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EXTENSION OF THE AIRPORT DEVELOPMENT AID PROGRAM

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON AVIATION

OF THE

COMMITTEE ON COMMERCE

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 1455

TO PROVIDE FOR THE EXPANSION AND IMPROVEMENT OF THE NATION'S AIRPORT AND AIRWAY SYSTEM, TO PROVIDE FOR DELEGATION OF CERTAIN AIRPORT DEVELOPMENT FUNCTIONS TO STATES AND AIRPORT SPONSORS, TO PERMIT FINANCING OF AIRWAY FACILITIES MAINTENANCE FROM THE AIRPORT AND AIRWAY TRUST FUND, AND FOR OTHER PURPOSES

SEPTEMBER 4, 5, 8, AND 9, 1975

Serial No. 94–43

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EXTENSION OF THE AIRPORT DEVELOPMENT AID PROGRAM

THURSDAY, SEPTEMBER 4, 1975

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

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

OPENING STATEMENT BY SENATOR CANNON

Senator CANNON. The hearings will come to order.

Today's hearings mark the beginning of our subcommittee's consideration of the airport and airway development program established by Congress in 1970. I regret that the Senate schedule has been such that we have been unable to begin work on this program earlier.

The Airport and Airway Development Act of 1970, for the first time in American aviation history, established a long-term, well-funded program designed to meet the Nation's air transportation needs in the 1970's. Since enactment, the program has produced a capital investment of over $2 billion in airport development and in air navigation facilities. This development has been funded by a schedule of charges levied against the users of our air transportation system; charges that are currently bringing in almost $1 billion a year to the airport and airway trust fund established by the 1970 act.

On June 30 of this year, the 5-year authorization established by Congress expired. Therefore, while taxes continue to be collected, there is no authority to continue to obligate funds to local communities for needed airport development. While the 1970 program has not been perfect, I believe all will agree that it has provided substantial public benefits to the Nation's air transportation system. It is my goal to enact new legislation during 1975 which will provide for the continuation of development begun in 1970.

The administration has submitted to the Congress two bills. S. 1455 is before us today. It is designed to reauthorize and modernize the development program. The other proposal would make certain changes in the user charge structure.

In these hearings, we plan to closely examine the administration's recommendations for a new 5-year development program. In addition, numerous other witnesses will appear in support of other changes or modifications to existing law. Representatives of local communities, the States, general aviation groups, the airlines, and others are scheduled to testify over the next 4 days.

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

[The bills follow:]

94TH CONGRESS
1ST SESSION

S. 1455

IN THE SENATE OF THE UNITED STATES

APRIL 17, 1975

Mr. MAGNUSON (for himself and Mr. PEARSON) (by request) introduced the following bill; which was read twice and referred to the Committee on Commerce

A BILL

To provide for the expansion and improvement of the Nation's airport and airway system, to provide for delegation of certain airport development functions to States and airport sponsors, to permit financing of airway facilities maintenance from the Airport and Airway Trust Fund, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airport and Airway Development Act of 1975".

SEC. 2. DECLARATION OF POLICY.

The Congress hereby finds and declares—

That the Nation's airport and airway system needs continued improvement to meet current and projected growth in aviation.

That greater responsibility must be placed on the States and airport owners for improving the Nation's civil airports.

That States must assume full responsibility for financing general aviation airport planning and development by September 30, 1978.

That financial assistance from the Federal Government is necessary to provide the required incentive to States and airport owners in this effort.

SEC. 3. SPECIAL STUDIES.

(a) The Secretary shall conduct studies respecting—

(1) The feasibility, practicality, and cost of performing land-bank planning and development for future and existing airports through Federal, State or local government action; and

(2) The examination of potential locations in the United States for major new airports and the identification of various options for financing land acquisition and development costs.

(b) In conducting these studies the Secretary shall consult with appropriate planning agencies, public agencies, and airport users and other persons or groups he deems appropriate. The Secretary shall report the results of the

studies to Congress no later than two years after the date of enactment of this Act.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Air carrier airport" means an airport which receives regular service by a scheduled route air carrier certificated by the Civil Aeronautics Board, or by a carrier under contract to such certificated carrier to provide the airport such service.

(3) "Air carrier departure" means the actual departure from an air carrier airport of an aircraft exceeding 12,500 pounds maximum gross takeoff weight operated by a United States or foreign carrier in scheduled or nonscheduled service, in intrastate, interstate, or foreign commerce, except the term does not include the departure of an aircraft of an air carrier operating under exemption granted by the Civil Aeronautics Board from section 401(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.).

(4) "Airport development" means (A) work involved in constructing, improving, or repairing a public airport or portion thereof, including the removal, lowering, relocation, marking and lighting of airport hazards, including visual navigation aids located within the airport boundary used by aircraft landing at or taking off from the airport (excluding electronic navigational aids and airport traffic control facilities), and including safety and security equipment, (B) acquisition of land or of any interest therein, or of any easement through or other interest in airspace, for present or future airport uses, including land for environmental compatibility purposes, (C) work involved in preparing and establishing an airport master plan or capital improvement program, and (D) work involved in planning for adequate airport access by ground transportation.

(5) "Airport master planning" means the development for planning purposes of information and guidance to determine the extent, type, and nature of development needed at a specific airport. It includes the preparation of an airport layout plan and feasibility studies, and the conduct of such other studies, surveys, and planning actions as may be necessary to determine short- and long-range aeronautical demands and airport access requirements.

(6) "Airport system planning" means the continuing development for planning and site selection purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public airports. It includes identification of the specific aeronautical role of each airport within the system, development of estimates of systemwide development costs, the conduct of such studies, surveys, and other planning actions as may be necessary to determine the short- and long-range aeronautical demands required to be met by a particular system of airports, and such planning actions as may be required to relate the airport system to the overall transportation and development objectives of the State or area.

(7) "Capital improvement program" means a document which includes (A) a layout plan showing the airport boundaries and the location of existing and planned facilities, (B) identification and schedules of planned development at the specific airport, including annual cost estimates and means of financing, and (C) identification of development accomplished or undertaken during the preceding fiscal year, including cost estimates and means of financing.

(8) "General aviation airport" means an airport

which does not receive regular service by a scheduled route air carrier certificated by the Civil Aeronautics Board, or by a carrier under contract to such certificated carrier to provide the airport such service.

(9) "Landing area" means that area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

(10) "Planning agency" means agencies authorized by the Governor or chief executive of a State or States (including the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands) to engage in areawide planning for the geographical areas in which assistance under this part is to be used, including planning for other transportation modes and for comprehensive land-use planning.

(11) "Project" means a project for the accomplishment of airport development (except all or that portion of a facility or improvement in the terminal area that is not for the unrestricted use of the public and not directly related to the movement of persons, baggage or cargo through the airport), airport master planning, or airport system planning.

(12) "Public agency" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Amer-

ican Samoa, the Trust Territory of the Pacific Islands or the District of Columbia, or any agency of any of them; a municipality or other political subdivision; a tax-supported organization; or an Indian tribe or pueblo.

(13) "Public airport" means any airport which is used or to be used for public purposes, the landing area of which is owned and controlled by a public agency or the United States or an agency thereof.

(14) "Registered active general aviation aircraft" means a civil aircraft, not regularly operated under authority of an operating certificate issued by the Secretary, which has been flown one or more hours during the previous calendar year.

(15) "Reliever airport" means a general aviation airport designated by the Secretary as having a primary function to relieve congestion at an air carrier airport.

(16) "Secretary" means the Secretary of Transportation.

(17) "Sponsor" means any public agency which, either individually or jointly with one or more other public agencies, is authorized to undertake system planning or airport development under this Act.

(18) "State" means a State of the United States.

(19) "State or equivalent jurisdiction" means a State, the Commonwealth of Puerto Rico, the Virgin Is-

lands, Guam, American Samoa, or the Trust Territory of the Pacific Islands.

(20) "Terminal area" means that area used or intended to be used for such facilities as terminal and cargo buildings, hangars, shops, and other service buildings; automobile parking, airport motels and restaurants, and garages and automobile service facilities used in connection with the airport; and entrance and service roads, including mass transit development used by the public within the boundaries of the airport.

(21) "United States" means the several States.

SEC. 5. REPORT ON AIRPORT PLANNING AND DEVELOPMENT.

(a) PUBLISHED REPORT.—By February 15, 1977, and annually thereafter, the Secretary shall publish a report on the planning and development undertaken by sponsors of air carrier airports. The report shall contain a short term capital improvement program for each air carrier airport enplaning 0.05 percent or more of the total annual passengers enplaned by air carriers certificated by the Civil Aeronautics Board.

(b) ADDITIONAL REPORTS BY SPONSORS.—To assure orderly and planned development of the National Airport System, the Secretary may request from each sponsor of air carrier and reliever airports such information as he deems

appropriate; including but not restricted to, future plans for the acquisition of land and terminal area development, new or expanded airport facilities, and alternatives thereto.

SEC. 6. AIRPORT AND AIRWAY DEVELOPMENT PROGRAM.

(a) AIRPORTS.—The Secretary is authorized to incur obligations to make grants for projects in aggregate amounts not exceeding $350,000,000 by June 30, 1976, $437,500,000 by September 30, 1976, $787,500,000 by September 30, 1977, $1,137,500,000 by September 30, 1978, $1,437,500,000 by September 30, 1979, and $1,737,500,000 by September 30, 1980. No obligation shall be incurred against this authority after September 30, 1980. The Secretary is authorized to make such funds available in accordance with section 7 of this Act in the following amounts:

(1) For the purpose of accomplishing airport development in the several States and equivalent jurisdictions and the District of Columbia, with respect to air carrier and reliever airports, and for the conduct of airport system planning to serve all classes of civil aviation, $300,000,000 for each of the fiscal years 1976 through 1980;

(2) For the purpose of accomplishing airport development in the several States and equivalent jurisdictions

with respect to general aviation airports, $50,000,000 for each of the fiscal years 1976 through 1978; and

(3) For the three-month transition period following fiscal year 1976, 25 percent of the amounts in paragraphs (1) and (2).

There are authorized to be appropriated from the Airport and Airway Trust Fund such sums as may be necessary for the purpose of liquidating obligations incurred hereunder.

(b) AIRWAY FACILITIES.—For the purpose of acquiring, establishing, and improving air navigation facilities under section 307 (b) of the Federal Aviation Act of 1958, there are authorized to be appropriated from the Airport and Airway Trust Fund, to remain available until expended, $25,000,000 for each of the fiscal years 1976 through 1980.

(c) For research and development activities under section 312 (c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958, there are authorized to be appropriated from the Airport and Airway Trust Fund such sums as may be necessary, to remain available until expended. The initial $50,000,000 of any sums appropriated to the Airport and Airway Trust Fund pursuant to section 208 (d) of the Airport and Airway Revenue Act of 1970, shall be allocated to such research and development activities.

(d) OTHER EXPENSES.—The balance of the moneys available in the Airport and Airway Trust Fund may be appropriated for (A) the necessary administrative expenses of the Secretary incident to the Administration of programs for which funds are authorized in subsections (a), (b), and (c), (B) the direct costs and administrative expenses of the Secretary incident to maintaining airway facilities, including associated stocks and stores and communication costs, and (C) costs of services provided under international agreements relating to the joint financing of air navigation services which are assessed against the United States Government.

(e) PRESERVATION OF FUNDS.—

(1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the Trust Fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in this section.

(2) Amounts equal to the amounts authorized for each fiscal year by subsections (a) and (b) shall remain available in the Airport and Airway Trust Fund until appropriated for the purposes described in such subsections.

SEC. 7. DISTRIBUTION OF FUNDS; STATE AND SPONSOR APPORTIONMENTS.

(a) APPORTIONMENT OF FUNDS.—

(1) On or before the first day of each fiscal year for which any amount is authorized by section 6(a) (1) or (3), the amount made available thereunder shall be apportioned by the Secretary as follows:

(A) To the sponsor of each air carrier airport, $60 for each of the first 30,000 air carrier departures, and $30 for each air carrier departure in excess of 30,000, from that airport during the most recent calendar year. However, no such sponsor shall be apportioned more than $5,000,000 hereunder and no such sponsor shall be apportioned less than $100,000 for each such airport served by aircraft exceeding 12,500 pounds maximum gross takeoff weight, operated by or under contract for a scheduled route air carrier certificated by the Civil Aeronautics Board. Any sponsor eligible for an apportionment under this subparagraph on the date of enactment of this Act shall remain eligible for a minimum apportionment of $100,000 through September 30, 1980: *Provided,* That the airport continues to be regularly served by any class of air carrier. In the event the aggregate apportionment under this sub-

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paragraph exceeds 90 percent of the amount provided by section 6(a)(1), all apportionments hereunder shall be reduced proportionately.

(B) Any unapportioned balance shall constitute a discretionary fund to be used at the discretion of the Secretary pursuant to section 9.

(2) On or before the first day of each fiscal year for which any amount is authorized by section 6(a)(2) or (3), the amount made available thereunder for that year shall be apportioned by the Secretary as follows:

(A) 99½ percent for the several States, one-quarter in the proportion which the total registered active general aviation aircraft based in each State bears to the total registered active general aviation aircraft in the United States, and one-half of the remainder in the proportion which the area of each State bears to the total area of all the States and one-half of the remainder in the proportion which the population of each State bears to the total population of all the States. As used in this section, the term "population" means the population according to the latest available decennial census of the United States and the term "area" includes both land and water.

(B) One-half of 1 percent for the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands to be distributed in shares of 60 percent, 10 percent, 10 percent, 10 percent, and 10 percent, respectively.

(3) Each apportionment made pursuant to paragraph (1) (A) shall be available only for airport development.

(4) Each apportionment made pursuant to paragraphs (2) (A) and (B) shall be available only for airport development located in the jurisdiction benefited, or sponsored by a State or a public agency thereof but located in an adjoining State.

(5) Except as provided in section 9 (a) (2) and in this paragraph, the United States share of costs for any airport development or system planning may not exceed 75 percent of the costs of the project. In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 percent of the total area of all lands therein, the United States share under this subsection shall be increased by whichever is the smaller of the following percentages thereof: (1) 20 percent, or (2) a percentage equal to one-half of the percentage

that the area of all such lands in that State is of its total area.

(b) NOTICE OF APPORTIONMENT.—Upon making an apportionment as provided is subsection (a), the Secretary shall inform each air carrier airport sponsor and the chief executive officer of each State and equivalent jurisdiction as to the amount of the apportionment.

(c) One-half of the funds apportioned under section 7(a)(1)(A), and, once the certification required by section 8(b)(1) is given, under section 7(a)(2), shall become obligations of the Federal Government on the first day of the fiscal period for which authorized and the remaining half shall become obligations of the Federal Government at the midpoint of the period for which authorized.

(d) RELEASE OF FUNDS.—The Secretary shall issue regulations concerning the release of funds to public agencies under their respective apportionments.

SEC. 8. AIRPORT DEVELOPMENT REQUIREMENTS.

(a) AIR CARRIER AIRPORTS.—

(1) All airport development shall be accomplished in accordance with configuration, construction, and planning standards established by the Secretary.

(2) Airport sponsors shall develop airport master plans not later than September 30, 1977, for air carrier airports enplaning 0.05 percent or more of the total an-

nual passengers enplaned by air carriers certificated by the Civil Aeronautics Board. Airport master planning shall be accomplished in the context of and consistent with State and regional airport system plans and shall be based upon a comprehensive, coordinated and continuing planning process for the provision of all airport and airport related services required to meet the air transportation needs of the citizens, giving consideration to factors affecting transportation needs such as safety, economic, social, energy, environmental and land use problems, in order to achieve an efficient transportation system responsive to State, regional, and community goals.

(3) Airport sponsors shall submit to the Secretary an environmental assessment report on airport development which constitutes major Federal actions for use by the Secretary in meeting requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). Environmental assessment reports may be developed on a project-by-project basis or for all projects contained in master plans.

(4) Prior to undertaking airport development involving the location of an airport, the construction of a new runway, or the extension of an existing runway, the airport sponsor shall afford the opportunity for pub-

lic hearings for the purpose of considering the economic, social, and environmental effects of such a project and its consistency with the goals and objectives of such urban planning as has been carried out by the community.

(5) Airport sponsors shall keep the airport available for public use as a facility for the landing and takeoff of aircraft on fair and reasonable terms without unjust discrimination.

(6) Airport sponsors shall take reasonable steps, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft, and to protect the aerial approaches to the airport against obstructions determined as such under standards established by the Secretary.

(7) Airport sponsors shall keep all facilities at the airport used in the landing and takeoff of aircraft available for use by aircraft of the United States Government without charge except when such use becomes substantial, in which case the United States Government may be charged for such use based upon its reasonable share of the cost of operating and maintaining the facilities used by it.

(8) Airport sponsors shall furnish to the United States Government without cost such permits and property rights in lands or the airport as may be necessary to permit the construction of buildings or facilities used by the United States Government in weather reporting or air traffic control required for the operation of aircraft using such airport.

(9) In making decisions to undertake specific projects under this section, sponsors shall consult with airport users.

(10) An airport sponsor shall not use the cost of airport development financed with funds made available under this Act in establishing rates and charges for airport users.

(b) GENERAL AVIATION AIRPORTS.—

(1) Each State and equivalent jurisdiction shall certify to the Secretary, in a form and manner prescribed by him that it is capable of managing a program for the development of general aviation airports, and will give special emphasis to meeting the needs of airports served by air carriers operating under exemption granted by the Civil Aeronautics Board from section 401 (a) of the Federal Aviation Act of 1958. Until such time as the Secretary receives such assurance, he is authorized to make grants for airport

development projects to sponsors located within the jurisdiction of such agency, and to charge such grants to its apportionment. After such certification, the State or equivalent jurisdiction involved shall exercise project approval with respect to general aviation airport development in the State or equivalent jurisdiction funded under this Act.

(2) A certificate approved under paragraph (1) of this subsection shall include assurances by the State or equivalent jurisdiction that (1) it will be responsible for compliance with the provisions of the National Environmental Policy Act of 1969 and any other Federal requirements (environmental or otherwise) the Secretary enumerates in regulations he issues hereunder, and (2) it is substantially equipped and organized to carry out to the satisfaction of the Secretary such provisions and requirements. The Secretary's approval of a certification containing such assurances shall be deemed to satisfy his responsibilities with respect to such provisions and requirements insofar as those responsibilities relate to the release of funds under this Act for general aviation airport development carried out pursuant to such certification. Where the Secretary has accepted such certification, the chief executive officer of the State or equivalent jurisdiction shall for the purposes of the National Envi-

ronmental Policy Act be considered the "responsible official", and for the purposes of that Act and other provisions and requirements enumerated in regulations issued hereunder by the Secretary, shall be subject to the same judicial remedies and Federal court jurisdiction as the Secretary otherwise would be subject. Regulations to carry out this subsection shall be issued by the Secretary only after consultation with the Council on Environmental Quality.

(3) Each State and equivalent jurisdiction shall establish, and insure compliance with, standards and criteria for configuration and construction of airports under this section. In the absence of such standards and criteria, the State or equivalent jurisdiction shall employ standards and criteria established by the Secretary.

SEC. 9. AUTHORIZATION AND REQUIREMENTS—DISCRETIONARY FUND.

(a) AUTHORIZATION.—The Secretary is authorized to make grants from the discretionary fund as follows:

(1) To sponsors of air carrier and reliever airports for approved airport development;

(2) To public agencies for airport development to test airport components and facilities, and to evaluate new concepts relating to airport configuration and construction in an amount up to 100 percent of such project

costs, except that grants made under this paragraph may not exceed in the aggregate $2,500,000 per annum; and

(3) To planning agencies in an aggregate amount not to exceed $10,000,000 per annum for airport system planning.

(b) REQUIREMENTS.—Any grant authorized under subsection (a) (1) is subject to the requirements of section 8 (a) and no grant authorized under subsection a (1) for an airport also eligible to receive a grant under section 7 (a) (1) (A) may be used for terminal area development.

SEC. 10. GRANTS FOR SPECIFIC PURPOSES.

(a) The Secretary shall issue regulations for the submission of applications to him for grants relating to the following:

(1) Grants from the discretionary fund; and

(2) Grants to sponsors of general aviation airports until the Secretary has received the assurance required by section 8 (b) (1).

(b) On approval of an application submitted pursuant to subsection (a), the Secretary shall issue an offer for the applicant's acceptance. The offer, when accepted by the applicant, shall be an obligation of the United States. The agreement shall set forth the amount of the obligation, method of payment, responsibility for the accomplishment of the project and the applicant's assurance of the public use of the airport benefited.

SEC. 11. USE OF GOVERNMENT-OWNED LANDS.

(a) REQUESTS FOR USE.—Subject to the provisions of subsection (c), whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project for airport development under this Act, or for the operation of any public airport, including lands reasonably necessary to meet future development of an airport, he shall file with the head of the department or agency having control of the lands a request that the necessary property interests therein be conveyed to the public agency sponsoring the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

(b) MAKING OF CONVEYANCES.—Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of his determination within a period of four months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby

authorized and directed, with the approval of the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner inconsistent with the terms of the conveyance, only that particular part shall, at the option of the Secretary, revert to the United States.

(c) EXEMPTION OF CERTAIN LANDS.—Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service; within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the Bureau of Sport Fisheries and Wildlife; or within any national forest or Indian reservation.

SEC. 12. ASSURANCES TO THE SECRETARY; WITHHOLDING OF PAYMENTS; ACCOUNTING, ETC.

(a) ASSURANCES TO THE SECRETARY.—In order to qualify for any payment under section 7 (d), public agencies must establish (in accordance with regulations prescribed by the Secretary to the satisfaction of the Secretary that—

(1) it will use amounts received only for purposes authorized by this Act and will pay over to the Secretary (for deposit in the Airport and Airway Trust Fund) an amount equal to 110 percent of any amount expended in violation of this Act or regulation issued thereunder, unless the violation is corrected after notice and opportunity for corrective action. However, whoever knowingly misapplies the proceeds of a grant obtained under any provision of this Act shall be subject to a fine in an amount equal to three times the amount of the misapplied proceeds;

(2) it will—

(A) use fiscal, accounting and audit procedures which conform to guidelines established therefor by the Secretary,

(B) provide to the Secretary, on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for the purpose of

reviewing compliance with this Act and regulations issued thereunder, and

(C) make such annual and interim reports to the Secretary as he may reasonably require;

(3) all laborers and mechanics employed by contractors in the performance of work on any construction contract in excess of $2,000 financed by funds received under section 7 (d), will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5), and with respect to the labor standards specified in this paragraph the Secretary of Labor shall act in accordance with Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and

(4) individuals employed by it whose wages are paid in whole or in part out of funds received under section 7 (d), will be paid wages which are not lower than the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(b) WITHHOLDING OF PAYMENTS.—If the Secretary determines that any public agency has failed to comply with any provision of subsection (a) or any regulations prescribed

thereunder, he shall notify the public agency that if it fails to take corrective action within 60 days from the date of receipt of such notification further payments to it will be withheld until such time as the Secretary is satisfied that appropriate corrective action has been taken.

(c) ACCOUNTING, AUDITING, AND EVALUATION.—

(1) The Secretary shall provide for such accounting and auditing procedures, evaluations, and reviews as may be necessary to insure that the expenditures of funds received under this Act by public agencies comply fully with the requirements of this Act. The Secretary is authorized to accept an audit by a public agency if he determines that such audit and the audit procedures used are sufficiently reliable to enable him to carry out his duties under this Act.

(2) The Comptroller General of the United States shall make such reviews of the work as done by the Secretary or public agencies as may be necessary for the Congress to evaluate compliance and operations under this Act.

SEC. 13. SETTLEMENT OF EXISTING AGREEMENTS.

The Secretary shall issue criteria and requirements designed to terminate or amend by September 30, 1980, all existing contractual relationships between airport sponsors and the United States Government in grant agreements,

deeds, and other instruments of conveyance, issued pursuant to the Federal Airport Act of 1946 (49 U.S.C. 1101 et seq.), as amended, the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.), as amended, and the Surplus Property Act of 1944, as amended. Such criteria and requirements will be consistent with the objective of placing greater responsibility on States and airport owners. The Secretary is authorized to settle existing obligations under grant agreements, deeds, and other instruments of conveyance. Each settlement shall be in an amount not exceeding the maximum obligation stated in such agreements, less payments made thereon.

SEC. 14. FALSE STATEMENTS.

Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who, with intent to defraud the United States—

(1) knowingly makes any false statement or false representation in any report certification or representation required to be made under this Act; or

(2) knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the

submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this Act; or

(3) knowingly makes any false statement, false representation, or false report or claim for work or materials for any project approved by the Secretary under this Act;

shall, upon conviction thereof, be punished by imprisonment for not to exceed 5 years or by a fine of not to exceed $10,000, or both.

SEC. 15. NONDISCRIMINATION PROVISION.

No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in the accomplishment or use of any airport development funded in whole or in part with funds made available under this Act.

SEC. 16. GENERAL POWERS.

The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, withdraw or withhold apportionments or portions thereof, or take such other action that may be necessary to meet the requirements and objectives of this Act, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this Act, as he considers necessary to carry out the provi-

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sions of, and to exercise and perform his powers and duties under, this Act.

SEC. 17. REPEAL; CONFORMING AMENDMENTS; SAVING PROVISIONS; AND SEPARABILITY.

(a) REPEAL.—Parts I and II of title I of the Act of May 21, 1970 (84 Stat. 219) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 509(c) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(2) Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(a)) is amended by striking out "Section 19 of the Airport and Airway Development Act of 1970" and inserting in lieu thereof "Section 10 of the Airport and Airway Development Act of 1975".

(3) The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended—

(A) by adding after "the Airport and Airway Development Act of 1970" in section 313(c) the additional words "or the Airport and Airway Development Act of 1975,"; and

(B) by striking out "the Airport and Airway

Development Act of 1970" in section 1109(c) and inserting in lieu thereof "the Airport and Airway Development Act of 1975".

(4) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214(c)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(5) Section 13(g)(1) of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)(1)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(6) Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(c) SAVING PROVISIONS.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary of Transportation, or any court of competent jurisdiction under any provision of the Federal Airport Act, as amended, and the Airport and Airway Development

Act of 1970, as amended, which are in effect at the time this section takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by any court of competent jurisdiction, or by operation of law.

(d) SEPARABILITY.—If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances is not affected thereby.

SEC. 18. CHARGES ON PERSONS TRAVELING IN AIR COMMERCE.

Notwithstanding the provisions of section 1113(a) of the Federal Aviation Act of 1958, a State (or political subdivision thereof), the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the District of Columbia, a territory or possession of the United States, or a political agency of two or more States which operates an airport is not prohibited from levying or collecting a tax, fee, head charge, or other charge on passenger enplanements at that airport if the tax, fee, head charge or other charge meets the following conditions: (1) the method and procedure for collection of the tax, fee, head charge or other charge are reasonable and designed to impose the minimum burden on

the passenger consistent with the efficient collection of the tax, fee, head charge or other charge;, (2) the net proceeds of the tax, fee, head charge or other charge will be available for expenditure and used exclusively to meet costs incurred after the date of enactment of this Act attributable to the operation or improvements of the airport or to pay existing indebtedness incurred for airport development at its air carrier airports; and (3) the tax, fee, head charge or other charge imposed does not exceed $2 for each enplanement.

94TH CONGRESS
1ST SESSION

S. 1455

IN THE SENATE OF THE UNITED STATES

JULY 28, 1975

Referred to the Committee on Commerce and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. HARTKE to S. 1455, a bill to provide for the expansion and improvement of the Nation's airport and airway system, to provide for delegation of certain airport development functions to States and airport sponsors, to permit financing of airway facilities maintenance from the Airport and Airway Trust Fund, and for other purposes, viz: At the end of the bill insert the following:

SEC. 19. INTERMODAL AIRPORT DEMONSTRATION PROJECT.—(a) The purpose of this section is to authorize Federal assistance to a demonstration project which will demonstrate the feasibility and desirability of locating an air carrier airport within easy access to a major metropolitan area and on interstate and intrastate rail and highway routes which will provide terminal and other facilities for the inter-

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connection of interstate and intrastate air, rail, and highway transportation as well as commuting transportation to such major metropolitan area.

(b) As used in this section—

(1) "Secretary" means the Secretary of Transportation;

(2) "airport development" means any work or the acquisition of land or structures for construction or improvement of an airport or for the construction or improvement of facilities for use in relation to an airport;

(3) "public airport" means any airport which is used or to be used for public purposes, under the control of a public agency, the landing area of which is publicly owned; and

(4) "public agency" means a State or an agency thereof, a political subdivision of a State or an agency thereof, or a tax-supported organization.

(c) The Secretary is authorized to enter into a contract, or other appropriate arrangement, with a public agency in an appropriate area of the Nation, which has completed the initial planning, including necessary studies of economic, social, and environmental effects, for a public airport which will carry out the purpose of this section, in order to pay the Federal share, as determined pursuant to section 17 of the Airport and Airway Development Act of

1970, of the cost of airport development for such airport. The Secretary is authorized to make such contract or other arrangement subject to such conditions and requirements as will make the provisions of such Act of 1970, which are not inconsistent with this section, applicable in carrying out the provisions of this section.

(d) There is authorized to be appropriated out of the Airport and Airway Trust Fund such amount, not to exceed $50,000,000, as is necessary to carry out the provisions of this section.

Senator CANNON. This morning we will begin by hearing the administration's proposals advanced by Deputy Secretary John Barnum, to be followed by representatives of the airline industry, Mr. Paul Ignatius of the Air Transport Association, and Captain J. J. O'Donnell of the Airline Pilots Association.

Mr. Barnum, would you introduce your associates here with you.

STATEMENT BY HON. JOHN W. BARNUM, DEPUTY SECRETARY, DEPARTMENT OF TRANSPORTATION; ACCOMPANIED BY THEODORE C. LUTZ, DEPUTY UNDER SECRETARY FOR BUDGET AND PROGRAM REVIEW; JAMES E. DOW, ACTING ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION; AND FREDERICK E. MEISTER, JR., ASSOCIATE ADMINISTRATOR FOR POLICY DEVELOPMENT AND REVIEW

Mr. BARNUM. Thank you. On my left is Mr. James Dow. On his left is Frederick E. Meister, Associate Administrator for Policy Development and Review of the Federal Aviation Administration (FAA).

On my right is Ted Lutz, Deputy Under Secretary for Budget and Program Review in the Department of Transportation (DOT).

We appreciate the opportunity to appear before you today, Mr. Chairman, to discuss the administration's proposal for the extension and revision of the airport and airway development program (S. 1455).

The Airport and Airway Development Act of 1970, enacted 5 years ago, was an important landmark in aviation legislation. For the first time, a Federal commitment to a long term funding program for the development of airports and airway facilities was established. Also, for the purpose of helping to alleviate a serious problem of airport and airway congestion, the 1970 act established annual authorizations at levels significantly higher than those that had been available before. In the late 1960's under the old Federal Airport Act, annual authorizations did not exceed $75 million. The 1970 act raised the annual authorizations for airport development and planning to $295 million. In 1973, this amount was increased to $325 million.

The authorization for the program expired on June 30. We believe that, based upon our 5 years of experience under the 1970 act, we should now retain the good features of the current act while improving the overall execution of the program.

Over the 5-year period, fiscal years 1971 through 1975, $1.3 billion in airport development funds have been obligated involving over 2,400 projects. Eighty-five new airports and 178 new runways have been built and several hundred airports have been upgraded through the accomplishment of projects for improving the installation or improvement of airfield lighting and approach aids. In addition, new federally directed safety and security programs have been instituted and financed, including those for the installation of security fencing and the acquisition of firefighting and rescue equipment.

