use whatever aircraft is indicated with the exception of four-engine jets as long as they do not contribute to increasing environmental problems.

Washington's airports, serving the National Capital of the country, must remain under direct Federal control because of their special importance to the operations of the Federal Government. The airports are a Federal function—an extension of the Federal City—and costs of operation should remain a Federal expense. Balanced use of the airports should result in annual profits at both locations. These airports, particularly Dulles, were built primarily to meet the needs of the U.S. Government. Our situation is unique in this regard. We question whether Maryland and Virginia parties to a compact authority would view the relationship between the airports and the National Capital in this fashion.

The Federal Government already has the authority to properly control the use of our airports and can, as we suggest, establish a limit for National Airport passenger traffic while assuring proper utilization of Dulles. As soon as the Three Sisters Bridge is constructed, a fast non-stop trip from downtown to Dulles will further assure the popularity of Dulles with the air traveler. We believe that the combination of a 500-mile limit on National and the completion of freeway access will make Dulles International the preferred airport by the traveling public.

Thank you very much, Mr. Chairman. I would like to place in the record a copy of the map showing the different mile radius.

Senator CANNON. Thank you and it will be included in the record. (The map follows:)



The Washington Post

July 28, 1966

Senator SPONG. Thank you very much for your statement, Mr. McLachlen. I think that many people in the Washington metropolitan area have hoped for many years that they could accomplish what your statement today recommends. I think we should review for the record, in light of your statement here today, some of the past history.

You say in your last paragraph the Federal Government already has the authority to properly control the use of our airports. And can, as we suggest, establish a limit for National Airport passenger traffic while assuring proper utilization of Dulles. That is a very optimistic statement in view of past history.

Let's review the history. First of all, the 500-mile limit that you suggested has been tried, hasn't it?

Mr. TOOMEY. No. It was originally put into effect, a date was set but it was never put into effect.

Senator SPONG. That is what I am saying. An effort to impose this—

Mr. TOOMEY. It was withdrawn.

Senator SPONG. It was withdrawn?

Mr. TOOMEY. Right.

Senator SPONG. So it has never been enacted despite efforts in the past to do so. Now, in speaking of the Federal Government, we then had a CAB hearing—I assume that the Board of Trade participated in this—and we all hoped that through this arm of Federal Government some effort would be made to remove some of the longer flights perhaps from National to Dulles, thereby meeting some of the complaints about crowding, environmental factors, and to aid in the development of Dulles and Friendship; and those hearings languished for a period of almost 3 years. Then the FAA and the Department of Transportation asked that they be dismissed. I spent a year perfecting a plan—I had no particular pride of authorship—called a sector radius point which would have even allowed flights from some cities beyond the 500-mile limit to try to serve some of the demands of the Congress.

I thought that was a suggestion worthy of consideration by someone but the fact of the matter is that 3 or 4 years have gone by when all of us saw this problem coming and no 500-mile limitation has been imposed. We haven't moved in the direction that you advocate except that we put a limitation of 40 flights into National.

Now you made a statement here. Under the 500-mile rule, air carriers should be free as an executive matter to use whatever aircraft is indicated with exception of four-engine jets. Now the three-engine airbus, will be completed in late 1971, early 1972. Do you contemplate in your statement that it would be all right for the three-engine airbus to operate in National as long as it was just making the 500-mile—

Mr. McLACHLEN. Yes.

Senator SPONG. You do. I wanted to make that clear for the record. Mr. McLachlen, I thank you for your statement. I can only speak for myself in saying that in the 3 years I have been here—three and a half years—I have been trying in some way to accomplish some of the same things with regard to National and Dulles that you have voiced here today but I am very much discouraged about the Federal Government's capacity or inclination to move in this direction and this legislation I introduced has only come after addressing myself in other ways to the problem through every Federal avenue that was open.

Thank you for your time.

Senator CANNON. Thank you.

Mr. SCHEURER. Mr. Chairman, I am Herman Scheurer. In response to that last question about the airbus, Senator, that would be subject to the same caveat which Mr. McLachlen added which is in the printed statement.

Senator SPONG. About the environment?

Mr. SCHEURER. We are very concerned about the environment just like the rest of you are.

Senator CANNON. Our next witness is George Oberlander, Director of the Long Range Planning and Regional Affairs, National Capital Planning Commission.

**STATEMENT OF GEORGE OBERLANDER, DIRECTOR OF LONG RANGE
PLANNING AND REGIONAL AFFAIRS, NATIONAL CAPITAL PLAN-
NING COMMISSION, WASHINGTON, D.C.**

Mr. OBERLANDER. My name is George H. F. Oberlander, I am the Director of Long Range Planning and Regional Affairs for the National Capital Planning Commission. I appear today on behalf of the Chairman of the Commission in response to Senator Spong's invitation to testify on S. 3128 and to express the Commission's views regarding air facilities planning in the National Capital region.

COMMISSION'S RESPONSIBILITY

The National Capital Planning Commission was created by the National Capital Planning Act of 1952 as the central planning agency for the Federal and District of Columbia Governments in the National Capital region to "plan the appropriate and orderly development and redevelopment of the National Capital and the conservation of the important natural and historical features thereof." Under section 4 of the act, the Commission is "charged with the duty of preparing and adopting a comprehensive, consistent, and coordinated plan for the National Capital, which plan shall include the Commission's recommendations or proposals for Federal and District developments or projects in the environs."

Among the matters to be included in the comprehensive plan are the Commission's recommendations for transportation and related terminal facilities including airports. The Commission as prepared and—on the basis of comments received from Federal and District agencies and community groups and individuals—is in the process of modifying and adopting elements of the comprehensive plan. The Commission's recommendations for major airport facilities are to be included in the subchapter—currently under preparation—entitled "Major Terminals" of the chapter on "transportation" of the comprehensive plan.

AIRPORT FACILITIES PLANNING IN THE NATIONAL CAPITAL REGION

The Commission has been concerned for some time about Washington National and Dulles International Airports' role in the region's transportation system. The air passenger forecasts by FAA indicate that 1969 volumes for the Washington/Baltimore/Baltimore region will almost triple in the next 10 years from 14.6 to 40.7 million.

General aviation activities are projected to double during this same period. The impact of this increase on the ground transportation facilities, the air terminals themselves, and the quality of the environment adjacent to the airports must be carefully examined. This assessment of the "air revolution" can only be undertaken by a detailed analysis of the nature of an "air facility system" needed in the future to adequately provide air transportation serving the National Capital.

The Commission has spearheaded efforts to institute a major study of an integrated air facilities system. A study committee, composed of representatives from FAA, the Washington Metropolitan Council of Governments, the Baltimore Regional Planning Council, the Maryland Department of State Planning, the State Aviation Commission of

Maryland, the Virginia Division of State Planning, the Virginia Division of Aeronautics, and the Commission, has been meeting for over a year. This Committee has developed a tentative scope of work for such a study, a copy of which is submitted for the record of these hearings.

This study includes an examination of alternative management techniques for all or part of the air facilities network for the Baltimore/Washington biregion. At the present time the committee is developing procedures for undertaking such a study. Every attempt is being made to provide the widest possible participation of all interested parties within the Washington/Baltimore biregion.

To assist in financing such a project the Commission has included a request for \$100,000 in its fiscal year 1971 appropriation estimates. The need for such a study is more fully documented in a Commission information report entitled "The Air Revolution and the National Capital Region." This report points out that the physical facilities at National are obsolete and may require an estimated \$200 million in improvements and that Dulles is threatened by the encroachment of new development. It urges that an air facilities plan for the National Capital and Baltimore metropolitan regions be prepared as a joint effort of all governmental jurisdictions in the Washington-Baltimore metropolitan areas.

I am not here today to describe the problems with which we are faced at National and Dulles Airports or what we consider are the needs at these facilities, but rather to relate our air facilities planning effort to S. 3128, which would authorize the States of Virginia and Maryland and the District of Columbia to negotiate and enter into a compact to establish a multi-State authority to operate the Washington/Baltimore metropolitan area's airports.

In testimony more than a year ago before the Committee on the District of Columbia of the Senate, the Commission strongly endorsed the concept of central management of the airports serving the region as a key element in programing needed improvements.

We pointed out that unrelated plans are now being developed by:

- By FAA for National Airport;
- By Montgomery County—to expand and improve the Montgomery County Air Park and select sites for two other airports;
- By Prince Georges County for an airport near Bowie;
- By Fairfax County for a general aviation airport; and
- By Prince William County for a general aviation airport, and that each of the airport proposals appear to be single purpose in nature and designed to meet the local needs.

We do not believe it possible to implement a comprehensive air facilities plan for the Washington/Baltimore regions without central management. There appear to be at least four viable options for such central management:

1. Ownership and operation of all airports by an interstate compact agency;
2. Ownership and operation of all airports by FAA or by a separate public corporation under Federal auspices;
3. Ownership of airports by various jurisdictions with Federal operation of all airports; and
4. Ownership of airports by various jurisdictions with operation of all airports by an interstate compact agency.

Obviously there are advantages and disadvantages to each of these options. S. 3128 would authorize the first and perhaps the last of the options identified. Because two of the major airports are already owned and operated by a single agency and because the major air terminals in this area are the gateway to the Nation's Capital, Federal interests must be protected whichever option is followed. S. 3128, in the present form contains no direction or guidance regarding the Federal interest in the negotiations of an interstate compact nor makes the Federal Government or any agency thereof a party to such negotiations.

Airports have a great influence on land use policy and development and generate ground transportation needs. S. 3128 deals only with the operation of the airports in the metropolitan area. Further the bill is not clear as to whether Friendship International Airport would be under the control of the proposed authority, although upon introduction of S. 3128 Senator Spong indicated that "it is anticipated that under the terms of the compact, Friendship Airport would be brought into the regional system as well," and whether all other general aviation airports would be operated by the authority.

In addition to Dulles, Friendship, and National, there are twenty-two general aviation airports and seven private and military airports in the Washington/Baltimore biregion. All air terminal facilities in the biregion should be planned and programmed through one central agency, whether or not they are developed and operated by a single authority, and S. 3128, if favorably considered, should be amended to enlarge the purposes for which a compact may be negotiated to include the planning of all air facilities in the biregion.

S. 3128 raises other questions. At present Friendship and Dulles have difficulty competing for air passengers because of the time-distance factor. The time-distance factor could be overcome by express rapid transit from terminal locations in the city centers directly to the airports. Such a rail rapid transit facility for Dulles is recommended in the mass transportation plan adopted by the Commission and approved by the District of Columbia City Council. This and a similar high-speed ground transportation facility serving Friendship—perhaps utilizing the Penn-Central Railroad right-of-way from Union Station—can be a reality by 1975 only if planning and engineering are started immediately.

Among the options considered should be the assignment of airport planning, development and operations to the interstate agency created by the existing interstate compact on transit, the Washington Metropolitan Air Transit Authority, which is now planning and constructing a 97-mile rapid transit system for the Washington metropolitan area. By placing air facilities and rapid transit under a single authority, use of rapid transit to the airports can be encouraged and motor vehicle congestion at the airports thereby reduced. Convenient airport satellite terminal facilities in Washington and Baltimore could be provided at rapid transit stations to handle ticketing, baggage, and connecting ground transportation.

As pointed out earlier, airports greatly influence land use and the total environment. It is, therefore, essential that, under any form of central management, the responsible planning jurisdictions must be involved in the planning of the air facilities system. In the Washington/Baltimore biregion these are the Metropolitan Washington

Council of Governments, the Baltimore Regional Planning Council and the National Capital Planning Commission. The bill should include provisions for planning, review, and approval of an air facilities plan which would set forth the long-range plan and program for all airport facilities in the biregion.

CONCLUSION

Unless an air facilities plan for the National Capital region is prepared soon and effectively carried out, air travel into and out of the Nation's Capital will become increasingly congested and chaotic with dire environmental consequences. However, planning air facilities for the region can only be as successful as the means for effectuating the plans. Central management of the airports serving the region appears to be a key element in programing needed improvements. Perhaps the Department of Transportation and the appropriate Maryland and Virginia authorities should investigate and recommend means for accomplishing such central management, including the appropriateness of enlarging the functions of the Washington Metropolitan Area Transit Authority to embrace this role. Any proposals should provide for protection of the Federal interest on a continuing basis.

That is the statement of the National Capital Planning Commission, Mr. Chairman.

Senator CANNON. Thank you very much, Mr. Oberlander.

Senator SPONG?

Senator SPONG. Mr. Oberlander, this is very good and very helpful testimony.

I for one am very appreciative of your putting it in such concise language. I stated yesterday when we began that I thought the bill was only a beginning point and that all of us should be very very, very flexible. I quite agree with your last sentence that there has to be some protection of the Federal interest on a continuing basis. I think there would have to be.

I like your suggestion and share your recognition of the need immediately to get at this ground transportation problem. We discussed this some time ago when we were formulating the plans for this legislation. At the time they, as might be understood, were preoccupied with the subway system. But what you have highlighted here and what I would like to emphasize and reiterate is that all this development is going on, all this independent planning that you have outlined in these areas is going on with regard to both general aviation and civil airports with very little relation to the overall problem that the area is going to be faced with not only in the development of airports themselves but the effect it will have on environment and on transportation and all of these related problems.

We have to study, but if we don't find some point of beginning somewhere that will relate these measures to each other, then we could very well end up in a chaotic mess I think that is implicit in what you have said.

I thank you for your testimony.

Mr. OBERLANDER. Thank you.

Senator CANNON. Thank you, sir.

(The study outline referred to earlier follows:)

STUDY OUTLINE OF BALTIMORE/WASHINGTON BI-REGIONAL AIR FACILITIES
PLAN AND PROGRAM

(Air Study Ad-Hoc Committee Draft, January 1970)

Objective

1. Develop a short- and long-range comprehensive air transportation system plan and program for air carriers and general aviation including determining: (a) air carrier and general operations requirements, (b) functional relationship between air and ground transportation, (c) air carrier and general aviation facility requirements, and (d) related land and land use requirements.

2. Develop a recommended action program for the physical developments, expansion, and land acquisition requirements including: (a) development of planning and program priorities based upon a comparative analysis of alternative bi-regional airport plans, (b) estimating capital outlay requirements and recommending a practicable financing program, and (c) ascertaining the form of an administrative agency or agencies best suited to finance, construct and operate the recommended bi-regional system.

3. Establish recommendation for a continuing process of airport and air transportation system planning.

Scope of work

A. The study will be basically related to the Baltimore and Washington standard Metropolitan Statistical Areas. However, the work program activities will be coordinated with the States in their planning programs, to the extent possible and feasible.

B. A *Short-Range Plan* for airport development will be prepared at a sufficient level of detail to enable architects and engineers to proceed with the design of various plan elements and to enable the appropriate jurisdictions to plan for the funding and implementation of the agreed upon program and priorities. (This would include program requirements for the ensuing 5-year period.)

C. A *Long-Range Plan* will be prepared in increments to the year 2000. The first increment would be expected to yield a plan solidly based on known and reasonably expected regional policy and planning objectives. Preparation of the plan in increments provides the flexibility necessary to compensate for uncertainties, while establishing the framework for a meaningful long-range plan.

WORK PROGRAM

PHASE I—ANALYSES OF EXISTING SYSTEM

A. Current aircraft characteristics

Objective: Determine and describe the relevant performance characteristics of the aircraft (civil, military and general) currently utilizing the airspace within the bi-region.

Output: Working paper consisting of a tabulated listing of current aircraft performance characteristics.

Components

1. Define one or more classification schemes to categorize the various types of aircraft currently in use.

2. Identify, list and define those aircraft characteristics relevant to the aviation system study. Operational and non-operational inflight and ground handling characteristics will be identified. Units of measurement for each characteristic will be specified. Typical relevant performance characteristics will include:

- Airspeed
- Cruising altitude
- Rates of climb and descent
- Landing and take off distances
- Passenger and/of cargo capacity
- Primary mission
- Gross and empty weights
- Landing speed
- Maintenance requirements

3. Collect and tabulate aircraft characteristic data for project usage.

B. Current airspace utilization

Objective: Determine and present current airspace utilization data for the bi-region in respect to type of aircraft, mission performed, frequency of use and problem areas.

Output: Working paper on current airspace utilization.

Components

1. Describe the components of the current Federal airspace including the facilities and requirements necessary for its use.
2. Identify and describe the types of controlled and uncontrolled airspace within the bi-region including high and low altitude airways, terminal areas, restricted and prohibited areas, off-airway routes and high traffic density areas.
3. Collect and tabulate airspace usage data by type of aircraft, type of mission and type of flight plan. Data will be organized to present airspace utilization in respect to the numbers of aircraft in flight as a function of time, altitude and location.
4. Identify current airspace problem areas and in-process activities and plans relating to the airspace.

C. Airport locations and characteristics

Objective: Inventory physical and use characteristics of all existing airports in the bi-region.