Thus, the accomplishments under the 1970 legislation by any measure have been substantial. However, the program has been subject to criticism both from airport sponsors who are the direct recipients of the grant-in-aid funds and from the various aviation industry groups

which are closely associated with them. Common among the complaints are that there is, first, excessive Federal involvement in the details of proposed projects; second, undue and costly delay in processing grant requests; third, a number of inequities in the method of apportioning funds; and, finally, too much Federal involvement in the local decisionmaking process.

Over the course of the past year, the administration analyzed extensively the Federal role in airport development. It thus reviewed a number of alternative methods for solving the problems inherent in the existing airport program. Our proposed legislation, which is based upon that comprehensive review, has the following critical objectives:

To increase State and local flexibility in the management of the airport assistance program;

To reduce direct Federal control and eliminate detailed Federal project review;

To provide long-term, predictable funding to facilitate more effective planning and implementation of airport programs at the State and local levels; and

To focus Federal funding and overview on that airport development which is most critical to national transportation system requirements.

In formulating the bill, we have taken into consideration the magnitude of the needs, the various interests of the users and other interested parties, the fiscal position of the Federal Government, and our philosophy of the proper role of the Federal Government vis-a-vis State and local governments and airport sponsors. Now, I would like to review the proposed legislation in some detail.

First, the bill establishes a Federal commitment to a 5-year $1.7 billion airport development program under which air carrier and reliever airports would receive approximately $300 million per year for each of the fiscal years 1976 through 1980. In addition, general aviation airports would receive $50 million per year for each of the fiscal years 1976 through 1978. These funds would be available to airport sponsors for not only airport development, but also airport planning. In total, this $350 million annual program represents an increase of about 9 percent over the $325 million authorized under the 1970 legislation, as amended. Air carrier airports will receive approximately 7 percent more than the amount that has been available to them up to now, and about 43 percent more will be apportioned to the States for general aviation airport development, a substantial portion of which would be used for the development of airports served by commuter carriers.

Under the bill, sponsors of airports served by the certificated route air carriers will receive a variable dollar allowance for each departure of an air carrier aircraft whose gross takeoff weight exceeds 12,500 pounds. Regardless of the number of such departures, each of these airports will receive a minimum of $100,000 a year. No airport may receive an amount in excess of $5 million a year. This limitation affects only four airports: Los Angeles International, Atlanta, O'Hare, and Dallas-Fort Worth Regional.

Senator CANNON. Do you mean that those four airports would be the ones that could receive $5 million a year?

Mr. BARNUM. Those are the ones which by the departure formula might be entitled to more than $5 million, but, because of the ceiling, are held to $5 million. That is correct.

The balance of the air carrier funds remaining after this apportionment will go into a discretionary fund. The discretionary fund will be about $63 million in 1976, and provision is made to guarantee that it never falls below $30 million. This discretionary fund will be used to fund projects at air carrier and reliever airports essential to the safety and efficiency of air operations; airport system planning grants for State, metropolitan and regional airport needs studies; and projects for the evaluation of new airport concepts.

General aviation funds will be apportioned to the States under a formula which takes into account State area and population and the number of registered active general aviation aircraft in the State. A separate allocation will be available for projects in Puerto Rico and the territories.

We believe that the changes we propose with respect to the authorization and apportionment of funds are important to insure that the most urgent airport construction needs are met for all of the various segments of the aviation industry. In addition, we believe that revised procedures which we now propose for the delivery of financial aid and for reduced Federal review of its use are equally, if not more important.

First, most air carrier funds will be distributed to airport sponsors in a manner which will place at the local level the basic decision of where and when to spend the money.

Second, the multiyear formula for the allocation of funds to sponsors of air carrier airports will lend an important element of predictability to the funding program which has been absent in the past. Such absence has been criticized repeatedly by the sponsors of these airports.

Finally, while some Federal standards will be retained regarding the construction of air carrier airports, Federal review of local actions will be held to a minimum. In fact, most of that review will be conducted on a postaudit basis. As a result, we thereby achieve, first, a better balance between the decisionmaking roles of the Federal Government and airport sponsors; second, a reduction of the time lags in accomplishing projects; third, more effective planning and program execution at the local level; and finally, the elimination of Federal involvement in many detailed administrative chores.

With respect to general aviation airport projects, the bill makes significant changes to the statute which will permit the States to take on within the next 3 years most of the responsibilities now exercised by the Department. The bill provides that, as soon as a State certifies that it is capable of managing a general aviation airport program, the Department's role will be reduced to apportioning funds and conducting certain postaudit functions. If a State does not provide the Secretary such a certificate, the Department will continue through fiscal year 1978 to provide funds directly to airport sponsors in that particular State. After that time, the States will assume full responsibility for their general aviation airport programs. The bill also contemplates the settlement of agreements with airport sponsors made

heretofore under the Airport and Airway Development Act of 1970 and other statutes.

In addition to these major changes to the 1970 act, our proposal contains a number of other important features:

Amendments have been made expanding in two important and vital areas the purposes for which financial aid may be used in connection with airport projects.

First, the bill would permit the use of funds for the construction or improvement of portions of terminal areas open to public use and directly related to the movement of passengers, baggage, and cargo through the airport.

Second, it would permit the use of funds to acquire land needed to promote the compatibility of an airport with neighboring areas from the environmental standpoint.

The sponsor's share of airport development costs, which now ranges between 18 and 50 percent, would be established at 25 percent for all categories of projects except those where a further reduction is allowed in the sponsor's share on the basis of there being a substantial amount of public lands and nontaxable Indian lands in the State.

A provision is included in the bill which permits the imposition by the States or their political subdivisions of charges on passenger enplanements if certain conditions are met with respect to not only the amount of the charges, but also the method used to collect them and the application of the revenues obtained. By permitting the imposition of such charges, the bill would enhance the ability of State and local governments to provide matching funds for essential airport development projects.

Senator CANNON. Are you talking there about one of the old issues again?

Mr. BARNUM. Yes, sir. At the same time, the conditions applicable to the imposition and collection of these charges will serve to protect persons traveling in air commerce from undue inconvenience.

The bill will provide for the conduct of effective airport planning programs. Funds from the discretionary fund would be available to areawide planning agencies for carrying out airport system planning, and moneys apportioned to airport sponsors for airport development projects would be available for the conduct of airport master planning. The Secretary would be directed periodically to publish reports on airport planning and development undertaken by sponsors of air carrier and reliever airports, and would be empowered to obtain from these sponsors special reports on long-range needs. We believe that these reports, which will replace the current format of the national airport system plan, will enable us to keep abreast of the needs and problems of air carrier airports and to evaluate properly the effectiveness of the funding program for these airports. We will look to the States to carry out these responsibilities with respect to the general aviation airports within their boundaries.

The bill continues the annual $250 million funding level for the acquisition, establishment, and improvement of air navigational facilities under the Federal Aviation Act of 1958. It also provides for the continuation of FAA research and development activities under provisions identical to those set forth in the 1970 act.

The bill also provides for the financing from the airport and airway trust fund of the annual maintenance costs of airway facilities procured from the fund. The users of the system are currently paying the initial capital costs of airway facilities and equipment, all of which require ongoing maintenance to keep them in proper operational condition. We believe it is reasonable and appropriate that the costs of such maintenance be borne by the users of the system. Annual revenues from aviation user taxes have grown to the point where it is possible to resume the funding of this maintenance and still provide adequate funds for airport development and the acquisition and improvement of airway facilities.

I would like to emphasize that we are not proposing that any costs attributable to the provision of air traffic control service or FAA overhead costs be financed from the trust fund. In fact, to insure that the accomplishment of capital projects associated with the airport and airway system is protected, we propose to retain the protective provision in the 1971 amendments to the act. Thus, before any funds are appropriated for maintenance, amounts equal to the minimum annual authorizations for capital projects must remain in the trust fund until appropriated for the purpose of funding such projects.

The Department has also submitted to the Congress a companion bill which will modify the user tax structure established by the Airport and Airway Revenue Act of 1970. In brief, this proposal reduces the tax on airline tickets from 8 percent to 7 percent, increases the international enplanement fee from $3 to $5, and increases the fuel tax applicable to general aviation from 7 cents a gallon to 15 cents. At the end of fiscal year 1978, that fuel tax would be reduced to 10 cents a gallon to coincide with the termination of Federal grants for general aviation airports.

The Department has been concerned for a long time with the present imbalance in the imposition of aviation user taxes. Therefore, the tax changes we are proposing will reduce slightly the contribution to the Airport and Airway Trust Fund of those who use the domestic airlines, and will raise by an approximately equal amount the contribution of the general aviation sector. This will insure that the airline users do not pay more than their fair share of system costs, and will raise general aviation's share of total system costs from the current level of less than 4 percent to nearly 7 percent (still far short of the 30 percent share allocated to general aviation by our 1973 study). We do not anticipate that the tax changes we are proposing will have any appreciable impact on the total amount of revenues obtained from aviation user taxes, and the general taxpayer will still be financing about 45 percent of airport and airway system costs.

In conclusion, Mr. Chairman, I believe the administration has designed a sound legislative proposal: First, it will permit the Federal Government to focus its efforts in the field of airport development on projects which are most critical to national transportation system requirements. Secondly, it will provide State and local governments added responsibility and flexibility in meeting State and local needs. Finally, it makes important and equitable changes in the financing structure of the current program. In sum, I believe it will improve our capability to solve our airport development problems, and I urge that it receive early and favorable action by your committee.

That completes my prepared statement. Now I shall be happy to answer any questions the committee may have.

Senator CANNON. Thank you very much for your statement. I am happy to note that three of the proposals that you have made are proposals that we considered under the old act, and which the administration and many other people initially opposed, and I am glad to see that you have seen the error of your ways and are now coming around to including those provisions.

With respect to the head tax, I don't think I need say anything further. I think the vote was quite overwhelming that Congress was not about to impose a head tax, or permit it to be imposed. So you might give some thought as to what the impact would be if you got the program through with no head tax, and also what the impact might be if you got it through without imposing an added burden on general aviation. General aviation airplanes are collecting an awful lot of dust, because they can't afford to fly them with the present cost of fuel, let alone an increase in the cost of aviation gasoline taxes, or fuel taxes.

Under the terms of the 1970 act, and the 1973 amendment, the administration was required to obligate not less than $1.46 billion for airport development grants, and yet not quite $1.3 billion has been obligated through June 30.

Can you tell us why the intent of Congress has not been met in obligating the required amount at a time when the trust fund is showing about a $1 billion surplus?

Mr. LUTZ. Mr. Chairman, there are two areas with regard to that question.

First, in several cases we have had appropriations, and this accounts for section E under those required appropriations. They have been short because in several cases the Congress has appropriated less than the minimum 250. That has accounted for, not a lot, but some of the shortfall.

The second point is that the obligations require the degree of program obligations.

Senator CANNON. Those requests from the administration were less than $250. It is difficult for Congress to go ahead and appropriate more than is requested.

Mr. LUTZ. I think last year we asked for the full $250 in the budget. The Congress appropriated $227. In 1973, we just completed a shortfall of $23 million. Several of the other years were slightly under the $250, but I think in FAA, you have been right at the $250. Jim?

Mr. DOW. I think in the airport development assistance program, the shortfall the first year, we were at mid-year when the program was implemented, and the first year's obligations, I think you will find they were something like $100 million at that point in time, which accounts for the major part of the shortfall.

The years following that were essentially at the obligation level that was prescribed. So it is fundamentally in terms of the first year during the part-year program and in the years following that when we were at the $280 million level which was authorized by the Appropriations Committees, et cetera.

We met the obligations with the exception of one or two instances. But the bulk of it came in the first year, when I think the obligations were like $170 million, which leaves you a little under $100 million.

Senator CANNON. What plans do you have in regard to obligating the $190 million plus in airport funds left over from the 1970 program?

Mr. BARNUM. Our present intention is to permit that to expire.

Senator CANNON. To permit it to expire?

Mr. BARNUM. Yes, sir.

Senator CANNON. You have no plans at this time to obligate those funds once the program is reauthorized?

Mr. BARNUM. No, sir. I believe in fact it has expired by the terms, and we do not have any plans to obligate those funds.

Senator CANNON. Would you oppose a provision in the bill giving you authority to obligate those funds that were not used but that were authorized?

Mr. BARNUM. If it would put us substantially over the budget, we believe the amounts we have recommended here for obligation are adequate to meet our present demands.

Senator CANNON. There has been a serious shortfall insofar as the FAA obligating all appropriated funds for the acquisition and installation of air navigation facilities required under the 1970 act. Why has the Department failed to spend the required $250 million annually in light of the continuing need for new facilities and equipment?

Mr. DOW. The main reason in the facilities appropriation, we operate under the administration policy of full-funded projects. That is, when an instrument landing program or other program is approved, it is funded for the equipment which is normally contracted with the vendor. It also includes the installation funds and flight check and commission of facility.

Deliveries on almost any of the electronic systems today take at least 12 months. Some are 15. So that when the installation funds which run normally—they vary some, but it is the type of facility, like airport surveillance radar, vis-a-vis control towers, but normally they run 40 percent of the cost of the project.

The equipment deliveries are in excess of a year, and it means each year we in effect carry over the installation moneys. It does not get obligated in the same year it is appropriated. That is the main reason that the $250 million is there; it has both equipment and installation and flight check money in it. It is authorized, and then the obligations in a given year are shorter than that.

Last year, we set an obligation goal of $226 million, and we met that essentially at the level we programed, and each year the program will vary, and in the last year we have geared to meet those obligation targets. But the reason for shortfalls is the fact that we have installation funds a year before the actual installation is made, and the reason for the policy is so the total cost of the project is provided at the time it is approved.

Senator CANNON. In 1970, it was the intent of this committee that the airport and airway development program place high priority on the installation of instrument landing systems and control towers at all airports served by scheduled, certificated air carriers.

Can you tell us the extent to which this intent has been carried out?

Mr. BARNUM. I will ask Mr. Dow to give you the details on that, Mr. Chairman.

Mr. Dow. On the instrument landing systems, the program through fiscal 1975, they are installed or appropriately funded. On the delivery schedule, instrument landing systems for all locations that meet the establishment criteria—in both those and control towers, they are put in on establishment criteria.

But for the criteria that exist, we have provided for all those that meet it through fiscal year 1975.

In the instance of control towers, those are all installed, including the non-air-carrier airports that meet the criteria. Those have been funded and provided for, equal to the instrument landing program in the same manner, so that those towers are either installed, commissioned, or on their way in. So I would say we have met the intent of the bill by providing those that meet the establishment criteria.

There is a question of some of the user groups and constituencies and to the criteria, and they would say that they should be installed at locations beyond the criteria. But it was coordinated at the time, and so I am answering in the context of those that meet the established and approved criteria.

Senator CANNON. Several times you have said, "Meet the criteria." What do the criteria consist of, and do they mean installation of these facilities at all air carrier airports?

Mr. Dow. They provide that these systems shall be installed at every airport served by turbojet equipment. In addition, it will be provided at those airports that have actual instrument approach totals of 700 annually. So in terms of air carriers, it says that an airport which has turbojet service, it qualifies for an instrument landing system, and the nonturbojet airports, the criteria is 700 actual instrument approaches.

In the case of towers, the establishment criteria is 24,000 itinerants, or takeoffs and landings from other than the local airport, including the air carrier count. If there are not air carrier operations included in the count, then the total operations are 50,000 to qualify for a tower.

Senator CANNON. How many air carrier airports now have the instrument landing systems installed, and how many total air carrier airports are there?

Mr. Dow. I would have to get the number of instrument landing systems, but let me give an answer to give you a feel for it, and I can get the details.

We use 525 air carriers, and it fluctuates from 530–something to 550. But the normal number is 525 air carrier airports.

In terms of instrument landing systems, there are locations, like Chicago and New York, where there are four or five instrument landing systems on one airport. So the total number of instrument landing systems won't really give us the one—it won't give us necessarily—like, we could have, for example, 600 instrument landing systems.

Senator CANNON. How many?

Mr. Dow. We could have something like 600, but that wouldn't say that every one of the air carrier airports had an instrument landing system in that there were 525 of those, because there are so many of them that have more than one instrument landing system.

Senator CANNON. What is the number of air carrier airports that do not have instrument landing systems now? It seems to me that it is quite substantial, and I would like to know what that figure is.

Mr. Dow. I don't have that with me. It could be, but I don't feel there are a significant number of air carrier airports that do not have an instrument landing system. There are a significant number of runways at air carrier airports that do not have an instrument landing system, but the actual number I just don't have with me.

Senator CANNON. Would you provide for the record the number of air carrier airports that do have systems and the number that do not have instrument landing systems?

Mr. Dow. Yes, sir.[1]

Senator CANNON. What are your priorities and plans for the next 5 years in installing required air navigation faciilties and justification of a continuing authorization of $250 million annually?

Mr. Dow. Our plans are to continue the installation of facilities like instrument landing systems, airport surveillance radar. There is some replacement action needed in the longrange radar program which serves our air route traffic control centers. There are equipments coming in that will be supplementing the instrument approach capability. There are communications receivers and navigation aids. In short, the program will continue the navigation approach and landing and air traffic control capability in the areas of fundamentallyy instrument landing systems, of which we are on the verge of making a change from the current VHF landing system to a microwave landing system that will give us increased capability in terms of site locations, et cetera. The other outlays would be in the area of automation, both in the route area and in the terminal area, where recently, as a result of tests, we added the minimum altitude warning, and in two centers we tested the concept of automatic alerts. This will be installed in all 20 centers when it is proved up.

So it is fundamentally navigation, approach and landing, and air traffic control, with emphasis on automation.

Senator CANNON. Will you change your criteria so that you will, during that period, install instrument landing systems at the air carrier airports that do not presently have them?

Mr. Dow. There is currently in the case of instrument landing systems a revised criteria being circulated by the user groups, those that we serve. It is a proposal on revised criteria for instrument landing systems. The tower criteria—those are criteria that is actually in coordination. The instrument landing system coordination package I am not sure has reached the user groups yet, but the tower one is in the hands of the user groups. These will be coordinated, and will be the airport surveillance radar criteria.

So the answer in short is, yes, we are looking for revised criteria, and we will not issue it until we have coordinated it with those who use the system.

Senator CANNON. In S. 1455, you recommend we limit to $350 million anually expenditures in one area. For that program, you would add terminal development assistance, environmental land purposes, and an increase in the Federal share of airport development. On top of that, the Nation's airport operators have told us, that just to stay even with 1970 cost, a minimum of $500 million would be needed annually to accomplish the level of airport development contemplated in 1970.

[1] At the time of going to press, December 6, 1975, the information requested had not been supplied.

With those factors in mind, it seems $350 million annually is a large step backward in terms of the amount of development that would be purchased in the next 5 years. Why has the administration seen fit to limit its program in such a way?

Mr. BARNUM. Let me make two observations on that, Mr. Chairman.

First, we have actually been obligating less than the $300 million that has heretofore been available. It has been roughly in the area of $263 million as an average over the 5 years.

So we are in fact recommending a one-third increase.

Second, we are quite conscious of the implications of increased construction costs, and indeed in anticipation of your being interested in this subject, I asked the FAA to give me some estimates of what has been the recent trend of construction costs at airway sites and I am happy to advise you that based upon the work that the Federal Highway Administration does in surveying construction costs across the country, and it is exactly the same kind of construction that is performed at airports, what had been a very sharp increase in 1975 in construction costs—excuse me, in 1974 construction costs—appears to have leveled off somewhat, and in fact has decreased slightly.

So that I do not anticipate that we are going to be flooded with the sharp rise in construction costs that we had during the 1974 period over the next 5 years.

Senator CANNON. I am sure you are aware of the fact that construction at airports involves a lot of petroleum products, and if decontrol should happen to go through, I think your theory would go through the ceiling along with it, because the cost of those products would go up very markedly. Even now, many of the airport operators and many of the contractors have pointed out that they need some kind of relief because of the presently escalating cost of petroleum products that are used in connection with airport development.

Mr. BARNUM. You are quite right, there is a substantial amount of petroleum product use in connection with airport construction, and this is obviously a matter that has to be watched. We are watching it also in connection with respect to the increased cost of asphalt in the Federal highway construction program.

But I think if we are going to in fact recognize the increased cost of petroleum across the board, airport construction costs like highway construction costs, are simply going to have to take that into account. We have to keep our eye on what the total budget can sustain. That is the reason we recommended the figure we do to you.

Senator CANNON. What would be the administration's position with respect to an escalator provision in the airport development contracts, in light of the fluctuating cost of petroleum products over which the contractor has no control?

Mr. BARNUM. Again, this is a problem similar to the one we have confronted in connection with highway funding, and we recognize that in order to get adequate bidding on construction contracts, it is important that the airport sponsor in this case be in a position to protect the contractor against cost increases that he may have. That is something that I think we would be in favor of.

Senator CANNON. You would favor such a provision?

Mr. BARNUM. Yes, sir. I think if you don't do that, you will get fewer bidders on the construction projects and the result may be less competitive and in the long run, more expensive construction.

Senator CANNON. Given the nearly $1 billion trust fund surplus, and the fact that current user charges are bringing in almost $1 billion a year, wouldn't it be useful to spend $500 or $600 million on airport programs, based on today's needs and your recommendation that the airport program be broadened significantly?

Mr. BARNUM. We do ask that the airport maintenance costs be included with respect to those receipts, but I guess the overall consideration from our viewpoint is the impact on the budget of increasing the amount of spending.

Senator CANNON. Would you give us the estimates for those costs?

Mr. BARNUM. Airway maintenance is $431 million in recent years. I can give it to you estimated for future years. It runs from $431 million in fiscal year 1976 up to, gradually increasing, to $464 million in fiscal year 1980.

Senator CANNON. That seems like a tremendously large amount. If we are going to start funding those kinds of costs, we are going to have nothing to spend on airport development.

Mr. BARNUM. As I think I did point out in my statement, we recognize that this should be funded only after we have covered the other items.

Senator CANNON. With costs like that, it would tend to hold down the amounts used for other items.

Mr. BARNUM. That is not our purpose. Our purpose is to fund fully other items and use only the surplus for these purposes.

Senator CANNON. Under terms of the legislation adopted by the committee in 1970 and 1973, we tried to provide an apportionment formula, and a Federal-local matching fund program, which would be more generous to the smaller airports, which have difficulty in financing airport development projects.

Conversely, large airports such as Chicago, New York, and Las Vegas were treated less generously because they are financially self-sufficient.

As I read your bill, you would reverse this policy so as to provide more funds to the larger airports at the expense of the smaller ones. In your plan, airports such as New York and Chicago would be guaranteed millions of dollars each year in Federal funds, even though they have unique ability to finance their own development program entirely without Federal assistance.

How do you justify this change in apportionment and matching fund policy?

Mr. BARNUM. We have looked carefully at the implications of our proposal, and Mr. Meister has in detail the answer to your proposal. I would like to have him develop what would be the consequences of that.

Mr. MEISTER. We share your concern that the large airports would potentially get excessive amounts of money under the proposals by an increase from 50 to 75 percent of the matching share.

So what we did in the formula was to try to develop a program that put more of the money into the medium and small hubs than had been done under the aid program.

To cite figures, in the last 5 years ADAP funds have averaged about 40 percent. Conversely, in the medium hubs, they have only received 21 percent on an average over the last 5 years, and we are proposing that they now receive 24 percent.

The small hubs have received 15 percent traditionally, and we are saying now they should receive 18 percent.

Not only are these absolute increases in percentages, but they are absolute dollar increases. We, too, share your concern, and the whole emphasis of the program is to try to get more money into the medium and small hub airports where the financing problems exist.

Related to that, to go back to the issue you talked about earlier on the head tax, one of the reasons we are advocating repeal of the prohibition on head tax, is that our study we submitted to Congress this summer indicates that if a $2 head tax could be imposed at the small and medium airports, not only would the head tax eliminate the deficit between their operating expenses and revenues, but they could get up to two to three times as many dollars in capital improvement as they would receive through the ADAP program.

We agree, as you stated, that the larger airports are self-sufficient and do not need the same amount of Federal assistance that they did in the past.

Senator CANNON. It seems to me that between your proposals, and the air carriers' proposals to increase fares, that we are doing everything we can to keep the passenger from going through the gate. I think we have to take a longer look at the consumer and see if we can't keep these prices down.

Each time you talk about a head tax on the individual going through the gate, I think it is simply unjustifiable. I for one am not going to go along with that proposition, so you had better talk to somebody other than me, if you are going to get that one through here.

I think we would be better off to leave the ticket tax where it is now, rather than reducing it and putting it on the passenger as a head tax. It would be creating one additional level of bureaucracy in the collection process to add onto the one who pays the bill.

I think we have too much Government involvement. You want to decrease your role and have the local agencies set up another bureaucracy to collect an additional tax from somebody. I just don't buy that.

Mr. BARNUM. I agree with you, Mr. Chairman. That is a tough point, and we are as concerned about having people go through the gate as you are. We are watching this issue, whether it be in connection with increased costs of fuel, or otherwise in which the air carriers are regulated and are not able to compete as effectively with the ticket prices as they should be in our judgment, and that will be the basis of one of our principal proposals for modernization of the regulatory scheme.

It may be that we have proliferated the cost elements of flying by adding the head tax to our proposal.

One of the problems in all these areas is the different areas in which the passenger gets hit. It does, however, give the local airport developer an option to increase his capital, and we do think that this is something which should be left to his judgment.

Senator CANNON. As I understand it, your bill proposes the elimination of the national airport systems plan. Why do you propose to do away with that requirement, and what do you plan to use to take its place?

Mr. BARNUM. I would like to have Mr. Meister describe what we are proposing as an alternative.

Mr. MEISTER. In a technical sense, we are doing away with the national airport system plan, if you define that as it has been, which is a collection of budgetary requests by the various sponsors.

As you know, it has not been a national policy plan of airport development for the United States. It has been a series of needs requests.

What we are proposing to put in place, we think, will be much more effective. We are stating that first of all, all airport carriers, or air carrier airports would have to develop a comprehensive master plan that would look at their needs out over a 10- to 20-year time frame. They would have to do that within 2 years of date of passage of the bill, so that we could see what their future needs and programs are.

Second, at the Federal discretionary level, out of the $60 million we would have, we do have a provision to require statewide system plans as well as metropolitan area planning to make sure that we are tied together at the State level and at metropolitan levels where you may have more than one air carrier airport.

On top of that, the secretary also has discretionary power to request whatever kind of information he requires from air carrier airports to see where he may be going in the future, or to look at particular airport problems. That is all on the air carrier side.

Now, on the general aviation side, we do again find out of the Federal discretionary statewide general aviation system planning, and require that the States themselves undertake local master planning for air carrier development.

I think what we would really have is much more of a national airport plan in a sense of a series of documents that tell us clearly where the air carrier airports are going, what they need, as well as on the general aviation side.

I would not categorize our program as an abandonment of any national airport planning. We are going at it in a different fashion, and I think probably in a more effective one, if this bill were passed.

Mr. BARNUM. The nub of that, of course, is that it is consistent with our concept of concentrating on the air carrier airport and the reliever airport and leaving the state planning to the general aviation airports. As we in the Federal Government recommended we move out of the general aviation area, we want to increase the planning with respect to the air carriers' reliever airport. So I think it is consistent with our program.

Senator CANNON. From what you have said in your statement, and from what Mr. Meister said a minute ago, makes it clear to me that each State, even though it may not have it now, is going to have an airport division, or a central airport authority to develop its plans for its airports.

Is there no way you can deal directly with the applicant at the Federal level, and thus not require the establishment of another level of bureaucracy in the States which have no airport authority?

Mr. BARNUM. Well, yes; there is, but I think it is desirable to have the States take on an airport planning function, and in many cases it may be best performed with a State department of transportation, which is able to coordinate airport planning with highway planning, with mass transportation.

This has begun to happen in a number of States, and we think it is quite a salutary development. We would like to encourage that. We do not regard it as imposing another layer of planning.

Mr. MEISTER. Second, when we are talking about State involvement in planning, we are talking mainly about the general aviation airport program which the proposal would phase out after 3 years of Federal involvement, so that States would have to develop over the 3 years the capability of doing it themselves.

On the air carrier airport, where there is a remaining Federal interest which we have to watch carefully, we would be working in connection with the planners. So there is a direct relationship on a one-to-one basis with those major airports in the system.

Senator CANNON. In your statement you indicate that most air carrier funds will be distributed in a manner which places at the local level the basic decision of where and when to spend the money. Does that indicate that funds apportioned to those airports can be spent in any way the sponsor chooses, or will he have to obtain FAA approval?

If the sponsor has the discretion of setting his own priority for the use of trust fund money, what assurance does the U.S. Government have that the most important projects are accomplished first, while the least important are left to last?

Mr. BARNUM. We are requiring overall airport planning, and we will be approving the plans with respect to the particular airport. Once approved, they can proceed with the projects under the plan.

Senator CANNON. In any priority they see fit?

Mr. BARNUM. But the priority would be set forth in the plan.

Senator CANNON. You would require a priority in the plan?

Mr. MEISTER. Yes. They would have to give us a detailed program on what they intended to spend their money on and how they would phase that out over time.

We are not abandoning as a result of this any Federal safety configuration or construction standards at air carrier airports. They still would have to meet those standards. They can't go off willy-nilly and build the facilities however they desire. So there is still Federal stewardship in that sense of the word over them.

Senator CANNON. A situation could arise in Los Angeles, where the city might want to use all of its trust fund moneys to purchase noise impacted land, even though other development projects might be more important in terms of safety and efficiency of the airport.

What assurance would we have in seeing to it that the highest priorities would be dealt with first?

Mr. BARNUM. Our only assurance would be that the collective judgment of the FAA and the Los Angeles Airport authorities will result in addressing the priorities that they should be addressing.

I don't think you can properly as a legislative matter dictate what are the priorities nationwide.

Senator CANNON. No; we can't do that, but will the FAA still have the control to determine the order of priorities and see that the order of priorities is met, rather than just approving a grant to Los Angeles, for example.

Mr. BARNUM. I would anticipate that they would, and that they would be approving the plan.

Senator CANNON. I want to hear from the rest of you.

Mr. MEISTER. The legislation clearly provides that before the air carrier sponsor could use the fund directly apportioned to him, he has to consult with the public and other user groups affected by that airport. So you would have the airline people involved in the decision-making process about the priority.

You cannot have the Los Angeles commissioner or the manager of that airport going off to spend money in a manner that is deemed not acceptable to meet Federal safety standards, or the needs of the participants at that airport.

As you well know, at major airports such as Los Angeles, they are primarily dependent for their funds on bonds which come from area bonds.

Mr. Dow. What the intent of this provision is, I think, is to eliminate the project-by-project approval. Today, when they decide to extend a runway, then every project comes through the district office and they get a sign-off and an approval.

The thrust of this provision is for them to come in with an overall plan and have it approved, and as long as the project is as the plan was approved, they can go through with it without coming back and having us look at details on every project. It is done once on an overall plan, and then go from there.

Mr. BARNUM. May I add one point to that?

As a result of that, what we envision being able to do is make the environmental analysis, not of a project-by-project, but of the airport plan, and then they can proceed with funding the particular projects in that plan without having to go through the environmental impact statement analysis, which is costly and time consuming.

It would be a single environmental impact analysis for the plan, and for all the projects within the plan.

Senator CANNON. You have indicated that under your proposed program, there will be far less Federal review and redtape. Would you provide us a detailed explanation of Federal controls that will be abolished, and those that will be retained?

I think you have just mentioned one; that is, if you can have an impact statement on an entire plan, that would be preferable to an impact statement on a dozen different proposals in the entire plan.