Output: Working paper consisting of data sheets on every airport.

Components

1. Inventory content—airport characteristics:

- Location
- Elevation
- Number of runways
- Length of runways
- Runway orientation
- Surface of runways
- Runway capacity
- Lighting facilities
- Instrument approach facilities
- Control tower facilities
- Hours of operation
- Weather information facilities
- Number of based aircraft
- Number of air carrier passengers
- Baggage handling facilities
- Amount of freight handled
- Description of ground access
- Parking facilities
- Maintenance facilities
- Type of ownership and administration
- Service and maintenance facilities
- Freight handling facilities
- Passenger terminal facilities
- Elements relevant to description of military facilities
- Airport finances
- Lease commitments
- Proposed improvements programs
- Noise patterns on ground

Collect, index and review in statistical, narrative and graphic form all available and relevant data outlined above on each of the following airport class:

- Landing Strip
- Basic Utility
- General Utility
- Basic Transport
- General Transport
- Military
- Scheduled Air Transport
- Heliport
- STOL Port

2. Collect and review existing airport master plans.
3. Identify major problems at each existing airport.

D. Physical Environment

Objective: Describe the physical environment of the bi-region to provide a data base for analyzing the present aviation system and for determining future system configurations.

Output: Working report with maps, tables and matrices.

Components

1. Collect relevant data as available in the following categories:
 - (a) Major geographical features:
 - Topography
 - Bodies of water
 - Natural drainage systems
 - (b) Conditions of visibility
 - (c) Conditions of ceilings
 - (d) Conditions of precipitation
 - (e) Ranges of temperature
 - (f) Conditions of winds
 - (g) Man-made features which approach the scale of natural constraints:
 - Major utility installations (transmission lines)
 - Major ground transportation networks
2. Identify and categorize problem factors in the natural environment which may affect present or future facilities.

E. Socio-economic environment

Objective: Describe the socio-economic environment of the bi-region to provide a basis for analyzing the present aviation system and for determining future system configuration.

Output: Working report including data tabulation and summary graphics on the current environment.

Components

1. Determine and collect available land utilization, population and socio-economic data which is relevant to air traffic generation, for example:
 - (a) Land Utilization
 - Zoning plans
 - Land use inventory plans
 - Proposed general plans
 - Governmental or private studies
 - (b) Population
 - Population and urbanization distribution: (1970, 1965, 1960)
 - Forecasts
 - Movement
 - (c) Socio-Economic
 - Employment types and distribution: productivity and wage indices
 - Motor vehicle data/mobility
 - Economic trends
 - Transport sector statistics:
 - Movement of goods and people
 - Alternative modes and relative costs of transportation
 - Projected investment in transportation facilities
 - Regional consumption and income distribution
 - Travel statistics, classified by purpose, duration, O & D
 - Economic and social development plans and statistical projections relating to natural resources distribution and development, public and private investment in various sectors of the economy
 - Capital formation statistics
 - Housing statistics
 - Extent of tourist activity
2. Collect organize and publish all data for project usage.

F. Other transportation systems

Objective: To determine impact of other modes of passenger and cargo movement on aviation system.

Output: Working paper on current transportation systems and methods.

Components

1. Inventory existing supplementary and competing transportation modes:
 - Competing intercity—rail, auto, truck
 - Competing intra-urban—rail, auto, truck
 - Airport access—auto, bus, taxi, helicopter, other
 - Airport internal people movers—auto, bus, moving ramps, other
2. Determine historical development trends.
3. Collect available volume and O & D data.
4. Identify relationships which impact aviation system.

G. Other technologies

Objective: Identify and describe the possible impacts of existing other technologies (non-transportation) on the regional aviation system.

Output: Working paper on other technologies.

Components

1. Identify existing technologies, i.e., low cost communication systems and computer-based information systems which may affect the regional aviation system.
2. Describe the potential impacts of these technologies on travel demand and airport location/layout.
3. Publish results and data for project use.

H. Current air transportation demand

Objective: Determine and describe key variables which influence present air transportation demand. Categorize and tabulate current demand, as a basis for evaluating effectiveness of system and for cross-check on future projections.

Output: Working paper on current demand including tabulated data and graphics.

Components

1. Collect all relevant available demand data, including:
 - (a) Commercial: Passenger
 - Number of passengers
 - Origin and destination of passengers
 - Passenger flight miles by routes (route intensities)
 - Number of operations
 - Characteristics of flights
 - (b) Commercial: Cargo
 - Tons of cargo
 - Ton miles of cargo
 - O & D of cargo
 - Types of commodities
 - (c) General Aviation
 - Number of pilots (by class: private-commercial-etc.)
 - Number and types of aircraft
 - Number and types of flights
 - Characteristics of flights (i.e., IFR, VFR, ON-Airway etc.)
 - (d) Military
 - Number and types of aircraft
 - Number of flights
 - Characteristics of flights
 - Priority of flights
2. Analyze and determine key variables which affect demand. Organize data for use in projections of future demand.
3. Summarize collected air transportation demand data to identify historical and current.
 - Commercial passenger demand
 - Commercial cargo demand
 - Routes and route intensities
 - General aviation demand
 - Military aviation demand

I. Economic visibility of current system

Objective: Determine the economic visibility of air facilities in the system by airport class.

Output: Working paper on the financial condition of existing airports.

Components

1. From Section IC1 analyze date of financial record of each facility.
2. Determine sources of funds:
Identify those programs of state and Federal agency that are important to the airport finances.
3. Determine the extent to which the various classes of airports are marginal operations. Why?
4. Determine the extent to which location is important to financial success. Is this factor important?
5. Determine ownership and management patterns. How do they contribute to success?

PHASE II—ESTABLISH FUTURE SYSTEM REQUIREMENTS

Note: All subtasks listed below will present future system requirements in five-year increments from 1970-1990.

A. Future aircraft characteristics

Objective: Determine and describe the relevant performance characteristics of future aircraft that are expected to utilize the airspace within the bi-region.

Output: Working paper of tabulated listings of future aircraft performance characteristics.

Components

1. Determine on a time dependent basis the projected utilization and technical advancement of aircraft. Identify future aircraft types.
2. Following the aircraft classification schemes established in Phase I and the list of aircraft characteristics, identify those types of future aircraft considered as likely to operate in the bi-region.
3. Collect and tabulate future aircraft characteristic data. Identify data as to probable time period of initial operation.

B. Future airspace utilization

Objective: Identify and present anticipated changes in the use of airspace.

Output: Working paper on future airspace utilization.

Components

1. Identify national and local airspace utilization changes potentially possible through future technological, policy, procedural, legislative and operational changes. (To what extent will instrument flight rules (IFR) control the flight patterns? Impact of the National Airspace System (NAS) on airspace? What other computer technology will be operational by 1975? 1980? What is the ideal (optimum) spacing of airports to maximize use of airspace?)
2. Select those changes considered to be most likely to be implemented and identify the time period of implementation.
3. Describe the effects on the bi-county airspace likely to result from the changes anticipated.
4. Compile results for project usage.

C. Environments

Objective: Postulate likely physical and socio-economic environments expected within the bi-region during the period 1970-1990.

Output: Working paper on future environments.

Components

1. Identify key environmental variables, assess historical trends, and consider potential deviations from these trends.
2. Utilizing key variables, postulate likely environments for the study period of five-year increments.

D. Other Transportation Systems

Objective: Describe probable interaction between future air transport and other realistically available transportation modes.

Output: Working paper describing future transportation systems.

Components

1. Identify modes of transport which may exist in environments postulated in IIC above.

- Competing intercity—rail, auto, truck
- Competing intraurban—rail, auto, truck
- Airport access—auto, bus, taxi, helicopter
- Intra-airport—auto, bus, rail, people movers

2. Access impact of these modes by airport type.

E. Other technologies

Objective: Identify and describe the possible inputs of other technologies (non-transportation) on the regional aviation system.

Output: Working paper on future demand.

Components

1. Estimate air transportation demand (commercial passenger and freight, military, general business, recreational and tourism).

(a) Approach I

(1) Collect available current demand projections from:

- Airports
- Airlines
- Aircraft manufacturers
- Other studies
- FAA
- Government (counties, etc.)
- Military
- Trade associations, etc.

(2) Summarize and analyze existing projections.

(b) Approach II

(1) Using the COG-TPB Emperic Model determine by traffic zones projections of potential air passengers based on land use, population characteristics and jobs. Develop a similar procedure in the Baltimore Metro Area.

2. Refine Demand Forecast.

(a) Identify relevant variables:

- Socio-economic
- Airport locations
- Aircraft characteristics
- Future technology
- Rate structure

Life styles: business, recreation, value of time, status, etc.

(b) Estimate effect on demand of changes in variables, where feasible.

(c) Define a final set of forecasts as relate to various future environments.

PHASE III—ESTABLISH SYSTEM OBJECTIVES

Objective: Determine objectives to be fulfilled by an aviation system in the bi-county region within the study period in five-year increments (1970-1990).

A. *Review Input Analysis of Existing System (Phase I) and Future Requirements (Phase II).*

Input: Preliminary results of Phases I and II.

Output: Working paper summarizing existing system and future requirements.

B. *Establish Effectiveness Criteria Such As:*

1. Levels of air service
2. Public time factors
3. Public convenience factors
4. Economic viability and potential
5. Accommodation of new technology
6. Safety factors
7. Cost/benefit analysis
8. Environmental
9. Flexibility of an aviation system
10. Flexibility of plan implementation
11. Social, cultural and political impact
12. Maximum and mean travel times
13. Demand satisfaction

Input: Preliminary results of Phases I and II.

Output: Working paper listing effectiveness criteria.

C. *Collect and Analyze Relevant Viewpoints on System Objectives From Operators, Government Agencies and Interested Parties.*

Output: Working paper summarizing viewpoints.

D. *Reevaluate and Assign Relative Weights To Effectiveness Criteria.*

Input: Results of Phase III, A, B and C above.

Output: Working paper listing effectiveness criteria and relative importance.

E. *List Objectives of Future System Based Upon Effectiveness Criteria.*

Input: Results of Phase III.

Output: Statement and definition of system objectives.

PHASE IV—DELINEATE ALTERNATIVE SYSTEMS

Objective: Formulate and describe alternative airport systems.

A. *Define Types of Air Transportation Services.* Evaluate various mixtures of the services, e.g., to determine the feasibility of providing such services from a single airport, types of airports to provide individual and/or mixes of services.

Input: Preliminary results of Phases I, II and III.

Output: Working paper defining airport types and services.

B. *Establish System Constraints.*

Output: Working paper defining and describing airport system constraints.

C. *Formulate Hypothetical Alternative Airport Systems.*

1. Develop matrices for system definition:

- Class of service
- Type of airport
- Airport capacity
- Land use alternatives
- Local travel time
- Airspace utilization

2. Obtain input alternatives from interested parties.

3. Derive alternative systems from analysis of matrices constraints, and interested parties inputs.

Output: Working paper listing and describing hypothetical airport systems.

D. *Describe Characteristics of Each System.*

1. Airport location
2. Types of services
3. Airspace utilization
4. Noise—Pollution
5. Construction and operation costs
6. Passenger and cargo capacity
7. Land use
8. Traffic generation

Input: Results of IV C above.

Output: Working paper describing the characteristics of each hypothetical airport system defined in IV C above.

PHASE V—DEVELOP COST-EFFECTIVENESS MODEL

Objective: To develop and validate the cost-effectiveness model to be used in the evaluation process. The model is to perform the following functions:

1. Allocate passenger and cargo demand to airports
2. Calculate travel time for each alternative configuration

The model will include the following variables and parameters:

1. Passenger demand by class and service
2. Type of airport
3. Location of airport
4. Ground travel time
5. Calendar time (hour, day, year)
6. Passenger location

A. *Adapt a Specific Model to Meet the Objectives.*

Input: No project participants inputs required.

Output: Cost-effectiveness model.

B. *Validate the Model Using Current Demand Data with Existing Airport Configurations.*

Input: Results of Phase I.

Output: Computer print-outs for project analysis and evaluation.

C. *Validate the Model Using Current Demand Data with Alternative Airport Configurations.* This validation can be used to perform the tasks of evaluating current effectiveness required in Phase VI.

Input: Results of Phase I and preliminary results of Phase IV.

Output: Computer print-outs for project analysis and evaluation.

D. *Document the Model.*

Input: Results of Phase V.

Output: Working paper describing the cost-effectiveness model.

PHASE VI—EVALUATE ALTERNATIVE SYSTEMS

Objective: Analyze and compare the technical economic, environmental, noise, legal and political advantages and disadvantages of each alternative system.

Identify the preferred system and suitable alternates.

A. *Develop Criteria to Evaluate Alternative Systems.*

1. Demand
2. Supply
3. Environmental/noise
4. Political/legal
5. Financial/economic
6. Flexibility
7. Local access, maximum and mean travel times
8. Social/cultural
9. Ecological

Input: Results of previous phases.

Output: Working paper describing and defining evaluation criteria.

B. *Collect, Tabulate, and Analyze Data for Each Airport.*

Based on passenger capacity or number of operations determine impact of existing or proposed airport locations on:

1. Airline operation
2. Ground access
3. Land use
4. Social acceptability
5. Costs (passenger)
6. Portal-to-portal potentials
7. Trip generation
 - (a) Mode
 - (b) Purpose
8. Passenger convenience
 - (a) Travel time (ground)
 - (b) Baggage handling
 - (c) Ticketing
9. Runway capacity (peak hour demand)
 - (a) Locations (physical layout)
 - (b) Aircraft mix
 - (c) Number of exit taxiways
 - (d) Weather (ILS Condition) limitations
 - (e) Noise abatement procedures
 - (f) Interference with nearby airports(s) airspace.
 - (g) Delay tolerance
10. Cost-benefit analysis
11. Trade-offs-Suggested Air Facilities System

Input: Results of previous phases.

Output: Working paper consisting of tabulated data for each airport within the system.

C. *Evaluate Alternative Systems To Determine Comparative Viability of Each.* This evaluation will include both current and future system configurations. Current systems will be evaluated in respect to their effectiveness and problem areas. Eliminate sets which do not satisfy planning objectives or are significantly less advantageous than other alternatives. This step will not involve decision making as to exact airport locations or exact specification of size and type of airport.

1. Determine basic costs for each airport system.
2. Determine travel time and demand for each system by the cost-effectiveness model.
3. Perform a sensitivity analysis for each airport cost configuration:
 - Demand
 - Costs

Aircraft characteristics

Travel modes to and from airports

Input: Results of previous phases.

Output: Working report consisting of gross evaluations of the hypothetical airport systems defined in Phase IV. Selection of a subset of airport systems considered to be effective in meeting objectives of Phase III.

D. Review Selected Systems with Interested Parties, Construct Specific Alternative Recommendations and Repeat VI-B and C. In addition, Perform the Following Additional Analyses:

1. Site evaluation
2. Political acceptability
3. Revenue-cost estimation
4. Funding requirements
5. Implementation feasibility
6. Community acceptability
7. Social and cultural
8. Ecological impact

Output: Working paper consisting of second evaluations of selected airport system. Selection of highest ranking airport systems for further analysis.

E. Perform a Sensitivity Analysis on Effects of Changes in Major Parameters and Variables on Evaluation Output.

1. Demand
2. Costs
3. Land use compatibility
4. Aircraft characteristics
5. Travel modes to and from airports
6. Noise
7. Airspace utilization

Input: Results of previous phases.

Output: Working paper describing the relative sensitivity of major parameters and variables affecting airport systems.

F. Review Highest Ranking Alternatives and Pursue Additional Evaluation and Sensitivity Analyses as Necessary. This step may require acquisition of additional data.

Input: Results of previous phases.

Output: Working paper presenting results of final evaluation on the set of highest ranking airport systems.

G. Impacts on the Communities and Economy. Determine social, economic and physical impacts of the system on communities within the bi-region.

1. Apply cost/benefit analysis where possible to quantify airport impact:
 - Number of airport employees
 - Number of airport related businesses
 - Dollar volume of related businesses
 - Revenue of airport
 - Taxes paid or removed from tax rolls
 - Indirect economic costs and benefits
2. Establish criteria for assessing qualitative factors:
 - Compatibility of airports with life styles of local communities
 - Environmental compatibility
 - Ecological impact
 - Social and cultural
3. Analyze and describe nature and direction of qualitative factors of environmental and social compatibility, including:
 - Noise, hazards, pollution
 - Residential values in influence area
 - Undeveloped land values in influence area
 - Location of schools, hospitals and other sensitive uses
 - User access
 - Secondary effects, such as ground traffic congestion
 - Public acceptance
 - Political acceptance
 - User acceptance

Input: Preliminary results of Phase VI.

Output: Working paper describing community and economic impacts of airport systems.

H. *Alternative Methods of Managing and Financing the System.*

1. Identify various management techniques or organizational structure for carrying out the develop of the selected alternative system and its management.
 - (a) Identify airport class groups to be included.
 - (b) Identify role of governmental agencies (local, state, Federal).
 2. Indicate needed legislative changes needed to permit various management structures.
 3. Describe advantages of each alternative discussed.
- Output:* Working paper on organizational techniques to develop and manage the airport system.

PHASE VII—PREPARE PLAN AND PROGRAM

Objective: Formulate from the results of Tasks A through F a preferred master aviation system plan with alternatives and implementation recommendations.

A. *Airport Locations and Specifications*

1. Establish plan and program format.
 - System description
 - Update capability
2. Establish airport locations and system operational capabilities (1975, 1980, 1985, and 1990).
 - Type of airport
 - Runway length—orientation
 - Type of aircraft permitted
 - Annual passenger/freight capacity
 - Hourly aircraft operational capacity
 - Navigational aids
 - Ground facilities
 - Access transportation
 - Surrounding land use
3. Establish facility design criteria
 - Incremental size location and type of passenger and user facilities
 - Interface between passengers/users and aircraft
 - Interface between passengers/users and access transportation system to facilities
 - Incremental size, location and type of cargo facilities
 - Interface between aircraft/cargo facility and access transportation system to facilities

Input: Results of previous phases.

Output: Working paper specifying the preferred airport locations and characteristics for the preferred system.

B. *Capital Cost Analysis.* Estimate airport system capital costs.

1. Determine airport master plan capital costs:
 - Land and easements
 - Site development
 - Facilities design, engineering and construction
 - Ground access transportation system
2. Show relationship of estimated costs for alternative expansion systems.
3. Show relationship of estimated costs for changes in implementation schedule.

Input: Results of previous phases.

Output: Working paper presenting the capital cost aspects of the preferred system (alternatives).

C. *Financial Analysis.* Determine operating costs and revenues.

1. Determine operating costs
 - Direct
 - Indirect
2. Determine operating revenues:
 - Landing area use charges
 - Land and facility rentals
 - Concessions
 - Other—Fuel, oil, vehicle tolls, passenger taxes
3. Present financial summary (1975, 1980, 1985, and 1990):
 - Capital and operating costs
 - Revenues
 - Surplus/deficit

Input: Results of previous phases.

Output: Working paper presenting operating cost and revenue estimates for the preferred system.

D. *Implementation.* Prepare an implementation and fiscal plan determine necessary administrative and legislative action to effectuate and protect system.

1. Determine implementation schedule.

2. Outline plan implementation activities and constraints:

Land acquisition (fee, easements)

Land use protection, i.e., rezoning, land use restriction

Legal (noise land use, etc.)

Administrative actions

Political actions

3. Develop financial plan.

4. Analyze relationship between implementation schedule and financial plan.

Input: Results of previous phases.

Output: Working paper describing an implementation plan and schedule in 5-year increments, for the preferred system.

E. *Impacts on the Communities and Economy.* Determine social, economic and physical impacts of the system on communities within the bi-region.

Input: Results of Phase VII.

Output: Working paper on community and economic impact of the preferred system.

Senator CANNON. We will hear one more witness before recessing.

Mr. John Scott, director of aviation, city of Baltimore.

STATEMENT OF JOHN F. R. SCOTT, JR. DIRECTOR OF AVIATION, FRIENDSHIP INTERNATIONAL AIRPORT

Mr. SCOTT. Mr. Chairman, Senator Spong, my name is John F. R. Scott, Jr. I am director of aviation at Friendship International Airport.

I would like to read into the record two very brief statements, one from the Airport Board of Baltimore City, one from the Chamber of Commerce of Metropolitan Baltimore.

From the Airport Board of Baltimore City this statement:

Since 1951, and I would like to preface this statement by saying that I think a little bit of background as to the operation of Friendship International Airport would be very helpful in the overall evaluation of Friendship's position in this matter.

Since 1951 Friendship International Airport has been operated by the Department of Aviation, which is in turn a department of the city of Baltimore.

As Friendship has grown, serious thought has been given over the years to having the airport operated by a different political agency. The principal reason motivating this thinking was the fact that the city of Baltimore lacks the ability to finance by means of revenue bonds. Accordingly, approximately 3 years ago legislation was passed by the Maryland State Legislature establishing the Maryland Airport Authority which would be responsible for the operation not only of Friendship International Airport but of all airports within the State of Maryland.

Taxpayer suits were filed by interested residents of the city of Baltimore and the legislation creating the Maryland Airport Authority was subsequently found to be unconstitutional. A period of approximately 2 years then went by during which time the question of the ownership of Friendship International Airport was debated and discussed.

New legislation was then introduced which created a Friendship International Airport Authority. This authority is to be responsible solely for the operation of Friendship International Airport.

The members of this new authority are to be appointed both by the Governor of Maryland and by the mayor of the city of Baltimore with the mayor and Governor alternately appointing an authority chairman to serve for a 4-year period. This authority is to be appointed by July 1, 1970, and is officially to take over the operation of Friendship International Airport on September 1, 1970.

At this time the authority members have not yet been appointed.

The airport board of Baltimore City which presently operates Friendship International Airport is vitally interested in the question of a regional airport authority to operate Friendship International Airport, Washington National Airport and Dulles International Airport. However, the board feels that at this time all of its efforts should be directed toward getting a new Friendship International Airport Authority off to a flying start.

The board further believes that while the transition from a board operation to an authority operation is of primary importance, the time is not too far off when some type of regional airport authority should be considered.

The board also feels and will recommend to the incoming authority that the authority should actively participate in discussions involving formation of a regional airport authority.

This is a statement of the airport board of Baltimore City; another brief statement from the Chamber of Commerce of Metropolitan Baltimore:

The Chamber of Commerce of Metropolitan Baltimore is the principal representative of organized business in the Baltimore metropolitan area. Its membership includes over 1700 leading manufacturers, wholesalers, retailers, service businesses and professional firms located in the Baltimore metropolitan area.

Formed to promote economic and civil interests of Baltimore City and its adjacent counties, the chamber has a very strong interest in the growth of Friendship International Airport. In the 1970 session of the Maryland General Assembly the chamber supported legislation to create the Friendship International Airport Authority.

One of our major concerns in recent years has been the maintenance of the competitive position for traffic in the Washington-Baltimore area with the two airports serving Washington, which airports are owned and operated by the Federal Government.

At this moment the Baltimore area business community and most of the State of Maryland are anxiously awaiting the birth of Friendship International Airport Authority, expected July 1, 1970.

Much of the chamber's interest aviation-wise is now understandably focused on getting this new fledgling off the ground. The chamber is very much interested in S. 3128, which would authorize the States of Maryland and Virginia and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to operate the Washington-Baltimore areas' airports.

However, it does not now wish to take a position for or against this bill. After the Friendship International Airport Authority is established, the chamber does intend, however, to study and evaluate the need for a multistate authority and to then participate in any deliberations which will be directed to the establishment of such an authority.

Those are the two statements, Mr. Chairman.

Senator CANNON. Thank you very much, Mr. Scott.

I wonder if you would ask your people that you represent, when they do some to a conclusion, to advise the Committee because obviously if Maryland is not interested in entering into any such compact then of course we are going through an exercise in futility here. The same thing will be true with the other agencies involved.

We will, of course, not have concluded our hearings by the time that you have your new authority appointed, although it should take some time to get in operation.

Mr. SCOTT. I suspect that this will be one of the first orders of business of the new authority, although obviously I cannot speak for an authority which has yet to be formed.

Senator CANNON. Certainly.

Senator SPONG?

Senator SPONG. I think the FAA in its statement yesterday contemplated that there might be some time before Friendship's position on all this is ultimately known. I quote: "We do not believe, however, that the failure to include Friendship at the outset should prevent implementation to whatever steps we might be authorized to take with respect to the two Virginia airports."

I thank you very much for your statement here today, Mr. Scott.

Senator CANNON. Thank you, sir.

The Committee will stand in recess—

Senator SPONG. I have a statement from General William F. McKee, a letter which I would like to place in the record.

I quote from one paragraph: "I would like to state, however, that I am firmly in favor of the intent of your proposed bill. As a result of my three year's experience as Administrator of FAA I am convinced that some form of a regional airport authority must be established. I am also convinced that the Administrator of the FAA, with all his problems, should not be saddled with the job of trying to run Washington National Airport and Dulles International Airport.

"Further, I am convinced there should be one airport system to serve the major Washington-Baltimore area."

I ask that the entire letter be entered in the record.

Senator CANNON. It will be made part of the record.

(The letter follows:)

SCHRIEVER & MCKEE ASSOCIATES, INC.,
Arlington, Va., May 15, 1970.

HON. WILLIAM B. SPONG, JR.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPONG: I have just received your letter asking for my views concerning your bill to establish a Washington-Baltimore Metropolitan Area Regional Airport Authority, and inviting me to testify before the Aviation Subcommittee.

I am leaving tomorrow for two weeks, and will be out of the country most of that time. Since time will not permit a detailed study of your legislation, and the preparation of a well-thought out statement for your Committee I must decline your invitation.

I would like to state, however, that I am firmly in favor of the intent of your proposed bill. As a result of my three years experience as Administrator of FAA, I am convinced that some form of a regional airport authority must be established. I am also convinced that the Administrator of the FAA, with all of his problems, should not be saddled with the job of trying to run Washington National Airport and Dulles International Airport. Further, I am convinced that there should be one airport system to serve the major Washington-Baltimore area.

I am perfectly willing for the above views to be placed in the record.
I will be back in my office after the 1st of June and if I can be of any further assistance, please let me know.

Sincerely,

WILLIAM F. McKEE,
General, USAF (Ret.)

Senator SPONG. I have a statement from Mr. Bowman of the Northern Virginia Planning Commission, which I submit.

Senator CANNON. It will be made part of the record.

(The statement follows:)

STATEMENT OF DONALD R. BOWMAN, COMMISSIONER, NORTHERN VIRGINIA
PLANNING DISTRICT COMMISSION

Mr. Chairman: My name is Donald Bowman, a member of the Fairfax County Board of Supervisors and one of that body's delegates to the Northern Virginia Planning District Commission. Here with me today is one of my fellow commissioners, the Honorable John Ticer, Councilman of the City of Alexandria.

As you know, the State of Virginia recently revised its planning structure and pursuant to the Virginia Area Development Act of 1968, the Commission was organized on September 30, 1969, and replaced the Northern Virginia Regional Planning Commission. The Commission's jurisdiction is one of 22 planning districts in Virginia, of which it is the largest. It encompasses the Cities of Alexandria, Fairfax and Falls Church; the Towns of Leesburg, Vienna, Manassas, and Herndon; and the Counties of Arlington, Fairfax and Prince William. Loudoun County and the Town of Manassas Park have not yet formally joined but are within its boundaries.

The Commission is composed of elected officials of the jurisdictions and non-elected representatives who have been appointed by the governing bodies of their jurisdictions. The purposes of the Commission are to (a) provide for coherent articulation of community needs, problems and potential for service, and (b) foster planning for development by encouraging the creation of effective regional planning agencies. Succinctly put, the Commission is a forum for regional discussions and the defining of regional interests.

NVPDC has been designated by the State of Virginia as the regional clearing-house to study proposed projects in terms of areawide plans and it consults with local governments or any other agencies affected by the proposed projects.

The Commission is pleased to have the opportunity provided by this hearing on S. 3128 to state the Region's views as to the need for the establishment of a responsive body to manage airport facilities. The Commission is also gratified by the interest expressed by Senator Spong during the past several years in the orderly growth of Dulles Airport and the proper utilization of both airports.

We welcome the suggestion in the Senator's opening statement concerning the establishment of an Airport Advisory Commission. That we feel is a rational interim step.

It is the feeling of all Northern Virginia jurisdictions affected by the airports that the local jurisdictions' views have not been taken into account in the planning efforts for the airports; and lack of recognition of their points of view have produced stresses on the local areas in terms of safety, both in the air and on the ground, on and off site traffic and roadway planning, and public services such as health, firefighting and water.

This Commission and its predecessor organization have had much concern over the last 20 years with regard to National and Dulles Airports and all jurisdictions feel the impact of the policies made in the operation of the two airports.

In cognizance of these feelings, the Commission passed the following motion at its meeting on May 28:

- (a) That the Commission welcomes Senator Spong's continuing interest in the operation of the major airports in the Washington Metropolitan Area;
- (b) the Commission welcomes the catalyst that the introduction of S. 3128 has provided;
- (c) the Northern Virginia communities recognize and are concerned about the impact on them of Dulles and National Airports;
- (d) the Commission endorses the principle of a single management entity to operate the two airports in judicious balance;
- (e) the Commission hopes that the Aviation Subcommittee of the Commerce Committee conducting the hearings would derive out of the testimony an appropriate measure to recommend to the Senate and that this proposal would remove the operation of those

airports from the Bureau of National Capital Airports and provide an increased voice and an increased measure of participation for the Northern Virginia communities in the operation of the two airports.

Pending approval of our minutes, we would like to submit for the record that portion of the proposed minutes which contains the Commission's discussion of the Bill, S. 3128, and the interrelated facts and implications of the Kling report and the question of utilization of Dulles.

We also understand many of our member jurisdictions have also taken favorable stands on the bill.

The Commission recognizes the unquestioned authority of the FAA in such areas as flight operations and air traffic control, but beyond that all the jurisdictions feel that planning must be coordinated within and without the airports proper because the large volume of human traffic creates problems far beyond the ticket counter.

Many commissioners feel, as do several member jurisdictions, that there is an improper balance of traffic and a definite underutilization of the facilities at Dulles Airport. In that vein, I might also say that the view has been often expressed in Northern Virginia that before undergoing the major expense of the anticipated modernization of National, an equal priority should be given in increasing utilization of Dulles.

The introduction of stretch jets at National (and possibly the airbuses of the future) is a specific example of lack of recognition of community interests. The original decision was justified as an interim emergency measure, but is apparently being made permanent as a matter of fact. It has a staggering impact on facilities at National Airport as well as the offsite facilities. Not only were the views of the Northern Virginia jurisdictions omitted from such considerations, but also were "led down the primrose path" as much or more than the Congress, in terms of our expectations in such matters.

This brief statement reflects years of concern on the part of this Commission and its predecessor organization; however, S. 3128 provides the Northern Virginia community with the opportunity to express its views and hopes for the future of the two airports.

We trust that this committee will recommend favorably to the Senate the concept of the proposal contained in S. 3128.

Thank you for the opportunity to appear at this hearing and present the views of the Northern Virginia Region as expressed by the Commissioners of the Northern Virginia Planning District Commission.

Senator CANNON. I have a statement from Dorothy S. McDiarmid which will be made part of the record.

(The statement follows:)

STATEMENT OF DOROTHY S. McDIARMID

Mr. Chairman and Members of the Commerce Committee: My name is Dorothy S. McDiarmid. I have been a resident of Fairfax County for thirty years. I served four terms in the Virginia General Assembly as a delegate from Fairfax County. Currently I am a candidate for the United States House of Representatives from the Virginia Eighth Congressional District. For many years, both as a citizen and legislator, I have been concerned with the problems associated with the growth of Dulles International Airport.

The citizens who are affected by problems such as air and noise pollution arising from the operation of airports should have an opportunity to participate in decisions involving the use of those airports.

It is a privilege to have this opportunity of expressing my support for bill S. 3128. I wish particularly to address myself to Section I, Paragraph 6, which would give areas served by the airports of the Nation's Capital a voice in their operations.

Under the jurisdiction of the Federal Aviation Agency, no reasonable limits on the use of National Airport have been established. The National Capital Planning Commission has strongly recommended against larger jets at National and has called for a 300 mile limit on flights using that facility. If S. 3128 is passed, the Regional Airport Authority could be expected to consider the phasing out of National Airport for trunk carriers at a specific date in the future. The date could be set to coincide with the completion of a rapid rail spur to Dulles. National, then could become a facility for commuter airlines, business and private aircraft, and Dulles could be used to capacity, as planned.

The same foresight which brought the existence of Dulles should be applied to encouraging its better use. Dulles has been operating at a deficit that so far has

totalled about \$50 million. I think the cause of that deficit is obvious—underutilization. Certainly a prototype of the airport of the future, Dulles has likewise demonstrated that it is an airport for today. With its long runways and clear approaches, Dulles is capable of handling the airliners of the future, such as the airbuses, in all weather and with a minimum of noise and air pollution to adjacent residents.

Senator Spong has said that it is essential to convert the management of the National Capital airports to a regional, systematic basis before the predicted three-fold growth of air traffic by 1980. I would agree that the time to act is now. I believe that the citizens of Virginia, as well as our neighbors in Maryland and the District, want a voice in solving the air transportation problems of the National Capital area. A compact to create a multi-state airport authority, as provided for in S. 3128, would in my opinion by the soundest way to best co-ordinate the area's airport facilities.