Mr. BARNUM. Precisely. I think that is a very important step forward. It is one that we find is meeting with approval in the environmental community. Those in the environs of the airport are generally concerned with airports generally, and they have said that there has not been sufficient long-range planning, that they don't know what is going to come next. Hence the argument at certain airports with respect to the need for master planning. That is now going to be a requirement for every airport, and by 1977, we must have a master plan for every airport, and by doing that at one shot, yes, changing it as conditions change, and doing the environmental analysis on that occasion, I think there can be substantially less Federal paperwork than there has been before, both with respect to approving the plans and with respect to the environmental plans.

Senator CANNON. Are those the only two areas in which you feel there would be less redtape?

Mr. MEISTER. The letter of credit which we will issue to the sponsor will cut it down, because he will not have to submit all the detailed budget and financial justification.

I guess the major benefit aside from the environmental part, getting rid of the project-by-project approval that is now required—there are 21 steps that a sponsor must go through in the course of a project, submitting separate forms each time.

Once the master plan is approved, a good deal of this would be eliminated and you are dealing with more manageable numbers of dollars, rather than individual steps all the way through. That just has to be very saving of time.

Senator CANNON. Are you saying that once the master plan is approved, you are not going to require the detailed supervision of the individual project that you now require?

Mr. MEISTER. That is correct. It would have to be based on our Federal standards and be approved in terms of the master plan, but then our power of supervision would be on a postaudit basis, which it is now, because we are not out supervising a good many of these projects. It is physically impossible.

Senator CANNON. You have indicated that the sponsors have criticized the program because of the unpredictable availability of funds from year to year, and that your proposal would eliminate that problem.

I fail to understand, given the long-range contract authority in the 1970 act, that the sponsors cannot be given assurances, at least over a 3-year period, that they will receive a certain level of Federal funding.

It seems under your proposal, that they will be given a U.S. check each year to do with as they wish, so long as it falls within the overall plan.

Mr. BARNUM. Well, one of the general ways in which we have improved the predictability of funding is that it is now more on a formula basis. Both the amount that a particular airport will receive, the average will be increased on the apportionment basis, and the predictability is insured, rather than having to rely on being able to tap the discretionary fund.

Senator CANNON. The administration has proposed that most general aviation projects would be turned over entirely to the States either now or no later than 1979. What assurances do you have that the majority of the States have the expertise required to administer airport development and planning projects?

Mr. BARNUM. I don't think we yet have such assurance. We have indications that there are many States interested in developing this expertise. We will be watching carefully as they develop it, and until they have, we would not be prepared to certificate their acting in that capacity.

Perhaps Mr. Dow has had experience in discussions with the States on how that is developing.

Mr. Dow. We have actually made a survey of the States and the national State aviation organizations, also, giving us indications of the varying capabilities from State to State as to their ability to conduct a program, and I think there is something like 20 to 24 State's at the current time which seem to be in a position to conduct a program,

and another 13 that will have a high degree of probability within a 3-year period, and in the long-term range there are 10 or 11 States.

There are a number that have indicated that if we go with it, they would like to be early in the process of handling the program.

Senator PEARSON. What does "capability" mean?

Mr. Dow. I had better let Mr. Meister pick it up. But before we leave the States, the other facet is that they have the background, and have gone into it deeper in some cases than in others, and they have indicated they will handle the program for those matters dealing with that State.

The Secretary would have to certify to the capability before the program was turned over to the State, and in the interim, it would be a Federal grant direct to the sponsor pending the certification capability by the State.

Mr. MEISTER. In terms of your specific question, Senator, on what we mean by capability, if you will bear with me, I can give you about five or six major kinds of things that would be required as part of the certification. Of course, the details would depend on the nature of the final package, but, for example, they would have to demonstrate the competency to understand and apply Federal safety standards and guidelines on airport development, design, and construction.

They would have to have a competency to develop a statewide program. They would have to have competency to develop a statewide system plan, competency to develop and monitor a master plan prepared by general aviation airports which would be receiving funding, the establishment and installation of a system to insure meaningful post-audits, and finally an audit capability to be sure the funds were being used in a manner set forth by the law.

Senator PEARSON. We have all that capability right now in the FAA, do we not?

Mr. MEISTER. Yes, sir.

Senator PEARSON. Of course. Have you run any estimate or model for a given State, and then estimated what personnel and budget the State would have to have, and what degree of technology would be required?

Did you pick out a State like Nevada or Kansas and try to figure that out?

Mr. MEISTER. We did.

Senator PEARSON. Did you pick Kansas or Nevada?

Mr. MEISTER. Those two we put in the longer-term category. Great potential.

Seriously, we did look at that——

Senator PEARSON. I think you were serious the first time.

Mr. MEISTER. I was. We did look at that in detail, and we would be the first to admit that we are not proposing turning over the general aviation ADAP program to the States in terms of fewer personnel needed to administer the program. We are not going to save more people or more administrative dollars. The people that we take out of the FAA, there probably will be a replacement in the States. So we are not advocating this as a cost-saving proposal. We are advocating it on the basis that we believe a good many States now, some 24 who administer a large percentage of the ADAP funds currently, have the capability and knowledge to administer these programs effectively,

and, furthermore, on the basis of general aviation for community development purposes, that these States can better determine how those airports can be used for development than can the Federal Government sitting in Washington. But it is not a cost-saving proposal.

Senator CANNON. Will these grants be usable by the States to establish their departments of aviation and their aviation planning departments, and all of the things that go along with them, and not be independent of the projects the department would consider?

Mr. MEISTER. In the current proposal, the administrative costs were not included, but that is something, depending on the nature of the final bill, that could be worked out.

Senator CANNON. In your bill, the States would not be eligible, then, to receive grants for the administration costs and the operation costs of the State department of aviation, and the planning department, and so on, other than a planning grant, per se.

Mr. MEISTER. That is correct, sir.

Senator CANNON. I must compliment you on that.

What criteria will you use to determine whether any given State is qualified to administer an airport development and planning program within its borders?

Mr. MEISTER. I think the ones, Senator, in more detail that I mentioned earlier in terms of their capability to develop a master plan, a statewide system plan, their capability for audit, their capability to write and implement their own standards for general aviation, environmental standards that would be required under this proposal to administer, and things of that nature, that would be determined by regulations issued by the Secretary once the final legislation were adopted.

Senator CANNON. You would issue final regulations covering the precise criteria and then make a determination as to their capability?

Mr. MEISTER. Yes, sir. We are not about to turn over the program on any basis where environmental issues could be involved if they do not have a capability. The Secretary would have to certify that they have indeed met these criteria that will be issued, and the guidelines.

Senator CANNON. You call for a change in the Federal-local matching formula so as to provide a uniform 75-percent Federal participation.

In terms of the large hub airports, what justification do you find for increasing the Federal share from 50–50?

Mr. BARNUM. I think the principal rationale for going to a flat 75 percent has been simplification.

Senator CANNON. Has been what?

Mr. BARNUM. To simplify the program as a whole.

Senator CANNON. You mean it would be simpler to give them 75 percent than 50 percent?

Mr. BARNUM. Oh, that is harder. In terms of administering the program, it does avoid the complications or disputes that may arise as to which category the particular project might fall into. We don't think it is going to adversely affect any of the project areas, where heretofore we have been funding at a higher level, such as the 82 percent for some of the projects in the security area, much of which have been done—firefighting equipment and rescue equipment.

Senator PEARSON. When you looked at the revision of the Airport & Airways Act, what was wrong with the old act? Where did you see some very glaring situations for which corrections had to be made?

I know we have mandated a reexamination of some of the quotas and some of the figures that we pulled out of the air when we wrote this act, but when you looked at the experience we had had during the years that this act had been in force, what was there that did not work any more, and what had to be corrected? What were those things?

Mr. BARNUM. Let me say first, as I come to a number of sections that could be improved——

Senator PEARSON. I apologize for being late. You probably developed this in your statement. I wanted to know what was wrong with the old act.

Mr. BARNUM. The old act was a very good act, and many excellent things were done as a result of that legislation. It does have sections that we think can be fine tuned. That is what we are here for, essentially.

Senator PEARSON. This revenue-sharing concept is not fine tuning. I am being argumentative. Try to answer what I asked you.

Mr. BARNUM. We do look to something which in our judgment gives greater predictability than heretofore. This has been in part the same comment I made to the chairman, by putting it more on a formula basis and less on a discretionary basis. The recipients or beneficiaries of the apportionment know better what they are going to get over a long period of time. That is a plus. That is something we have been trying to do in mass transportation finacing, and so forth. Extending this to 5 years and allocating so that the—allocating more of the total pot would leave you less to discretion. So there is less squabbling over it, and there is on the part of the recipient an ability to predict what he is going to get over this period of time.

I think we have also brought a plus in, in that we have focused more on the national transportation needs, which is something the Federal Government should continue to have the main role in performing.

This goes with respect to the air carrier airports and the reliever airports, and making the FAA spend more than its time on that role, and helping States develop a capability of meeting the general aviation demand so that by 1970 they would be in a position to perform that function. I think that is a second big plus.

It is going to come more quickly in some States than others, but Mr. Dow and Mr. Meister mentioned that there are a number of States which are quite prepared to step into this general aviation oversight planning role today, and we think they should be encouraged to do that. This bill would permit that, and I think that is a very definite plus.

Third, I would reiterate what I said earlier with respect to planning for the longer term. It is not financing but planning for the longer term, where a master plan is not going to be required by the end of fiscal 1977 for a 10- or 20-year period.

Projects within that plan can then proceed in a more orderly manner, yes, in order of priority established in the plan, but without the redtape and the bureaucratic hangups that necessarily come from project-by-project approval, and the environmental impact analysis of the plan rather than the project by project both serve to cut down the paperwork that is necessary on the part of the airport sponsor

and the FAA, and this is a cost saving, and is both an environmental plus and a planning plus, and I would say that was a very significant improvement, if you will, under the 1970 act.

Those are the ones that I think are the most important changes, if you will, in the 1970 legislation.

The other one that we have reintroduced in the concept of doing the airway maintenance out of the trust fund to the extent funds are available to do it after the other priorities for F. & D. and R. & D. have been met.

Senator PEARSON. I understand that the safety equipment is funded at 82 percent now. I remember that 82 percent figure. You reduce it to 75 percent. What is the rationale of that? Does that make everything neater, too?

Mr. BARNUM. It does make it neater, but I don't think we would do that if there were a very large amount of the safety security, fencing, and rescue equipment yet to be financed. I think in large part that has already been done, and the small change of 7 percent we don't think that is going to affect the firefighting equipment, rescue equipment, and fencing that was available before. We don't think it will deter that being cleaned up.

Senator CANNON. Would the Administration approve an amendment to the program which would increase the Federal share of airport development projects to 90–10 in smaller airports and small hubs?

Mr. BARNUM. I would rather see the funding continue at something in the neighborhood of the 75 percent that we recommended. I do think that airport sponsors should make more of a contribution than a mere 10 percent for across-the-board programs.

Senator CANNON. Well, you know from your own experience that many of the small airports don't take advantage of the program because they can't come up with the 25 percent matching funds, and you recognize it to a degree when you say, "Put on another head tax and this will give them some means of coming up with additional money."

Why wouldn't it be a lot simpler to forget about the head tax disaster and offer these smaller airports a 90–10 formula?

Mr. BARNUM. Two points on that: By authorizing—not requiring, but by authorizing, or not prohibiting a head tax—we do permit those airports that have a capital problem, and this is not universal, but the ones that have a capital problem to do that.

If you went to 90–10, you would be accommodating those airports that do and those that do not have a capital problem.

Senator CANNON. I think we saw an example where one airport did not have any particularly great problems, but they went for a $3 head tax, so I don't think your rationale is necessarily sound; that is, that the airport won't adopt the head tax if it is not having any particular problems. I think they will go for the head tax as a means of providing some added revenue.

Mr. BARNUM. I am not saying they won't adopt a head tax, or that they would adopt a head tax only in the case where they had a shortfall, but the other point with respect to the head tax here is that we are requiring the use for airport purposes, which has not

been heretofore a limitation on head taxes, even when they were available.

Senator CANNON. Senator Hartke has prepared an amendment to S. 1455 which would authorize the expenditure of $50 million for an intermodal passenger terminal demonstration project to be built in South Bend, Ind., with revenues from the airport and airways trust fund.

What is the Department's recommendation on that?

Mr. BARNUM. That is something we are studying. I have a copy of it here. We will have to respond to that in writing, if we may. It was introduced in late July.

Senator CANNON. A suggestion has been made that you might want to include one at Las Vegas and Wichita.

Mr. BARNUM. It may be that Senator Hartke does not think of his State as having a long-range promise that yours do.

Senator CANNON. The Lockheed Corp. approached the committee regarding the sale of the airport at Burbank, now owned by Lockheed, to the city. The parties believe the acquisition of that facility should be defrayed by Federal grant in the airways and airport trust fund. What is the Department's recommendation on such a proposal?

Mr. BARNUM. We have not yet made a recommendation as to that proposal. I understand it is about $60 million, and we will be supplying a response to that.

Senator CANNON. Tell us a little more about your proposal for land acquisition.

Mr. BARNUM. It comes in two parts. First, we would recommend that the act now be amended to authorize land acquisition around an existing airport for environmental compatibility purposes.

Second, we would recommend that the Department be required to make a study of land banking as a means of—both for environmental and long-term financial reasons, aiding us in siting future airports.

Those are two respects in which we address the land acquisition problem. We do not now recommend a land banking authority, because we don't know enough about what the implications of that would be.

Senator CANNON. Does your proposal include a land banking authority for future airport expansion of an existing airport other than funds for environmental purposes that you have mentioned?

Mr. BARNUM. No, sir.

Senator PEARSON. Is it just the estimated costs that you are uncertain about in land acquisition for airports?

We know this: We know it is almost impossible to locate a large airport around a large metropolitan area.

Mr. BARNUM. We are well aware of that, and I think before we recommend to the Congress that they make funds available for land banking, we would want to have a better understanding of what the total cost implications of that would be. We know of some places where people are proposing major new airports, such as St. Louis, where there is a proposal to site an airport at Waterloo, Ill.

There is one in New York, and in Los Angeles, and I heard of one around the Boston area, but until we knew what the totality of that was, and the cost implications of land banking, and could come to you

with some kind of a formula for Federal participation, or requirement of criteria as to what kind of demand projects would justify land banking, I think it would be premature.

Senator PEARSON. Are any of the cities beginning to look again at airport construction offshore, Los Angeles, New Orleans, Chicago? That got to be an exciting thing that everybody played with 5 or 6 years ago, and the costs were prohibitive.

Mr. BARNUM. It is expensive, and the only one I am aware of is Cleveland.

Senator PEARSON. Cleveland.

Senator CANNON. Would you tell us more about what you see in the air terminal facilities area?

Mr. BARNUM. What we propose is that we expand the uses to which the funds can be put to include those parts of the terminal which relate directly to the passenger or his baggage—getting through the terminal. We would not include cafeterias, or counters, or bookstores, but anything that can help the passenger and his baggage to get in and out of the terminal quickly, we think that is appropriate.

Anything further?

Mr. MEISTER. No.

Senator CANNON. That would include loading and unloading, and baggage-handling facilities?

Mr. BARNUM. And cargo; yes, sir.

Senator CANNON. Is it pretty much in line with the interpretation we gave it when we were originally discussing the act and some of us tried to get that provision through?

Mr. BARNUM. It is slightly more restrictive than your interpretation. I would like to have Mr. Lutz develop that.

Mr. LUTZ. We would put two limitations. One is public space only, which your committee had put in as a main definition. Second, we would try to restrict the uses a slight bit more on the specific baggage-handling area.

Basically, it is in line with what the committee discussed in previous legislative acts.

Mr. BARNUM. We think this is a significant step, and perhaps I should have added it to my list of comments to Senator Pearson. We are increasingly concerned about the land with respect to airports. This is something that we in conjunction with the Transportation Resource Board and others have been working on for some time.

I participated in a conference in Tampa this year. We are increasingly concerned about delivering the passenger from the airplane to the transportation system on the other side. This is one reason we would now consider funding mass transportation facilities on the airport property.

Senator CANNON. Recently there was criticism of the certification program mandated by the 1970 act. This committee opposed certification of airports as wasteful, but our colleagues in the House were adamant.

Would you give us an assessment of what impact a repeal of that program would have on aviation safety, or what changes you would make to have the program less costly and burdensome?

Mr. Dow. One of the criticisms was the number of exemptions, particularly in the early part of the program. That fundamentally dealt

mostly with fire equipment, where there is a backlog of $22 million worth of fire equipment and housing for it to comply with the program.

The airports had been operating at a level of safety, and this would provide time through the exemption route for them to obtain the equipment. Now, they have been able to clear that up.

The discussion they had on providing the information on the slipperiness, or braking actions, we have systems which is a technique for determining braking. There is the diagonal brake. We are surveying that, but the standard has not been adopted. So there are a number of those we are pointing out, and the certification, per se, the most costly part, as we view it in discussions with the airport operators and the representative organization, is the cost for the response time, and we set a response time for 3 months for fire equipment to meet that in a number of cases has meant an added burden to the airport.

This is an area that has been an expense item, when it gets beyond the initial acquisitions, where there is Federal participation in the operational staff, and so forth.

In Alaska, we had to make certifications of airports that are unattended that come under the legislation. So I think there is an area where we might be able to spell out a little clearer those airports that really require a look and an annual recertification.

There is a group in the Northwest part of the country, Johnson Flying Service, which are in effect unattended strips. The interpretation of the legislation was that we had to go out and survey those.

So I think there is a big area in keeping the program and defining maybe a little more what level of airport we are talking about, what level of service we are talking about, and how much and how far we go in the safety area.

The big cost items, I think, are fire protection and emergency equipment, together with the manning on it. The other big area is in fact keeping in the program all the currently defined landing strips—should we keep all those in? Certainly all the unattended strips that have no one at them, are we required to go up and check those annually and certificate them?

Senator CANNON. Would you give us some recommended language, during the course of these hearings, to make the program less costly and burdensome to our smaller air carrier airports along this line?

Mr. BARNUM. Yes, sir. I am glad you focused on this, because this is a problem we have had in certifying airports. The language was so written that literally a strip that is used occasionally, maybe just to train pilots, was something that literally had to be certified.

Second, an airport that might be serviced by substitute service, but had a certificate for air carrier service, would have to be certified.

So that did put on the FAA overnight a very severe burden of requiring these 525 airports to meet those requirements. So I would certainly welcome the opportunity to improve that.

Senator CANNON. Senator Pearson?

Senator PEARSON. I have not heard a word about Mr. Dow, and so Mr. Dow is apparently doing an excellent job. When will the administration send up a permanent Administrator?

Mr. BARNUM. I agree Mr. Dow is doing a fine job. I can't answer the second part of your question.

Senator CANNON. I have a final question which does not relate to the bill itself, but as long as you and Mr. Dow are here, I will pose it to you.

I have read Secretary Coleman's letter to me regarding reversal of disciplinary action against an FAA regional director. I view this case in a much different light than simply a personnel action. FAA senior officials must set the standard for all airmen to follow. They must observe the FAR's and good flying practice if the public is to have confidence.

Mr. Freer's judgment in operating a DC–3 for which he was not qualified was a gross error. It was endangering the lives of the passengers on board, was gross negligence. Mr. Dow's action was taken for the good of the FAA and for flying safety, and I can't understand how you could overrule the Administrator by ruling that Mr. Freer should continue as director of the eastern region subject to the loss of a month's pay.

He destroyed a Government aircraft valued at $25,000, he endangered lives of eight FAA officials on board, and so forth.

I would like to have your comments on that.

Mr. BARNUM. Mr. Chairman, I appreciate your frank criticism. I assure you I reviewed the record of the case concerning Mr. Freer and the action Mr. Dow had taken. I gave it the most thoughtful consideration.

I would remind you, as I believe is set forth in Secretary Coleman's letter to you, that I did not at that time have the National Transportation Safety Board—NTSB—report of the accident. I had before me, and indeed I was limited in my action to acting on the record that was before Mr. Dow, and I did not agree with Mr. Dow with his finding of gross negligence as set forth in his letter to Mr. Freer. I believe you have my letter to Mr. Freer in which I changed the decision of Mr. Dow, which sets forth my reasons.

I believe those adequately set forth my reasons, and I believe Secretary Coleman's letter to you sets forth that further.

Senator CANNON. I don't question the fact that by law you be involved in the personnel action, but it seems to me we have to go far beyond a mere slap on the wrist if the public is to have confidence in the FAA.

Mr. BARNUM. I accept your criticism, sir. I can merely reassure you that I gave it the most prolonged and serious consideration for what I thought was in the best interest of the FAA. I did not think that Mr. Freer's actions had destroyed his utility to the FAA, and in my decision, I fashioned the sanction as one consistent with that judgment; namely, that he had not destroyed his capability and utility to the FAA, but in fact he could continue to play a useful and meaningful role at the FAA. That is the basis for my decision.

Senator CANNON. Thank you very much, gentlemen.

The next witness is Mr. Paul Ignatius, president of the Air Transport Association of America.

STATEMENT OF PAUL R. IGNATIUS, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA; ACCOMPANIED BY CLIFTON F. VON KANN, SR., VICE PRESIDENT, OPERATIONS AND AIRPORTS; JOHN G. DUBA, VICE PRESIDENT, AIRPORT AFFAIRS; AND SIEGBERT B. PORITZKY, DIRECTOR, NATIONAL AIRSPACE SYSTEMS ENGINEERING

Mr. IGNATIUS. Thank you, Mr. Chairman.

The person on my right is Clifton von Kann, Sr., vice president of operations and airports, Air Transport Association. To my immediate left is Mr. John Duba, vice president of airports; and on his left is Mr. S. G. Poritzky, who is director of national air space systems engineering in the Air Transport Association.

Mr. Chairman, I have prepared a lengthy and, I hope, comprehensive and useful statement for review by the committee that I would request be included in the record in full, but I propose, if it is agreeable to you, to summarize and paraphrase the statement rather than go through all of it.

Senator CANNON. It will be made a part of the record in full, but I hope you will highlight for us the essential parts now, not the historical part necessarily, but the essential part of what we are looking at in the bill.

Mr. IGNATIUS. That is my intention, Mr. Chairman, and I hope I will succeed in doing that.

I would suggest that we try to highlight the essential part in my statement. We have prepared a table showing the trust fund status as it is today, and have projected what it would be if the current program were continued during the 5-year period before us.

We show in the first horizontal group of figures the trust fund income of about $940 million for fiscal 1975, and then, based on FAA projections, we show what that income will be in the period fiscal 1976 through fiscal 1980 if we keep the present user taxes where they are and we achieve the growth in movement of air passengers that FAA projects for this planning period.

The second group of figures shows the surplus that would be present under that income—the prior year surplus. We have then a total, and then we show annual appropriations, beginning at about $625 million for the fiscal 1975 program, and then holding at $645 million for the 5-year period, which again is based on FAA planning data, which I break down in footnote 2 to the table.

Finally, the surplus figure is shown, beginning in 1975, and it approximates $700 million. By the end of the 5-year period in fiscal 1980 that surplus would build to about $3.8 billion if we keep the program where it now is, and if we keep the user taxes where they are.

Senator CANNON. That would be 8 percent user tax and no head tax?

Mr. IGNATIUS. Yes, sir, at 8 percent, and the taxes in effect on international departures and on freight way bills.

Senator CANNON. What about the fuel tax?

Mr. IGNATIUS. Those are included at their present levels. We have made no changes in the input to the fund from where it is now. We have assumed that if it went on just as it is, these represent the estimates of income, and we have held the program constant, assuming no dollar change, and the result would be a surplus growing from $700 million to approximately $3.8 billion.

Senator CANNON. Does this also include the overseas boarding fee?

Mr. IGNATIUS. Yes, sir, that is included where it now is, which is at a $3 per passenger charge. That is also included in the income projections. In other words, we have frozen the present program, and if that were to occur, it seems to me that this first chart begins to highlight one of the problems; namely, that we have a large surplus today. We are building to a significantly larger surplus at the end of the 5-year period, and we are out of balance between income on the one hand and outgo on the other.

Now, I have included in footnote 4 to this table, Mr. Chairman, the obligational authority that totals about $193 million that you referred to in one of the questions that was raised when the departmental witnesses were here.

I have included that in the footnote, but not in the figure. I understood Mr. Barnum first to say that those additional funds were to expire, but if I heard him correctly, he amended that to say that they would be transferred to the surplus. If I heard him correctly, these surplus figures are understated by the amount of $193 million.

Senator CANNON. You heard him correctly, but I don't think his two statements were inconsistent. In other words, he was saying that the authority would be allowed to expire, but it is in the trust fund, and therefore it would be carried over as part of the surplus.

Mr. IGNATIUS. All right. I think that is right, and footnote 4 shows by year how the surplus would increase if that $193 million were included. Thus, we show on the surplus line a growth from about $700 million to $3.8 billion. We show that in the footnote, but don't include it in the figure.

This is the financial background then. We have in the program here what I think all the airlines regard as fundamental and basic legislation. We regard this as landmark legislation that the Congress passed in 1970, and under the leadership that you gave it and members of this committee gave it. We think this is one of the basic building blocks in the air transport system, and there is no question in our mind but what it was needed, is needed, and will continue to be needed, but we think that there are some adjustments that 5 years of experience have highlighted, and which these financial figures, we believe, highlight, and that is why I have begun then with table I.

Now, I would go and review with you what the airlines propose with respect to this program, keeping the background in mind that it is a necessary program on the one hand, but that we have substantial surpluses building up on the other hand, and I would like to go down each of these points on page 10.

First, we think the program should be extended for 5 years with continuation of the 3-year obligational authority for grants that are now included.

Second, we believe that the consultative process should be strengthened to assure that airport projects meet user requirements.

We regard the airport operator and the airlines as partners in air transportation.

We are interested in safe, efficient air transportation. We recognize, also, that the cost of air transportation is going up significantly. You have made reference to the fuel problems which we faced, and you have mentioned how the airports face that, since some of their costs involve materials such as asphalt, which are petroleum based.

So we have a very important interest in a safe and efficient transportation, but making sure only the essential needs are met so that we avoid, to the extent we can, a pyramiding of costs that would adversely affect our passengers and shippers.

Senator CANNON. In your statement, do you propose any language along that line?

Mr. IGNATIUS. I say we believe there should be a consultative process in our statement. I do not have the language in the statement, but we have agreed on language between AOCI, AAAE, and the airlines, and we submitted that to the House committee, and we can make that available to you, Mr. Chairman, for your consideration.

What the language essentially requires is a consultation with regard to projects that would give the airlines what we believe is a necessary and adequate voice.

We think this is important, particularly if the Congress elects to go in the direction that the administration is recommending, to delegate more authority with regard to airport development projects to the local people to eliminate some of the review that is now required.

It may well be that that review process is unduly burdensome today. I have had occasion to look into some of it, and I think some of it could be streamlined. But we would be quite concerned as airlines if the airport operator had carte blanche to do whatever he wished—not that he would in all cases act irresponsibly. We certainly wouldn't contend that, but we do have an important involvement. We are the users, we are anxious that the costs be held to the essential minimum to the extent that can be done, so this is a very important aspect of this whole problem as we see it.

Continuing, we would propose, Mr. Chairman, that the present funding level for ADAP, which is $310 million, be increased to $545 million, and the reasons for that increase will be seen in the first recommendations I discuss with you.

We think $310 million is too low to meet the essential needs. We think $545 million, on the other hand, is a figure that would meet those needs, and as table I has shown, there is ample funding available to meet those needs.

The next point we would make is that the Federal-local matching fund ratio be changed from its present combination of 50–50 for the large hub airports and 75–25 for all others to an across-the-board 90–10.

The airports, both the smaller ones and the larger ones, have had increasingly difficult problems in meeting their share. There has been discussion already this morning about the problem of the small airport. Many necessary and worthwhile projects have not gone forward because the local sponsor did not feel he could meet his share. The problem is not confined just to the small airports, because the larger airports are having increasing difficulties.

It must be remembered that the revenue bonds that they issue are guaranteed by the airlines, and the airlines' financial condition today is not healthy, if you look at the industry as a whole. So we feel that this is a necessary change.

The Congress has already made one significant change when they took the original 50–50 share and changed it to 75–25 for all but the larger hub airports, and we are recommending that all airports be raised to a 90–10 level. And again, the funding is available to accommodate that.

Our next point relates to the apportionment formula. Today, funds are apportioned on an equal-thirds basis, the basis of enplaned passengers, at the discretion of the Secretary of Transportation and on the basis of the State or area population.

We would recommend some changes in the present equal-thirds formula; first, weighting it to 40 percent for enplaned passengers. This puts more funds where the volume of activity is.

Second, we would increase somewhat the discretionary authority of the Secretary of Transportation in order that he can accommodate special problems that may arise, for instance, at smaller airports; and that the State area population one-third be reduced to 20 percent. We think this formula is an improvement over the present equal-thirds, and we think it will help insure that the moneys flow where they are needed.

We recommend that the present legislation be amended so as to make eligible for funding the public use areas of terminals. We have reviewed with the airlines the needs for the land side of airports. We have reviewed a recent FAA study on this, and I think all of us feel that a major obstacle to efficient air transportation is on the land side. Therefore, we think it would be appropriate to make eligible for funding the public areas of terminals.

Now, again, we are talking about the movement of passengers, the movement of their baggage. We are not talking about the space that would be used by an individual airline, or by a concessionaire in the airport.

We also believe, taking up the next point, that the act should be modified so that land for environmental purposes was made eligible for trust funding. There is a lot we don't know about this, so we are not recommending that substantial moneys be earmarked for this at the present time.

There are studies underway about this, and we need to review them and to know more about the magnitude of the problem. But the matter of environmental compatibility is an important one for the community. It is important for the airlines and airports, and we think the present eligibility should be widened so as to include funding for these purposes.

I am thinking of things like buffer zones around airports. We think you should make a small start on this but not provide substantial funds at the outset for it.

My next point is on the planning grant program. There is currently $15 million a year in the planning grant program. Most of the states have completed the planning that was authorized by that program. We don't think these funds need be separately earmarked and included in the bill. We think the necessary planning can be accomplished under

the general ADAP moneys under the master plans that are required.

Again, in connection with this planning we are anxious that the airlines have an opportunity to play an effective role and to express their views on it.

My next point is to continue present intergovernmental relationships, and what I have in mind there is that we not substantially change the present relationships or substantially enlarge the roles of the States in this.

I have great concern and the airlines have great concern that if we mandate a new level at the States to do the kind of things we discussed earlier this morning, we would bring into being very large and expensive bureaucracies, duplicating capabilities that already exist at the Federal Aviation Agency and at great expense to the individual States. We don't think this is necessary.

Obviously the States and the communities have an interest in air transportation and a role to play, but that is not to say that you want to create an FAA at the State level. There are certain things in air transportation that seem to me to be inherently national in character, and since skills of this kind are often hard to come by, there is much sense, I believe, in concentrating those skills in the FAA.

These are the changes that we would recommend, Mr. Chairman, in the ADAP program.

With regard to facilities and equipment, we propose a somewhat larger amount. The F. & E. program is at a minimum of $250 million, and we believe that should be raised to a minimum of $275 million.

With regard to R. & D., that is currently funded at a minimum of $50 million, and we believe that that should be retained where it is.

Now, with regard to user taxes, we recommend that the present domestic tax be reduced from 8 percent to 5 percent, that the international departure tax be reduced from $3 to $2, and that the freight way bill tax be reduced from 5 percent to 3 percent.

There are many reasons for that. I showed you in table I how the income will substantially exceed the outgo from the program, if the program is kept where it is.

The airline passengers and shippers are currently contributing more than 90 percent of the trust fund income. We believe they are not only paying their fair share, but more than their fair share.

Finally, in the light of this, if a sound and essential program can be funded at a lower tax level, then we believe it is only fair to the passengers and shippers to reduce the taxes that are now applied to them.