Thank you.

Senator CANNON. The hearings will be recessed subject to the call of the chair. I say subject to the call, because I do not know the next date at this moment.

I regret we were not able to get to the balance of the witnesses scheduled today, but we were prevented from meeting all morning yesterday because of the activities on the Senate floor.

(Whereupon, at 12:25 p.m., the hearing was adjourned.)

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ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

STATEMENT OF PAUL LEMARIE, PRESIDENT, COMMITTEE FOR DULLES, WASHINGTON INTERNATIONAL AIRPORT, INC.

Mr. Chairman, and Honorable Members of the Subcommittee: It is indeed a privilege to be here to testify on behalf of Senate Bill 3128. At the regular meeting of the Committee for Dulles, held on June 4, 1970, the following resolution was duly adopted by that organization:

Resolved That the appropriate officers of the Committee for Dulles be instructed to appear before the Senate Committee hearings scheduled for June 11 and 12, 1970, to present to the Committee its support for the passage of Senate Bill 3128 as presently proposed by Senator William B. Spong, Jr., of Virginia, and offer such future assistance as the Committee for Dulles is able, for the purpose of making recommendations for the formulation of the required compact by the State of Maryland, Commonwealth of Virginia, and the District of Columbia, and such other recommendations as may be appropriate for the implementation and creation of the Washington-Baltimore Metropolitan Area Airports Authority.

Please note that the organization has endorsed the concept of the creation of a Metropolitan Area Airport Authority, and recognizes that Senate Bill 3128 is only the first step to bring about the creation of this Authority, and ultimately a solution to the airport problems of this area.

It was the strong feeling of the Committee that it is premature to undertake detailed recommendations with respect to the content of legislation formulating the compact which will be necessary, or other details with respect to the implementation of such legislation. There are obviously many questions which must be answered in the prospective compact. Recommendations must be sought from the airlines industry, the Bureau of National Capital Airports, the local political subdivisions, and appropriate state agencies of the State of Maryland, Commonwealth of Virginia, and the District of Columbia.

Our reasons for endorsing the Airport Authority concept are as follows:

1. The existing competition between Washington's three (3) major airports, National Airport, Dulles International, and Friendship, is not conducive to providing proper highway, land use, and environmental planning, nor is it at all conducive to providing adequate and satisfactory service to the people of the region. We believe the creation of such an authority will eliminate this competition among these airports.

2. The Airport Authority will permit, and will be designed, presumably, to require participation and control of the airports by the states and the local political subdivisions being served by the airports.

Therefore, Mr. Chairman, we respectfully urge that this subcommittee take favorable action on the proposed legislation as the first step designed to bring about a solution to the airport problem of our area.

Thank you.

STATEMENT OF JAMES VANCE, PRESIDENT, LOCAL AIRLINE SERVICE ACTION COMMITTEE

Gentlemen: I am James Vance of Worthington, Minnesota. My principal occupation is publisher of the Daily Globe. Today I appear in my capacity as President of the Local Airline Service Action Committee, an informal group representing small and medium-size cities across the country concerned with the adequacy of their air service. LASAC was formed in 1964 to oppose the erosion of airline service to smaller communities.

With the help of Congress, these policies were abated. Now, airline service is being downgraded in another way on a much wider scale than is generally known. Congressional intervention and direction again is urgent.

The old way of reducing air service to smaller cities was through the use-it-or-lose-it rule of the Civil Aeronautics Board whereby points generating less than five enplaned passengers per day were being deleted. Also, service was being consolidated at regional airports, sometimes as much as fifty miles from communities they were supposed to serve.

Against this, a Senate resolution proposed by LASAC was sponsored in 1964 by Senator Humphrey and thirteen other Senators and identical House resolutions were introduced by a like number of Congressmen. In 1965, Senator Proxmire and others reintroduced the resolution with concurrent House action.

After this show of interest, few airline points were discontinued until recently. Something is now happening that calls for attention and guidance by your Committee.

The new trend is to allow certificated airlines to suspend at low-traffic points and let commuter air carriers take over. Already, the Civil Aeronautics Board has approved such substitutions at no less than fifty points, mostly in the past year. Other cases are pending.

The airlines, having replaced their smaller piston planes with jets, claim it is too costly to land at low-traffic points. Since federal subsidies as well as airline earnings are involved, substitutions have been actively encouraged both by the Board and by the Department of Transportation.

Many people are afraid to fly in light planes. Most people, of course, would prefer the jetliners for roominess, comfort, speed, cargo capacity, and safety. Commuter line planes are limited to 12,500 pounds gross take-off weight, of about nineteen passengers, with low speed, limited range, no amenities, and very little cargo and baggage space. As a result, the small commuter aircraft as we know it today serve primarily the business traveler with only a briefcase and does not aid in the development of other types of traffic.

Although the airlines usually discuss a major change in service with the civic leaders of the communities, there is very little opportunity for the city to object. The airline sometimes states bluntly that it cannot ever improve service or even continue the same service it has been providing. It threatens to reduce the number of flights which will not operate at a convenient hour or make good connections. The city is forced to surrender.

The only advantage of the small commuter-type planes is more frequent schedules compared with the jetliners that may offer small cities only one or two round trips per day, too often at inconvenient hours.

But there is no assurance that the substitute service will be reliable. The commuter air carriers, otherwise known as third level or scheduled air taxi, are subject to no economic rules. Anyone can start such a line simply by complying with the minimum FAA safety requirements and registering with the Civil Aeronautics Board. They are not made to prove financial ability as are the certificated carriers. They are unprotected against cut-throat competition.

This commuter branch of aviation so far has not achieved much stability. After an explosive beginning, many of the would-be carriers have gone out of business due to inexperience, underfinancing, competition, or poor judgment in selecting routes. Many communities that depended on them for scheduled air service have been abandoned.

It is time to insist that no more cities shall be deprived of airline service without full assurance that the substitute will be adequate and dependable. In granting airline stops, the Board went through long procedures to prove both public need and carrier competence. It is not right that certificated points should be suddenly revoked.

Of the fifty cities where the Civil Aeronautics Board has allowed pull-outs, only eighteen of the substitutions are under contracts that require underwriting by the certificated carriers. The assistance varies from a fixed price per flight to an annual amount, intended to assure that the substitute carrier will break even but setting no guarantees or penalties for failure.

In consequence, service may terminate abruptly. In the case of Mankato, Minn., North Central was replaced by Fleet Airlines, a commuter air carrier. Fleet was paid \$300 per month by North Central in ground support but this was not enough and Fleet suddenly discontinued. North Central supported the transfer of service to a helicopter operator with limited passenger seats, not as satisfactory as the local airline in convenience, comfort, or number of cities served.

At Bowling Green, Ky., Eastern suspended on condition that Air South would serve. Now Air South has terminated despite the agreement and Eastern is looking for another substitute.

These are not simple disruptions in service. They deprive cities of all scheduled flights for varying lengths of time. This discourages the normal expected growth in passenger boardings, and makes it that much harder for a new carrier to succeed.

We are not unmindful that the Civil Aeronautics Board sometimes conditions the suspension of certificated service on the agreement that the substitute air taxi will maintain a certain number of flights. The difficulty is that when air taxis fail to make money, as many now are doing, they may become insolvent and suspend without notice or permission.

Even when a commuter line flies as promised, the service usually is inferior in a number of ways. When a city is served by a trunk or local service carrier, it has access to all points on the carrier's system. When an air taxi is substituted, it usually connects with only one major city. Thus, Mansfield, Ohio had through-plane service to Cleveland, Columbus, Cincinnati, and Pittsburgh. When air taxi was substituted, it gave one-plane service only to Cleveland. Passengers had to change there for other points with inconvenience and delay as compared with through-plane service.

We lack confidence that any commuter line can provide as dependable service as the local service carriers, particularly during instrument-weather conditions. Such conditions severely limit the range of the small aircraft.

Another problem with the smaller aircraft is the level of fares. Generally, commuter fares are higher than local service fares. If the local service carriers are to generate more traffic they cannot do so by establishing exorbitant fare structures.

To American communities today, adequate scheduled flights are more than a convenience; they are necessary to economic well-being, for connections to market areas and the jet mainstream. Cities lacking such service are gravely handicapped in attracting industries and holding their population in rivalry with points better served.

The tie between an airline and a city is somewhat like a marriage. Each point was added on airline urging through civic cooperation and heavy expense in building, maintaining, modernizing, and enlarging airport and terminal facilities. Such marriages must not be dissolved in indecent haste as airlines plead poverty. It is up to the Civil Aeronautics Board to make sure that the airline remains responsible.

As an alternate to commuter line substitution, some local service airlines have instituted light-plane service of their own. This permits flexibility with jetliner flights at peak hours and smaller planes off-peak.

Where substitutions are requested, Congress should consider whether the certificated carrier should be allowed federal subsidy for the aid or underwriting it may extend to the substitute.

Policies remain vague and information is scanty. The last CAB staff summary of substitution cases dated last December was not updated till April so there is a question of whether the Board has kept informed of the full extent of the economic disruption that is being caused by airline pull-outs. The main concern of a federal agency must be not for the balance sheets of the industry it regulates but for the economic welfare of people it serves.

We earnestly petition, therefore, that no more substitutions be allowed until policies to assure reliable service are clearly set, and that any past substitutions not working be revoked. The downgrading of service already involving fifty American cities is not to be taken lightly. We urge an immediate expression from your Committee to put the Board on the right track, as was done in the cases we called to your notice in prior years.

2231 CALIFORNIA STREET, N.W.,
Washington, D.C., May 19, 1970.

HON. WILLIAM B. SPONG.
U.S. Senate,
5327 New Senate Office Building,
Washington, D.C.

DEAR SENATOR SPONG: In anticipation of the hearing to be held June 9 on the problems of the jet noise and pollution at National Airport, I am pleased to enclose a petition signed by residents of my apartment building.

You will note that 2231 California Street, N.W. is not even in the direct path of the aircraft and yet the noise very often can be compared to a distant bombardment; infact, it does remind me of World War II which I lived through in Europe. Most people I talked to in my buidling, including some who could not

sign because of their occupation, heartily agreed with me that the location of National Airport is no longer justified what with the growing size of the Washington metropolitan area. Furthermore, the introduction of bigger jets and intensified air traffic is in complete disregard of the public welfare and health, and I do concur with you that in this instance, FAA seems more preoccupied with the convenience and efficiency of the airlines than with the public welfare.

If you feel it would be helpful, I would be pleased if you would incude this letter and petition with your testimony at these hearings.

Sincerely yours,

(MRS.) VALENTINE O'NEILL.

We the undersigned citizens, disturbed by the noise pollution and hazard at National Airport, request that it be closed:

The signatures of 14 residents of 2231 California Street NW., followed.

COMMONWEALTH OF VIRGINIA,
COUNTY OF FAIRFAX,
Fairfax, Va., June 8, 1970.

Mr. BOB GINTHER,
Senate Aviation Subcommittee,
Senate Office Building, Washington, D.C.

DEAR MR. GINTHER: I would appreciate your filing with the Senate Aviation Subcommittee the following statement from the Board of Supervisors of Fairfax County, Virginia, in connection with hearings to be held on June 11 and 12 relating to S. 3128:

At its meeting on June 3, 1970, the Board of Supervisors of Fairfax County, Virginia, adopted a motion stating that with respect to S. 3128, "its position is that we do recognize the importance of and the impact on the local communities of the two Federally owned airports in the Washington metropolitan area and that we are seriously concerned that local communities have not had a manner by which to have an effective voice in the decisions concerning the operation of those airports and, therefore, that this Board does, in principle, endorse the concept of some institutional arrangement that would permit localities to have an effective voice in the management and operation of these airports."

Sincerely,

CARLTON C. MASSEY, *County Executive.*

STATEMENT OF BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VA.

At its meeting on June 3, 1970, the Board of Supervisors of Fairfax County, Virginia, adopted a motion stating that with respect to S. 3128, "its position is that we do recognize the importance of and the impact on the local communities of the two Federally owned airports in the Washington metropolitan area and that we are seriously concerned that local communities have not had a manner by which to have an effective voice in the decisions concerning the operation of those airports and, therefore, that this Board does, in principle, endorse the concept of some institutional arrangement that would permit localities to have an effective voice in the management and operation of these airports."

TOWN OF HERNDON,
Herndon, Va., September 14, 1970.

Hon. WILLIAM B. SPONG, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPONG: At a meeting of the Council of the Town of Herndon, Virginia, on Sept. 8, consideration was given to S. 3128, which would authorize the States of Maryland and Virginia and the District of Columbia to negotiate and enter into a compact for establishment of an authority for operation of metropolitan area airports.

This subject is of vital interest and concern to the Town of Herndon because of its proximity to Dulles International Airport.

By formal action, the Town Council endorsed in principle the concept of establishing a Regional Airport Authority for the specific purpose of giving the communities of the region a voice in the operations of the airports and with the understanding that such an authority would put Dulles and National Airports, in particular, on a systematic basis for planning, operating, and financing.

It would be appreciated if this statement of position on behalf of the Town of Herndon could be made a part of the official record on SB 3128.

Very truly yours,

BRENT REMSBURG, *Town Manager.*

STATEMENT OF ARTHUR C. MOORE

Mr. Chairman and members of the committee, my name is Arthur Cotton Moore. I am an Architect and Planner with offices at 1214, 28th Street, N.W., Washington, D.C. I am speaking here as Chairman of the Subcommittee on Airports for the Committee of 100, a group composed of prominent leaders in the metropolitan Washington community, long-concerned with the environment, ecology, and planning of the metropolitan Washington area.

The Committee of 100 has voted to support Senator Spong's bill to establish an independent airport authority for the following reasons:

1. A clear and present conflict of interest exists when a regulatory body as the Federal Aviation Agency is set up to enforce standards and regulations on airlines and airports, but is itself in the business of operating airports, in this case Dulles International and National.

2. Due partially to this inherent conflict of interest, the history of the FAA's handling of these airports (Dulles and National) reveals the inability or unwillingness of that Agency to establish and enforce regulations which in any meaningful way would restrict the growth of National airport and respect environmental considerations affected by National's operations. Bluntly stated, a review of recent past decisions reveals the FAA has never been able or disinterested enough to hold the line and maintain a regulation which the airlines have not been able to get around or cause to be rescinded. The ban on jets, the 500 mile limitation, numbers of flights per hour, curfews, stretch jets, are but a few of the issues on which the FAA has reversed itself in operations at National.

3. From the standpoint of planning for both the region and the general welfare of the citizenry, the present control of National by the FAA insures non-regional and non-planning approaches to the future of these airports. This is exemplified by the recent study commissioned by FAA on the expansion of National, in which the planner was instructed by FAA not to consider factors outside the airport nor to consider its reduction or elimination. Specific appeals to that planner by citizen representatives received the reply that he had been specifically instructed by FAA not to consider external or citizen concerns.

The telling evidence of the FAA's refusal to consider regional planning aspects in its efforts at National Airport rests in the facts of planning at National. The renewal of National Airport has been amply exposed as self-defeating since a modern airport needs 15 square miles and National only has one square mile; no possible buffer zones; is in the center of a dense metropolitan area most of which existed before the Airport; and utilizes a river too tortuous for a runway approach, which in part acts as a sound resonator, meaning that air action over the water prevents and impinges upon many human and recreational uses of the waterfront and adjacent areas. Moreover, the cost of renewal at National—necessary if the airport is going to be viable in the future and, at a minimum, undangerous—is \$200 million; for a fraction of that cost, National's one asset—accessibility—can be transferred to Dulles, already a public expenditure of \$120 million, which is currently losing \$8 million a year. Furthermore, the land at National, now valued at a mere \$38 million, can be reclaimed for more logical and human uses such as new town development where the land alone would be worth over a quarter of a billion dollars and fill desperately felt needs in the metropolitan area.

The means for transferring this accessibility to Dulles, although ignored by the FAA, has been sufficiently demonstrated that a range of possible solutions exist including one developed by me in the October 1967 issue of *The Washingtonian*, and well received by the Committee of 100, involving an expenditure of a maximum of \$18 million. Considering the recent expenditure of over \$14 million at National on so-called "temporary" facilities, planned to be removed under the \$200 million renewal proposal, the economy both in dollars and human considerations is enormous.

The Committee of 100 is concerned with logic applied to change, i.e., planning, therefore, it supports the removal of the handling of airports from the compromised FAA to a regional airport authority sensitive to the concerns of citizens in

the metropolitan area and to reasonable planning considerations. In this view, the Committee of 100 also would like to express its interest in Senator Dominick's bill to remove jets from National, because that would in effect close National Airport and thereby accomplish at least the negative part of logical airport planning for the metropolitan area.

The Committee will respectfully submit any backup data supporting statements contained herein.

We thank you for the opportunity of offering this statement.

MONTGOMERY COUNTY COUNCIL,
Rockville, Md., July 22, 1970.

Re S-3128, Washington-Baltimore regional airport authority.

Hon. WILLIAM B. SPONG, Jr.,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR SPONG: On June 9, 1970, the Montgomery County Council sent a statement to the Senate Commerce Committee, Aviation Subcommittee, for the record on S-3128.

In that statement, the Council endorsed the concept of responsible local government control of the airports now administered by the FAA. However, the Council did not take a position on the specifics of S-3128 pending further study.

The Council has now reviewed the bill further and finds that it is a most constructive initiative towards the establishment of an air transportation system that effectively and responsively serves the residents and visitors of the region.

The Council further endorses the preparation of a regional airport facilities plan, as proposed by the National Capital Planning Commission, and urges Congressional funding of this plan.

Please bring our views to the attention of your fellow committee members and enter this letter in the hearing record. Thank you.

Sincerely,

AVIS BIRELY,
President, Montgomery County Council.

HERNDON CHAMBER OF COMMERCE,
Herndon, Va., October 20, 1970.

Hon. WILLIAM B. SPONG, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPONG: At a meeting of the Board of Directors of the Herndon Chamber of Commerce, held on October 13, 1970, the Board voted to endorse SB 3128 which concerns the establishment of a Regional Airport Authority.

Due to the proximity of Dulles International Airport we consider this subject vitally important to the Town of Herndon.

It would be appreciated if this endorsement is incorporated in the official record of SB 3128.

Very truly yours,

ROSE MARY HARRISON, *Secretary*,

STATEMENT OF GARDNER PALMER REPRESENTING THE CITIZENS ASSOCIATION
OF GEORGETOWN

Mr. Chairman and Members of the Committee, my name is Gardner Palmer representing the Citizens Association of Georgetown in the absence from the city of its President, Mr. John deLaittre. First, let me convey on the behalf of Mr. deLaittre and our some 1,500 members appreciation of the opportunity to express our views on S. 3128 which I understand is the principal matter before the Committee today. We are indebted to Senator Spong for his constructive and far-sighted approach for resolving the dilemma of three airports serving the greater Washington area, all with jet aircraft. In this connection we particularly support Senator Dominick's introduction of S. 2570 which among other things provides for the elimination of jet aircraft from the Washington National Airport within a period of eighteen months.

The interests of our members in this matter are both broad and parochial—broad because there probably are no more intensive users of commercial air transport in the District who fully recognize the convenience of nearby airports—parochial because Georgetown is in effect a city within a city, steeped in history and unique as an area of fine homes and gardens in a central urban setting. It is also unique because old houses and other buildings have been preserved and maintained entirely by private individuals without governmental subsidy. Congress recognized the importance of Georgetown to the District of Columbia and to the Nation as a whole by the passage of Public Law No. 808 known as the Old Georgetown Act. This law designated Georgetown an historic district in an attempt to preserve its rich national heritage. We want to protect it.

We particularly like the approach taken by Senator Spong in S. 3128 for his proposed study and planning for the present and future airport needs for greater Washington, Baltimore, nearby Virginia and Maryland. Certainly some central authority such as he proposes, if it can be agreed between the areas involved, would be an improvement over the present situation. Presently decisions on aviation affecting the comfort, lives, and property of a large segment of Washington's population are made by a single federal agency on a bureaucratic basis without any public hearings or other opportunities for protection of its interests except recourse to the courts.

I am sure that you are all familiar with the series of decisions by the Federal Aviation Administration which first inaugurated and then expanded commercial jet service at Washington National Airport, which decisions themselves forced expansion of the airport itself together with buildings and passenger facilities. We understand that even a further extensive increase in commercial flights and an expansion of the airport and its facilities are being projected. It would appear that such extension of air traffic at the already congested Washington National Airport would certainly raise the hazard level beyond any reasonable standards. Apart from the danger of mid-air collisions, landings and take-offs are over heavily populated areas near Washington National as compared to the other two major airports which are designed and zoned for jet aircraft operation.

Jet flights to and from Washington National are supposed to follow the Potomac river and operate in a manner to minimize noise. I understand that these regulations are ineffectually enforced, if at all. When there is instrument weather the flights deviate from the river, flying low over the Georgetown residential area. The noise and vibration caused by these jets is intolerable and increasingly persistent. Conversation is interrupted even indoors and gardens are rendered useless from a practical living standpoint. Owning a home in Georgetown today is like having a house by a busy railroad track, all the more so because of the oily soot problem. Each day jets dump tons of soot over the metropolitan area, with a concentration on Georgetown because of the low altitude flying and narrow flight paths.

It has been argued that because of the convenience to the substantial number of people using Washington National Airport daily, the rest of us should be happy to endure heavy jet air traffic. Without the benefit of exact figures, I venture to say that more people are annoyed and discommoded by jet air traffic each day in Georgetown alone than all the passengers using Washington National Airport. Other Washington communities are of course similarly annoyed but are somewhat more remote from the airport. It seems to me that the continuation of a high level of jet air traffic at Washington National will contribute to the progressive deterioration of the capital city proper. In the long run it will reduce central city property values and the tax base in relation to those of suburban areas.

From the foregoing I think you will understand why our members who have pride in their homes, large and small, and pride in their community feel so strongly that something must be done to correct this bad and deteriorating situation. They continually ask what is being done and what can be done to alleviate the situation. Their complaints to the Federal Aviation Administration although unsuccessful in stopping excessive jet traffic did register one small but Pyrrhic victory. Our President, John deLaittre was firmly informed by a Boston airport reservations girl: "We can't land at Washington National after 10 o'clock because the Georgetown citizens won't allow it". I am told that even this modicum of recognition was vitiated by a recent order of the Federal Aviation Administration which canceled the curfew.

Despite our efforts it seems to us that only the Congress can provide a constructive solution to this airport problem. Our membership at a meeting last December voted unanimously to instruct its officers to seek a solution along the lines that are presently under consideration as S. 3128. Thank you for your indulgence.

STATEMENT OF FRANK C. WALDROP, CHAIRMAN, COMMITTEE AGAINST NATIONAL

Mr. Chairman and Members of the Committee, my name is Frank C. Waldrop and I live at 4900 Loughboro Road, northwest, Washington, D.C. 20016. I appear here as a concerned citizen and as chairman of the Committee Against National, an *ad hoc* organization of residents in the District of Columbia, Maryland and Virginia adversely affected by present methods of operating the Washington-Baltimore airports.

We are all grateful to Senator Spong for introducing the formula for an airport authority you have now to consider. I ask your indulgence to establish in this record also our appreciation for the broad-gauged understanding shown and energy applied by Senator Spong and Senator Dominick, author of S. 2570 to shut down Washington National Airport, in their pursuit of ways to adapt aviation in the public service of the Washington-Baltimore community, seen as a unified social and economic area.

I take it as a settled issue that the trend of Washington and Baltimore toward such a unified urban living system is fixed beyond recall and the necessity to seek out ways of smoothing the course of transition from past operating styles is recognized.

The emphasis of my testimony, therefore, will be on the need to remove the Federal Aviation Agency from any part in the operation of National and Dulles airports, from which it would follow that a sound progression of aviation service in this area must rest on the concept in S. 3128.

I would draw your attention first to a physical fact about one of the two principal cities which are growing into one community, that is to say, the City of Washington. This is, by the Census Bureau's definition, a Standard Metropolitan Statistical Area lying in two states, six counties and the District of Columbia, and is officially designated in the Bureau's County and City Data Book as "Washington, D.C.-Md.-Va." It has a population of now an estimated 2.8 million people, in an area of 2,347 square miles. The other principal city, that is to say, the Baltimore SMSA, embraces 2,256 square miles and has somewhere near 2.0 million residents. These are figures from the Statistical Abstract of the United States, exact as to area and projected informally down to the present, as to population. Taken as a whole, the community in need of S. 3128, is, then, an inter-state area of 4,603 square miles, occupied by near to 5 million people, and this does not, of course, account for tracts and people between and along the sides of the two distinct SMSAs here indicated, all of which are surely and not so slowly, either, being fitted into the major city of cities.

By contrast with this city of cities, I would next draw your attention to the fact that the District of Columbia, a part of the City of Washington, has an area of 68 square miles, more or less, and a population of about 800,000. If I may make the distinction, Baltimore City, within the City of Baltimore, has a corporate title to 75 square miles, within which there are somewhere near 950,000 people.

Aviation service is of critical importance to the health and welfare of these two distinctive municipalities, Baltimore City and the District of Columbia, as to the two SMSAs of the City of Washington and City of Baltimore, which again are recapitulated into the Washington-Baltimore community, the vast organism for human endeavor about which we must think in this proceeding.

But aviation is not the only critically important service. So are a safe water supply and a safe sewage disposal facility. So are streets, roads, garbage dumps, slaughter houses, steel mills, and all the rest of the list of things and services in organized society, each of which we have learned we must fit in with the others in a bearable fashion, if society is to remain organized and healthy.

Mr. Chairman and members of the Committee, I am trying to condense this statement on all points and so here will make a general assertion the sense of which I hope you already know, or if not can determine by means easily available to you: The Civil Aeronautics Board and the Federal Aviation Administration are agencies designed by Congress to promote and regulate aviation. It is not their business to operate cities, and yet it is the life of a city of cities which is damaged seriously by the absence of a proper airport authority.

I am not going to deal further with the damage from the perspective of Baltimore, but concentrate on the peculiar features of the present operation of aviation in Washington, about which I now think I should qualify myself to speak with some knowledge.

Most of my adult life has been spent in the observation and study of government, and I have not found it a dull subject. I came to Washington on July 31, 1933, as a practicing journalist, and for the next twenty years, in every role from reporter to editor in chief of a Washington newspaper, had daily lessons of high

concentration on the ways of government, from municipal on through to the federal, or national, in peace and in war. For almost twenty years more, I have on my own initiative continued to seek understanding and gather insights, sometimes from within and sometimes from without, elements of government in all these classes above mentioned. I submit, therefore, that I am a citizen of no small experience and if I claim that my judgment of what is to be expected from an agency of government, given its assignment, is reasonably good, I have a record in print on which to defend it.

In all these years I cite, I have lived continuously in the District of Columbia, and since February 23, 1946, at my present address, 4900 Loughboro Road, D.C. 20016. My house is about six miles up the Potomac from Washington National Airport, and one mile inland from the centerline of the river. This matter becomes important as I undertake to demonstrate the incompetency of the Federal Aviation Administration to operate an aviation facility in the interest of the Washington-Baltimore community.

When I came to Washington, the principal municipal airport was Hoover Field, on the Virginia shore of the Potomac roughly where the Pentagon now stands. In 1941, as you well know, Washington National, which I will designate hereafter as WNA, was opened on its present site, an 850 acre enclave of which about 680 acres are hard land fill, on the DC-Virginia Potomac boundary.

Dulles International Airport [hereinafter designated DIA] opened for service in November, 1962, as a 10,000 acre facility located, zoned, designed and built to be a model for the world of all that an airport should be in the jet age, as WNA was located and built as a model for the era of the DC-3, which we must remember as the first true commercial air carrier.

It is correct to credit the FAA and its antecedents with these two superb examples of model building, as it is also a fact that the FAA, in operating them, departs from its fundamental purpose, promoting the safety and development of aviation. Perhaps it is more accurate to say that the FAA operates these two airports, WNA and DIA, expressly to promote its own interest in aviation, and to defend its own role as one of the multitude of bureaucracies battling for Executive stature and Congressional funding. Certainly this comes nearer to describing its performance as I, from the perspective of many years' residence in the Capital and close attention to governmental behavior, am driven by the evidence to say. An examination, just briefly, into the record of jet operations at WNA illustrates the way this applies.

The introduction of jet engines into aviation toward the close of the Second World War was recognized at once around the world as a signal of major change in performance, and as that change evolved it was the sense of Congress, and the soundest of judgment, to have in Washington an airport equal to the occasion. The FAA, in supervising the construction of DIA, therefore, was no more than an agent. And the record is filled with declaration that DIA would be the Washington airport in the jet era, so that it was no shock and no surprise that the FAA issued, on May 6, 1963, an advisory circular, No. AC 159-1, finding WNA "incapable of safely accomodating volume operations or scheduled operations requiring access to the airport's terminal for passenger handling operations." This was a clear and unmistakable signal for everybody connected with WNA to start packing for DIA. I cannot here ask you to accept the burden in your record of all the details, though I assure you I would be glad to undertake that at an appropriate time, but for the moment will say in summary that the special interests at WNA, within and without the FAA, concentrated on breaking down that policy paper.

They succeeded. On January 11, 1966, the FAA, after major changes in its top command and in the administration of WNA, issued a paper declaring that as of April 24, WNA would be opened to "two and three-engine shorthaul jets," to shorten the flight time between "the Nation's Capital and certain major cities in the Eastern half of the United States, by a significant margin." I think the fraudulent character, and I am bound to add, fraudulent effect, of this language, is easily seen by anybody who, as of June, 1970, examines the flight patterns out of WNA and measures the actual elapsed time on flights, as against the scheduled times.

I think you also know, without my elaborating details here, that the introduction of jets at WNA introduced also a major hazard and nuisance to people along the Potomac river flight path. The committee I head was formed because of that hazard and nuisance. I attach three exhibits in that connection [A] the resolution adopted by the committee at its initial meeting [B] a map used in one of our legal actions showing the density of sound-sensitive institutions in the area around WNA and [C] a visual flight instruction sheet issued by FAA for planes using

WNA. The first speaks for itself. The second, prepared to show the impossibility of helicopter operations in the District if the FAA's own criteria on noise limitations were to be followed, was part of a proceeding before the Civil Aeronautics Board in which the Court of Appeals for the District of Columbia warned CAB that it can no longer construe licensing with indifference to effect on environment. The third was issued by FAA after community outcry led it to attempt some sort of control on air traffic behavior. The short title for this is "noise abatement."

This "noise abatement" process was supposed to limit the number, types, and times of operation for all planes at WNA, and was supposed to require pilots follow a strictly enforced style of approach and departure.

Well, as of this writing, the FAA has abandoned all attempt to maintain these procedures. If you are interested, I can furnish details, but here will mention only the case of the 727-200, the so-called "stretch jet", about which Senator Spong needs no enlightenment. I will supplement his knowledge only to the extent of saying I will testify in any court under oath that I, too, was assured repeatedly these would never be allowed in WNA. Just before the collision of wills between FAA Administrator Shaffer and the air controllers' union, I heard of Mr. Shaffer's intent to bring in the 727-200, and made inquiry. The manager of WNA gave me the usual flat, categorical denial. I leave it to you to characterize, and here say that he told me it was not going to happen. And I repeat, the whole noise abatement procedure, flight times, flight numbers, and flight procedures, is now a shambles.

Why has this happened?

The answer, in summary, is that FAA is a bureaucracy serving aviation special interests, first and last. It is their creature, and nothing better illustrates this than the swing of its employes from and to aviation companies. It is my experience as a Washingtonian that men who live this way cannot be counted on to worry about the thousands of people suffering under the WNA flyway. Instead of seeing that WNA is, just 3 miles from the White House, an obsolete facility and that, in the words of the former chairman of the National Capital Planning Commission, this is an unconscionable use of urban land, they see WNA in one light only: as a splendid instrument of bureaucratic empire-building, a device for negotiating for power within the Executive and in the money hunts on Capitol Hill. They are not, and cannot reasonably be expected to be responsive to the people in this community.

Now, Mr. Chairman and members of the Committee, I must dispose of the suggestion that we who live here, if I may speak for the Community in a limited way, are hostile to aviation, in itself, any more than we could be hostile to sewer plants, slaughterhouses, or other essentials of organized society. But ask yourself if it is reasonable to have an airport where WNA is, given the by-products, which need no description, here.

Quietness is a resource of value, and it is limited. If aviation takes this resource, it must pay, and the way it goes about such a taking must make sense on some terms other than aviation's alone. Experience demonstrates the FAA, as an operator of airports, lacks restraint at taking resources which belong to others, and as a sheltered agency of the Federal Executive it is beyond community reach. In saying these things I am condensing, but fairly and accurately, a set of legal propositions which are emerging in court proceedings, and in statute law, as you may know and certainly can discover if you so wish.

I feel that I speak for the community in saying nobody wants to prevent the growth and development of aviation service in this area, but we want this service to grow and develop in such a way it does the least possible damage to other, equally and in many cases, greater, of value.

An airport authority, as defined in S. 3128, would be within legal reach. Its takings of other people's property and resources would be under some discipline. If it should commit itself to a policy, such as the noise abatement procedures FAA adopted and then abandoned, it could be held accountable. On the record, and from the evidence, I charge the FAA and its rotating management are irresponsible and defy community attempts to hold them accountable. The cure is up to you and S. 3128 offers one way.