We have got a problem today with fuel going up. There have been fare adjustments because of fuel. There have been fare adjustments because of the other costs that have increased, and we are anxious to hold down the costs of air transportation wherever we can. We believe this is one area where this can be done, and still meet the essential needs to insure that the air transport system will be able to accommodate to the growth in traffic that we expect, and consistent with the safety considerations which have been and must be overriding.

Now, I would like to direct your attention to table III of my statement.

Table III shows what the status of the trust fund would be if the recommendations that we have proposed, and which I have just reviewed individually with you, were put into effect.

Now, again, beginning with the trust fund income, this income on the first line, beginning in fiscal 1976, is based on our recommended changes in the taxes. In other words, table I showed the present taxes, 8 percent for domestic, for instance, and this table shows the taxes at the level we are recommending.

So we are showing 5 percent domestic, $2 international and 3 percent on the freight.

Again, based on FAA projections of traffic growth, we show what that trust fund income would be at the reduced tax levels for the period fiscal 1976 through fiscal 1980. We show the surplus, and we show the annual appropriations.

The first column shows fiscal 1975, and then we show our recommended program, totaling $770 million. In footnote 2 we break down that amount showing the F. & E., R. & D., and the $545 million for ADAP, totaling $870 million.

We have reduced the income to the fund by reducing the taxes. We have increased the outgo from the fund by raising it from the earlier chart at $645 million to $870, an increase of over $200 million a year. We then show the balance, and then the final surplus figure, beginning with $692 million, the same figure we saw in the earlier table, and building at the end, and ending in fiscal 1980 with a figure on the order of $300 million.

So we have dealt with the problem that we saw in table I where we went from $700 million to almost $4 billion in surplus. We have taken account of that by reducing the income to the fund by reducing the taxes, and increasing the outgo from the fund in order to accommodate the larger program that we believe is necessary.

So we have brought the two into balance. We have balanced income and outgo, and we have also provided a larger program that we think the higher cost of buying everything requires, as well as the anticipated growth.

We have not changed the taxes for general aviation. The income projection I show involves only a change in the taxes relating to airline passengers and shippers. If this program we are recommending, then, were adopted by the Congress, we believe it would meet the needs of the next five years, and would produce a balanced program in the sense that income and outgo were in reasonable balance.

Now, I have several other issues that I would like to discuss, the first one, on head taxes. As has been brought out earlier, the Congress very carefully considered, but ultimately prohibited local head taxes on airline passengers. We believe that any change to make them possible would be a step in the wrong direction, and we would hope that would not be done.

With regard to the role of the States, I have addressed that somewhat in my earlier comments. We think the kinds of things needed here are best done at the FAA level, and we would hope that we could avoid a proliferation of costs at the State level for these functions.

The third point has to do with the funding of operation and maintenance costs. The administration has proposed that the trust fund be used to meet certain types of maintenance costs. The Congress in the past has rejected proposals that would open up the trust funds to FAA operating and maintenance costs, and we are hopeful it will do so again.

I have one other point which is not in my statement, but which I would like to bring up at this point, if I may, and to make a recommendation, as I say, one not covered in my prepared statement.

In 1970, striking a balance between the interests of the traveler and the Government requirement that inspection be performed for protection of the general public and collection of revenues, Congress limited the amount required to be paid by operators of private aircraft and vessels for inspection service performed on Sundays, holidays and weekday nights.

I urge the Congress to modify the provision so that it adequately covers air carriers. Travel habits have changed substantially since the original statute of over 60 years ago was applied to steamships.

To conclude my statement, then, Mr. Chairman, we believe the annual funding level of ADAP should be increased from $310 million to $545 million to assure that adequate funds are available for needed projects.

We believe F. & E. should be increased from a minimum of $250 million to a minimum of $275 million, and that the present minimum of $50 million for R. & D. be held where it is.

We recommend the public areas of terminals and land purchase for environmental purposes be made eligible for trust fund financing.

We recommend the ratio of 90 to 10 for all airports. We believe the airlines' voice should be enlarged in the consulative process for airport development projects.

We believe user taxes should be reduced in order to bring the fund income and outgo into balance, and to lower the costs of air transportation for passengers and shippers. We believe the reductions should be from 8 percent to 5 percent for the domestic tax, from $5 to $3 in the international departure tax, and from 5 percent to 3 percent in the freight way bill tax.

I appreciate your attention, Mr. Chairman. My associates and I will now endeavor to answer any questions that you may care to put.

Senator CANNON. What is the significance of the dollar value between the $3 and the $2 on the overseas head tax?

Mr. IGNATIUS. In terms of how much?

Senator CANNON. How much does the within-dollar difference amount to?

Mr. IGNATIUS. Most of the money comes from the domestic ticket tax. I don't have that figure at hand. We will supply it.

Senator CANNON. I am not talking about the percentage. I am talking about the $3 departure tax versus the $2 tax that you recommend.

Mr. IGNATIUS. I am told it is $20 million. It is not a large amount.

Senator CANNON. What is the difference in the 5 to 3 percent in the freight way bill tax?

Mr. IGNATIUS. That is also a small amount. I do not have the exact figure.

Senator CANNON. Do you feel that is a particular problem?

Mr. IGNATIUS. Well, the freight carriers certainly feel it, and the airlines that move both passengers and freight feel it also. I am saying that you can reduce the taxes here, and you should do it more or less evenly.

General von Kann tells me the present freight way bill tax produces trust fund income in the amount of about $42 million, so we would be reducing that by about $15 million.

Senator CANNON. Are the airlines satisfied with the manner in which the funds have been appropriated and committed for the acquisition and establishment of air navigation facilities?

Mr. IGNATIUS. Most of the effort there in terms of dollars has gone to laying a base for eventual automation of the air traffic control system. A great many of the dollars have also been spent in increasing aids at airports.

Senator CANNON. I would like to ask Mr. Poritzky, if he will, to comment further.

Mr. PORITZKY. Thank you, Senator Cannon.

Over the last several years the appropriated amounts for facilities and equipment have gone from very small amounts just before the passage of the act to $250 million or more. In two of the years of the act Congress chose to appropriate $300 million for F. & E. Some of the airlines and users have proposed over the last several years significant increases, on the order of $50 to $100 million a year in several of the years to try to speed up what we have called the terminal aids catchup program.

In the past year——

Senator CANNON. Are you speaking of landing aids?

Mr. PORITZKY. Yes, the approach things, the kinds of things that make the system more efficient in the landing side, where the problems have been.

Congress has, as I said, in 2 of the years increased the appropriation. In the past year where the airlines felt the appropriations should have been somewhat higher than the $250 million Congress chose to reduce the amount to $227 million for F. & E.

So I think, summing it up, the program under the act has produced a great deal of—a great deal more consistency than we had before. It has produced significantly greater sums than we had before to meet very vital needs. We felt and still feel that a somewhat larger amount would have been valuable and would be valuable even this year.

Senator CANNON. And do you feel greater emphasis should be placed on that?

Mr. PORITZKY. Yes, sir.

Senator CANNON. Now, in advocating a change in the Federal-local matching ratio for airport development projects, you recommended 90 percent Federal funding be allowed across the board. How do you justify that when it is a fact that many of our larger airports have sources of revenue adequate to meet all their needs locally?

Mr. IGNATIUS. Your question doesn't relate to the smaller airports, and so that I won't comment on that specifically, except to say there is a particular problem there.

Senator CANNON. There is a problem involved at the small airports. I am not sure that I would want to see the present formula changed in regard to the large hubs and the intermediate hubs.

Mr. IGNATIUS. I want to say there that the airlines are bearing an enormous burden in guaranteeing the revenue bonds that the local airport sponsors offer for sale to meet their costs, and, second, the landing fees have gone up very rapidly in order to cover these costs, and ultimately this is passed on to passengers and users at the air transportation system.

Now, they are contributing the lion's share of the income to the fund, Mr. Chairman, more than 90 percent of the income. That comes from airline passengers and shippers.

The recommendation that we are making to go across the board is accommodated within the $545 million ADAP program we are recommending, and as table III shows, we can handle that and reduce the tax level.

So the large airports are self-sustaining—some of them—on the one hand, but only because the landing fees are going up and because we guarantee the revenue bonds.

So we are saying since the funds are available in the trust fund and since those funds are principally contributed by the airline passengers and shippers, that the Federal share of those funds be increased at the large as well as the small airports, because they, too, are having problems, and if they aren't, it is because they are passing the problem on to the airline, and the airline isn't in the financial condition today that it can bear too much of this type of cost increase.

Senator CANNON. Could you furnish us for the record a chart showing how much landing fees have increased since 1970?

Mr. IGNATIUS. Yes, sir, we can do that, and will do so.[1]

Senator CANNON. One criticism of the Federal highway program over the years has been the 90–10 matching formula. Critics have said that with such an appealing Federal assistance program for highways, local governments have diverted funds from possibly more meritorious programs to highways in order to take advantage of Uncle Sam's 90 percent.

Might many communities be enticed to place airport projects above other projects just to obtain the 90-percent funding?

Mr. IGNATIUS. You have put your finger on a problem, and that is one reason the airlines want to have a voice in these projects, not because we want to involve ourselves in other community projects, but rather, to ensure that airport projects that may be proposed by the sponsor are necessary and worthwhile. In other words, we don't want that proliferation of costs. We don't want to see the building of facilities beyond what are needed for safe, efficient air transportation. In order to do that we are among our recommendations suggesting that the airlines' voice be enlarged from where it now is, and we think that is a necessary safeguard.

Senator CANNON. If we just provide consultation, you wouldn't have the right of veto, so what leverage would that really give you?

Mr. IGNATIUS. It is a tough question in terms of veto. I think if we were to insist on the right of veto, and we might be able to give reasons why we would want to, we would have an unacceptable situation.

Senator CANNON. I am sure you couldn't get it.

Mr. IGNATIUS. I understand.

Senator CANNON. I wonder what consultation, short of veto, would be meaningful. Could you provide the committee with some examples of the kinds of abuses you think could be avoided? That is, construction programs that have been undertaken at airports which you feel were not really necessary and that the consultation might have avoided?

[1] See p. 81.

Mr. IGNATIUS. We will provide that information.[2]

I understand what you are saying. That concerns us, too, and we would like to make this language as firm as it could be, consistent with the proper voice that the other participants have. There is give and take, but I think we have a common goal, and that is to make sure we get a good air transportation system.

Senator CANNON. The Administration has recommended $350 million for airport development. The airlines have recommended $545 million. How do you account for such a disparity?

Mr. IGNATIUS. I think their figure is too low. For instance, inflation is a very serious matter. We have given some effect to the cost of inflation. We took original program levels which were expressed in 1970 dollars, and when we developed these figures we converted them into 1974 dollars, and thus we gave some effect to the heavy toll of inflation.

We are anticipating, hopefully, that inflation in this 5-year period ahead of us will not be at the double-digit level, or at the very high single-digit level, if you will, that we have had in the past.

If it is not brought under control, these figures may be understated. I was concerned, as I am sure you were, when the July CPI came out, and it was a 1.2-percent increase or 14.4 percent annually. Hopefully that isn't going to continue, and it won't characterize the period we are talking about.

But that is one of the factors. They may not have given enough attention to that.

Secondly, we are recommending, for instance, the 90–10 provision. That adds some to the cost of our program. We think that might add, from where we now are, which is a combination of 50–50 and 75–25, something on the order of $100 million. They talked about some increase, but I assume theirs is less than ours.

Our figure was developed by operational people in the airlines, and often at a very high level of airport and operational people, reviewing where we now are, looking at needs for the future and appraising them in terms of essentiality.

They tried to be tough as they did it so that they were not providing funds beyond what was the essential necessary amount for operational and safety reasons. We think that is a good figure and that the administration's figure is too low.

Senator CANNON. Several years ago this committee supported an amendment which would have started a land bank. Sponsors would have been able to accumulate land. How did the airlines view that concept?

Mr. IGNATIUS. We have not in our recommendation for enlargement enligibility for land purchases included land banking, although we see the need for land banking. I would like Mr. Duba to make a comment on that.

Mr. DUBA. We feel the recommendation for a study to see what the implications of land banking would be is a wise one. We applaud such a move on the Administration's part. We do not see that there will be any major new airports in the next 10 years. As you know, there have been no major new airports since the act was passed in 1970, but we do think land banking is something that should be looked at, and we would cooperate with FAA in conducting the study.

[2] See p. 81.

Senator CANNON. There has been continuing criticism of the airport certification program over the past 5 years, particularly because it is causing maintenance costs for smaller airports. What modification would you recommend in the law to make it less burdensome?

Mr. IGNATIUS. Mr. Chairman, a number of our airlines have commented to us about this, and their complaints have been particularly about the day-to-day operating costs, and particularly at the smaller airports.

Under the provisions in the present act they have been overburdened. I gather from the responses that the departmental representatives made earlier that they feel perhaps the need to reappraise some of their regulations and, indeed, the basic statute, and I think at your request they are going to furnish legislative language.

We would like to have an opportunity to review that and comment on it, if you wish, because we share many of those same concerns.

Senator CANNON. In the view of the airlines, would Congress be justified in repealing the airport certification requirement, at least as far as the smaller airports are concerned?

Mr. IGNATIUS. I would like not to give a direct answer on that. I think there is feeling on the part of our people that you don't need the language in the act because the necessary authority to see that FAA requires proper safety requirements also exists in other laws, and that the particular language in this law may not be needed in order to insure FAA's necessary role. But I would like to see the recommended language changes before commenting further.

Senator CANNON. My position and that of others on the committee, initially was that the FAA did have adequate authority to take care of the the certification problem under other provisions of the law, and that really we were just imposing an onerous burden on a lot of smaller airports.

Mr. IGNATIUS. I think we share your judgment that the authority did exist for the necessary functions.

Senator CANNON. The Lockheed Corp. in the city of Burbank has approached the committee regarding the sale of the civil airport at Burbank, now owned by Lockheed, to the city. The parties believe the cost of the airport should be deferred by a grant from the airways and airport trust fund.

Do you have any recommendation from the airlines on that?

Mr. IGNATIUS. I have not conferred with the airlines on that. I will give you my own statement. I think this is the kind of thing that you have to be extremely careful about; that is, if you are going to expose the trust fund to all kinds of purchases of this kind.

I would think this would be something that we would not view favorably.

Senator CANNON. If you wish to consult with the airlines and supply a statement for the record further, we would be happy to have you do so.[3] Now, getting back to your objections to the use of the fund for maintenance and operation of the system, do you believe that this should be precluded entirely, or should there be some provision for a minimal amount for that purpose?

Mr. IGNATIUS. Right now I don't think even a minimum amount should be included. The Congress acted on that in the past and pre-

[3] See p. 81.

cluded the use of these funds for this purpose. We thought that was a good decision then, and we think it is today. Our concern is based in part, Mr. Chairman, on a point I earlier made, that airline passengers and shippers are now paying the lion's share of the income that goes into this fund. More than 90 percent of the dollars come from airline passengers and shippers.

The cost allocation study which the FAA and DOT conducted was brought to a certain point and, based on where it was, we had certain objections to it, and just about everybody had objections to it of one sort or another. But I felt, looking at it, and I think our people felt looking at it, to the extent that it is possible to say, in the absence of some of the things that weren't considered in that study, it certainly seemed to me that we were paying our fair share, and that we wouldn't want to see trust fund moneys, which primarily come from airline passengers and shippers, diverted for this other purpose.

Senator CANNON. Thank you very much for your statement, gentlemen.

The committee will stand in recess until 2 o'clock this afternoon.

[The statement follows:]

STATEMENT OF PAUL R. IGNATIUS, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA

Mr. Chairman, members of the committee, my name is Paul R. Ignatius. I am President of the Air Transport Association (ATA) which represents virtually all of the nation's scheduled air carriers.

At the outset, I want to express the appreciation of our member airlines, as well as my own, for the responsiveness of the Committee in setting these hearings on extension of the airport and airway program. We face a tight deadline, as you know, in assuring that this vital program which affects the safety, reliability, operational effectiveness, and cost of air transportation will continue on schedule. The decisions you will be making in the coming weeks will determine in substantial measure how well air transportation meets the public need in the coming years.

Aviation and airport activity play a vital economic role. Airports create jobs, stimulate economic growth, and generate added tax revenues for the communities where they are located. Airport construction programs, designed to meet operational requirements, provide significant employment opportunities at a time when such employment is necessary to hasten economic recovery.

The scheduled airlines employ 300,000 individuals directly and provide derivative employment for hundreds of thousands of others. A substantial portion of the 645,000 jobs in aircraft manufacturing are devoted to commercial aircraft. The communities of the nation are linked together by a network of scheduled air transportation that serves thousands of communities through some 500 airports. Air transportation is the predominant common carrier in inter-city passenger traffic, accounting for over 75 percent of inter-city passenger miles. Air transportation is also responsible for moving over 80 percent of the first-class inter-city mail and increasingly large quantities of vital freight shipments.

Thus, air transportation is one of the major elements upon which the people of the United States and the American economy depend for the efficient functioning of modern life. And fundamental to the air transportation system is the airport and airway legislation first enacted in 1970 and now before the Committee for extension and modification. I would like to review briefly the experience we have had during the first five years of the program and then describe modifications that the airlines believe will make the program even more effective.

THE FIRST FIVE YEARS UNDER THE 1970 ACT

The Committee has already received comprehensive briefings on the history, purpose, and scope of the airport and airway program, so that it is not necessary for me to provide any extended comment. It is important to recall, how-

ever, that the program was enacted in 1970 in recognition of the need for a rapid "catch-up" effort to increase the capacity of the system so as to reduce the congestion that was plaguing passengers, shippers, and the airlines. It was estimated at the time that ground and air delays were costing the airlines over $100 million a year, and the cost to travellers and shippers, while impossible to estimate with any exactitude, was enormous. Insufficient runways, taxiways, ramps, gate positions, and terminal facilities, together with overburdened and often outmoded air traffic control facilities, were the primary causes of the congestion and delay. Overcoming these shortcomings through a well-conceived and financed program was the purpose of the 1970 legislation.

There was virtually unanimous agreement among all segments of the aviation community that the inadequacies of the nation's airports and airways resulted from insufficient and uneven investment in needed facilities under prior airport and airway programs. No funds at all were appropriated for airports in some years, and the maximum airport levels of $75 million appropriated for several years during the 1960's were clearly inadequate to meet the rapidly expanding aviation needs. Airway funding was similarly deficient.

In an action of historic importance to aviation, the Congress passed legislation in 1970 providing for a ten-year capital improvement program with minimum annual funding levels of $250 million for air carrier airports and an equal amount for airway navigation aids. To assure that the funds would be available, a special trust fund was established, similar to the Highway Trust Fund, supported by new or increased taxes on the airline passengers and shippers, general aviation, and the airlines.

The accomplishments during the first five years of the program have been impressive. Over $1.2 billion in Airport Development Aid Program (ADAP) grants have been made. Sixty percent of the ADAP grants have been for landing area improvements, 4.8 percent for lighting, 0.7 percent for approach aids, 18.4 percent for land, 1.7 percent for eligible buildings, and 14.4 percent for all other purposes. New runways have been constructed and existing runways extended, rehabilitated, overlayed, and grooved. New taxiways have been built and existing ones improved. Runway and taxiway lights have been installed and extended, and approach aids added. Fire stations, emergency vehicles, fencing, roadways, and engineering design are among the "other purposes" for which ADAP funds were provided.

With respect to air navigation, the program has enhanced the safety of the air traffic control system and laid a base for eventual productivity improvements. In the first five years of the Act, Congress appropriated nearly $1.32 billion for airway Facilities and Equipment (F&E), nearly three times the amount for the five-year period just preceding.

These funds have made possible a number of major improvement programs. Among them has been the implementation of the National Airspace System (NAS) Stage A Enroute system which has provided a nationwide computer flight plan processing and communications system and provision of new controller displays of primary and secondary radar data. Full system capability for all 20 Continental Centers is expected to be completed in 1975. This represents a complex and expensive technical advance of major significance.

For terminal air traffic control, 62 Advanced Radar Tracking Systems III (ARTS III) terminal automation base systems—which provide air traffic controllers precise identity, altitude, position and ground speed information for all suitably-equipped aircraft—are in place and working well. Sixty-nine ARTS III systems will provide similar information at lower activity airports. These programs represent a major advance in providing the controller with better air traffic control information; they also form the basis for future improvements and automation of the Air Traffic Control (ATC) system.

A significant part of F&E funds has been used in upgrading out-of-date and obsolescent facilities to achieve higher reliability.

There has been major progress in terminal facilities and landing aids in the five-year period. Funding has been made available and implementation is complete or well along on the following:

182 Airport Surveillance Radars (ASR), compared to 123 in December 1971;

634 Instrument Landing Systems (ILS), compared to 332 in 1971, 66 of which are planned for commissioning during 1976;

582 Approach Light Systems (ALS), compared to 299 in 1971;

349 Visual Approach Slope Indicator (VASI) systems, compared to 88 in 1971.

The program also included funding at a minimum level of $50 million a year for research, engineering and development, with actual appropriations over the five-year period totalling in excess of $400 million.

Among the important developments during the five-year period were the NAS Stage A Enroute system and the ARTS III terminal system already discussed and now being implemented. Other accomplishments include:

The near-completion of a detection and warning system for wake vortices, which promises to provide safe relief from the damaging effects of wake turbulence;

A development in the FAA Discrete Address Beacon System (DABS) program which will offer major improvements to the secondary radar ATC surveillance system;

Important studies and developments on the problem of ATC separation assurance;

Development of a new Microwave Landing System (MLS), nearing completion, which may become a worldwide standard to replace the World War II ILS;

Independent Instrument Flight Rules (IFR) operations on parallel runways at spacings of 4300 feet after many years of a 5000-foot minimum;

A long-awaited engineering program in pavement design and major airport runway design, which is now moving forward;

Flight service station automation development, which promises to improve controller productivity.

While much has been accomplished under the airport and airway program, a great deal remains to be done to assure needed expansion of airport capacity as well as improved productivity in the operations of the airways.

Additional airport capacity and reduction of delays are needed to keep pace with projected growth over the next five years, currently estimated by the airlines at an average of 6 percent per year for passenger traffic and 10 percent for air cargo. It is also needed to overcome the adverse effect on capacity resulting from operational restrictions associated wtih wake turbulence of wide-body aircraft and noise reduction and other environmental constraints.

Improved productivity of the airway system has proved to be vastly more difficult than initially anticipated by FAA and industrial experts. Intensified efforts are needed to realize the potential inherent in the computers and data displays that increasingly will form the basis for a more modern, reliable and efficient airway system.

Further details on these future needs are described in a later section of my statement when the program recommended by the airlines is presented. Extension of the airport and airway program should address future operational needs while at the same time overcoming certain financial and administrative problems disclosed during the first five years of experience. These problem areas include the following:

1. The decision-making process with respect to airport projects should provide for a greater voice for the airlines to ensure that proposed projects do not exceed operational needs.

2. The matching fund ratio, originally 50 percent federal and 50 percent local, but raised to 75/25 in 1973 for all but the largest hub airports, still places too heavy a demand upon local communities, resulting in deferral of many needed projects.

3. Some areas of need, such as terminal construction and acquisition of land for environmental purposes, are currently ineligible for trust fund grants, requiring amendments to the present Act if it is to be fully responsive to airport requirements.

In addition to the problem areas summarized above, the operation of the airport and airway program during its first five years has resulted in substantial imbalance in trust fund income and appropriations. For example, in Fiscal Year 1975 trust fund income is expected to be approximately $940 million (of which 90 percent comes from user taxes paid by airline passengers and shippers), with appropriations amounting to about $625 million. Together with balances from prior years, the surplus at end Fiscal Year 1975 will be in excess of $690 million. If the present program remains where it is and if present user taxes are left where they are, the excess is expected to be almost $3.8 billion by 1980, as indicated in Table I below.

TABLE 1.—TRUST FUND STATUS, CURRENT PROGRAM

[In millions of dollars]

	Fiscal year—					
	1975	1976	1977	1978	1979	1980
Trust fund income [1]	939.7	999.7	1,060.4	1,142.6	1,232.0	1,324.0
Prior year surplus	283.6	692.6	1,089.2	1,577.9	2,180.8	2,913.1
Total	1,223.2	1,692.3	2,149.6	2,720.5	3,412.8	4,237.1
Less annual appropriations [2]	(624.7)	(645.0)	(645.0)	(645.0)	(645.0)	(645.0)
Balance	598.6	1,047.3	1,504.6	2,075.5	2,767.8	3,592.1
Plus earned interest [3]	94.0	41.9	73.3	105.3	145.2	193.7
Surplus	692.6	1,089.2	1,577.9	2,180.8	2,913.1	3,785.8

[1] FAA estimate as of Dec. 4, 1974.

[2] Fiscal year 1975 figure based on appropriated amount; figures for fiscal years 1976–80 are ATA projections based on current program levels and FAA planning data, broken down as follows:

ADAP	$310
Planning	15
F. & E.	250
R. & D.	70
Total	645

[3] Fiscal year 1975 interest based on Treasury data; fiscal years 1976–80 interest computed on prior year balances at 7 percent.

With this background in mind, I would like now to describe the program recommended by the airlines. It is designed to meet the capital needs in the next five years for the airport and airway system, to overcome the financial and administrative problems I have described, and to bring trust fund income and appropriations into balance.

PROGRAM RECOMMENDED BY AIRLINES

1. *Introduction*

The principal features of the program recommended by the airlines are summarized below:

Airport Program

Extend program for five years with continuation of three-year obligational authority for grants.

Strengthen consultative process to assure that airport projects meet user requirements.

Increase annual funding level from $310 million to $545 million.

Change the federal—local matching ratio to 90%/10%.

Change apportionment formula from present "equal thirds" basis to 40 percent for enplaned passengers, 40 percent at discretion of the Secretary of Transportation and 20 percent on basis of state area/population.

Make public use areas of terminals eligible for funding.

Provide funding eligibility for land acquisition for environmental purposes.

Delete funding for airport Planning Grant Program (PGP).

Continue present intergovernmental relationships.

Facilities and Equipment

Increase annual appropriation from present minimum of $250 million to minimum of $275 million.

Research and Development

Retain annual appropriation of a minimum of $50 million.

User Taxes

Reduce domestic ticket tax from 8 percent to 5 percent.

Reduce international departure tax from $3.00 to $2.00.

Reduce freight waybill tax from 5 percent to 3 percent.

FAA Maintenance and Operation Costs

Continue present ineligibility for funding from Aviation Trust Fund.

The airlines' recommendations are discussed individually in the next sections of my statement.

2. *Airport Program*

Extension Period.—The program should be extended for a period of five years, through Fiscal Year 1980. The provision for three-year obligational authority should be continued.

Funding Level.—A minimum annual funding level of $545 million should be provided, compared to the present minimum of $310 million. Of this amount, $495 million should be made available for air carrier/reliever airports, and $50 million for general aviation airports. The higher annual funding level is needed to offset in part the effect of inflationary cost increases, to meet additional capacity requirements, to reflect the recommended 90/10 matching fund ratio, and to provide for recommended new eligibilities for public areas of terminals and acquisition of land for environmental purposes.

The funding level has been carefully reviewed by airline operations and facilities executives. This review included a forecast of project needs over the period of the next five years, taking into account inadequacies known to exist today as well as the effect of increased levels of flight operations and enplanements. Essentially the projects are designed to increase present airport capacity. No major new air carrier airports are expected to be built in the 1976–80 time period. The projects represent what airline experts believe to be the essential minimum to assure safe, reliable operation of the air transportation system. Care has been exercised to avoid an unrealistically high "wish-list" of projects.

Project Approval.—As noted above, airport projects should be confined to those that meet realistic tests of essentiality in order to avoid a pyramiding of the cost of air transportation. Generally speaking, airport operators and the airlines recognize their mutual interests in controlling costs, and a great deal of consultation takes place before projects are undertaken. There have been some notable exceptions, however, that have led to excessive expenditures.

Thus, further amendment of the Act should include language requiring an effective consultative process between airport operators and the airlines, to ensure that the airlines have an appropriate voice in the decision-making process involving airport development. We believe that airport operators and the airlines are, in effect, business partners with a common interest in promoting air transportation. The format for the consultative process should include the development of a layout plan to each airport setting forth an agreed-upon schedule for projects in priority order. The effort could be carried out under FAA auspices in a reasonably short period of time, as compared to the often time-consuming federal review procedures that currently take place.

Matching Fund Ratio.—When the airport and airway legislation was enacted in 1970, the matching fund ratio was established on a 50 percent federal, 50 percent local basis. In 1973, the law was amended to change the ratio to 75/25 for all but the large hub airports. This action was taken as a step toward alleviating the difficulties local airport sponsors were encountering in meeting their 50 percent requirement. As a consequence of these difficulties, many necessary airport projects were postponed or abandoned.

The airlines recommend that the law be further amended to rovide for a 90/10 ratio for all airports. Increasing the federal share to 90 percent would substantially ease the burden on local communities which in many cases have not submitted requests for ADAP grants due to a lack of matching funds. The proposed change to a 90/10 basis would enable many of these necessary projects to proceed with consequent improvement in the air transportation system.

We urge favorable consideration of this recommendation because funding sources are pressed to the limit. Despite the existence of the trust fund, less than 20 percent of total airport development costs are now funded through ADAP grants; local communities and the airlines underwrite the predominant cost.

At large airports, revenue bonds, which are repaid by airports through their earnings, are sold to provide local matching funds and the full costs of all other improvements which are currently ineligible under the ADAP. The bonds have been salable because the airlines have entered into Airport Use Agreements with the airport operators. By this means the airlines basically guarantee payment of the bonds by contracting to pay a level of landing fees and rentals sufficient to cover the interest and principal of the bonds as well as the airport maintenance expenses not covered by concession income and other revenues. A rule of thumb is that a $1 million investment in airport development carries with it an obligation of $100,000 annually for debt service alone. In 1975 the annual level of landing fees and facility occupancy costs borne by the airlines

will approach $500 million. The airlines, airport operators and financial institutions have expressed great concern about the magnitude of revenue bond guarantees the airlines have already underwritten and the recent difficulty experienced in marketing airport bonds. A change in the matching fund ratio to 90/10 would thus enable necessary projects to go forward by alleviating a greater part of the financial burden that local communities and the airlines now bear.

At smaller airports where there is insufficient activity to generate an adequate level of earnings to support revenue bonds, the local communities sell general obligation bonds to pay airport development costs and supplement the income received from airlines, concessionaires and other airport users with local taxes to pay off the bonds. A change in the matching fund ratio to 90/10 would free more local tax monies for vital local services. It should enable those communities which heretofore have been unable to raise the matching funds to proceed with much needed airport improvement projects.

In making this change, we urge that the matching fund ratios be made specific. The present law provides that a ratio "may not exceed" the stated level, but this allows variable funding with the inherent possibility that some projects might be funded at a lower level than others. It would be better to state that projects "shall be" funded at a specific ratio so that airport sponsors would know what funding they could expect for specific projects.

Apportionment Formula.—At the present time ADAP funds are apportioned to airports on an "equal thirds" basis, as follows: one-third on the basis of enplaned passengers; one-third at the discretion of the Secretary of Transportation; and one-third according to state area and population. Experience with this formula has shown it to be unduly inflexible, particularly with regard to the area/population factor. The potential of the increased federal share and the higher outlay of ADAP funds we are recommending would be realized more fully if greater weight were given to enplaned passengers and more funds were made available for use at the discretion of the Secretary of Transportation. The latter change would not only permit more funds to be used where they are most immediately needed but would also assure continuation of essential projects to completion.