Another, and I am for it without reservation, is to enact S. 2570, Senator Dominick's provision for ending jet operations at WNA, as contemplated when DIA came into being, and the conversion of this immensely valuable tract of land to tax generating purposes. I don't know how many of you have knowledge that WNA is a tax dodger's haven. If you want to enlighten yourselves, you need only look at the D.C. Code, Title I, Chapter 1, Sec. 1-101. This is a shocker, all by itself, and one for which you will find no good defense.

In connection with this matter of land use I draw your attention to my qualifying passages here, in which I mentioned that I have lived where I do since 1946.

One of the FAA arguments about land use is that aviation goes out in the wilderness and builds airports, then people come crowding up to them. This is an oversimplification, as all of us well know, but in the case of WNA is it especially fraudulent. Neither Alexandria or Georgetown, to mention just two subcommunities within the City of Washington, can be said to have intruded on WNA. Nor can that be fairly said of the people under the whole flyway. As long as the planes using WNA were smaller and quieter, community accommodation was reasonably to be expected. But in 1966, the FAA broke faith and went back on its own, official word, to begin an operating system which every year since has been an increasing testimony of irresponsible behavior toward the community. Speaking for one, I can say the FAA has come over my property making noise and presenting hazard which, if I were to generate on the ground, would land me in jail. I would belong there, too.

We hear a great deal of FAA propoganda to the effect that the need here is not less but more aviation service, that soon DIA will turn from being a tax-eating economic loss to a self-financing enterprise, and that WNA must be modernized and expanded to handle the vast traffic upturn beyond the capacity of DIA to handle.

If there is any truth in this, and there may be some, the sensible thing to do is first to put Dulles in full use and then open another airport out beyond it. To hold onto this river frontage, in the very heart of the Capital, is contrary to sense, in urban life. It is as if to say that a glue factory, once started down where the Ellipse is now, must remain because it is "so convenient" to those who feel the need of glue, and if others don't like the stink that's their hard luck. WNA, where it is, and as operated by the FAA, is just such an abomination. It is your duty to bring about a change.

I thank you.

RESOLUTION

Whereas, Existing population density in the Washington-Baltimore area requires major changes to meet present, not to mention, future needs of reasonable human society; and

Whereas, Noise, pollution and risk of crashes inherent in operations at National Airport are already an intolerable daily hazard to life in the center of the Capital of the United States; and

Whereas, Qualified investigators hold unanimously that for a long, indefinite period of time the number of people in the Washington-Baltimore area will continue rising, subject to intensified hazards of noise, pollution and inherent crash danger from larger, louder and greater numbers of airplanes, if permitted to base on an already obsolete site: Now, therefore, be it

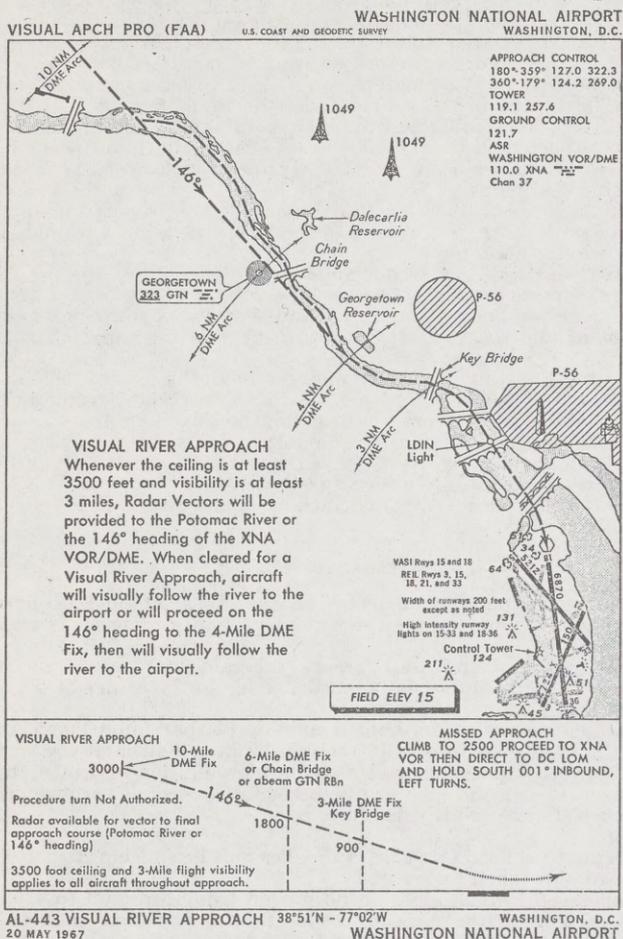
Resolved, That:

1. Jet flights be shifted forthwith to Dulles and Friendship Airports, which were designed and zoned for them.
2. All other commercial aviation be moved from National to Dulles and Friendship Airports at the earliest possible time and no later than 1970.
3. National Airport be converted to better human and economic uses.
4. Since rapid transit is vital to the ultimate effective use of Dulles and Friendship, and since the Washington and Old Dominion Railroad right-of-way may help serve such a function for Dulles, steps be taken immediately to stop its sale for conflicting uses.

Adopted, unanimously by voice vote, December 5, 1966, Committee Against National [CAN].

Attest:

FRANK C. WALDROP,
Acting Chairman.



THE POTOMAC FLYWAY is here splendidly summarized in graphic form in this instruction the FAA, for its own reasons, no longer offers. Note the shaded areas, P-56, are prohibited to all flying.

PROCEDURES FOR DETERMINING
THE COMPATIBILITY OF HELICOPTER OPERATIONS
WITH EXISTING LAND USES

Mr. James F. Woodall, sponsoring witness for Exhibit DOT-T-1, states in his prepared testimony that the report, FAA-ADS-40, entitled, "Helicopter Noise Characteristics for Heliport Planning," was prepared under his direction and "...specifically provides information for adequately evaluating the effects of helicopter noise resulting from choice of heliport location, method of operation or routes to be flown" (pp. 1-2). Woodall further states (p. 3) that:

"...[this] helicopter noise study is a useful tool for judging the suitability of a heliport site as well as the land use changes that might be required to produce compatibility. The study can also be used to judge the suitability of enroute flight paths or to select flight procedures or enroute paths designed to produce the maximum compatibility." (Emphasis added.)

The procedure outlined by Woodall and described in detail in FAA-ADS-40 is presented, however, in such a way as primarily to facilitate accomplishment of the first of the objectives listed -- the determination of required land use changes given predetermined helicopter flight paths -- rather than, what is more the question in Washington, the determination what "enroute paths or flight procedures" -- if any -- would be compatible with pre-existing land uses.

In order to be able more readily to apply the technical information in FAA-ADS-40 to the question of helicopter compatibility with existing land uses, it would be useful to have available the complement of the FAA-ADS-40 procedure; i.e., to be able to begin with a catalog of existing noise sensitive land uses, by location, and then directly to determine whether or where there exist compatible helicopter

flight paths linking prospective service points, rather than, as is required by the procedure suggested in FAA-ADS-40, to rely on a trial and error method that has no certainty of success.

Relying exclusively on information contained in the figures, tables, and text of FAA-ADS-40, we have put together in figures 1 through 6 below a composite representation of some of the basic land use compatibility standards indicated in Table VII of FAA-ADS-40. Each figure in the present exhibit pertains to a particular kind of land use. For example, figure 3 refers to Churches, Hospitals, and Schools, one of the noise sensitivity categories listed in Table VII of FAA-ADS-40. Knowing peak-hour frequency of prospective helicopter flights and the time of day, it is possible to read from the figures below, for each land use category, the altitudes and horizontal distances from existing noise sensitive locations at which helicopters could be routed, while maintaining a given degree of land use compatibility. All figures pertain to Sikorsky S-61 or similiar "large, one or two engine turbine-powered helicopters" (FAA-ADS-40, Figure 2, curve B).

It is possible from the figures below to determine directly the size and configuration of the Noise Sensitivity Zones -- as described in Table VII of FAA-ADS-40 -- surrounding any particular location. For a given helicopter altitude it is then possible to display on a map the Noise Sensitivity Zones around selected locations and, by doing this for a number of locations or areas, to construct a comprehensive set of Land Use Compatibility contours on a single map.

The use of this technique is illustrated in attachments A and B to this exhibit, in which noise zone contours are shown around the locations of selected Washington area schools

and hospitals. Attachment B, labelled "Hospital Zones," shows 3000 foot radius noise sensitivity zones around 22 principal operating hospitals identified on the 1965 D.C. Highway Department Map. (Note, however, that Morris Cafritz hospital was added to the list on the map, whereas Mt. Alto, which is no longer operating, was omitted.) By reference to figure 3, it may be seen that the borders of the 3000 foot radius noise sensitivity zones shown on the map approximate the limits within which nighttime helicopter flights that reach a peak intensity of 2 to 6.9 flights per hour would cause serious interference -- and possible incompatibility by FAA-ADS-40 standards -- with hospital land use, given a helicopter altitude of 1500 feet.

To avoid such hospital zone interference, it would thus appear to be necessary either to select significantly greater operating altitudes for helicopter flights near hospitals or to ensure that helicopter routes do not come within the indicated distances from hospitals.

Hospitals, however, are not the only noise sensitive locations. Portrayed in Attachment A to this exhibit are 1000 foot and 2000 foot radius noise sensitivity zones around not only hospitals, but also public schools, colleges, and universities within the area considered. Assuming again a 1500 foot helicopter operating altitude, the standards of FAA-ADS-40 indicate that helicopter flights whose frequency during daytime hours reached a peak of 20 or more flights per hour would definitely be incompatible with these land uses at horizontal distances of 1000 feet or less. At horizontal distances of 2000 feet or less, a daytime peak of seven flights per hour would cause serious interference with the same land uses. For nighttime operations, the same contours indicate zones within which noise from helicopters operating at 1500 foot altitude would reach incompatible levels at flight frequencies of seven per hour in the case

of 2000 foot contours and two flights per hour in the case of 1000 foot contours.

The same shading, as shown in Attachment A, can be seen from figure 3 below to delineate areas within which helicopter operations whose daytime intensity peaked at seven or more flights per hour would be incompatible with these land uses within the 1000 foot circles and would cause serious interference with these land uses even at distances somewhat outside the 2000 foot radius noise sensitivity zones.

As already mentioned, and as indicated in its legend, Attachment A shows only a fraction of the noise sensitive locations in the area covered to which the standards of FAA-ADS-40 are applicable and which should be taken into account in a study of the compatibility of helicopter operations with existing land use. Even within the category, Schools, Hospitals, and Churches to which figure 3 below pertains, only about 264 locations were used in preparing Attachment A. In the District of Columbia alone, some 290 private and parochial schools and approximately 490 churches listed in the local telephone directories are not depicted on the map.

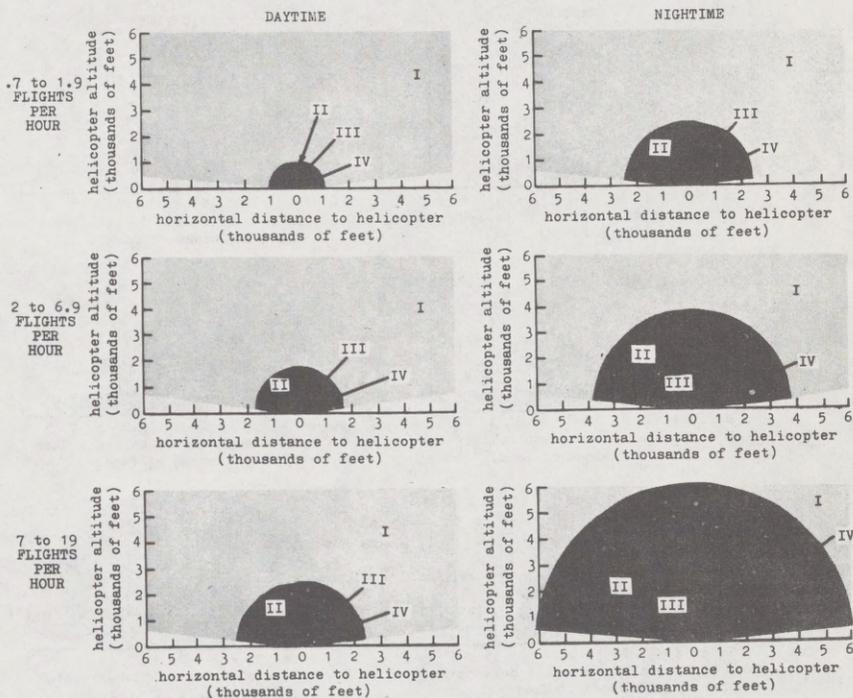
It would of course be possible directly to extend the coverage of attachments A and B to comprise all relevant noise sensitive locations and all noise sensitive land uses within the areas where helicopters might operate and to select additional horizontal distance contours designed to give a more detailed picture of prospective land use incompatibilities that would be created by helicopter noise. The data in figures 1 through 6, moreover, are sufficient to support such an undertaking (for the assumed Sikorsky S-61 or similiar helicopters) for all flight frequencies from .7 per hour up.

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 1. OUTDOOR AMPITHEATERS, THEATERS

SOURCE: Dwight E. Bishop, Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: area where helicopter operations would be INCOMPATIBLE with this land use (Zones II, III, and IV)
 area where noise from helicopter operations would cause "[p]ossible interference for indoor and outdoor music auditoriums and outdoor theaters. Make more detailed noise studies." (Zone I)



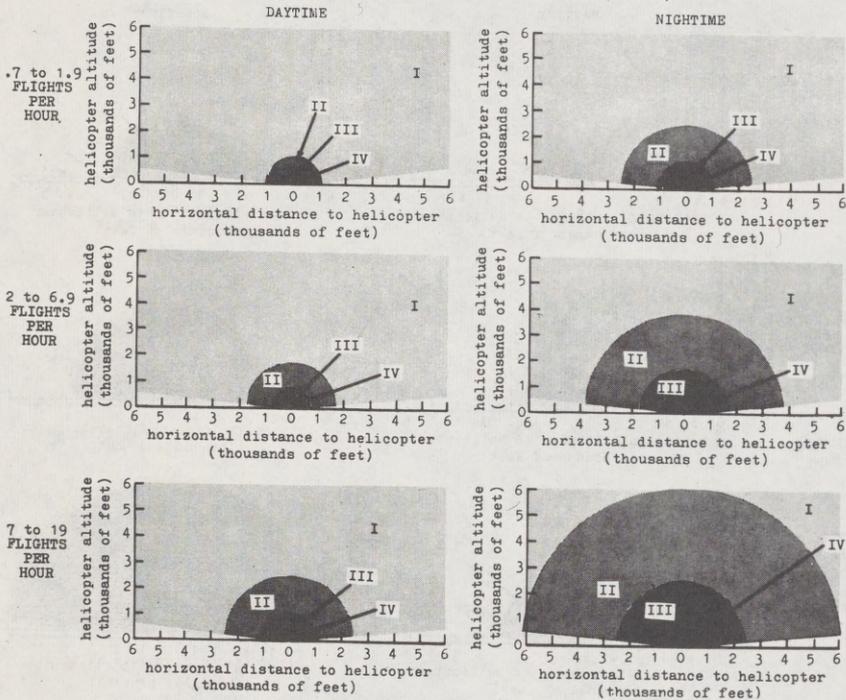
- NOTES:
1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 2. THEATERS, AUDITORIUMS

SOURCE: Dwight E. Bishop, Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: area where helicopter operations would be INCOMPATIBLE with this land use (Zones III and IV)
 area where noise from helicopter operations would cause "[p]otentially serious interference, with likelihood of serious adverse reactions from individuals and groups affected." (Zone II)
 area where noise from helicopter operations would cause "[p]ossible interference for indoor and outdoor music auditoriums and outdoor theaters. Make more detailed noise studies." (Zone I)



NOTES: 1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

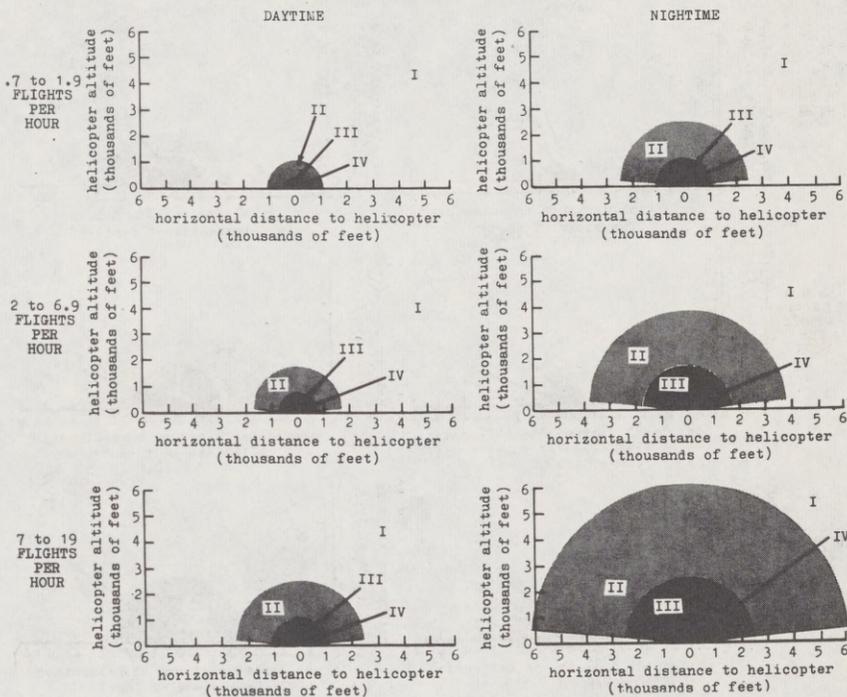
6.1

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 3. SCHOOLS, HOSPITALS, CHURCHES

SOURCE: Dwight E. Bishop, Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: area where helicopter operations would be INCOMPATIBLE with this land use (Zones III and IV)
 area where noise from helicopter operations would cause "[p]otentially serious interference, with likelihood of serious adverse reactions from individuals and groups affected." (Zone II)



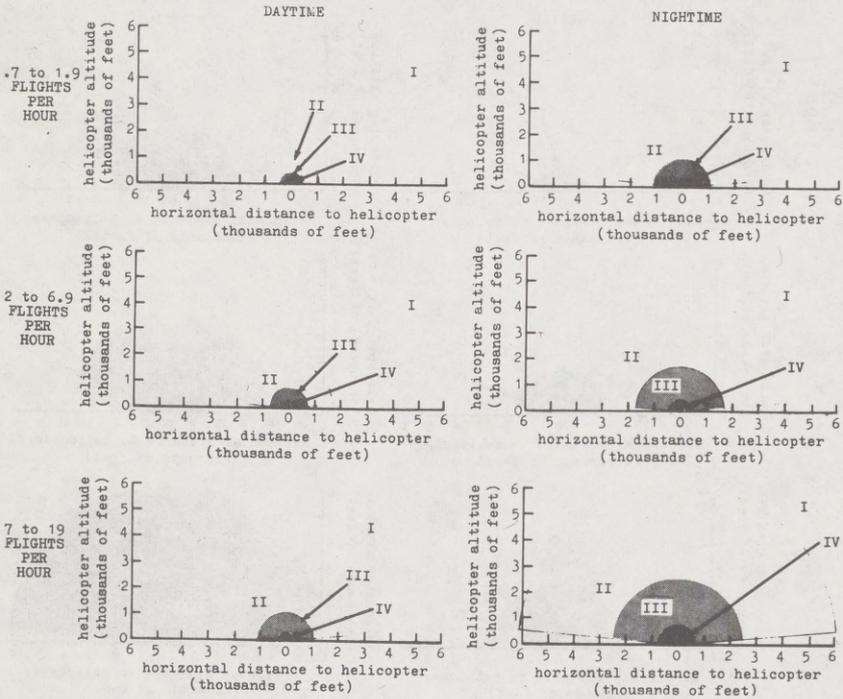
- NOTES:
1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 4. RESIDENTIAL AREAS

SOURCE: Dwight E. Bishop, Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: Area where helicopter operations would be INCOMPATIBLE with this land use (Zone IV)
 area where noise from helicopter operations would be expected to cause "...individuals in private residences [to] complain, perhaps vigorously. Concerted group action is possible." (Zone III)



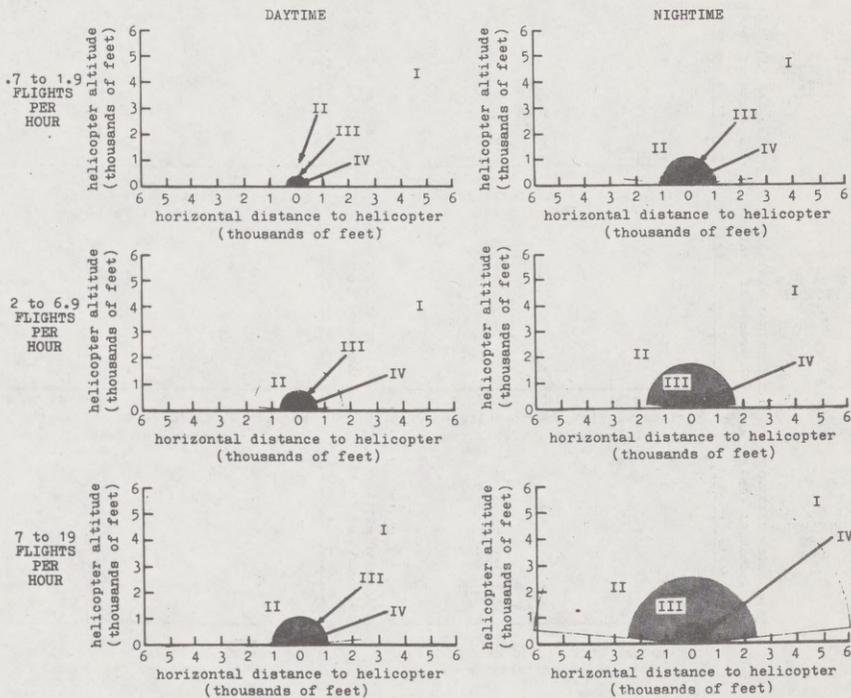
NOTES: 1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 5. HOTELS, MOTELS, OFFICES, PUBLIC BUILDINGS

SOURCE: Dwight E. Bishop. Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: area where helicopter operations would be INCOMPATIBLE with this land use (Zone IV)
 area where noise from helicopter operations would cause "[p]otentially serious interference, with likelihood of serious adverse reactions from individuals and groups affected." (Zone III)



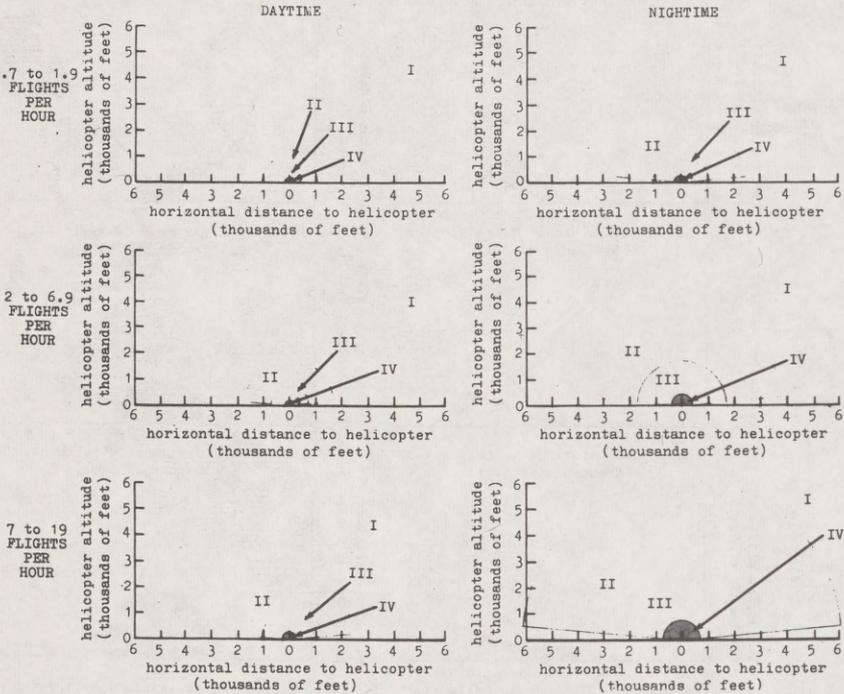
- NOTES:
1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

INCOMPATIBILITY OF HELICOPTER NOISE WITH EXISTING LAND USE

Figure 6. COMMERCIAL AND INDUSTRIAL AREAS

SOURCE: Dwight E. Bishop, Helicopter noise characteristics for heliport planning, Federal Aviation Agency Technical Report FAA-ADS-40, March 1965 (Attachment to Exhibit DOT-T-1)

KEY: ■ area where noise from helicopter operations would cause "[p]otentially serious interference, with likelihood of serious adverse reactions from individuals and groups affected." (Zone IV)



- NOTES:
1. Roman numerals I-IV refer to "Noise Sensitivity Zones" defined in FAA-ADS-40, Table VII.
 2. Noise contours have been adjusted to reflect increased sound attenuation at low elevation angles (See FAA-ADS-40, Figure 3 and accompanying text).
 3. Assumed helicopter is Sikorsky S-61 (See FAA-ADS-40, Figure 2).

CAB DOCKET 17665
 Exhibit CC-1
 Attachment A

AREAS WHERE NOISE FROM HELICOPTER OVERFLIGHTS WOULD PROBABLY BE INCOMPATIBLE WITH EXISTING LAND USE, BASED ON STANDARDS RECOMMENDED BY THE DEPARTMENT OF TRANSPORTATION

Shown on this map are noise sensitivity zones around hospitals, public schools, colleges, and universities within Washington's original boundaries.

NOT SHOWN on this map are additional noise sensitivity zones around several hundred private schools, parochial schools, and churches that also fall within the DOT noise sensitivity category, SCHOOLS, HOSPITALS, AND CHURCHES.

KEY:  areas within 1000 feet of noise sensitive locations
 areas between 1000 feet and 2000 feet from noise sensitive locations

SOURCES: Washington Metropolitan Area Telephone Directory, 1967-8
 Washington Yellow Pages, May 1967



CAB DOCKET 17605
Exhibit CC-1
Attachment B

HOSPITAL ZONES

Shown on this map are 3000 foot radius noise sensitivity zones around principal hospitals within Washington's original boundaries.

SOURCE: D.C. Highway Department Map, 1965



COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., July 14, 1970.

Hon. WILLIAM B. SPONG, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPONG: Your letter of June 16, 1970, requested our assistance in clarifying several matters which have or are expected to come up in testimony during Senate hearings on the operation of Washington National (National) and Dulles International (Dulles) Airports. The questions included in your letter relate principally to landing field use agreements between the Federal Aviation Administration (FAA) and the air carriers serving the above airports and landing fees and use agreements at other air carrier airports with comparable traffic. In addition, you requested that we furnish you with a breakdown of landing field area and other operating costs and revenues for Dulles and National from fiscal year 1963 to the present. In accordance with agreements reached with Mr. Jack Lewis of your staff, we furnished him with the financial data separately. In accordance with your request, we are enclosing the following information.¹

1. Background and evaluation of selected provisions of the Dulles and National airport landing field use agreements (Enclosure I).

2. Discussion of landing fees and air carrier-use agreements for airports with traffic conditions comparable to Dulles and National airports (Enclosure II).

We trust that the information presented herewith will serve your purpose. The information contained in this report was obtained principally from FAA records. FAA, however, has not had an opportunity to formally review and comment on this report. We plan to make no further distribution of this report unless copies are specifically requested and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,

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

BACKGROUND AND EVALUATION OF SELECTED ASPECTS OF THE DULLES AND NATIONAL AIRPORT LANDING FIELD USE AGREEMENTS

FAA's Bureau of National Capital Airports (Bureau) plans, directs, and supervises the engineering, management, operation, and maintenance of Washington National and Dulles International Airports. The Bureau negotiates contracts for FAA with the airlines and other commercial enterprises regarding charges and operating conditions for service, facilities, equipment, and other resources so as to derive proper rentals and fees, and to render necessary air transportation services to the public.

The activities of each of the above airports are under the direction of an airport manager. The airport managers advise and assist the Director of the Bureau in formulation of policies, plans, and standards governing administration, operation, and maintenance functions at their respective airports.

Construction of National began in 1939. It was completed and opened to traffic in June 1941 and by 1949 had developed into one of the busiest airports in the United States. The aircraft operations at National during fiscal year 1969 totaled 225,609 and related passenger traffic amounted to 9,728,005. The gross capitalized investment at National was approximately \$46 million as of June 30, 1969.

Planning for Dulles airport began in 1950. Construction was initiated in September 1958 and completed in November 1962. Scheduled aircraft operations at Dulles during fiscal year 1969 totaled 61,535 and related passenger traffic amounted to 1,870,209. The gross capitalized investment at Dulles, including the access highway, at June 30, 1969, was approximately \$101 million.

Since fiscal year 1957, Bureau records show that National has consistently operated at a profit considering all costs. However, Bureau records indicate that Dulles has been underutilized in terms of existing capacity and that operations for fiscal years 1963 through 1969 resulted in total revenues of \$20.4 million while total expenses, including depreciation and imputed interest on investment, amounted to approximately \$76.5 million. Of these expenses, depreciation and interest totaled about \$47.9 million.

Passenger traffic growth at Dulles since fiscal year 1964 has averaged 21.9 percent per year, ranging from a low of 17.6 percent in fiscal year 1967 to a high of 29.0 percent in fiscal year 1966. During the same period, passenger traffic growth

¹ Reference to this material appears on p. 38.

at National averaged 11.4 percent per year. However, the total passenger traffic at Dulles during fiscal year 1969 was 1.2 million more than it had been in fiscal year 1964. For the same period National passenger traffic increased by 4 million.

At the present time, National and Dulles have separate agreements for use of landing field areas with each of the air carriers serving the respective airports; however, the landing fee for the two airports, excluding propeller aircraft at National, is determined in accordance with the 1962 Dulles use agreement as amended in 1966 in connection with FAA's decision to allow jet aircraft into National.

The basic use agreements provide that each air carrier has the right to use public or common areas or facilities such as the runways, taxiways, roadways, vehicular parking areas, and terminal building lobby areas. The agreements also provide for the lease of specified premises to each of the carriers for their exclusive use, e.g., ticket counter space and baggage make-up space. For the rights and privileges granted to the air carriers by the use agreements, the air carriers agreed to pay various fees and rentals. One of these fees, the landing fee, is charged for each aircraft landed at an agreed upon rate for each 1,000 pound unit of maximum certified aircraft landing weight.

AUTHORITY FOR CONCEPT OF DEFICIT PROVISIONS IN THE DULLES LANDING FIELD USE AGREEMENT

The FAA in the operation and management of Dulles International Airport under the Second Washington Airport Act (64 Stat. 770), has broad discretionary authority in the fixing of fees or rentals for the use of airport facilities. The airport Act does not prescribe any standards for the fixing of fees. FAA, in establishing user charges at the airport, has for guidance the congressional policy set forth in 31 U.S.C. 483a. That section of the Code provides that it is the sense of the Congress that any use, franchise, license, etc., granted by a Federal agency to or for any person, except those engaged in official Government business, "shall be self-sustaining to the full extent possible". It authorizes the head of each agency to prescribe such fees, if any, "as he shall determine * * * to be fair and equitable taking into consideration direct and indirect cost to the Government, value to the recipient, public policy or interest served, and other pertinent facts * * *".

The Bureau entered into 10-year use agreements that were effective in December 1962 with air carriers who planned to serve Dulles International Airport. These agreements were identical and were premised on a general financial plan conceived by the Government and the air carriers whereby it was anticipated that the airport would repay all operating and maintenance costs including capital investment and interest thereon within 30 years. The general financial plan provided that the airport would operate at a deficit during the first 10 years, break even during the second 10 years, and operate at a surplus during the third 10-year period which would be sufficient to repay the deficits incurred by the airport during the early years of operation. Both the House and the Senate Appropriations Committees were informed of the general financial plan.

The 10-year Dulles use agreements, effective in December 1962, provided for consideration of a pre-planned annual operating deficit in the formula used for computing landing fees charged to the air carriers. The provision guaranteed that a portion of the operating expenses (pre-planned annual operating deficit) for the landing field area would not be recouped so long as actual traffic, revenue, and expenditures did not change materially from projected traffic, revenue, and expenditures used in the agreement to compute the pre-planned deficit. The agreement, however, provided that the landing fee could not be less than \$.30 per thousand pounds. Theoretically, if there was a significant increase in the amount of traffic or a substantial reduction in expenditures, the pre-planned deficit could have been significantly reduced or eliminated completely. The pre-planned deficit provisions were again included in the 1966 amendment negotiated pursuant to the admission of jet aircraft into Washington National Airport but provisions were included for removal of the \$.30 floor under certain conditions which are discussed in later sections of this report. The inclusion of the pre-planned deficit provisions in the landing field use agreements was an exercise of the discretionary authority of the FAA Administrator provided in 31 U.S.C. 483a.

A Bureau official informed us that pre-planned deficit provisions were not included in use agreements for facilities other than the landing field area. A comparison of the landing area deficits anticipated under the Dulles landing field use agreement and with the actual deficits experienced to date are presented in the following table.