Accordingly, we recommend that the apportionment formula be changed from "equal thirds" to the following:

40 percent based on enplaned passengers
40 percent at discretion of the Secretary of Transportation
20 percent based on state area/population

Public Areas of Terminals.—The recent FAA Airport Capacity Study indicates that a major constraint to the future growth of air transportation will be the landside. The study states that on-airport access and parking, better terminal buildings, and improved boarding areas and airport access are needed. The Air Transport Association agrees with the conclusions of the FAA study in this respect. The airlines have focused attention on landside improvements over a period of many years, and have consistently advocated that the "public use" areas of terminal buildings be made eligible for federal funding. "Public use" areas should be confined to those portions of terminals devoted to the movement of passengers and their baggage. Such areas represent 40 to 50 percent of terminal costs, and include baggage handling systems, people transporters, building utilities and concourses. Also included would be federal inspection facilities such as those for Public Health, Immigration, and Customs which impose requirements but do not pay for the cost of the space they occupy. Exclusive use areas, or areas for revenue generating facilities, such as airline offices or ticket counters, cocktail lounges, or restaurants should not be eligible for ADAP funds.

While the limited terminal eligibility we recommend is needed to reduce congestion and delays, qualifying projects should be undertaken only after safety-related projects and airfield needs are adequately funded.

Land for Environmental Considerations.—Provision should be made for land purchase where it can be reasonably utilized for environmental purposes. Since real estate values around airports are generally high; some common-sense limitations are obviously needed. Eligibility of land to meet environmental objectives is nevertheless in the public interest, and we recommend that such purchases be made available for ADAP-funding so that a beginning can be made.

Planning Grant Program.—The Act provided that up to $15 million could be made available each year for planning by states and local communities. All but ten states have received grants for State System Plans and five of these states prepared system plans without PGP assistance. Including Regional and Metro-

politan System Plans, almost 100 grants totalling over $12 million have been made. Through December 31, 1974, 227 grants for $13.2 million have been made for preparation of Air Carrier Airport Master Plans.

Since the necessary Master Plans for airports can effectively be funded under ADAP and carried out through the consultative process described earlier in my statement, the airlines believe that a separate Planning Grant Program is no longer needed and can therefore be discontinued.

Summary of Recommended Airport Development Program.—The table below summarizes the airlines' views on airport development needs for the next five years.

TABLE II.—AIRPORT DEVELOPMENT NEEDS, 1976–80

	5-year period (billions)	Annual (millions)
Currently ADAP eligible:		
Paving, lighting and related improvements	$1.52	$304
Eligible land	.50	100
Other (including certification and security)	.155	31
Subtotal	2.175	435
New eligibility:		
Land for environmental compatibility	.125	25
Terminals (public space only)	.450	90
Total	2.750	550
Annual needs for air carrier airports		550
Less 10 percent local matching funds		55
Subtotal		495
Plus allocation for general aviation		50
Recommended annual ADAP allocations		545

3. *Facilities and Equipment*

There have been major accomplishments in the F&E area as noted earlier, and this progress must be continued.

The airlines believe, for example, that there should be vertical landing guidance at all runway ends at which airline jets operate, and electronic guidance where weather is a significant factor. Air traffic control automation in the real sense—automatic operation of certain ATC functions—is still distant, but must be pursued if the system is to grow in efficiency. The revamping of FAA's system to achieve significant improvement in maintenance productivity has only begun.

The FAA system has grown in recent years, as has the number of people who operate it. The airlines support improvements in the ATC system in order to give air traffic controllers more assistance in handling the expected larger volumes of traffic safety and more efficiently without additional personnel.

A key consideration here is the achievement of the highest degree of system availability and reliability. To achieve it FAA will have to take advantage of the best, most up-to-date capabilities offered by a fast-moving computer and communications technology. This technology may also offer the opportunity for economies through consolidation of FAA facilities but achievement of such longer-term efficiency will require continued F&E expenditures.

Thus, the future F&E program must deal with the following:

The upgrading, modernization, and relocation of existing FAA facilities to increase the reliability and availability of the services and to improve maintenance productivity.

Terminal aids and facilities to improve the safety, efficiency, and reliability of airline service.

Implementation of ATC systems and facilities to reduce air traffic control delays and increase ATC capacity, including new systems on which agreement can be reached.

Adequate F&E funds must be available to meet these needs. The airlines believe a minimum F&E level of approximately $275 million per year should be authorized.

4. *Research, Engineering, and Development*

Earlier in my statement, I discussed some of the important accomplishments from the research, engineering and development efforts. This vital effort, of course, must go forward in order to extend the progress that has been achieved and to meet continuing capacity and delay problems.

Innovative effort is needed to automate the ATC process more fully to enable the controller to manage air traffic more efficiently. Only the first steps toward that goal have been taken. Everyone agrees that the task will be difficult, far more difficult than it was initially thought to be. Major decisions will be needed in the coming years, based on adequate engineering and development, on the directions to be taken in improving the ATC surveillance systems, and on achieving fuller automation.

Work to assess the best ways to utilize data processing, and reasoned decisions on improvements in the major FAA computer systems will also be needed.

Each of these activities will require major development effort. The airlines believe that the statutory authority for a minimum $50 million for Research, Engineering, and Development is an appropriate level and should be retained in the extension of the Act.

5. *Reduction of User Taxes*

As noted earlier, the Aviation Trust Fund is currently running a surplus of about $700 million, and if the present user taxes are maintained where they are and the appropriations from the fund continue at the same levels, the surplus is estimated to be about $3.8 billion at the end of fiscal Year 1980.

The airlines have recommended a program, which I have described in prior sections of my statement, that will meet the essential needs for increasing airport and airway capacity. This program would require annual funding of $870 million, compared to the present appropriation level of $625 million. The enlarged program can be carried out with a significant reduction in the present user taxes, and the airlines strongly recommend that such reductions be made.

At the present time, trust fund income amounts to about $940 million. Some 90 percent of this amount is contributed by airline passengers and shippers through the 8 percent domestic ticket tax, the $3.00 international departure fee, and the 5 percent freight waybill tax.

Airline passengers and shippers have been required to pay more for air transportation in the past year or so, particularly as a result of the skyrocketing cost of jet fuel. In 1974, fuel cost per gallon doubled for domestic operations and tripled for the international operations of U.S. carriers, increasing fuel costs by more than $1 billion.

Since the present user taxes are higher than they need to be to support an adequate airport and airway program, they should be reduced in fairness to airline passengers and shippers. Such reductions would be in keeping with the desire of the Administration and the Congress to reduce the cost of living for individuals and the cost of doing business for industry. A table in the next section of my statement summarizes the status of the trust fund through Fiscal Year 1980 based upon the airlines' recommended program and the reduced user taxes.

The Committee is aware, of course, that user tax reductions can be accomplished only through Title II of the Act which is under the jurisdiction of the Finance Committee. We urge this Committee to recommend such action to the Finance Committee.

6. *Financial Summary*

If the airport and airway program recommended by the airlines is authorized by the Congress together with the user tax reductions we recommend, the projected trust fund surplus of $3.8 billion by the end of Fiscal Year 1980 will be reduced to $288 million, as shown in Table III below.

TABLE III.—TRUST FUND STATUS, ATA PROGRAM

[In millions of dollars]

	Fiscal year—					
	1975	1976	1977	1978	1979	1980
Trust fund income [1]	939.7	664.0	703.0	754.8	813.0	872.3
Prior year surplus	283.6	692.6	528.5	395.8	305.7	268.3
Total	1,223.3	1,356.6	1,231.5	1,150.4	1,118.7	1,140.6
Less annual appropriations [2]	(624.7)	(870.0)	(870.0)	(870.0)	(870.0)	(870.0)
Balance	598.6	486.6	361.5	280.4	248.7	270.6
Plus earned interest [3]	94.0	41.9	34.1	25.3	19.6	17.4
Surplus	692.6	528.5	395.6	305.7	268.3	288.0

[1] Based upon FAA projections of Dec. 4, 1974 and ATA recommended user taxes of 5 percent domestic, $2 international and 3 percent waybill.

[2] Appropriations for fiscal year 1976–80 represent ATA recommended program:

E. & E.	$275
R. & D.	50
ADAP	545
Total	870

[3] Fiscal year 1975 interest based on Treasury data; fiscal years 1976–80 interest computed on prior year balances at 7 percent.

OTHER MAJOR ISSUES

I would like to comment on three other matters that have arisen during the course of your hearing, namely, head taxes, the role of the states in the airport program, and payment of airways facilities maintenance costs from the trust fund.

1. *Head Taxes*

In 1973, the Congress carefully considered but ultimately prohibited local head taxes on airline passengers. This was done to preserve a uniform funding pattern essential to a national transportation system. As a practical matter, it was recognized that such taxes were annoying to passengers and not needed because of the trust fund. These same considerations are equally valid today, and the suggestion that Congress should reverse its earlier prohibition should be rejected.

While Congress prohibited head taxes, it nevertheless recognized that many communities faced increasing difficulties in financing their share of airport costs. Accordingly, the Congress changed the matching fund ratio from 50/50 to 75 percent federal/25 percent local for all but the largest hub airports. Favorable consideration of our recommendation to change the ratio to 90/10 for all airports would usefully extend this earlier action and be of great benefit to local airport operators. Providing 100 percent trust fund support for airport security and certification items, as proposed in H.R. 4830, would also be helpful. Both measures would enable local communities to apply money for operating costs that would otherwise be required for capital investment programs.

In summary, removal of the head tax prohibition would be a step in the wrong direction. The primary thrust of the legislation this year should be to reduce taxes where possible, not to add new ones.

2. *Role of the States*

The Administration has proposed that the states be given a larger role in the management of the ADAP program, particularly with regard to general aviation. Thus far, many groups most directly affected by this proposal have voiced serious concerns about it. These groups include elements of general aviation, airport operators, and many city officials.

The airlines believe that our airport system can be properly planned and developed only in conjunction with the federal airways and that this must be done on a national basis. Accordingly, they have strong reservations about the Administration's proposal. In the technical area, the FAA has the experience and expertise that most states would have to acquire. Instead of one program there would be 50 programs, with an adverse impact on uniformity and technical standardization which are essential to safety.

The states have an important role to play in aviation, but we join with other groups in urging that the present intergovernmental relationships with respect to the ADAP program be maintained.

3. *Funding of Operating and Maintenance Costs*

The Administration has proposed that the trust fund be used to meet certain types of maintenance costs in addition to capital investment costs for the airways. The Congress has rejected proposals in the past that would open up the trust fund to FAA operating and maintenance costs, and we are confident it will do so once again. Airline passengers and shippers have contributed more than 90 percent of trust fund receipts, and have thus in fact paid for more than 90 percent of the disbursements from the fund. Under the ATA proposals, collections will be more than adequate to fund the substantial capital investment and R&D program needs. Adding the further burden of airway maintenance costs on airline passengers and shippers would create an even greater inequity. Moreover, it has been demonstrated time and again that air transportation provides significant public benefit, and it is therefore appropriate to depend upon general revenues for meeting a portion of the system's costs.

CONCLUSION

The Airport and Airway Development Act of 1970 provided for the first time a solid foundation for assuring continued improvement of the airports and airways.

The opportunity is at hand, in extending the Act, to make those changes that experience has shown to be necessary to make the legislation even more effective. The airlines believe that the major changes should be to:

Increase the annual funding level of ADAP from $310 million to $545 million to assure that adequate funds are available for needed projects;

Increase the annual minimum F&E level from $250 million to $275 million, and maintain the present minimum level of $50 million for R&D;

Make the public areas of terminals and land for environmental purposes eligible for trust fund financing;

Increase the matching fund ratio to 90/10 for all airports in order to lessen the burden on local communities for raising needed capital;

Enlarge the airlines' voice in the consultative process for airport development projects;

Reduce the user taxes to bring fund income and out-go into balance and to lower the cost of air transportation for passengers and shippers by reductions from 8 percent to 5 percent in the domestic tax, $3.00 to $2.00 in the international tax, and 5 percent to 3 percent in the freight waybill tax.

We urge the favorable consideration of these changes, together with the other modifications outlined in my statement.

Mr. Chairman, this completes my statement. I appreciate the opportunity you have given me to appear before your Committee and I am pleased now to respond to questions that you and the members may wish to direct to my attention.

[The following information was referred to on p. 69–71:]

AIR TRANSPORT ASSOCIATION OF AMERICA,
Washington, D.C., September 19, 1975.

Hon. HOWARD W. CANNON,
Chairman, Subcommittee on Aviation,
U.S. Senate, Washington, D.C.

DEAR SENATOR CANNON: It was a pleasure to appear before you to testify on the airport and airways program. The success of the program in the first five years is compelling evidence of the foresight you and your committee displayed in enacting it in 1970.

This program has served the public well and with appropriate modifications, will continue to do so during the coming five years.

During the course of testimony you asked that ATA supply responses to several questions for the record. The responses are attached.

In closing, I would like to again stress the appreciation of the U.S. airlines for your interest and leadership in this matter.

Sincerely,

PAUL IGNATIUS.

Attachment.

(1) We were asked to submit proposed consultative language which would ensure that airline airport users have a voice in decisions affecting airport planning and development since airlines are often the major airport users and must pay fees and charges for debt service and maintenance and operation of airports.

We have already reached an agreement with the airport operators that, "sponsors shall consult with and give due consideration to the views of airport users."

This was done in the form of a letter which is attached for your reference. We believe that an effective consultative process in planning and undertaking airport improvements is absolutely essential.

(2) We were also asked for examples of airport construction or financing problems which might have been avoided through proper consultation and involvement of the airlines.

At times the airlines have been excluded from participation during the planning process with the result that some projects have not taken into consideration airline or passenger needs based on projected level of operational activity, type of aircraft equipment, or forecasted enplanements. This can result in the construction of unneeded facilities, some which are inadequately designed or others which proceed on an untimely basis. The following are examples:

a. *Louisville's Standiford Field.* In this instance a Master Plan and Feasibility Study for a new airport were prepared without consultation, and were to be implemented without regard to airline requirements.

b. *Houston.* A runway overlay and extension was proposed without airline consultation. As a result, the thickness of the overlay was excessive and the runway longer than required for airline operational needs.

c. *Indianapolis.* An expensive land acquisition program was undertaken without prior knowledge of the airlines.

d. *Philadelphia.* Despite airline protests, long-term terminal construction has been undertaken which is unduly expansive and expensive.

Although a good working relationship between the airlines and airport operators has been developed at most airports, instances such as these cited do highlight the need to give the airlines an effective voice in the planning and implementation of airport improvements. There are, in addition, many instances when airlines learn of proposals to build or extend runways, make other airside improvements and undertake terminal expansion projects after the fact and find that the proposals were developed without regard to the projected needs of airlines and their passengers. Although in many cases modifications in design or changes in timing of construction are ultimately negotiated, the original lack of consultation results in wasted time and effort and often increased costs because of required additional studies and design.

It is for reasons such as these cited that we have urged meaningful consultation be mandated in the Act. It will help assure that the essential projects only will be undertaken, so that excessive costs will not be incurred at the ultimate expense of the travelling public.

(3) We were also requested to submit landing fees information for the period 1970–1975. This information is tabulated below:

LANDING FEES

[In thousands of dollars]

Year	Domestic trunks	Local service carriers	Total
1969	103, 073	14, 430	117, 503
1970	$92, 111	$9, 418	$101, 519
1971	110, 232	15, 322	126, 554
1972	138, 689	18, 814	157, 503
1973	151, 715	20, 990	172, 706
1974	175, 506	14, 434	199, 940
1975 [1]	197, 397	29, 243	226, 640

[1] Through 2d quarter.

Landing fees alone are not an accurate barometer of the financial burden carriers bear in underwriting airport projects at the large hubs. If rentals are included, for example, the amount would approximately double the annual figure. And even this amount does not provide a full picture of the airport financing dilemma faced by communities and airlines at the major airports.

The extent to which large hub airports have been self-supporting in the past, is due, in part, to revenues derived from airport users, but primarily to the airlines commitments to underwrite airport financial requirements. This is no longer the case and will not be the pattern of the future, in view of the airlines level of future commitments already made which will mature later.

Initially, investment bankers found airport revenue bonds an attractive investment because airport use agreements signed by airlines using an airport were a virtual guarantee of payment. They find them less attractive now because airlines have underwritten hundreds of millions of dollars of revenue bond issues, landing fees have risen 123% since 1969 after having risen 150% between 1964 and 1969, the economic strength of the industry has deteriorated, and the future impact of fuel costs and deregulation are unknown.

To assure the marketability and a reasonable interest rate of their airport funds, Orlando and Nashville had to take out insurance guaranteeing repayment.

Large hub airports embarking on major projects are finding financing increasingly difficult at reasonable interest rates. In many instances, current income is pledged to support existing bond issues. New revenue sources are hard to find and to develop and consequently landing fees must bear the burden of the needed revenue increase. Landing fees are a direct expense of the carrier and must eventually be reflected in the price of the ticket. The passenger is paying for airport development through the medium of the ticket tax. His tax money should be applied at the highest ration possible, at all airports, to build the facilities needed to maximize utilization of existing airports. In addition to current programs at several large hub airports, other airports will be faced with sizable expenditures for needed expansion programs in the near future. Without equitable ADAP treatment, they may have to defer needed projects required to accommodate the passengers using large hub airports. All this is a reflection of the airlines diminished ability to fund projects.

The airlines weakened financial posture is further reflected in the comments being expressed by the investor community.

"Today, we are faced with an uncertain economic outlook, a lack of a strong, consistent national transportation policy, a mercurial fuel price and availability situation, a potential unsettling period of 'deregulation', and no real indications of a reasonable assurance of profits, capital accumulation, or projection against inflationary forces." (*Harry E. Colwell, III, Vice President Chase Manhattan Bank*)

"It has been six years since we committed any money to a domestic airline, and extremely dubious we will again until debt ratios are down, fixed charge coverages are up, and cyclicality of the earnings of the industry is smoothed out." (*Peter S. Hadley, Vice President and Treasurer, Metropolitan Life Insurance Company*)

"From the viewpoint of an involved lender, our domestic and international airline industry is today in very serious financial trouble and the prospects for future give little grounds for optimism. Even in fairly good times airline earnings have been little more than marginal but now, with high financial and operating leverage working against them, many airlines are finding their already meager liquidity rapidly draining away." (*Frank H. Madden, Vice President, Morgan Guaranty Trust*)

"This dismal earnings performance has caused our airline investments to go *very sour*. Specifically, the total value of all outstanding shares of the major airlines was $6¾ billion at the end of 1966. At the end of 1974, it had shrunk to $1.8 billion. That's a decline of 73%. And that's despite the fact that the equity invested in the business rose from $2.1 billion in 1966 to $4.0 billion in 1974, or 90%." (*Teddy Walkowicz, President, National Aviation Corporation*)

These are representative viewpoints of a widely-held concern.

There is, further, a question of equity. Over 90% of the trust fund income is generated by airline passengers and shippers and two-thirds of this at large hub airports. Yet ADAP grants at these large hub airports represented only 34% of the grants made in the first five years of the program.

These airports are the backbone of the airport system and are important to the smaller airports because of their role as connecting, transfer, or feeder points. Failure to improve facilities at large hub airports will, therefore, also inconvenience many passengers originating or destined for medium, small and non-hub airports.

In the interest of equity to all and in recognition that large hub airports are where the heaviest traffic takes place, the 90–10% matching fund ratio should be uniformly applied to all airports.

(4) We were asked to comment on the proposal to include a special provision in the Act which would authorize acquisition of the privately owned Hollywood Burbank Airport by the City of Burbank. The carriers serving this airport believe that it fulfills an important function and should be kept open to the public. They would support the acquisition of the airport with ADAP assistance if assurance were given that the purcase price was not inflated, that there will be no impediments to full utilization of the airport, that any proposed additional ADAP grant requests be identified in advance, that existing airport user agreements be acknowledged and honored, and that airlines and other users were involved in the development of any planning and financing programs and have agreed to support the required fiscal program for matching funds.

Other airlines do not believe that a special provision should be legislated for this purpose. Furthermore, it would appear that there is no requirement for a special provision in the Airport and Airway Development Act (as amended) to enable acquisition of the Hollywood-Burbank Airport if pertinent conditions in Section 16 are met and adequate funds are available in the area/population and discretionary apportionments under the ADAP.

The question posed concerning acquisition of this privately owned airport raises matters of such importance as to policy and fiscal impact of acquisition of other privately owned airports (as well as land banking for future airports) that it is scheduled for consideration at an early ATA meeting and might well be included in the proposed Special Study on land banking.

AIRPORT OPERATORS COUNCIL INTERNATIONAL (AOCI)
AIR TRANSPORT ASSOCIATION (ATA)
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES (AAAE),
April 17, 1975.

Hon. GLENN M. ANDERSON,
Chairman, Subcommittee on Aviation, Committee on Public Works and Transportation, U.S. House of Representatives, Washington, D.C.

DEAR MR. ANDERSON: During the public hearings being held by your Subcommittee on various bills to establish an airport and airways development program for the next five years, there has been some discussion of an appropriate process for providing user imput into the airport sponsor's Capital Improvement Program. As envisioned in H.R. 4830, the sponsor's Capital Development Program would be the basis upon which formula distribution funds apportioned to the sponsor would be expended.

Our associations have been working together to develop an airport sponsor-user consultative process to assure that there is good communication and cooperation at each air carrier airport.

We jointly believe that the interests of airport communities, the public and airport user groups could be best served by the inclusion of the following language in the legislation being developed by your Subcommittee:

"In developing Capital Improvement Programs, sponsors shall consult with and give due consideration to the views of airport users."

This provision would provide for consultation with users in the development of sponsor Capital Improvement Programs as defined in Section 4(7) of H.R. 4830. As such it will allow continuity of participation by air carriers and other airport users and will assure that airport projects are undertaken after local coordination.

In closing, we would like to express appreciation again for your responsiveness in scheduling early hearings on legislation to assure an improved airport and airways program for the future.

Sincerely,

J. DONALD REILLY,
Executive Vice President,
Airport Operators Council International (AOCI).
PAUL R. IGNATIUS,
President,
Air Transport Association (ATA).
F. RUSSELL HOYT,
Executive Vice President,
American Association of Airport Executives (AAAE).

AFTER RECESS

Senator CANNON. The hearing will come to order.

The next witness is Capt. John J. O'Donnell, Jr., president, Air Line Pilots Association.

STATEMENT OF CAPT. JOHN J. O'DONNELL, JR., PRESIDENT, AIR LINE PILOTS ASSOCIATION; ACCOMPANIED BY CAPT. RODERIC GILSTRAP, FIRST VICE PRESIDENT; AND ROGER PHANEUF, DIRECTOR, ENGINEERING AND AIR SAFETY UNIT

Captain O'DONNELL. Mr. Chairman, I am John O'Donnell, president of the Air Line Pilots Association. On my left is Captain Gilstrap, and on my right is Dr. Roger Phaneuf, who is director of engineering and air safety for the ALPA.

We welcome the opportunity to appear before you today to offer our views on the airport development program. The more than 38,000 pilots that we represent have a deep interest in this subject, not only from an economic and administrative standpoint, but also because the success of airport development is truly a life and death matter to the crew and passengers of the aircraft we fly.

Although much of the testimony that follows will focus on the need for more resources to be devoted to air safety, we must emphasize at the outset that today's air transportation system has a safety record that we can all point to with great pride. It is one of the safest modes of travel in the world and our concerns which will be expressed here are only a reflection of our desires to make our record as close to perfect as is possible.

As I am sure you know, recent statistics have shown that the large majority of accidents have occurred in the vicinity of airports. Many of these have a direct relationship to the type of airport facilities available.

For example, in 1970 we had 3 crashes on nonprecision approaches and 3 on ILS approaches involving U.S. air carrier aircraft domestically and internationally with 77 fatalities. In 1974 the number has increased to 4 accidents in each category with an appalling 366 fatalities. And these grisly numbers cannot be rationalized on the basis of number of operations, for the number was approximately 10 million in each year.

In addition, studies show that in the last 10 years the fatalities from nonprecision approach accidents have been approximately 10 times those associated with ILS approaches. There has been a slight improvement in the overshoot/undershoot categories, but nothing dramatic.

This is unfortunately a very disappointing example of the progress we have experienced under the ADAP program. We are confident it is not in keeping with your expectations nor ours.

This specific safety problem is but a reflection of a much broader concern, one for which we seek your assistance. The air transportation system of the United States is not only a major private enterprise, but also must be considered as a public service responding to the demands for transportation of people and cargo which cannot be met by other means. There must be a commitment by the Congress and the execu-

tive branch of Government to provide the necessary resources so that the maximum safety and efficiency can be achieved in air transportation. However, to do this there must be a national transportation policy properly defining the role that aviation shall play.

That policy must include a commitment to safety. There is a price for safety. There is, unfortunately, an even higher price to pay when we allow safety to lose its proper priority. Once we have a clear understanding of the policy governing the transportation industry, we must all be committed to achieving the highest degree of safety and we must be willing to pay the cost.

One of the proposals made in the administration bill before you is unfortunately a step in the opposite direction. We are speaking of the virtual elimination of a national airport system plan. Although we agree with those that have indicated the present NASP is inadequate in many respects, we do not agree with the concept of eliminating such a plan. Indeed we feel that a better designed and utilized plan is an essential element in the overall national policy development for aviation.

It seems to us that the expenditure of Federal funds without such a plan will have gross inefficiencies—wasteful spending due to inadequate planning which will far overshadow any of the savings anticipated by those who have developed this proposal.

With regard to the airport development portion of the bill we would like to make the following observations:

(1) Costs of airport development have increased dramatically for two reasons. First, the large inflationary pressures in recent years have vastly increased construction costs and second, additional requirements for compliance with environmental and other regulations have caused delays and consequently increased costs. An increased level of funding and an effort to streamline procedures should, therefore, be an important objective of the pending legislation.

(2) Improvements should be made in the formula for funding. Neither the 75–25 matching ratio nor the enplacement formula is truly a reflection of the need for Federal money. In many cases the airports that have serious development needs are unable to provide the required matching funds Also, the critical safety items receive no priority of funding over any other project.

(3) Consideration is being given to the use of moneys for land purchases to achieve environmental compatibility. We fully support this concept because it is clearly the best method for achieving a safe and environmentally sound airport system. The practice of developing operational procedures for noise reduction will always be very limited in application and clearly places an unnecessary hazard on the crews, passengers, and airport communities. Along with this, the administration has proposed a study for land banking which we would also support.

(4) The most important point we would like to make concerning the legislation is the basic concept of determining priorities. It is appropriate to retain a substantial portion of the fund as discretionary. We would hope that the discretion used will always consider safety needs as the highest priority.

There is an increasing awareness that much airport development is being limited by the ability to handle passengers and baggage and,

therefore, the facilities associated with the terminal should be eligible for Federal funding. While we recognize that a sound air transportation system must be comprehensive enough to support the traveler throughout his journey, we are concerned that once again priorities may become confused—first an airport with adequate safety margins and then adequate terminal facilities.

We are a long way from completing the necessary air side development of airports with many critical projects directly related to safety still not accomplished. This is not true at all airports and it seems, therefore, that with appropriate emphasis, perhaps through different matching formula, the proper priorities can be maintained. Again, a national plan and policy would help to alleviate the concern here, allowing all parties to proceed rapidly, safely, and efficiently.

Finally, with regard to priorities it is obviously inappropriate to even consider the use of trust fund money for operating expenses, since there are so many unfilled capital expenditure requirements.

Up to this point, Mr. Chairman, we have concentrated our discussion on the airport development portion of the legislation. There are two other areas, the facilities and equipment fund and the funding of research and development, which are also of vital concern to us, perhaps more so than to many of the other witnesses you will hear from.

The equipment eligible for F. & E. money has the most direct effect on the safe operation of aircraft into and out of our airports. This statement is directly substantiated by several NTSB findings and recommendations. We would like to expand on this critical subject for just a moment.

In October 1971, ALPA proposed to FAA an accelerated installation program for facilities at airports used by airline aricraft. I quote the reasoning behind this proposal:

In this proposal, ALPA asked that within a 2-year period there be installed the following:

> The association has long pressed for accelerating installation of available landing aids and adequate runways at all airports having scheduled air carrier operations. In this regard we strongly urge that appropriations and installation arrangements be programed to enable realizing these objectives.
>
> The nonprecision approach accidents have been permitted to continue far too long. An instrument landing system (ILS) was invented to prevent this type accident. ILS has been in general use for more than 20 years. Studies show that in the last 10 years the fatalities from nonprecision approach accidents have been approximately 10 times those associated with ILS approaches. ILS also results in much more reliable service, reducing inconvenience to passengers and the cost of operation for airlines. Installation of the ILS facilities currently programed by the FAA will require approximately 10 years. Even then, only about one-half of the runways usable by scheduled airlines will have ILS. This delay is completely unacceptable to ALPA. The new microwave (or other) type ILS can be installed at new airports and runways when it becomes operational. We must not wait for these futuristic developments, as we have been doing for the past 30 years.

In this proposal, ALPA asked that within a 2-year period there be installed the following:

1. At least one ILS at every airport served by scheduled airlines.
2. An approach light system installed at all ILS locations.
3. VASI (visual approach slope indicator) on every runway used by scheduled airlines.

4. REIL (runway end identifier lights) on every runway used by scheduled airlines that does not have approach lights.

5. A control tower at every airport served by scheduled airlines.

The reason for the above requested installations was strictly safety. We were not primarily interested in lower minimums, just increased safety. Lower minimums, if justified, would be a bonus.

Now, let us examine the accomplishments in the 3½ years following the original ALPA proposal to the FAA.

Only 84 more airports used in airline transportation received ILS installations. This represents only 16 percent new airport installations in 3½ years. At that rate, it will tke approximately 10 years more to install one ILS at every air carrier airport. Out of 505 airports presently used in air carrier operations, about 60 percent have an ILS, approach lights, and a tower. This leaves 40 percent of air carrier airports with nothing more than a VOR, localizer, or less.

Another safety item is REIL. How many REIL's do we now have? Out of 1,942 runways used for air carrier operations, we find only 277 (14 percent) have REIL.

Since every instrument approach is completed visually, we and the NTSB have long recommened every runway should have a VASI, which is visual approach slope indicator. When we examine the figures, we find that only 263 (14 percent) of the runways have VASI, leaving 1,681 runways with no visual slide slope indicator assistance whatsoever. Only approximately 121 are programed at air carrier airports within the 1975 fiscal year, leaving a VASI deficiency in this area of 1,560 installations.

Because of this disturbing lack of progress, we would recommend that the committee increase facilities and equipment funding to a minimum of $300 million per year for the next 5 years, with the emphasis being placed on the following high priority programs.

Mr. Chairman, in the interest of time, I would request that the phases we have outlined just be put into the record.

Senator CANNON. They will be placed in the record.

[The table follows:]

Phase 1:

	Millions
VASI (visual approach slope indicator)—every runway—1,560 at $21,500	$33.5
REIL (runway end identifier lights)—every runway which does not have approach lights—1,173 at $10,000	11.7
ILS and approach light system—one at every airport (or IMLS where site costs render ILS impractical—166 at $200,000	33.2
Minitower—every airport—204 at $100,000	20.4
Total to complete ALPA's phase 1	98.8
ALPA's phase 1 program is followed up by a phase 2 program, as follows:	
ILS and approach lights on every runway, 1,346 at $200,000	269.2
Surveillance radar service, 100 at $1.6 million	160
(This is only one-third of the airports needing radar service; however, there may be some multiple use and some low density areas such as in Alaska will not qualify.)	
Total cost to complete phase 2	429.2
Total cost to complete phase 1	98.8
Total Capital Cost of ALPA's phase 1 and phase 2	528.0

Captain O'DONNELL. At this point, we would also like to indicate our deep concern over the progress of the microwave landing system. While we recognize there are potential gains to be made with this new technology, we feel there are many unanswered operational questions which should be addressed before a total commitment is made. Also, because of the understandable desire to concentrate on MLS, there is a tendency to obstruct the parallel development of the so-called interim system. This is a serious mistake because the interim system can provide an instrument landing capability at airports which have ILS siting problems, and it can be done today—with substantial safety payoff. The complete microwave landing system is still many years away especially for those smaller airports where no ILS exists today.

Finally, we would like to take this opportunity to discuss the proposed research and development program. More and more we learn from our accident and incident investigations that there are many fundamental questions concerning aircraft operations that cannot be answered.

A recent example of this is the extent to which adverse and unexpected weather phenomenon have played a part in recent tragedies. Problems of predicting severe weather, providing pilots with timely information, and giving pilots the appropriate tools to deal with those problems are all questions woefully in need of further research and development.

There is an increasing awareness that our knowledge of the accelerate-stop requirement is less than adequate. Practice has shown that the theoretical analysis of this critical parameter is not providing the safety margins we all desire.

There is much needed to be done in the field of pavement research. Subjects such as runway load-bearing capability measurement, acceptable roughness/waviness profiles, friction value measurement, and utilization for maintenance purposes have not been adequately considered for their impact on maintenance cost and safety. In the same field an acceptable fog dispersal system should be more completely researched. If a successful answer is found, this has the potential of greatly reducing aircraft instrumentation costs as well as improving safety.

The basic limitations of the human and his interface with the aircraft in the extremely dynamic conditions which are typical in low-visibility landing represents an area that also should receive substantial increase in research efforts.

Unfortunately, there are a very few, high-cost projects of electronic systems development which have taken most of the FAA research and development money now available. These programs directed mostly toward increasing traffic capacity and have left unattended the problems mentioned above and many other basic questions. The research and development funding level should be increased so that a minimum of $100 million is committed annually to this important subject and the expenditure of that money should more closely reflect the needs for research and development. In that regard we feel that more input from the users of our airport system must

be considered in the determination of where to spend research and development funds.

Mr. Chairman, you and your colleagues have always been great supporters of aviation advancement. We appreciate that support and ask that you renew this all-important airport development program. In doing so we also respectfully request that you renew the commitment of Congress to provide sufficient funding and support to bring the level of development up to a rate which will ensure the highest possible level of air safety for all users of air service.

Thank you for this opportunity to be with you today. If there is any way in which our members or staff can further assist your efforts, we will be happy to do so.

Senator CANNON. You don't take any position with respect to the overall funding level and the amount that ought to be put into the trust fund and these technical matters?

Mr. O'DONNELL. Yes, Senator. We did not put it in our statement. I had not seen the ATA statement before this morning, but I gave a speech yesterday to the aviation community in Miami, Fla., and our position is probably a little stronger than theirs. We believe the ticket tax should be reduced to 4 percent instead of the 8 percent, and the funds should be used, as you stated this morning, to offset future fare increases, so we don't chase people away from air travel.

Senator CANNON. When we considered the bill previously, the airline pilots were the only serious advocates of the airport certification program. Will you tell us what your experience and observations have been on airport certification, and whether the program has lived up to your expectations?

Mr. O'DONNELL. Mr. Chairman, when we were the strong supporters of airport certification, we did not envision some of the penalties that would come out of it. We have an analysis of the airport certification. We keep it up to date monthly. We have found that too many exemptions have been issued. When we analyzed it, we found most of those exemptions were justified by the FAA. There is no way you can get certification to 138 airports in Alaska which are only grass strips or gravel strips.

Most of the airports that have received exemptions wer for economic reasons. They could not afford some of the equipment.

By and large, airport certification has been a success. The upgrading of fire equipment, and so forth, has been excellent. We are concerned, as is pointed up in the GAO study, that the airport runway friction criterion has not been vigorously applied.

We did not understand Mr. Jimmy Dow this morning when he made reference to the fact that they have a program going on—there are three systems for measuring runway conditions going on now. The airline pilots receive information on what the runway slipperiness is, and we think the FAA should come up with a good final program based on good data and research and take a position on it so the airline pilots would know what the slipperiness criteria are that we operate under.

Senator CANNON. As you know, many of the smaller air-carrier-served airports are having tremendous financial difficulties because of operation and maintenance expenses associated with that certification problem.

Do you have any changes that you could support that would ease the financial burden on that class of airports?

Mr. O'DONNELL. Yes, sir. As you recall, we also testified about easing the financial burden of small airport on another subject—security at the airports. We are now looking back on the airport certification program and we think requirements for fire equipment, where an airport has two or three operations a day should be designed so that local fire people can be utilized.

As you know, most firefighters stand by at the fire station. We feel they could perhaps come out to the airport during the landing and takeoff periods so we have adequate fire protection.

As you know, in the original bill, we wanted fire equipment in place at all times. I don't think that is practical, particularly with the economy today.

Senator CANNON. Thank you very much. We appreciate your being here.

The committee will stand in recess until 10 o'clock tomorrow morning.

[Whereupon, at 2:35 p.m., the subcommittee recessed, to reconvene at 10 a.m., Friday, Sept. 5, 1975.]

EXTENSION OF THE AIRPORT DEVELOPMENT AID PROGRAM

FRIDAY, SEPTEMBER 5, 1975

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

The subcommittee was reconvened, pursuant to adjournment, at 10:10 a.m., in room 5110 of the Dirksen Senate Office Building; Hon. Howard W. Cannon (chairman of the subcommittee) presiding.

Senator CANNON. The subcommittee will come to order.

The subcommittee's hearings on airport development legislation will continue this morning. We heard testimony and recommendations yesterday from the Administration and the airline industry. This morning we will hear from representatives of the city and county governments who own and operate the vast majority of airports in the United States.

Our first witness is Mr. Donald G. Shay, director of aviation, Seattle-Tacoma International Airport and president of the Airport Operators Council International.

Mr. Shay, I would appreciate it if you would introduce your colleagues, and then you may proceed with your prepared statement.

Senator Magnuson planned to be here this morning to greet you, since he says you are his airport manager, but he regrets he is unable to be with us today, and he extends his greetings to you from the committee.

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STATEMENT OF DONALD G. SHAY, DIRECTOR OF AVIATION, SEATTLE-TACOMA INTERNATIONAL AIRPORT, AND PRESIDENT OF AIRPORT OPERATORS COUNCIL INTERNATIONAL; ACCOMPANIED BY ROY E. BAYLESS, DIRECTOR OF AVIATION; ROBERT MUELLER MUNICIPAL AIRPORT, AUSTIN, TEX., AND PRESIDENT OF THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES; KENT G. GEORGE, MANAGER, NATRONA COUNTY INTERNATIONAL AIRPORT, CASPER, WYO.; H. JAY SETTER, DIRECTOR OF AVIATION, BOARD OF PARK COMMISSIONERS, WICHITA, KANS.; ERLE A. TAYLOR, DIRECTOR OF AVIATION, CLARK COUNTY DEPARTMENT OF AVIATION, LAS VEGAS, NEV.; J. DONALD REILLY, EXECUTIVE VICE PRESIDENT, AIRPORT OPERATORS COUNCIL INTERNATIONAL; S. RUSSELL HOYT, EXECUTIVE VICE PRESIDENT, AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES; AND J. J. CORBETT, VICE PRESIDENT, FEDERAL AFFAIRS, AIRPORT OPERTORS COUNCIL INTERNATIONAL

Mr. SHAY. Thank you, Mr. Chairman, and good morning. I would like to present my colleagues with me this morning.

On my right, Don Reilly, executive vice president of Airport Operators Council International. On his right is J. J. Corbett, vice president for federal affairs of Airport Operators Council International. On my far right, Kent G. George, from Casper, Wyo. On my immediate left, Roy E. Bayless, director of aviation of the Austin, Tex., airport. On Mr. Bayless' left, Russell Hoyt, executive vice president of American Association of Airport Executives. And on his left a man I am sure you know, Erle A. Taylor, director of aviation for Clark County, Las Vegas.

Senator CANNON. Yes; certainly.

Mr. SHAY. And on Mr. Taylor's left, Jay Setter, director of aviation in Wichita, Kans.

All of these members will be available for comment and discussion later on.

Mr. Chairman, the panel before you represents the Airport Operators Council International (AOCI) and the American Association of Airport Executives (AAAE).

AOCI is the association of the governmental bodies which own and operate the principal airports served by the scheduled airlines in the United States and in many countries abroad, as well as reliever and other general aviation airports. Our U.S. membership airports—listed in appendix A—enplane more than 90 percent of the domestic and virtually all of the U.S. international scheduled airline passenger and cargo traffic.

AAAE is the association of approximately 850 professional airport managers located at some 550 primarily municipal airports within the United States from the largest metropolitan airports to the very small general aviation facilities.

Between our memberships we represent the interests of a very broad cross section of all types of U.S. airports.

Mr. Chairman, we have our written testimony which we would like to have submitted for the record in its entirety. In order to expedite the proceedings this morning, I will not read the entire statement.

Senator CANNON. If you would, highlight the points you are particularly concerned with, and also the responses to the points that I raised yesterday.

Mr. SHAY. Yes, sir, I think those matters will be covered.

Our associations have held numerous meetings of airport officials from large and small airports and metropolitan and rural areas in an attempt to present to you today our collective best judgment on the type of airport and airway development program which would be of greatest benefit to airport sponsors in all parts of the nation. These joint recommendations—see appendix D—are as follows:

1. Funding authorization levels.

a. Airport program. Airport sponsors support an airport program funding authorization at $600 million for fiscal year 1976 with annual 6 percent increases thereafter to $760 million in fiscal year 1980.

A program authorization at these levels would be consistent with the projected user tax receipts and would, through modest annual increments, reflect both the growing number of passenger enplanements anticipated during the 5-year period, and in part, the steadily rising costs of airport development.

The chart at appendix C indicates from Federal Highway Administration data that a program increase now to about $500 million would be required merely to reflect the amount of inflation experienced since the expiring act was signed into law in 1970.

The Administration proposal for a constant 5-year funding level at $350 million per year, in contrast, represents about a 30 percent reduction in purchasing power from the program established in 1970.

The fiscal year 1976 $600 million program recommended by our associations would be divided as follows:

(1) Air carrier and reliever airports: $525 million apportioned as follows:

(*a*) Direct formula distribution: $350 million would be made available by formula to air carrier airport sponsors for projects in their capital development programs as approved by the FAA.

(*b*) Discretionary fund: $175 million would be available for distribution at the DOT Secretary's discretion to sponsors for airside projects only, to assist smaller airports primarily with high cost projects—exceeding their allocations under the district formula—and to aid reliever airports in metropolitan areas.

The importance of a large discretionary fund to supplement direct formula grants cannot be overemphasized. A major weakness of the Administration propsal is its highly limited discretionary fund—$63 million in fiscal year 1976 and declining with each successive year.

Only with a substantial discretionary fund—such as one-third of total air carrier/reliever airport funds—would smaller airports be able to undertake those periodic larger projects required for safe, efficient aircraft operations.

(2) General aviation airports: $75 million in fiscal year 1976 with annual 6-percent increases—more than a doubling of the present authorization level, and $25 million above the Administration recom-

mendation. A substantial part of those funds should be reserved for distribution at the Secretary's discretion, including to airports with commuter air taxi operations only.

b. Airways program.

A continuation of the existing law, authorizing a minimum $250 million annual program for modernizing the airways system—ILS's enroute air traffic equipment, et cetera—but subject to increases above that level through the appropriations process, would appear to be adequate to meet the Administration's projected requirements.

c. Aviation research and development.

Likewise, a continuation of the present law authorizing a minimum annual R. & D. program of $50 million, but subject to increased appropiations, would appear adequate, but with a required minimum of $2.5 million—5 percent—for airport R. & D. pavement testing, et cetera—items.

At the above authorization levels, the program recommended by public airport sponsors would require Federal aviation user tax receipts of $900 million in fiscal year 1976, with subsequent modest annual increases to $1,060 million in fiscal year 1980.

2. Distribution formula for air carrier airport allocations.

One of the central issues before this subcommittee and the Congress is the determination of the best formula for apportioning funds directly to air carrier airport sponsors and, more basically, what proportion of total funds should be reserved for the Secretary's project-by-project review and funding under the discretionary fund. Our memberships have wrestled with these questions in great detail.

We agree with the Administration's recommendations that a substantial proportion of total funds should be apportioned directly to individual sponsors for expenditure on projects in an FAA-approved capital development program for each airport. Without such a dependable distribution formula, communities will have no way of gaging the amounts of Federal aid on which they may, at least tentatively, rely in connection with their own long-term financial planning.

As mentioned earlier, a major weakness of the present act, or at least of its administration, is that there is no assurance to any sponsor, no matter how critical the development, that it will receive any Federal funds from one year to the next. This "feast or famine" year-by-year grant process considerably lessens the value of the ADAP program for airports with bond issues to float and to support.

We hope Congress will recognize the importance of providing sponsors with a mechanism for estimating the availability of a certain amount of Federal funds for their airports over a period of years. In our view, two-thirds of total air carrier/reliever airport program funds should be apportioned by some equitable formula and the remaining one-third retained for discretionary distribution by the Secretary.

Our memberships feel strongly that formula funds should be apportioned to airports based on numbers of passenger enplanements but on a weighted basis so as to help smaller airports.

The formula which best meets the proportionate needs of all types and sizes of airports is as follows:

Minimum: $125,000 per air carrier airport.

First 100,000 annual passenger enplanements, $4 each.

Additional passenger enplanements, from 100,001 to 2 million, $2 each.

Additional passenger enplanements, above 2 million, $0.50 each.

Appendix E explains in some detail what this formula would mean for each eligible airport, by size classification, within each State, and as compared with the administration formula.

The distribution formula proposed in the administration bill would allocate moneys based on numbers of annual airline aircraft departures, rather than passenger enplanements. We feel strongly that, given the trend toward fewer airline aircraft operations with higher passenger load factors, the passenger count and not the numbers of aircraft on which they depart is the better indicator of the facilities which an airport sponsor must provide.

3. Required local matching shares.

Surprisingly, our members weren't enamored of the administration's initial proposal for 100-percent grants for high priority development. In their view, the best indicator of a high-priority project is the willingness of communities and local airport users to ante up a reasonable share of project costs through locally generated funds.

A reasonable local share, however, must be related to the revenue generating ability of different types of airports, We agree with the trend in newly authorized Federal grant-in-aid programs to stabilize the Federal share at 80 percent, but believe that smaller air carrier airports and all general aviation airports should be required only to provide 10 percent in local matching shares because of their difficulties in generating user moneys at their facilities and rapidly increasing operational costs.

4. Expanded project eligibility.

Our memberships are pleased that there is broad support within the administration and the aviation industry for an expanison in the classes of projects for which Federal user tax money could be utilized. We fully support the eligibility of public-use, nonrevenue producing space and facilities in terminal buildings—and we appreciate the efforts of this committee in trying to get that provision incorporated in previous legislation—on airport passenger transit systems, and land for environmental compatibility along the lines recommended in the administration's legislation.

Hopefully, the support which this committee gave to expanded eligibility in 1970 and 1972 will be joined this year by similar House action.

No one need fear that communities would expend either Federal or local funds on landside development when essential projects had not been completed. No mayor, county executive or airport official would compromise aviation safety and accept the possibility of a preventable aircraft accident on the community's airport.

5. Role of State governments in airport planning and development.

Our associations are opposed to those provisions of the administration's legislation which would turn the funds made available for general aviation airport development over to State agencies.

6. Local, regional and Federal airport system planning.

Airport sponsors are in full support of planning mechanisms to assure that their proposed capital development programs are consist-

ent with airport master and layout plans and with areawide metropolitan planning activities.

Metropolitan area or regional planning, in their experience, is by far more important and relevant than statewide planning for air carrier airports.

The concept here is that State boundaries are meaningless lines on a map so far as scheduled airline service is concerned. Unlike the highway program where travelers journey through States between origin and destination cities, air transportation connects cities or metropolitan areas without regard to State lines.

In contrast, our memberships believe that their regional and master planning efforts should be incorporated into an improved and modified national airport system plans, which, unfortunately, the administration legislation would abolish.

As mentioned before, we believe FAA has an appropriate role in national airport system planning, to make sure that the airport development programs it approves are consistent with overall national requirements and to allocate its discretionary funds so as to make all the pieces fit.

Attached as appendix D to our testimony is an outline for a streamlined and improved administrative process which retains the essential elements of the NASP while removing FAA personnel from the many project details they could no longer be expected to oversee under an expanded airport grant program.

7. Use of trust fund revenues for noncapital purposes.

Until the capital needs of the airport and airway system are met, airport sponsors are opposed to the expenditure of Federal user tax moneys for Federal, State or local maintenance operations, or administrative costs.

Senator CANNON. Are you referring to the capital needs you are providing for in your recommendations, or are you referring to the capital needs in the overall long-range program?

Mr. SHAY. In the grant program.

Senator CANNON. On just the year-by-year basis? You see, the administration proposed to put so much into the program, and over and above that, to use those funds as they testified.

You are saying that until the capital needs of the system are met, you are opposed to expenditure of the tax moneys for Federal, State, or local maintenance and operation, or administrative costs.

Now, are you referring to all of the costs of the program over a long-range period, or are you referring to the amount over and above what you are suggesting for capital programs on a year-by-year basis?

Mr. REILLY. Mr. Chairman, as you well know the original concept of the ADAP bill which you had such a strong hand in developing was to provide for the capital needs of airport development. That was the No. 1 priority.

What we are saying here is that that priority should still remain paramount, that funds should not be considered for any O. & M. costs of Federal, State or local governments until we succeed in providing all the capital development that is necessary and is envisioned under ADAP.

Senator CANNON. For the entire program?

Mr. REILLY. Yes, sir.

Senator CANNON. That is what I was trying to clarify. The administration proposed that so much a year be put into a capital program and any excess over that be made available for O. & M.

Mr. SHAY. Environmental protection.

As this committee knows well, airport sponsors have been quite active—and on the firing line—in the effort to assure that aviation activities at airports are environmentally compatible with nearby communities.

Hopefully then, when we ask this committee for some relief from excessive environmental reviews, our intent will not be misunderstood. In our view, and contrary to existing requirements, unless there is likelihood that a type of airport development project will have an adverse effect on the environment, costly and time-consuming environmental reviews should be required.

Conversely, a new airport, a new runway or an airport project which would expand existing airport boundaries should be subject to detailed environmental analyses.

Under a new and controversial FAA interpretation of existing law, airport sponsors are now being required to complete environmental assessments on projects for which no Federal aid is possible or requested.

As an example, even though no Federal funds are involved, the addition of a gate to an existing terminal building must receive detailed environmental review and, unless later approved by the Federal Government, cannot be built.

We would appreciate the opportunity to work with the staff of the subcommittee to develop a legislative provision to restrict the ambit of environmental review to those federally assisted projects which are likely to have adverse environmental implications.

9. ADVANCE LAND ACQUISITION STUDY

The AOCI/AAAE joint survey indicates that some 14.4 percent specific legislation to help sponsors acquire sites for replacement and additional airports, and for the advance acqusition of land adjacent to present airport property for future—more than 5 years—development.

The AOCI/AAAE joint survey indicates that some 14.4 percent of all system needs over the next five years will involve the advance acquisition of land. Frankly, we are already convinced of the need for additional legislative authority of this kind, but there has not been any consensus on the best financing mechanism—revolving loan fund, discretionary grants, and so forth.

We were pleased that this committee in 1972 approved a land banking concept and hope it will support one again in this legislation.

Since the time in March when the administration in its legislation recommended a 2-year study of the need for a land banking program, an FAA consultant's report on this subject—"Buy Now, Fly Later: Land Banking for Airport Development," prepared for FAA contract No. DOT–FA74WA–3469 by Urban Systems Research and Engineering, Inc., Cambridge, Mass.—has been completed.

We hope this committee might use the results of this already-completed study as the basis for a new land banking program within the 1975 legislation and not defer the matter until a later time.

10. FUTURE AVIATION USER TAX LEVELS

Existing Federal aviation user taxes on commercial and general aviation are fully adequate to finance the airport and airway capital programs airport sponsors have proposed.

In our view, any changes in existing Federal user tax levels should be considered after this committee determines the funding needs for the development programs now under consideration. Should the Senate Finance Committee later decide to consider legislation to adjust user tax rates, our associations would, of course, make recommendations at that time.

Mr. BAYLESS. Mr. Chairman, this joint statement by Mr. Shay adequately reflects what airport operators and management believe to be a well-balanced aggressive program for continuation of the Federal-local partnership in the development of the Nation's airports.

We believe it important to stress that our testimony speaks for a very broad cross section of airports throughout the country—for the large, medium, and small airports, and many general aviation airports, including those classified as reliever and commuter airports.

I wish to only emphasize what we consider to be an important element of the airport-airways renewal legislation.

We believe a prompt extension at levels adequate to both meet the needs which are reflected in our airport capital development survey, and to keep pace with the effects of inflation, is necessary.

I would call your attention to the chart at appendix C of our statement. This indicates quite clearly that what $280 million accomplished in 1970 now requires $484 million. A prompt extension for a full 5-years is most important.

The program was turned off in June, and although the Senate did endeavor to keep it going, and we very much appreciate that, valuable time is lost when the program stops even temporarily. It is most effective when it runs for a known extended period, hence our emphasis on a full 5-year extension.

Important also is the necessity for eliminating many of the present time-consuming and costly procedures.

Sponsors should be given more latitude in deciding priorities and in moving ahead expeditiously once funds are allocated.

FAA approval should be on an airport's capital improvement program, not on a project-by-project basis.

A predictable funding level is an essential feature of any sound airport development program. Airport sponsors must know that a certain fixed sum may be anticipated.

The direct formula distribution which we have suggested will give this assurance.

Equally important is the provision for an adequate discretionary fund. This fund should be protected in the sense that, regardless of the workings of the direct enplanement formula, the amount available in the discretionary fund will not be less than one-third of the total air carrier reliever fund.

Our testimony has shown what we believe to be the important elements of airport aid renewal legislation.

With respect to the present act, one section deserves careful reexamination. This section, which established Federal certification of

airports, is now going into its sixth year. Certainly this is long enough in terms of what benefits have accrued to the traveling public and what the impact has been on the certificated airports. We have survey data which show that operating costs, particularly in the smaller airports, are escalating on the order of 30 to 40 percent. Such increases result almost exclusively from the requirement to provide extensive fire and rescue service at every airport that regularly or infrequently accommodates an air carrier. The FAA, which administers the certification program, feels it is under a congressional mandate to require fire and rescue services because of this section which specifically mentions "firefighting and rescue equipment capable of rapid access to any portion of the airport used for land, take-off, or service manuvering of aircraft."

As to the benefits accruing to the public, our studies as well as others indicate that: (1) The exposure—that is, the possibility of serious aircraft accident, particularly at the lower activity airports—is statistically insignificant; and (2) in the remote possibility of an accident, the facts are that either the fire is of such minor proportion that the occupants escape unaided, or of such intensity that rescue cannot be effected within the limited time that life can be sustained.

The record of rescue is extremely poor. Such factors as inaccessible terrain, remoteness from the airport, lack of timely notification and adverse weather combine to make the effective response of 90 to 120 seconds impossible, even with the best trained manpower and most modern equipment.

The real issue is operating costs. Capital costs are not such a problem, as they are shared 82 percent from ADAP funds and are a one-time cost.

Our survey indicates airports are spending in excess of $60 million a year in providing this service. We would not want the committee to misunderstand our testimony. If there is a significant benefit to the traveling public, then this service must be provided.

We have prepared a study which we believe makes it quite clear that there is little benefit which accrues to the public.

We ask, Mr. Chairman, that this study be made a part of the record.

Senator CANNON. It will be made a part of the record.[1]

Mr. BAYLESS. Before additional requirements are made in manpower and equipment, we urge the Congress to develop authoritative cost-benefit studies to serve as a sound basis for fire and rescue service required at all airports serving air carriers.

It is extremely significant, we believe, that the National Transportation Safety Board, which frequently makes recommendations based on its findings in the investigation of aircraft accidents, has never made one with respect to these services.

This concludes my comments, Mr. Chairman, and the group is ready to receive questions now.

Senator CANNON. Thank you. Mr. Shay, you emphasized the need for a new airport program for one-time approval only, an airport development program by FAA, rather than project-by-project approval as under the present law.

[1] See p. 150.

I think that is a sound suggestion. However, I am troubled by your recomemndation that the FAA have no say about the priorities involved in the program.

What assurance would we have under your proposal that projects would be completed in terms of the highest national priority for safety and efficiency, rather than priorities developed locally, which might place terminal building modernization, environmental considerations, or land purchases ahead of safety or capacity projects?

Mr. SHAY. As we see it, Mr. Chairman, that could be a cooperative effort. In our reviews, presentation of our projected capital development program to the FAA and our review with them, as well as consultation and review with other airport users and interested local bodies, those priorities would be established which would be in the best interests not only of the community, but of the system as well, and those priorities as we see it certainly could vary from one community to another.

In one case land might be the highest priority; in another case it might be runways, or taxiways.

Senator CANNON. Then you would not object to a modification of your proposal in which a sponsor would be required to list his development prorities and total plan, and have that approved by the FAA before Federal funds are made available?

Mr. SHAY. I think certainly we would have a list of priorities and we present them for review, yes.

Senator CANNON. And you would be held to those priorities, once the overall plan was approved?

Mr. SHAY. I would think that would be reasonable, subject to some periodic review as situations might change.

Senator CANNON. When this committee developed the airport program back in 1969, calling for long-term contract authority, to assure airport sponsors a given level of Federal funding be available for at least a 3-year period, we believed we had achieved a practical solution to the problem of annual funding fluctuations.

Why hasn't the contract authority provision been useful?

Mr. SHAY. I believe our experience has been that we just haven't seen it implemented by the FAA. We still as operators have been faced with hoping that something would develop out of year-to-year individual requests.

Senator CANNON. So you really haven't been given any assurance beyond the year-to-year basis that you could go ahead with a long-term plan?

Mr. SHAY. That is correct.

Senator CANNON. Now you have described the present program legally as 100 percent discretionary funds program.

Does that indicate that the administration has not used the contract authority to provide assurances to airport sponsors of multiyear grants assistance?

Mr. SHAY. I don't believe we are aware of any situations where they have gone to the multiyear assurances.

Senator CANNON. Do you know why the administration has not used that authority?

Mr. SHAY. No, sir, I sure don't.

Senator CANNON. Have they given you any comments as to why they have not proceeded on that basis?

Mr. SHAY. Does anybody have a comment?

Mr. CORBETT. Mr. Chairman, after the legislation was enacted it was the intent of Congress, as we understood it, that the FAA could promise up to a 3-year period to help the sponsor in long-term planning.

Shortly after the enactment of the act, when it got to the administrative side, the administration decided it didn't want to implement the act that way, and they just let that concept in the bill lapse.

The most they have ever been willing to give to a community is funds for a given year and a letter, which has no legal benefit, indicating that funds are available for another year. The following year they might or might not make X amount available also. But that letter indicating possible funds is not legally binding and a sponsor cannot do any long-term financial planning based on it.

And now, for example, in the fifth year of the act, they can make no promises for fiscal 1976.

Senator CANNON. Would you tell the committee the details of the recent suit brought by the city of Los Angeles against the FAA in regard to the apportionment of ADAP funds and why that suit was believed to be necessary?

Mr. CORBETT. Yes, Mr. Chairman. Perhaps we could offer for the printed hearing record a copy of the decision in the city of Los Angeles versus the Secretary of Transportation case.[2]

The city of Los Angeles maintained that, under the statutory formula developed by this committee in 1969, one-third of the funds should be made available to it based on its share of national enplanements. And they sued the FAA Administrator and the Secretary of Transportation because the FAA in administering the program was considering the enplanement funds as discretionary also.

The court held that the intent of the 1970 act must be maintained and that if the city of Los Angeles and other sponsors to whom percentage enplanement shares were available had priority projects, then those funds should be reserved for these sponsors for those projects.

Our understanding is that the Secretary of Transportation has recently decided to appeal the decision of the District Court in Washington.

Senator CANNON. As far as the administration has proposed replacing the national airport system plan with an airport by airport capital development program plan, why do you feel it essential to maintain the national airport system plan, particularly in light of its oversights and inaccuracies about which you have testified?

Mr. HOYT. I guess we might say that, at least judging from past experience, it hasn't really been a plan in the sense that it has just been something for budgetary purposes.

One other factor, I don't believe in most cases that the airport itself was consulted in the formulation of that plan.

Mr. CORBETT. To supplement that, Mr. Chairman, I think Mr. Hoyt's comments are on target.

In our view there is a role for the FAA in working on a national airport system plan, so the communities and others will know what the

[2] See p. 355.

functional role of each airport is, particularly the air carrier airports, within a national system, which the communities cannot determine by themselves.

Our suggestion is the best parts of the national airport system plan be retained, but the FAA minimize the amount of detail that they attempt to list for each airport in the system.

Senator CANNON. What you are really saying, if I understand it correctly, is that if you don't have a national plan, that a State or a local airport might take unto itself an over-added importance to a particular airport that was not necessarily an essential part of the national plan. Is that it?

Mr. CORBETT. I think we would not want Federal user tax funds used to come up with a runaway extension for a given airport that was inappropriate for the type of aircraft that might be using that airport.

So the national plan would be a planning document to make sure the 50 States fit in as a pattern and it would be protection against inappropriate development at any one location.

Senator CANNON. Now if the authority to approve development programs at the air carrier airports was left within FAA, why would you oppose allowing the States to consider improved development programs for airports serving other segments of aviation?

Mr. SHAY. It is our view, generally speaking, that the FAA has within its staff the capability to do that type of planning and assistance for the general aviation airports.

This capability does not exist in all States throughout the Nation and we can see changes in existing working relationships that might be detrimental to the plan and variations in implementation on a State-by-State basis.

Mr. BAYLESS. I think also, Mr. Chairman, aside from the ADAP money, State budgets would necessarily be up as a result of this, and the FAA budget would not necessarily go down.

Senator CANNON. So what you are really saying is we would have 50 little bureaucracies instead of one big one, is that it, or plus one big bureaucracy?

Mr. SHAY. Yes. Maybe both.

Senator CANNON. What is your view, Mr. Shay, with respect to the funding of the large hubs?

As you know, the administration has proposed a change in the formula, and since you have had experience with a large hub, where would you fund the majority of it outside of ADAP?

Mr. SHAY. Well, we recognize that all airports, large and small, of course, need considerable assistance in developing their capital improvement programs.

The large airports, generally speaking, and I think our studies substantiate this, tend to have larger projects, so the need for local funds is still a heavy burden on the local community.

You spoke of our experience. We did complete a substantial program, relying heavily on local funding, which was actually through our air carriers and the other airport users guaranteeing and assuring repayment of bonds, which has frankly imposed a very severe financial cost burden on them.

And the airlines, of course, as was expressed yesterday and as is well known, are not in the best financial position and not able to continue indefinitely assuring funding of all of these programs.

Senator CANNON. Do you think it would be more appropriate to cut back on the large hubs, and provide more assistance for the small air carrier airports, the reliever airports, and those that serve the growing air commuter industry?

Mr. SHAY. We feel the program as we have presented it here tends to give a greater benefit to the smaller airports. The radio is different, 90 percent versus 80 percent, for one example.

Our passenger enplanement formula is such that a greater portion proportionately of the money would go to the smaller airports.

Mr. BAYLESS. Mr. Chairman, I might add a comment on that. The AAAE has had studies which indicate that the predominant proportion of the smaller air carrier airports do not cover their operating expenditures, let alone setting aside money for capital expenditures.

Therefore we believe it is essential that a 90 to 10 funding ratio be available to the smaller airports. We believe they can come up with the 10 percent.