COMPARISON OF PLANNED AND ACTUAL DEFICITS FOR THE DULLES LANDING AREA

Fiscal year	Planned deficit ¹		Actual deficit ²	
	Annual	Cumulative	Annual	Cumulative
1964	\$1,464	\$1,464	\$1,700	\$1,700
1965	1,341	2,805	1,688	3,388
1966	1,242	4,074	1,475	4,863
1967	1,142	5,189	741	5,604
1968	985	6,174	26	5,630
1969	793	6,967	855	6,485
1970	585	7,552	3505	6,988
1971	408	7,960		
1972	274	8,207		
1973	87	8,294		

¹ Deficit amounts shown above represent straight-line interpolation of amounts shown in the 1963 use agreement. Such interpolation results in the same fiscal year deficit amounts included in the 1966 amendment to the agreement.

² Actual deficits are computed in accordance with the terms of the use agreement for the purpose of determining the applicability of the \$0.30 minimum landing fee. This computation considers factors that are presented differently in presenting the individual financial statements for National and Dulles.

³ Estimate.

We did not find any evidence in hearing records to indicate that the Appropriations Committees had been advised that the above pre-planned deficits would be included in the fee computations under the 10-year Dulles use agreement, or in the 1966 amendment to that agreement. The Director of the Bureau was of the opinion that the Committees had been informally advised of these provisions and the affect that they would have on landing field revenues at the airport. However, such advice would have been provided prior to his appointment as Director and therefore he was unable to provide us with specific details of how the information was conveyed.

The Director of the Bureau informed us that there are no written agreements between FAA and the air carriers covering the periods following the first 10 years of operation at Dulles airport. He stated that at the inception of the Dulles use agreements both the FAA and the air carriers anticipated that it would require 10 years of operation before the annual fees and traffic would reach a point where annual landing area operating costs could be recouped and that a new use fee agreement would be negotiated at that time. However, he stated that there was no written agreement or understanding covering the operating period from 1973 to 1983 that would prescribe a formula designed only to break even based on Dulles' operating costs.

BACKGROUND AND FINANCIAL EFFECT OF SELECTED PROVISIONS OF THE 1966 AMENDMENT TO THE DULLES USE AGREEMENT

Beginning in April 1966, jet aircraft were allowed to use National. Subsequent to and as a direct result of the admission of jets into National, the Dulles use agreement was amended, in December 1966, to provide for a uniform jet landing fee for the two airports.

Prior to the 1966 amendment, the landing fees for the two airports were determined separately. The propeller aircraft rate at National was determined for each fiscal year by allocating 95 percent of the landing area expenses to air carrier operations for the most recent fiscal year, deducting revenues received during the same period from the firm operating the fuel distribution system and dividing the result by the estimated landing weight for the fiscal year. The Dulles landing fee for jet and propeller aircraft was established in the basic use agreement as \$0.30 per thousand pounds of certified landing weight beginning with the effective date of the contract and ending December 31, 1964, and provided only for adjustments above the \$0.30 rate in subsequent fiscal year operations.

The Dulles use agreement (a copy of which was provided to Mr. Jack Lewis of your staff) includes two formulas under which these adjustments would be computed. Each of the formulas provide for a recovery of expenses agreed upon in the basic contract and a portion of the agreed upon expense increases reduced by the amount of the applicable annual deficit set out in the basic agreement. The agreement provides that at the end of any fiscal year, when the cumulative experienced revenue is less than the cumulative revenue goals plus the cumulative allowable expense increases to that date, and the formulas both yield a rate higher than \$0.30 per thousand pounds, the landing fee rate for the ensuing calendar

year shall be increased to the lower rate yielded by either of the formulas. The basic agreement did not contain a provision for charging less than the \$.30 rate.

The 1966 amendment to the basic Dulles use agreement significantly changed the methods used to determine the Dulles and National landing fee rates. First, the 1966 amendment provided that the jet landing fee rate at National would be the same as the landing fee rate established for Dulles under the Dulles use agreement, or equal to the landing fee rate for propeller aircraft at National, whichever is higher. The 1966 amendment provided that the landing fee rate for propeller aircraft would be computed by dividing the difference between the estimated annual landing area expenses and the estimated annual landing area revenue from sources other than airline landing fees by the estimated number of thousand pound units of certified maximum landing weight for all air carrier aircraft that will be landing during the year at National.

The 1966 amendment also provided that beginning July 1, 1967, and at the end of each fiscal year thereafter, the landing fee rate at Dulles would for the ensuing fiscal year be increased or decreased to the lower rate yielded by either of two formulas included in the amendment.

One formula in the 1966 amendment was the same as provided in the 1962 Dulles use agreement. The other formula differed from the corresponding formula included in the 1962 Dulles use agreement and has had a material effect on the computation of the jet landing fee rates for Dulles and National. The major revision to the formula was to provide for the inclusion of a weight transfer credit for jet aircraft landed at National with the actual Dulles landed weight to arrive at the landing fee rate for the two airports. National's expenses were excluded from consideration in the computation of the landing fee rate and only Dulles' expenses were used; therefore, inclusion of the National weight transfer credit assuming the general accuracy of Bureau traffic projections causes (1) the formula with the weight credit transfer to always yield a lower rate and lower revenues than the alternative formula which excludes the transfer credit and (2) the rate determined on the basis of the formula with the National weight transfer to be significantly less than rates that would be determined by either of the formulas in the 1962 Dulles use agreement.

Negotiations for the uniform jet landing fee at Dulles and National were conducted with the objective of obtaining a premium rate for admission of jets into National airport that would offset losses resulting from the loss of traffic at Dulles. The premium obtained at National was to be credited to revenues obtained from Dulles. The weight credit transfer represents a transfer of a portion of the weight landed at National into the Dulles formula for rate making purposes which in effect accomplishes these objectives.

The 1966 amendment provided for use of the minimum jet landing fee rate of \$.30 for the two airports but made its applicability subject to certain contingencies. The amendment provided that when the cumulative experienced deficit, determined on a quarterly basis at Dulles, equals or is less than the projected cumulative deficit included in the amended agreement, the \$.30 minimum landing fee would no longer apply.

A meeting was conducted on December 10, 1965, between the Deputy Administrator, FAA, and representatives of the Air Transport Association relative to the admission of jets to Washington National Airport and the landing fee agreements at both National and Dulles airports. At the meeting the Deputy Administrator explained that FAA's negotiations would be premised on the following general positions.

1. Washington is a unique area and negotiations there cannot set precedent for other domestic air carrier airports.

2. In no event would rates for jets at National be less than rates for jets at Dulles.

3. FAA has flexibility in deciding whether all jet poundage at National should be credited to the Dulles rate or just the jet poundage over the 14 $\frac{1}{2}$ ¢ rate then in existence at National.

4. FAA's aim is to approach a breakeven point at Dulles as rapidly as possible and no attempt will be made to recover prior years' development losses.

The Deputy Administrator directed the Chief of the Bureau's Air Carrier Relations Staff to enter into immediate negotiations with representatives of the air carriers.

Prior to conducting a formal negotiating session with the air carriers on January 5-6, 1966, the Chief of the Bureau's Air Carriers Relations Staff received instructions from the Bureau Director relative to the basis for including the weight credit transfer from National in the jet landing fee agreements for the two airports. The instructions provided that:

The basis of the FAA position is rooted in the concept that an approach to break-even at Dulles should stem from a jet landing fee at WNA greater than the propeller landing fee at that Airport, with the increase over the propeller rate credited to the Dulles landing fee under the terms of the formula in the Dulles Air Carrier Agreement.

* * * * *

The principle of crediting pounds into the Dulles formula should only be applied once as repetition could drive the Dulles rate down to the floor of 30¢ set forth in the Agreement, or if that floor is removed, drive it down so far as to necessitate a revision of the formula and the concept upon which the Dulles Air Carrier Agreement is founded.

Subsequently, the Bureau entered into contracts with the air carriers which provided formulas for landing fees, one of which included the use of the weight credit transfer through the termination of the Dulles use agreement in 1973. In the last quarter of fiscal year 1968, the \$.30 minimum rate was removed as a result of provisions in the 1966 amendment and the fee was reduced to \$.2498. The fees were again reduced below the minimum in fiscal years 1969 and 1970 to \$.1889 and \$.2038 respectively.

Inclusion of the provisions to eliminate the \$.30 minimum landing fee in the 1966 amendment resulted in a reduction of air carrier landing fee income at the two airports during fiscal years 1969 and 1970 by a total of about \$3 million.

Before the 1966 amendment, the propeller landing fee rate at National was about \$.145 per 1,000 pounds. After the 1966 amendment, jet landing fee at National was \$.32. We asked Bureau officials if the air carriers considered the increase from \$.145 to \$.32 as exorbitant and if so, why did they agree to it. Bureau officials stated that although the air carriers did consider the increase exorbitant, they agreed to pay the increased rate in order to be able to use jets at National. The Bureau officials informed us also that during this period, the air carriers were converting their fleets to all jet aircraft because of operating efficiencies; therefore, it would have been very difficult and expensive for the air carriers to continue scheduling their operations at one of the major air transportation hubs which was limited to propeller aircraft.

Existing use agreements do not make it possible for the FAA to share measurably in any profit that may result from the recent admission of Boeing 727-200 aircraft at National. Considering the existing use agreements, the only additional revenue generated by the 727-200's at National would, according to a Bureau official, result from the 11,000 pounds increased weight of that aircraft over the Boeing 727-100. For each landing of a 727-200, the Bureau would receive approximately \$2.25 more than if the aircraft had been a 727-100, considering the landing fee rate in effect in fiscal year 1970. Based on conditions set out in the Bureau's study relative to the effects of introducing Boeing 727-200's into National, the net profit to the air carrier for each 727-100 flight replaced with a 727-200 flight could amount to as much as \$340.

FINANCIAL EFFECT OF TRANSFERRING TRAFFIC FROM NATIONAL TO DULLES

The transfer to Dulles of a significant number of jets landed at National during fiscal year 1969 could have resulted in a deterioration of the Bureau's financial picture during fiscal years 1970 and 1971. During fiscal year 1969 the jet weight landed at National totaled about 8.7 billion pounds. We determined that under existing use agreements, a transfer of 44 percent¹ of National's fiscal year 1969 jet weight (about 27,800 flights in terms of 727-100 aircraft) would have resulted in a \$512,000 decrease in fiscal year 1970 landing fee revenues for the two airports. This decrease would occur because the weight transfer would have resulted in a substantial decrease (about 17 percent) in the Dulles and National jet landing fee rate. However, the weight transfer would also result in an increase in the National propeller rate in fiscal year 1970 and the elimination of the National weight transfer credit to Dulles in fiscal year 1971. In fiscal year 1971, the National propeller rate and the Dulles and National jet rate would be increased to the extent that \$107,000 of the fiscal year 1970 decrease in landing fee revenue would be recouped. Also the elimination of the National weight transfer credit for fiscal year 1971 and a significant reduction of the National weight transfer credit could result in reinstatement of the \$.30 minimum landing fee rate for

¹ The point at which the jet and propeller rates at National would be equal and eliminate the National weight credit transfer in the fee formula in the following year.

fiscal year 1972 as provided in the 1966 amendment. The reinstatement of the \$.30 minimum landing fee rate would result in substantial increases in the fiscal year 1972 landing fee revenue.

The methods used in arriving at the above determinations were discussed with a Bureau official who concurred with these determinations. As indicated above, the use agreements that presently exist could in the short term give FAA an incentive to limit growth at Dulles and to continue heavy use of National. However, it appears that on a continuing basis this may not be the case.

DISCUSSION OF LANDING FEES AND AIR CARRIER USE AGREEMENTS FOR AIRPORTS WITH TRAFFIC CONDITIONS COMPARABLE TO DULLES AND NATIONAL AIRPORTS

To compare the landing fees charged at National and Dulles with fees at other airports, we selected 29 airports at which the amount of traffic during fiscal year 1969 was comparable to the traffic at either Dulles or National for that period. The traffic at 15 of these airports was comparable to the traffic at Dulles and the traffic at the remaining 14 airports was comparable to the traffic at National.

We found that the fiscal year 1970 landing fee rate at Dulles of \$.2038 per thousand pounds of maximum landing weight was higher than the rates in effect during June 1970 at all 15 of the selected airports. The landing fee rates at these 15 airports ranged from a low of \$.08 per thousand pounds to a high of \$.18 per thousand pounds. Our comparison of the landing fee rate at National (\$.2038) with the rates in effect during June 1970 at the 14 selected airports showed that the rate at National was higher than the rates at 8 of the airports and lower than the rates at 6 of the airports. The landing fees at the 14 selected airports ranged from a low of \$.08 per thousand pounds to a high of \$1.0332 per thousand pounds.

The following schedule lists the airports selected, the number of air carrier operations at each airport, and the respective landing fee rates.

	Annual air carrier aircraft operations	Landing fee rate
Dulles International.....	61,535	\$.2038
Phoenix-Sky Harbor Municipal.....	79,364	.16
Louisville-Standford Field.....	77,868	.17
Milwaukee-General Mitchell Field.....	75,531	.17
San Diego International-Lindbergh.....	70,356	.135
Metropolitan Oakland International.....	70,076	.11
Columbus-Port Columbus International.....	66,687	.14
Hartford-Windsor Locks-Bradley International.....	64,526	.18
Nashville Metropolitan.....	62,683	.1375
Charlotte-Douglas Municipal.....	61,638	.16
Syracuse-Clarence E. Hancock.....	53,968	.161
Jacksonville International.....	53,814	.095
Dayton-James M. Cox Dayton Municipal.....	53,772	.15
San Jose Municipal.....	52,779	.15
Oklahoma City-Will Rogers World.....	50,955	.08
Birmingham Municipal.....	50,742	.12
Washington National.....	225,609	.2038
Miami International.....	266,745	.099
New York-La Guardia.....	258,279	1.0332
Dallas Love Field.....	251,279	.08
Boston-Logan International.....	210,217	.265
Newark ¹	208,079	.46
Detroit Metropolitan Wayne County.....	201,941	.10
Philadelphia International.....	197,511	.25
St. Louis-Lambert.....	184,031	.16
Greater Pittsburgh.....	169,778	.25
Denver-Stapleton International.....	157,619	.17
Cleveland Hopkins.....	149,976	.185
Kansas City Municipal.....	137,252	.249281
Minneapolis St. Paul International.....	137,151	.175
Baltimore Friendship International.....	129,093	.18

¹ This airport charges a landing fee based on maximum takeoff weight.

With regard to your request for information relative to (1) the formula or method used to determine landing fees at other airports, (2) the factors generally taken into account in determining landing fees at other airports, (3) the term of airport/air carrier use agreements at other airports—specifically, whether 10 years is abnormal for such agreements, and (4) whether there is any precedent for the Dulles deficit provision, we selected for this purpose, as agreed with Mr. Jack Lewis, the airports located in Kansas City, Missouri; Houston, Texas; and Baltimore, Maryland.

Information obtained from officials at the Kansas City International and Houston Intercontinental, both new airports, indicates that the method used to determine landing fee rates provides for the recovery of all operating and maintenance costs, depreciation, and interest (debt service) associated with the landing fee area during the life of the agreement. In each case the landing fee rate is determined by dividing such expenses and costs by the estimated annual aircraft landing weight.

The use agreements at Kansas City International and Houston Intercontinental are similar to the use agreements at Dulles in that each of them include pre-planned estimates of operating and maintenance expenses, and interest that will be recovered during the life of the agreements. Further, each of the agreements provide for annual adjustments of the estimated expenses to reflect actual expenses incurred in the landing field area and for an annual redetermination of the landing fees. However, the Kansas City and Houston agreements provide for the recovery of depreciation whereas the Dulles agreement does not.

Officials at Friendship International Airport in Baltimore advised us that the Friendship use agreement, in effect for the past 20 years, expired on June 30, 1970. An official stated that a new agreement was being negotiated at the present time with the air carriers serving the airport. The expired use agreement at Friendship was similar to those at Kansas City and Houston. The method used to compute the landing fee was basically the same except that no provision was made for the recovering of depreciation at Friendship. We were advised by the officials at Friendship, however, that operations in the past years resulted in a surplus of revenues over operating, maintenance, and interest costs and that such surplus revenues were returned to the City of Baltimore's general operating fund.

As previously indicated, the use agreement at Friendship had been in effect for a period of 20 years. The existing use agreements at Kansas City International and the Houston Intercontinental Airports are for a period of 28 years. Officials at the airports in Baltimore, Kansas City, and Houston were of the opinion that a 10 year term for a use agreement at an airport would be abnormal only if there was no provision included in the agreement to adjust estimated expenses to actual expenses and for an annual or periodic redetermination of the landing fees.

The Kansas City and Houston use agreements, do not include a provision for a stated or pre-planned deficit each year. An official at Friendship stated that the new agreement to be negotiated at Friendship would not include a deficit provision. Officials of these three airports were not aware of any other airport landing field use agreements that provided for a pre-planned deficit in computing landing fees.