Senator CANNON. With respect to the environmental problems, you indicate that this should be an overall plan, similar to the administration proposal, that is, if the total project is approved, perhaps an environmental study with relation to the whole project would be made, without having to go through the environmental studies or impact statements on individual portions of the plan. Is that it?

Mr. SHAY. Yes, sir, essentially that is it.

Senator CANNON. Do you think it would require any legislative changes in the Environmental Policy Act?

Mr. CORBETT. I think perhaps, Mr. Chairman, that it is legislative history that might be helpful rather than a statutory change which would fall under another committee's jurisdiction.

I think there has been administratively a substantial expansion of what is called a major Federal action under the NEPA statute, which would trigger an environmental process. The FAA, as we mentioned in the latter part of the statement, is now considering the approval by it of a layout plan, which is a piece of paper for possible planning purposes by the airport, to be a major Federal action, which requires an environmental assessment.

We think that, perhaps by some legislative language or some language in your report, it might be suggested that the NEPA provisions should be limited to truly major projects, rather than pieces of paper, which might have adverse environmental impacts.

For those projects that might, we think a full environmental impact assessment would be appropriate.

Senator CANNON. Of course you are kind of begging the question when you say you don't have to do it unless the plan might have an environmental impact.

Who makes that decision? That is the whole purpose of having an environmental study.

Mr. CORBETT. Perhaps, Mr. Chairman, there might be types of projects that reasonably should not require an environmental impact. I think this may have changed recently, but I know environmental assessments have been made on an acquisition by a local government of a firetruck, which may cause noise on the airport, but is clearly for safety purposes.

The amount of time that is spent in getting a number of Federal agencies to comment on the noise characteristics of a firetruck could be better used in acquiring the truck and putting it to use.

Senator CANNON. Tell us about the situation where they required a statement on the change of a gate into the airport.

Mr. CORBETT. An internal FAA order, Mr. Chairman, numbered 5050–2A, issued by FAA in February of this year interprets the statute as saying that if an airport layout plan outlines the sponsor's intention to put a new gate at a terminal building, which would be financed strictly by local funds under the present law, unless he does an environmental assessment on that development, he cannot proceed with it without Federal approval. I think perhaps the addition of a gate to a terminal building might in some instances have environmental consequences, but probably not.

In our understanding this is the first time in this program that the environmental impact of Federal law has been applied to a project which does not fall within the Federal ambit.

We think the committee might take a look at that and see if it is really consistent with the statute passed in 1970.

Senator CANNON. What are your comments with respect to the airport certification program?

Mr. HOYT. Mr. Chairman, speaking for the airport management profession, we did not think that that was necessary in the first place.

However, when it became the law of the land, I believe that I am safe in saying that most airports cooperated to the fullest extent possible.

We worked closely with FAA, we developed guidelines mutually and so forth. The program has now been in effect for five full years. I think it has gone on long enough to stand back and assess whatever benefits have accrued from that program.

The main feature of certification that has affected most airports is the crash-fire rescue requirement, which FAA claims, because of congressional mandate, they must apply to all airports that accommodate certificated carriers either on a regular basis or infrequently. And it is that requirement that has caused us considerable concern, because the operating costs of the crash-fire rescue requirement have escalated in the nature of 30 to 40 percent, particularly at the smaller airports.

We think it even may jeopardize the future of our air transportation system to the smaller communities, because of the costs involved.

The airlines cannot, or will not, assume that cost, so it must be turned back to the taxpayer of that particular community, which is already subsidizing the airport financially.

I think that what we would like to see is a very close look at what we are buying for the amount of money that we are expending. Operating costs, we estimate, to be $60 million a year just to provide that service collectively across the country.

Senator CANNON. Do you have some changes to recommend in the certification program tha would make it less burdensome on the smaller airports?

Mr. HOYT. Yes. As you remember yesterday both the FAA and the ATA were asked that question, and it was left that they would make a recommendation with respect to how the program might be changed.

We would like to work with those two, along that same line, to assist in the development of some such language.

Senator CANNON. We would certainly be glad to have your input, your recommendations, if you could submit them to the committee, and we can consider that when the others come in.

Mr. BAYLESS. Mr. Chairman, a case in point with regard to crash-fire rescue: At our airport in Austin, we have an operating budget of $1 million. This year the crash-fire rescue costs will be at $400,000 or 40 percent of our annual operating costs.

Senator CANNON. Thank you. Senator Stevens?

Senator STEVENS. The administration stated it supports the revenue sharing approach for funding this general airport development, citing the regulatory lag, excessive Federal involvement in local planning and implementation.

Can you tell the committee what has been your working relationship with the FAA regional officials?

Mr. SHAY. Well, of course I guess this would vary from region to region, and I can speak in my case for the northwest region.

I think, generally speaking, we have had excellent working relationships with them. Others may wish to speak to that issue as well.

Mr. TAYLOR. I think probably it would be more on an airport-to-airport basis, as well as region-to-region. Our experience with the western region, in Las Vegas, has been excellent. We work very close together, and we have a good rapport.

But you do hear of instances of other airports that do not have a good feeling between the FAA and the airport sponsor.

Senator STEVENS. I assume the revenue sharing concept would involve the States to a greater degree.

As I understand your position, you don't believe we should, through an act of Congress, require statewide planning.

Mr. SHAY. That is correct.

Senator STEVENS. Why is that? Is it because there is no mechanism in most States now, or that you have some fear of extra control such as environmental review, that sort of thing?

Mr. SHAY. We are interested in local regional planning in an urban area and a national system. Aside from that, as our testimony indicates, air transportation doesn't necessarily operate on a statewide basis. It operates on a national interstate system.

Senator STEVENS. Maybe I am prejudiced, but in my State if there wasn't coordination between the general aviation and the local airports in construction and utilization of construction funds, I don't believe we would make much progress. I think we have made great progress because of the statewide planning concept.

I don't understand your opposition to it.

Mr. REILLY. Senator, it is the general feeling of the owners and operators of the airports that they have built a very good relationship directly with the Federal Government in developing a national airport system. Where the State is the owner and operator of the airports, that is, Alaska and Hawaii, we wholeheartedly support the continuation of that relationship. We are saying basically that the relationship should be between the owner or operator and the Federal Government.

In some other States, the State aeronautics group is not so strong and developed and may not have the capabilities which Alaska and

Hawaii do, they are just not equipped to do the job, and I think the general feeling is that where a number of large cities in a State have invested so much money and so much time and so much expertise in the development of their particular airport system for the local regional communities, that the State should not have a position to override their feelings on what type of development or nondevelopment is needed and required to serve the population of that local community.

Senator STEVENS. Well, I guess that is understandable. But I just have the feeling that at sometime where is going to be a conflict between those areas within a State that are involved in planning. I don't know how you can do it unless you want the Federal Government to iron out conflicts between two cities, say in Nevada or two cities in California. I would think California and Nevada ought to do that rather than the Federal Government.

Mr. REILLY. I think the situation has always been that the local communities, we feel, have been the best judges of what their aviation needs have been.

We would hate to see 50 individual State plans take the place of a unified federally studied and directed airport system.

This way we have one national system that everyone does have input into, but any of the conflicts are decided basically at the Federal level, in the interest of a national system.

Senator STEVENS. I understand that, but by definition there is going to be a lot of airports left out of the national plan; isn't there?

Mr. REILLY. I think right now most all of the airports are included in the plan, sir.

Senator STEVENS. The small general aviation fields?

Mr. REILLY. Yes; they too are included. Well, there are some 3,000 airports in it. This is why we feel that the plan, as it has developed historically, has not really perhaps served the best interests. This is why we are proposing the plan should be converted at the Federal level, through Federal drafting, into a program that would show the character of airports, and then airports, once they are placed in this program, could better determine what type of projects are needed to keep that airport within its scheme of development.

Senator STEVENS. Your statement recommends that we use this already completed study of the FAA consultants on the land banking program for a new land banking program within this legislation, and not defer the matter until a later time.

Have you any suggestions, legislative suggestions or do you have a draft of legislation you want this committee to consider in regard to that recommendation?

Mr. CORBETT. Senator Stevens, the results of the consultant's study, which I am not sure has been formally published, came remarkably close to the type of legislative provisions which this committee drafted in 1972. It talks about the need for a separate type of program from the present ADAP program because the need for runway construction today is always so great that there is never any funds left over for taking care of tomorrow's problems. So it suggests a separate fund with a combination of perhaps loans and grants. And in the report, which is quite detailed, there are a number of suggestions that

were not incorporated in the Senate provision in 1972, but it is basically very close to that concept.

I think we would be happy to provide some language to the committee which might be helpful.

Senator STEVENS. Thank you.

When I was in Alaska during this last recess on two occasions I was given a little pamphlet apparently given to all passengers, urging that people write their Congressmen and Senators to bring about a reduction in the aviation user taxes.

I was interested in your comments, that you think that should not be determined by this committee.

But have you taken a position on the level of taxation that should be continued as far as those user taxes are concerned?

Mr. REILLY. Sir, I think the approach taken by the airport operators has been that we know what the needs are, we have tried to document the needs, we have tried to convey those needs to the committee.

We would hope the committee would first determine what type of program is required, determine what the funding levels are, and then establish what the tax levels should be.

I think that from the figures we have seen that the total program of $900 million could be easily contained within the present tax structure, or with a slight tax reduction.

Senator STEVENS. But you have not made any specific recommendations yet as to the level?

Mr. REILLY. No; we have not.

Senator STEVENS. I am informed the national plan does not include the general aviation airport unless it has a minimum number of aircraft based at the airport, so we wouldn't have a total inclusion in the national plan of all airports.

Mr. REILLY. I believe there are about 3,000 airports, and only 520 are air carrier airports, so that leaves some 2,500 general aviation airports that must be in it.

Senator STEVENS. Thank you very much.

Senator CANNON. Could the levels that you have recommended here, that would require either an increase or decrease, be made and still support the program that you recommend?

Mr. REILLY. Could the tax levels be reduced?

Senator CANNON. Yes.

Senator CANNON. Senator, I think, yes, there could be tax reductions made from the current tax levels. The program we are proposing here costs $900 million. I think the taxes are bringing in over $1 billion a year, so you could have room for a tax reduction.

Senator CANNON. And the $900 million includes your recommendation for land banking?

Mr. REILLY. No, sir. Well, the environmental concept that is included in the bill, yes, but not for new land banking program.

Senator CANNON. Do you have a figure you would recommend on the land bank?

Mr. CORBETT. I think there is quite a broad range that could be accepted on that.

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One of the factors you may want to consider is the size of the existing surplus in the trust fund. No one's program, as far as we can tell, seems to have projected a use of those funds in the short term, and there may be $850 million currently available, and even if a good part of that went for a revolving land banking program, it still would allow at least a nominal reduction in existing tax levels and no increase on the part of the users.

Senator CANNON. If a decrease were to be made in the tax level, where would you recommend that decrease be made?

Mr. REILLY. I don't think we have a recommendation in that area, sir. I think it should be obviously equitable, and in the good judgment of this committee, and you are probably better prepared to do it than we are.

Senator CANNON. That is a good political statement.

Have you considered where there ought to be a reduction, and whether you really ought to recommend a reduction?

Mr. REILLY. No, sir, we haven't.

Senator CANNON. Thank you very much, gentlemen, we appreciate it.

[The statement follows:]

STATEMENT OF THE AIRPORT OPERATORS COUNCIL INTERNATIONAL AND AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

Mr. Chairman and members of the subcommittee, the panel before you this morning jointly represents the Airport Operators Council International (AOCI) and the American Association of Airport Executives (AAAE). AOCI is the association of the *governmental bodies* which own and operate the principal airports served by the scheduled airlines in the United States and in many countries abroad, as well as reliever and other general aviation airports. Our United States member airports (listed in *Appendix A*) enplane more than 90% of the domestic and virtually all of the U.S. international scheduled airline passenger and cargo traffic. AAAE is the association of approximately 850 professional *airport managers* located at some 550 primarily municipal airports within the United States, from the largest metropolitan airports to very small general aviation facilities. Between our membership, we represent the interests of a very broad cross section of all types of U.S. airports.

Our joint presentation today, when joined to the testimony of the national League of Cities-U.S. Conference of Mayors and the National Association of Counties, hopefully will indicate to the Subcommittee that public airport sponsors are in agreement on the extensive revisions which are needed in the existing Airport Development Air Program (ADAP) as it has evolved over the last 29 years.

A. HISTORICAL REVIEW OF AIRPORT SYSTEM DEVELOPMENT

1. *Airports as Part of the National Transportation System*

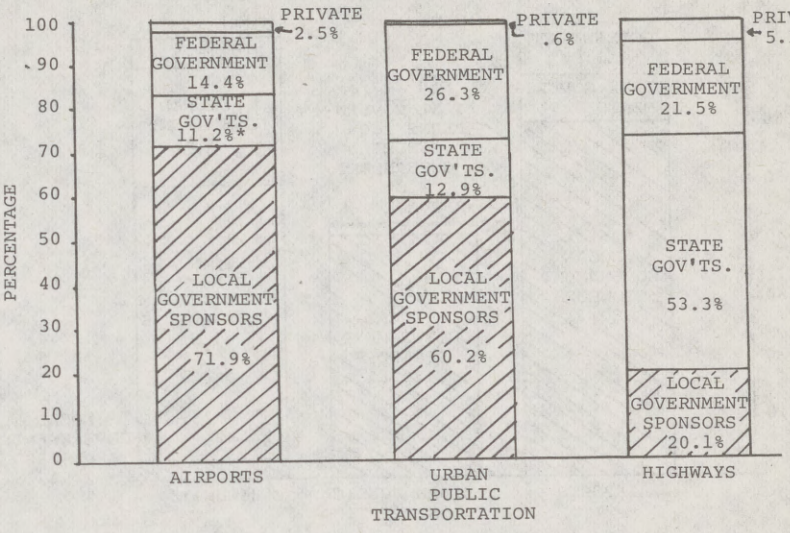
Mr. Chairman, before discussing our recommendations on the various issues which are involved in this Subcommittee's efforts to fashion an improved airport and airway program for the next five years, let's review the U.S. airports system as it exists today in the broader context of a national transportation system.

The U.S. public airports system (some 500 air carrier airports and 3,000 general aviation airports) is much different from the other transportation modes with which the Congress is familiar, in terms of the respective roles of Federal, state and local governments and in available funding from these different levels of government. More than 95% of all U.S. public airports (air carrier and general aviation) are owned and financed by local governments with relatively little financial aid from the Federal Government and even less from state governments. *Table 1* indicates the historical sources of total funding for airports, highways and urban public transportation. Federal and state funds account for about 75% of all highway costs and 39% of urban public transportation costs but less than 26% for airport development and operation. Interestingly, state governments provide a greater proportion of funds for mass transit than for airports. The

Subcommittee should recognize that the role of local governments in airport development has been, and will continue to be, paramount.

To look at the nation's airport system from the same perspective as for Federal highway programs with their state orientation would not be much different from attempting to force a square peg into a round hole.

TABLE 1.—*Historical sources of total funding (Capital and Operating Costs), by transportation mode (Percent shares)*



* 7.6% state aid to municipal airports
3.6% state revenue for state-owned airports

CONCLUSIONS

The Federal Government currently provides a smaller share of total airport program costs (both in percentages and in dollars) than for highways or urban public transportation, even though surplus Federal aviation user tax receipts are available.

Unlike the highway program, state governments provide minimal funding for airport development, which traditionally has been a direct Federal-local partnership. State aid to municipally-owned airports has not exceeded 7.6% of total sponsor costs, even less than states are providing for urban public transportation.

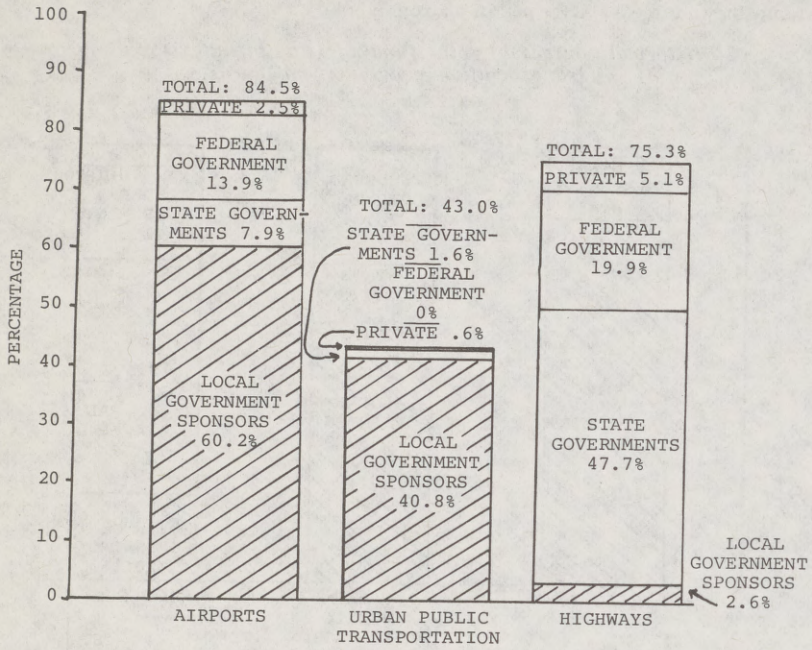
Local (city/county) airport sponsors generate a greater percentage of their total development funding than do sponsors of highway or urban public transportation systems. However, because of disproportionately limited Federal and state aid, much high priority airport construction has been deferred.

Data Source: U.S. Department of Transportation, *1974 National Transportation Report.*

2. *Airport Development is Increasingly User Funded*

The users of airport facilities have provided a greater proportion of total airport costs (through user fees, charges and taxes) than has been paid by highway users or mass transit passengers for the facilities they have used. *Table 2* shows that user funding historically has financed about 85% of all airport development and operating costs, compared with 75% for highways and 43% for public transit. Once again, the greatest burden has been placed on the municipal airport sponsor to generate user revenue because total Federal and state help (proportionately and in dollar amounts) has been less than for highways and public transit.

TABLE 2.—*Historical sources of user-provided funding (Capital and Operating Costs), by Transportation mode (Percent shares)*



CONCLUSION

Airport users through Federal taxes and local user fees pay a greater *share* of their allocated costs of development actually undertaken than do users of highways or urban public transportation systems.

NOTE.—However, as *total dollars* currently available for airport development and operation are substantially less than for other transportation modes, deferred airport projects, according to the DOT *1974 National Transportation Report*, are judged to be of higher priority than deferred projects of other modes.

Data Source: U.S. Department of Transportation, *1974 National Transportation Report.*

Looked at another way, to the extent that the airport sponsor cannot generate user revenue or obtain sporadic Federal-state aid, needed projects must be subsidized by local taxpayers or deferred. Within the national airports system, the smaller the airport the greater is the difficulty of obtaining user revenue and, thus, the increased likelihood that local property taxes will finance most critical airport modernization or safety items.

However, airport sponsors increasingly are unable to obtain general tax funds locally for needed development because other municipal functions which do not have a user charge base (social services, police and fire protection) receive highest local priority.*

Attempts to increase local user revenues can only be pushed so far. An 80¢ hot dog and a 25¢ candy bar in airport terminals are less than desirable methods of financing longer runways—but they do reflect the efforts of local governments to generate monies from airport uses.

*Cf. *Financial and Statistical Data and Estimating Relationships for Airport Planning*, Prepared by J. A. Neiss, Systems Evaluation Office, Civil Programs Division, The Aerospace Corporation (Aerospace Report No. ATR–74(7415)–1), August 1973, and *The Airport Passenger Head Tax—Analysis of its Potential Impact*. Final Report, William R. Fromme, Policy Analysis Division, Office of Aviation Policy, Federal Aviation Administration, U.S. Department of Transportation (Report No. FAA–AVP–74–1), July 1974.

B. MODERNIZING THE FEDERAL-LOCAL ROLES IN AIRPORT DEVELOPMENT

This Subcommitte has heard from Administration and other witnesses about the outdated processing steps which now surround ADAP project approvals and funding. We will not repeat the seemingly endless litany of 105 steps from concept to concrete.

Suffice it to say that one *major* weakness of the present law has been its attempt to continue the step-by-step FAA approvals and detailed reviews which were appropriate in the post-World War II days when many communities were new to airpart development and appreciated all the help they could get. Airport sponsors have since surpassed the FAA in availability of technically competent manpower to undertake and supervise airport development. FAA's future role should be to improve, oversee and implement its National Airport System Plan and not to supervise individual construction projects undertaken by technically competent airport sponsors.

1. *FAA Should Approve Airport Capital Development Programs Not Projects*

In our view, it is critically important that the 1975 legislation follow recent precedent in new Federal grant-in-aid programs and thus direct the DOT/FAA to approve and fund airport capital development *programs* and not individual *projects*. As indicated above, the present law, as it has evolved since 1946, continues provisions which require FAA to give detailed review to every step of every single project proposed to be financed by airport communities with some ADAP aid.

The Administration's proposal, consistent with recent mass transit and community development enactments of the Congress, envisions a new process whereby the community airport sponsor would develop a comprehensive multi-year Capital Development Program, consistent with regional and local multi-modal transportation planning. Then, under the Administration proposal, Federal funds would be made available on a formula basis to help sponsors undertake this development with timing of individual projects decided locally after consultation with airport users.

We applaud the Administration for proposing this long-needed new process but suggest that the National Airport System Plan, in modified form, should serve as the basis of review for sponsors' Capital Development Programs.

2. *The National Airport System Plan Should be Modified and Improved*

The National Airport System Plan (NASP), as it exists today, purports to list each airport development project needed for each of 500 air carrier airports in the nation and general aviation airports too. Because its project listings are endless and FAA manpower is sparse, the present NASP is, for too many airports, outdated and inaccurate.

We believe that FAA's system planning role should be continued but that a new NASP should only categorize airports by their functional or operational role in the national system and indicate, by airport classification, the types of time-phased development which are appropriate for each airport category.

In lieu of reviewing all projects in great detail, FAA, in reviewing a community's Capital Development Program, should determine only whether the development proposed *is consistent with the functional role of that airport in the national system*. When the sponsor's Program is approved on this basis by FAA, formula funds apportioned to the airport could then, without further red tape and delay, be expended on the approved projects. Within the approved Program, sponsors would have needed flexibility in timing development projects in accord with local priorities.

3. *Sponsors Need Long-Term, Predictable Funding Through a Statutory Distribution Formula*

Irrespective of the actual language of the present Act, which makes ADAP funds available to air carrier airport sponsors according to a three-part formula (one-third via passenger enplanements, one-third within states on an area-population basis, and one-third at the DOT Secretary's discretion), the present program, legally, is a 100% discretionary fund program. As such, no community can count on any Federal funds from one year to the next and, thus, the availability of Federal user monies cannot be prudently incorporated into a community's long-term financial (bond issues) and physical planning.

This is a major weakness in today's program because the majority of all airport capital development is financed by the issuance of long-term municipal

bonds and supported by airport revenue (larger airports) or general tax funds (smaller airports). We strongly favor the concept of long-term predictable funding through a statutory distribution formula. Later in our statement, we suggest a more appropriate formula than that proposed by the Administration bill.

Because the airport provisions of the present 1970 statute do not streamline the grant administration process, do not envision FAA approval of comprehensive programs but only projects, and do not provide a predictable source of multi-year financial aid for airport communities, airport sponsors, be they city, county or state, believe that the only practical solution is to *incorporate the best parts* of the existing ADAP program within a new administrative process designed for today's needs.

C. MAGNITUDE OF PROJECTED AIRPORT CAPITAL DEVELOPMENT

Our associations last December surveyed the nation's public sponsors of airline and reliever airports to determine their best estimates of projected capital development requirements between 1976 and 1980. Copies of the most recent computer printouts of the FAA National Airport System Plan's (NASP) list of projects for each airport were disseminated to (1) determine the accuracy of the NASP material and (2) to compile the latest information on project costs for both airside and landside development, as the present NASP does not generally include landside information. The results were both comprehensive and interesting. Some 340 airports, representing about 92% of all system passenger enplanements, responded. Unfortunately, many respondents noted that they had never before been given NASP printouts for their airports. An even greater number felt that the NASP printout—which currently is supposed to list all needed development—was so inaccurate that the sponsors felt compelled to revise the entire sheet. This exercise reinforced our view, expressed above, that FAA must concentrate its manpower on developing a better NASP and reducing, correspondingly, its involvement in routine project management.

A copy of the survey results is included at *Appendix B*. Systemwide it projects a total capital development requirement for air carrier and reliever airports of some $8 billion over the next five years. While the survey report breaks out development needs by various categories and airport sizes, its most important finding is the total *order of magnitude* of sponsor need for large amounts of capital funds, primarily from users, through an expanded Federal assistance program or through even more intense user revenue generation efforts at the local level. After we have further reviewed the survey data and verified the totals, the individual survey responses will be turned over to FAA to improve their NASP entries.

D. AIRPORT SPONSOR LEGISLATIVE RECOMMENDATIONS

Our associations have held numerous meetings of airport officials from large and small airports and metropolitan and rural areas in an attempt to present to you today our collective best judgment on the type of airport and airway development program which would be of greatest benefit to airport sponsors in all parts of the nation. These joint recommendations (see *Appendix D*) are as follows:

1. *Funding Authorization Levels*

a. *Airport Program.*—Airport sponsors support an airport program funding authorization at $660 million for FY '76, with annual 6% increases thereafter to $760 million in FY '80. A program authorization at these levels would be consistent with projected user tax receipts and would, through modest annual increments, reflect both the growing number of passenger enplanements anticipated during the five-year period and, in part, the steadily rising costs of airport development. The chart, at *Appendix C*, indicates from Federal Highway Administration data that a program increase now to about $500 million would be required merely to reflect the amount of inflation experienced since the expiring Act was signed into law in 1970. The Administration proposal for a constant five-year funding level at $350 million per year, in contrast, represents about a 30% reduction in purchasing power from the program established in 1970. The FY '76 $600 million program recommended by our associations would be divided as follows:

(1) *Air Carrier and Reliever Airports:* $525 million, apportioned as follows:

(a) *Direct Formula Distribution:* $350 million would be made available by

formula to air carrier airport sponsors for projects in their Capital Development Programs as approved by the FAA.

(b) *Discretionary Fund:* $175 million would be available for distribution at the DOT Secretary's discretion to sponsors for airside projects only, to assist smaller airports primarily with high cost projects (exceeding their allocations under the Direct Formula) and to aid reliever airports in metropolitan areas.

The importance of a large discretionary fund to supplement Direct Formula grants cannot be overemphasized. A major weakness of the Administration proposal is its highly limited discretionary fund ($63 million in FY '76 and declining with each successive year). Only with a substantial discretionary fund (such as ⅓ of total air carrier/reliever airport funds) would smaller airports be able to undertake those periodic larger projects required for safe, efficient aircraft operations.

(2) *General Aviation Airports:* $75 million in FY '76 with annual 6% increases, more than a doubling of the present authorization level, and $25 million above the Administration recommendation. A substantial part of those funds should be reserved for distribution at the Secretary's discretion, including to airports with commuter air taxi operations only.

b. *Airways Program.*—A continuation of the existing law, authorizing a *minimum* $250 million annual program for modernizing the airways system (ILS's, en route air traffic equipment, etc.) but subject to increases above that level through the appropriations process, would appear to be adequate to meet the Administration's projected requirements.

c. *Aviation Research and Development.*—Likewise, a continuation of the present law, authorizing a minimum annual R&D program of $50 million, but subject to increased appropriations, would appear adequate, but with a required minimum of $2.5 million (5%) for airport R&D (pavement testing, etc.) items.

At the above authorization levels, the program recommended by public airport sponsors would require Federal aviation user tax receipts of $900 million in FY '76, with subsequent modest annual increases to $1,060 million in FY '80.

2. *Distribution Formula for Air Carrier Airport Allocations*

One of the central issues before this Subcommittee and the Congress is the determination of the best formula for apportioning funds directly to air carrier airport sponsors and, more basically, what proportion of total funds should be reserved for the Secretary's project-by-project review and funding under the Discretionary Fund. Our memberships have wrestled with these questions in great detail.

We agree with the Administration's recommendations that a substantial proportion of total funds should be apportioned directly to individual sponsors for expenditure on projects in an FAA approved Capital Development Program for each airport. Without such a dependable distribution formula, communities will have no way of gauging the amounts of Federal aid on which they may at least tentatively rely in connection with their own long-term financial planning. As mentioned earlier, a major weakness of the present Act, or at least of its administration, is that there is no assurance to any sponsor, no matter how critical his development, that it will receive any Federal funds from one year to the next. This "feast or famine," year-by-year grant process considerably lessens the value of the ADAP program for airports with bond issues to float and to support.

We hope Congress will recognize the importance of providing sponsors with a mechanism for estimating the availability of a certain amount of Federal funds for their airports over a period of years. In our view, two-thirds of total air carrier/reliever airport program funds should be apportioned by some equitable formula and the remaining one-third retained for discretionary distribution by the Secretary.

Our memberships feel strongly that formula funds should be apportioned to airports based on numbers of passenger enplanements but on a weighted basis so as to help smaller airports. The formula which best meets the proportionate needs of all types and sizes of airports is as follows:

	Each
Minimum: $125,000 per air carrier airport First 100,000 annual passenger enplanements	$4.00
Additional passenger enplanements, from 100,001 to 2 million	2.00
Additional passenger enplanements, above 2 million	.50

Appendix E explains in some detail what this formula would mean for each eligible airport, by size classification, within each state, and as compared with the Administration formula.

The distribution formula proposed in the Administration bill would allocate monies based on numbers of annual airline aircraft departures, rather than passengers. We feel strongly that, given the trends toward fewer airline aircraft operations but with higher passenger load factors, the passenger count and not the numbers of aircraft on which they depart is the better indicator of the facilities which an airport sponsor must provide.

3. *Required Local Matching Shares*

Surprisingly, our members weren't enamored of the Administration's initial proposal for 100% grants for high priority development. In their view, the best indicator of a high priority project is the willingness of communities and local airport users to ante up a reasonable share of project costs through locally generated funds. A "reasonable local share," however, must be related to the revenue generating ability of different types of airports. We agree with the trend in newly authorized Federal grant-in-aid programs to stabilize the Federal share at 80% but believe that smaller air carrier airports and all general aviation airports should be required only to provide 10% in local matching shares because of their difficulties in generating user monies at their facilities and rapidly increasing operational costs.

4. *Expanded Project Eligibility*

Our memberships are pleased that there is broad support within the Administration and the aviation industry for an expansion in the classes of projects for which Federal user tax monies could be utilized. We fully support the eligibility of public-use, non-revenue producing space and facilities in terminal buildings, on-airport passenger transit systems, and land for environmental compatibility, along the lines recommended in the Administration's legislation. Hopefully, the support which this Committee gave to expanded eligibility in 1970 and 1972 will be joined this year by similar House action.

Further, if there is any way that the Committee could make even more explicit in its legislation that cocktail lounges, on-airport hotels, parking lots, concession space and all other revenue producing areas are *strictly ineligible* for even a single dollar of Federal user tax funds, we would applaud that comprehensive list of exclusions so that no one could be confused by the intent of the airport sponsor.

No one need fear that communities would expend either Federal or local funds on landside development when essential projects had not been completed. No mayor, county executive or airport official would compromise aviation safety and accept the possibility of a preventable aircraft accident on the community's airport.

5. *Role of State Governments in Airport Planning and Development*

Our associations are opposed to those provisions of the Administration's legislation which would turn the funds made available for general aviation airport development over to state agencies. Should general aviation airports in a given state voluntarily sign agency agreements authorizing the state to take over this role, we, of course, would not object. But there is considerable skepticism within the airport sponsor community as to the competence of most state aeronautics agencies to handle the general aviation program, much less any portion of the air carrier/reliever airport program. Nor, in our view, would a three-year phase-in period, as recommended by the Administration, be adequate for many, if not most, state agencies to prepare for such a role.

A review of some of the federally-financed State Airport System Plans has given our members considerable cause for concern. Aviation user groups are even more fearful than airport sponsors that these state plans, not adequately reviewed at the Federal level, may result in huge state user tax increases to finance quite questionable projects. We recommend that no further State System Plans be financed out of Federal coffers until, as a minimum, there is a better method for reviewing and approving such plans at the Federal level.

6. *Local, Regional and Federal Airport System Planning*

Airport sponsors are in full support of planning mechanisms to assure that their proposed capital development programs are consistent with airport master and layout plans and with area-wide metropolitan planning activities. Metropolitan area or regional planning, in their experience, is by far more important and relevant than state-wide planning for air carrier airports.

The concept here is that state boundaries are meaningless lines on a map so far as scheduled airline service is concerned. Unlike the highway program where

travelers journey *through* states between origin and destination cities, air transportation connects cities or metropolitan areas without regard to state lines.

We hope, for these reasons, that the Subcommittee will not legislate any requirements for state planning for air carrier airports but will let each state evolve its appropriate role through state legislation. In contrast, our membership believe that their regional and master planning efforts should be incorporated into an improved and modified National Airport System Plan, which, unfortunately, the Administration legislation would abolish.

As mentioned before, we believe FAA has an appropriate role in the National Airport System Planning, to make sure that the airport development programs it approves are consistent with overall national requirements and to allocate its discretionary funds so as to make all the pieces fit. Attached to *Appendix D* to our testimony is an outline for a streamlined and improved administrative process which retains the essential elements of the NASP while removing FAA personnel from the many project details they could no longer be expected to oversee under an expanded airport grant program.

7. *Use of Trust Fund Revenues for Non-Capital Purposes*

During the first year of the Aviation Trust Fund's operation, the Office of Management and Budget refused to obligate $110 million of airport program funds and diverted those monies to pay for FAA operations costs in contravention of clear Congressional intent to the contrary. Those funds have never been recovered to the airports program. Until the capital needs of the airport and airway system are met, airport sponsors are opposed to the expenditure of Federal use tax monies for Federal, state or local maintenance, operations or administrative costs.

8. *Environmental Protection*

As this Committee knows well, airport sponsors have been quite active—and on the firing line—in the effort to assure that aviation activities at airports are environmentally compatible with nearby communities.

Hopefully then, when we ask this Committee for some relief from excessive environmental reviews, our intent will not be misunderstood. In our view, and contrary to existing requirements, unless there is a likelihood that a *type* of airport development project will have an adverse effect on the environment, costly and time-consuming environmental reviews should not be required. Conversely, a new airport, a new runway or an airport project which would expand existing airport boundaries should be subject to detailed environmental analyses.

Under a new and controversial FAA interpretation of existing law, airport sponsors are now being required to complete environmental assessments on projects for which no federal aid is possible or requested. As an example, even though no federal funds are involved, the addition of a gate to an existing terminal building must receive detailed environmental review and, unless later approved by the Federal Government, cannot be built.

We would appreciate the opportunity to work with the staff of the Subcommittee to develop a legislative provision to restrict the ambit of environmental review to those federally assisted projects which are likely to have adverse environmental implications.

9. *Advance Land Acquisition Study*

The Administration has proposed a two-year study of the need for specific legislation to help sponsors acquire sites for replacement and additional airports and for the advance acquisition of land adjacent to present airport property for future (more than 5 years) development.

The AOCI/AAAE joint survey indicates that some 14.4% of all system needs over the next five years will involve the advance acquisition of land. Frankly, we are already convinced of the need for additional legislative authority of this kind but there has not been any consensus on the best financing mechanism (revolving loan fund, discretionary grants). We were pleased that this Committee in 1972 approved a land banking concept and hope it will support one again in this legislation.

Since the time in March when the Administration in its legislation recommended a two-year study of the need for a land banking program, an FAA consultant's report on this subject (*Buy Now, Fly Later: Land Banking for Airport Development*, prepared for FAA Contract #DOT–FA74WA–3469 by Urban Systems Research and Engineering, Inc., Cambridge, Mass.) has been completed. We hope this Committee might use the results of this already-completed study as the

basis for a new land banking program within the 1975 legislation and not defer the matter until a later time.

10. *Future Aviation User Tax Levels*

Existing federal aviation user taxes on commercial and general aviation are fully adequate to finance the airport and airway capital programs airport sponsors have proposed. In our view, any changes in existing federal user tax levels should be considered *after* this Committee determines the funding needs for the development programs now under consideration. Should the Senate Finance Committee later decide to consider legislation to adjust user tax rates, our associations would of course make recommendations at that time.

Mr. Chairman, we greatly appreciate the opportunity to present the views of our United States memberships on the issues now before this Subcommittee. In great measure, the issues we are addressing (level of funding, need for a long-term financing mechanism, expanded eligibility) were framed by this Committee in its earlier attempts to improve the present airport grant program. We are hopeful this year that the House of Representatives may join the Senate Commerce Committee in mutual support of these long-needed improvements.

We also appreciate the efforts of this Committee to keep the ADAP program functioning through a 90-day extension (S. 1972). We are now hopeful that early Senate and House action will reactivate this important program which has now nominally lapsed.

All members of our panel would be pleased to respond to any questions the Subcommittee may have.

Appendix A

AOCI U.S. Public Members by State

ALABAMA

Birmingham, Department of Aviation.
Huntsville, Madison County Airport Authority.

ALASKA

Alaska, Department of Public Works.

ARIZONA

Phoenix, city of.

CALIFORNIA

Fresno, city of.
Kern, County of.
Los Angeles, Department of Airports.
Oakland, Board of Port Commissioners.
Orange, County of.
Palm Springs, city of.
Riverside County Airports Department.
Sacramento, County of.
San Diego Unified Port District.
San Francisco, city and County of.
San Joaquin County, Department of Aviation.
San Jose, city of.
Ventura, County of.

COLORADO

Colorado Springs, city of.
Denver, city and County of.
Pueblo Memorial Airport.

DELAWARE

New Castle County, Transportation Board.

FLORIDA

Broward County, Board of County Commissioners.
Dade County, Aviation Department.
Hillsborough County, Aviation Authority.
Jacksonville Port Authority.
Lee County Airport.
Melbourne Airport Authority.
Orlando, city of.
Palm Beach County, Board of County Commissioners.
Pensacola, city of.
Sarasota-Manatee Airport Authority.
Volusia County, Daytona Beach Regional Airport.

GEORGIA

Atlanta, Department of Aviation.
Columbus, Metropolitan Airport.
Savannah Airport Commission.

HAWAII

Hawaii, Department of Transportation.

ILLINOIS

Chicago, Department of Aviation.
Peoria, Greater Peoria Airport Authority.
Rockford, Greater Rockford Airport Authority.
Rock Island County, Metropolitan Airport Authority of.
Springfield Airport Authority.

INDIANA

Fort Wayne, Board of Aviation Commissioners.
Indianapolis Airport Authority.
St. Joseph County Airport Authority.

IOWA

Cedar Rapids Municipal Airport Commission.
Des Moines, Department of Aviation.
Mason City Municipal Airport Commission.
Waterloo Airport Commission.

KANSAS

Wichita, Board of Park Commissioners.

KENTUCKY

Louisville and Jefferson County Air Board.
Owensboro, Daviess County Airport Board.
Paducah Airport Corporation.

LOUISIANA

Baton Rouge, Greater Baton Rouge Airport District.
Calcasieu Parish, Airport Authority for Airport District No. 1.
Lafayette Airport Commission.
New Orleans Aviation Board.
New Orleans, Board of Levee Commissioners.

MAINE

Bangor, city of.
Portland International Jetport.

MARYLAND

Maryland, State Aviation Administration.

MASSACHUSETTS

Massachusetts Port Authority.

MICHIGAN

Flint, city of.
Kalamazoo Munucipal Airport.
Kent County Aeronautics Board.
Muskegon County Airport.
Tri-City Airport Commission.
Wayne County, Board of County Road Commissioners.

MINNESOTA

Minneapolis-St. Paul Metropolitan Airports Commission.

MISSISSIPPI

Jackson Municipal Airport Authority.

MISSOURI

Columbia, city of.
Joplin, city of.
Kansas City, Department of Aviation.
St. Louis Airport Authority.
St. Louis Metropolitan Area Airport Authority.
Springfield Municipal Airport.

MONTANA

Great Falls International Airport Commission.

NEBRASKA

Lincoln, Airport Authority of the city of.
North Platte Airport Authority.
Omaha, Airport Authority of the city of.

NEVADA

Clark, County of.
Reno, city of.

NEW HAMPSHIRE

Manchester Airport Authority.

NEW JERSEY

Mercer County, Board of Chosen Freeholders.

NEW MEXICO

Albuquerque International Airport.

NEW YORK

Broome County Airport.
New York and Newark, The Port Authority of New York and New Jersey.
Niagara Frontier Transportation Authority.
Syracuse, Department of Aviation.

NORTH CAROLINA

Charlotte, city of.
Greensboro, High Point Airport Authority.

OHIO

Akron-Canton Regional Airport Authority.
Cleveland, Division of Airports.
Columbus Metropolitan Airport and Aviation Commission.
Dayton, Department of Aviation.
Kenton County Airport Board.
Toledo, city of
Youngstown Municipal Airport.

OKLAHOMA

Oklahoma City Airport Trust.
Tulsa, Airprt Authority.

OREGON

Eugene, city of.
Portland, port of.

PENNSYLVANIA

Lehigh-Northampton Airport Authority.
Pennsylvania Aeronautics Commission.
Philadelphia, Department of Commerce.
Pittsburgh, County of Allegheny.

RHODE ISLAND

Rhode Island, Division of Airports.

SOUTH CAROLINA

Charleston County, Airport District.
Greenville-Spartanburg, Airport Commission.
Richland-Lexington, Airport Commission.

TENNESSEE

Chattanooga, Department of Public Works.
Knoxville, city of.
Memphis-Shelby County, Airport Authority.
Nashville, Metropolitan Nashville Airport Authority.

TEXAS

Dallas, Department of Aviation.
Dallas-Fort Worth, Regional Airport Board.
El Paso, city of.
Houston, Aviation Department of the city of.
McAllen, city of.
San Antonio, Department of Aviation.

UTAH

Salt Lake City, International Airport.

VERMONT

Burlington, Airport Commission.

VIRGINIA

Charlottesville, Albemarle Airport.
Norfolk, Port and Industrial Authority.
Peninsula, Airport Commission.

WASHINGTON

King County, International Airport.
Seattle, port of.
Spokane, Airport Board.

WASHINGTON, D.C.

Washington, D.C., FAA National Capital Airports.

WEST VIRGINIA

Tri-State, Airport Authority.

WISCONSIN

Milwaukee County, Airport Department.

WYOMING

Natrona County, International Airport.

AMERICAN SAMOA

American Samoa, Government of.

GUAM

Guam, Government of.

PUERTO RICO

Puerto Rico, Ports Authority.

TRUST TERRITORY OF THE PACIFIC ISLANDS

Mariana Islands, Department of Transportation and Communications.

Appendix B

U.S. PUBLIC AIRPORT CAPITAL DEVELOPMENT REQUIREMENTS, 1976–1980, RESULTS OF A NATIONAL SURVEY CONDUCTED JOINTLY BY AIRPORT OPERATORS COUNCIL INTERNATIONAL (AOCI) AND AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES (AAAE)

I. SUMMARY OF SURVEY RESULTS

More than $8.1 billion worth of capital development will be required to meet the needs of the nation's airline and reliever airports over the next five years, a joint survey made by the Airport Operators Council International and the American Association of Airport Executives shows.

The survey, the most comprehensive study ever made of U.S. airport requirements, covered 341 airports which represent approximately 186 million enplaned passengers a year, or 93% of last year's national total of 200 million passengers. It was conducted by the two associations using data from local airport sponsor corrections to the Federal Aviation Administration's National Airport System Plan.

This total of $8.1 billion would generate 74,000 new full-time jobs in each of the 1976–1980 fiscal years covered by the study. In other words, 50,000 construction workers and 24,000 manufacturing employees would be kept busy full-time for five years working to fulfill these airport needs. Their income, in turn, would spread throughout the economy to generate more thousands of jobs during the five-year period.

Of the $8.1 billion, more than $3.3 billion, or 41.4%, is for airside development at airports—runways, taxiways, etc. More than $3.5 billion, or 44.0%, is for development in the landside area, including passenger terminals, baggage handling facilities and access roads. Another $1.1 billion, or 14.4%, is needed for advance land acquisition for airport development later than 1980, and for noise buffer zones. Under present law neither landside nor landbanking is eligible for federal airport development grants.

The survey also showed that large hub airports as a group have more than $3.6 billion in total capital development needs, the bulk of which—57.8%—is in the landside area. Terminal buildings, ground access and people mover requirements constitute the bulk of these large hub landside requirements. Medium hub airports as a group need more than $2 billion in total capital development. Small hub, non-hub and reliever airports show a combined total of well over two billion dollars of capital development needs, predominantly in the airside area.

To compile this data, AOCI and AAAE sent each U.S. airport a copy of its entry in FAA's National Airport System Plan, and asked the airport management to either certify the accuracy of the NASP development needs data or make corrections to the NASP to update the project cost information. Alternatively, airports could submit their own planning documents showing development needs over the next five years. Since FAA's NASP data is at least two years old, the AOCI/AAAE survey contains the most up-to-date information on actual airport needs available in the United States today. The survey was updated in August, 1975, to reflect current estimates of airport capital development needs over the next five years.

II. SURVEY METHODOLOGY AND FINDINGS

The AOCI/AAAE Airport Capital Development Survey was sent to U.S. air carrier and reliever airports on December 13, 1974, and updated in August, 1975, to determine U.S. airport development needs over the next five (5) years. Usable responses were received from 341 airports, representing approximately 186,984,449 enplaned passengers, or 93% of the national total of approximately 200 million. The extent of response is sufficient to ensure authoritativeness of both the reported data and the projected data.

The *survey questionnaire* requested information concerning five-year capital development needs in the airside, landside and land-banking areas. Each airport was provided with a copy of its entry in the National Airport System Plan (NASP) of the Federal Aviation Administration and was requested to either certify the accuracy of the NASP development needs data or make corrections to the NASP to update the project cost information. Alternatively, airports were provided the opportunity to submit their own planning documents showing development needs over the next five (5) years.

The information provided by the 341 responding airports, in its aggregate form, is presented in III, below. The data is grouped by airport hub size classification, and within hub size by area of need.

The components of the *airside area* are as follows:

Land (1–5 years), which includes land currently ADAP-eligible as described in the NASP. Included in this category is land to be utilized within the next five (5) years for expanding existing airport facilities and for runway expansion.

Paving, Lighting and Other, which includes such currently ADAP-eligible projects in the NASP as the paving of existing runways, taxiways and aprons and the construction of new runways, taxiways and aprons; runway, taxiway and apron lighting; capital expenditures for compliance with safety certification (FAR 139) and security certification (FAR 107) requirements; airfield service roads; and other airside development currently ADAP-eligible. Approach aids requirements have been omitted, though some airports finance these items themselves and they do appear in the NASP.

The components of the *landside area*, currently ADAP-ineligible, are as follows:

Buildings/Land, which includes additions to existing air carrier, general aviation and cargo terminal facilities; new terminal facilities and terminal sites; federal inspection space; hangar facilities; maintenance facilities and other support facilities.

Facilities, which includes common use baggage handling facilities; liquid/solid waste treatment facilities; utility systems (including underground fueling/storage systems).

Ground Access/People Movers, which includes additional road/rail capacity on-airport property; intra-airport and interterminal transit systems.

Other and Undesignated, including landside development not appropriately included in the above categories.

Information was requested on *landbanking* requirements for current acquisition of land in anticipation of future (more than five years) need. Types of landbanking needs include future airport expansion, new airport site requirements, acquisition of land or easements for environmental protection (noise buffers) purposes, public acquisition of private general aviation airports to relieve air carrier airports, and other undesignated landbanking needs.

Airport responses were divided into groups according to hub size classification. Twenty-five (25) large hub airport responses were received, representing 100% of the passengers enplaned in that hub size classification. Thirty-six (36)

medium hub airport responses were received, representing 93% of the passengers enplaned in that hub classification. Sixty-five (65) small hub airport responses were received, representing 89% of the passengers enplaned in that hub classification. One hundred fifty-four (154) non-hub airport responses were received, representing 50% of the passengers enplaned in that hub classification. Sixty-one (61) reliever airport responses were received, although no percentage representation was computed due to the lack of an enplanement data base for that hub classification.

The data actually reported by the responding airports was projected on a systemwide basis. Straight-line extrapolation of the reported data from the percentage of the total enplanements of each hub category to 100% of the enplanements of each hub category resulted in the projected data. In the case of the non-hub projection, a 70% sample factor was assumed, rather than the 50%, due to variable distribution of responses within a relatively small sample. No systemwide projection of reliever airport needs was attempted.

Among the *trends* demonstrated by the survey results are the following:

Total U. S. airport capital development needs for fiscal year 1976 through 1980 are more than $8.1 billion.

Area of need proportions of the total need are more than $3.3 billion (41.4%) for airside development, more than $3.5 billion (44.0%) for landside development and more than $1.1 billion (14.4%) for landbanking for future requirements.

Large hub airports, as a group, indicate more than $3.6 billion in total capital development needs, the bulk of which (57.8%) is in the landside area. Reported data indicates that terminal buildings and ground access/people mover requirements constitute the bulk of large hub landside needs.

Medium hub airports,[1] as a group, indicate more than $2.0 billion in total capital development needs, evenly represented in the airside and landside areas.

Small hub, non-hub and reliever airports demonstrate a combined total of well over $2 billion of capital development needs, predominantly in the airside area.

Large and medium hub airports account for about ¾ of total landbanking for future airport needs.

NOTE.—The CAB and the FAA define the four air traffic hub classifications as Standard Metropolitan Statistical Areas with the following characteristics: Large hub—1.00% or more of the total enplaned passengers in the U. S.; Medium hub—0.25% to 0.99%; Small hub 0.05% to 0.24%; and Non-hub—less than 0.05%.

[1] The total airside development at responding Medium Hub airports was overstated in the March, 1975, publication due to a mathematical error.

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III. AOCI/AAAE AIRPORT CAPITAL DEVELOPMENT SURVEY RESULTS

Reported Development Needs: 1976-1980
(in thousands of dollars)
Up-dated as of August 22, 1975

Area of Need	LARGE HUBS (1,974,000 or more enpl.) 25 of 25 airports 131,760,852 enpl. (100%)	MEDIUM HUBS (1,973,999-480,000 enpl.) 36 of 44 airports 35,238,615 enpl. (93%)	SMALL HUBS (479,999,98,000 enpl.) 65 of 86 airports 15,970,947 enpl. (89%)	NON-HUBS (97,999 or fewer enpl.) 154 of 370 airports 4,019,035 enpl. (50%)	RELIEVERS (no enplanements) 61 of 203 airports	TOTAL 341 of 720 airports 186,984,449 empl. (93%)
Airside—Reported	[25] 1,086,827 (29.5%) (35.9%)	[36] 696,937 (37.1%) (23.0%)	[64] 537,612 (60.7%) (17.8%)	[147] 476,997 (72.8%) (15.6%)	[52] 229,837 (51.0%) (7.6%)	3,028,210 (40.1%) (100%)
Landside—Reported	[25] 2,130,011 (57.8%) (62.2%)	[21] 803,742 (42.8%) (23.5%)	[55] 226,240 (25.5%) (6.6%)	[112] 120,054 (18.3%) (3.5%)	[38] 146,227 (32.4%) (4.3%)	3,426,274 (45.4%) (100%)
Land Banking—Reported	[10] 468,135 (12.7%) (42.6%)	[14] 376,502 (20.1%) (34.2%)	[14] 121,923 (13.8%) (11.1%)	[33] 58,436 (8.9%) (5.3%)	[8] 74,678 (16.6%) (6.8%)	1,099,701 (14.6%) (100%)
TOTAL REPORTED	3,684,973 (100%) (48.8%)	1,877,181 (100%) (24.8%)	885,775 (100%) (11.7%)	655,514 (100%) (8.7%)	450,742 (100%) (6.0%)	7,554,185 (100%) (100%)

Projected Systemwide Needs: 1976-1980
(in thousands of dollars)

Area of Need	LARGE HUBS 100% Sample	MEDIUM HUBS 93% Sample	SMALL HUBS 89% Sample	NON-HUBS 70% Sample	RELIEVERS 61 airports reporting	TOTAL
Airside—Projected	1,086,827 (32.4%)	749,394 (22.4%)	604,056 (18.0%)	681,424 (20.3%)	229,837 (6.9%)	3,351,538 (41.4%) (100%)
Landside—Projected	2,130,011 (59.7%)	864,238 (24.2%)	254,202 (7.1%)	171,505 (4.8%)	146,227 (4.1%)	3,566,183 (44.0%) (100%)
Land Banking—Projected	468,135 (40.1%)	404,840 (34.7%)	136,992 (11.7%)	83,516 (7.1%)	74,678 (6.4%)	1,168,161 (14.4%) (100%)
TOTAL-PROJECTED	3,684,973 (45.5%)	2,018,474 (24.9%)	995,252 (12.3%)	950,734 (11.7%)	450,742 (5.6%)	8,100,175 (100%) (100%)

—Horizontal and vertical projected totals may not correspond due to percentage rounding. Likewise, percentage figures may not total 100 due to variations in projected figures due to rounding.
—Percentage figures in parentheses to the right of projected figures indicate percent of hub total.
—Percentage figures in parentheses under projected figures indicate percent of "area of need" total.
—No projection of reliever figures was provided, due to lack of enplanement data base.
—Numbers in brackets [ ] indicate number of airports responding.

August, 1975

In the AOCI/AAAE Survey, individual airports were classified by hub size on basis of the number of enplaned passengers at each airport and its relation to the above formula.

FIGURE 1.—*Projected Total U.S. Airport Capitol Development Needs by Hub Classification: FY 1976–1980*

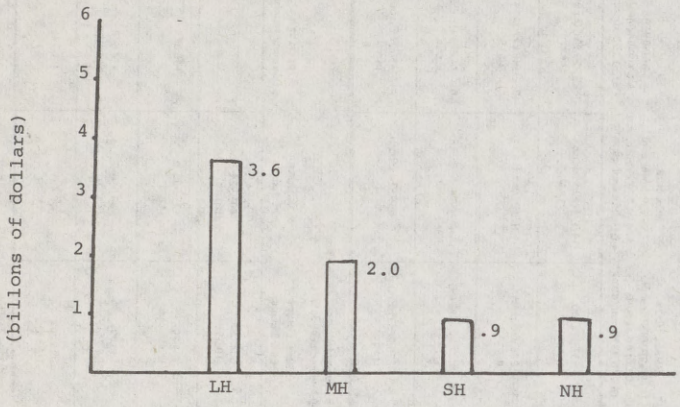
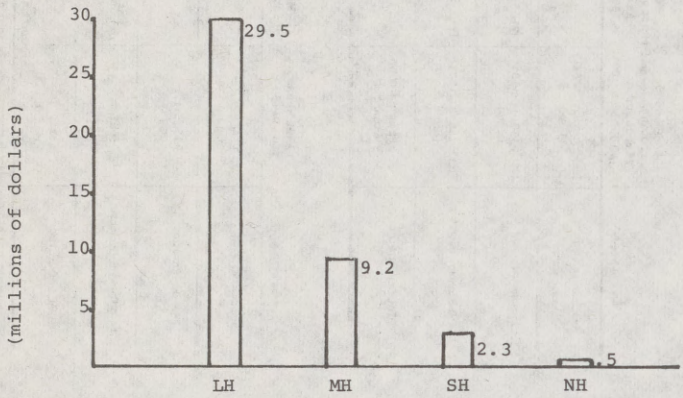


FIGURE 2.—*Projected U.S. Airport Capital Development Needs: FY 1976–1980—Average need per Airport per Year by Hub Classification*



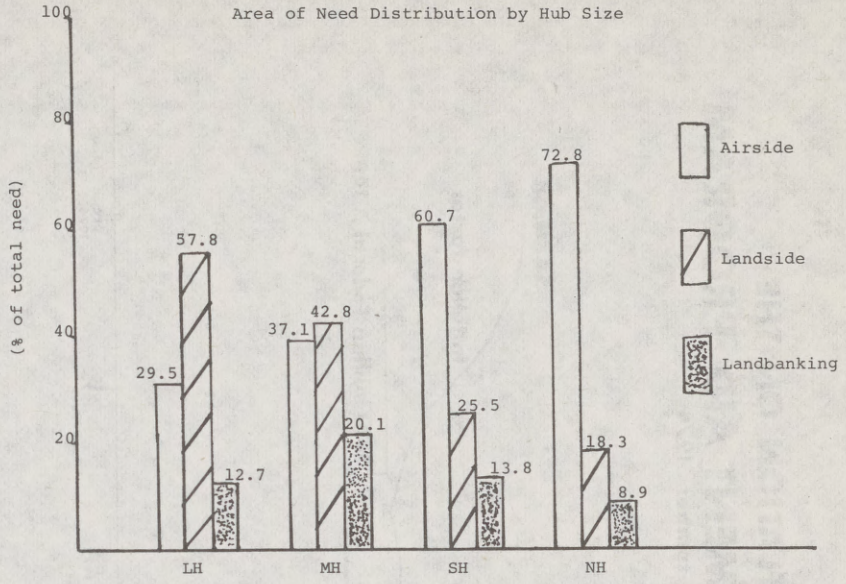
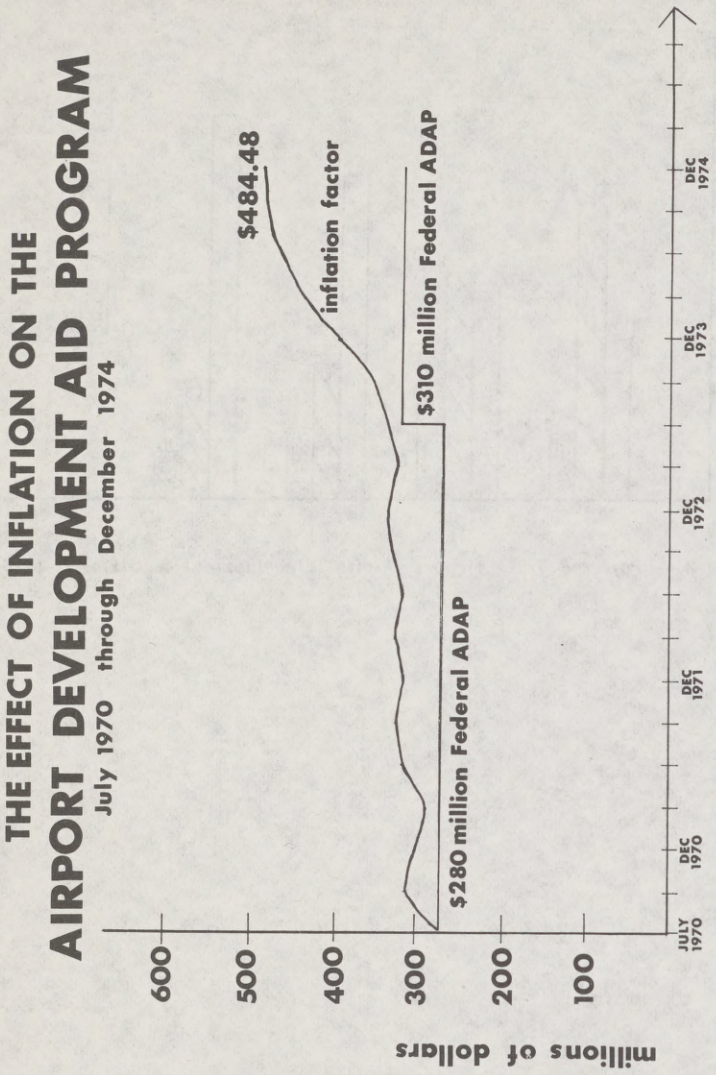


FIGURE 3.—*Projected U.S. Airport Capital Development Needs: FY 1976–1980*



Source: U.S. Federal Highway Administration Bid Price Index (compounded quarterly).

APPENDIX D

MAJOR PROVISIONS OF AIRPORT/AIRWAYS FINANCING LEGISLATION PROPOSED BY AIRPORT SPONSORS (PROGRAM LENGTH FOR 5 YEARS, FISCAL YEARS 1976–80)

Issue	Amount (millions)	Recommendation
Financing levels:		
Airport program	$600	Fiscal year 1976 increasing to $760—Fiscal year 1980.
Air carrier and relievers	(525)	All parts of airport program increase 6 percent annually to reflect growing passenger enplanements and rising airport program costs.
Direct formula	(350)	
Discretionary	(175)	
General aviation	(75)	
Airways program: Minimum level	250	
R. & D. program: Minimum level	50	
Total	900	Fiscal year 1976 increasing to $1,060—Fiscal year 1980.
Air carrier airports:		
Direct formula distribution.		Annual Allocation Based on Annual Enplanements. Minimum: $125,000 per air carrier airport. First 100,000 enplanements (each) $4.00; Additional, from 100,001 to 2 million (each) 2.00; Additional, above 2 million (each) 0.50
Discretionary		Determined by DOT Secretary, for airside projects only, and to assist smaller airport primarily with high-cost projects and for reliever airport facilities.
Local matching share: Direct formula distribution and discretionary.		Large and medium hub airports: 20 percent share; small and nonhub, reliever, commuter, and general aviation airports: 10 percent share.
Project Approval process		FAA Approval of Airport Capital Development Program Through Simplified Process (see attached *Improved Administrative Process*).
Project eligibility: Direct formula allocation.		Airside projects, public-use (non-revenue producing) space and facilities in terminal; land for environmental compatibility and future requirements.
Discretionary		Airside projects only.
Federal/State/local roles.		Federal Government must continue its direct relationship with local and state air carrier airport sponsors. State agencies should provide technical and planning aids to general aviation airports.
Uses of trust fund moneys.		Airport and Airway Trust Fund should finance only capital development items. Federal user tax moneys should not be diverted for payment of Federal, state or local mainenance, operations or administrative expenses.
Environmental protection.		Full environmental analyses must be completed on new airports, new runways and projects expanding airport boundaries. Other projects including those outside Standard Metropolitan Statistical Areas (SMSA's) should be presumed to not adversely affect the environment. Necessary environmental impact statements should be processed without undue delays.
Advance land acquisition and new airport siting.		Congress should authorize supplemental program from the Trust Fund for these purposes in line with recently completed FAA land banking study.
Aviation user tax levels		Existing Federal aviation user taxes on commercial and general aviation are adequate to finance proposed AOCI/AAAE airport and airway development programs. Separate legislation will be developed to reduce existing user tax levies to the lowest possible level consistent with essential capital development programs.

IMPROVED ADMINISTRATIVE PROCESS FOR FAA APPROVAL OF DEVELOPMENT PROJECTS

[Process Envisioned by Administration Bill as Modified by AOCI/AAAE]

1. Airport sponsor develops its Capital Development Program by enumerating those projects which it plans to undertaken in the near future (1–3 years) and for which it would expend Federal airport funds. Sponsor consults with airport users and submits its final Capital Development Program to the FAA for approval.

2. FAA reviews the sponsor's Capital Development Program solely to determine whether that program proposes development which is consistent with the functional role of that airport in a modified National Airport System Plan (NASP).

(NOTE.—Under the improved NASP concept, the NASP would indicate the functional role of each airport in the national airports system and the types of time-phased development appropriate for each category of airport but would not list all projects for all airports in detail as it is now supposed to. Thus FAA could determine that a proposal for a 12,000 ft. runway at an airport which had DC–9 service only would be inappropriate for that type of airport.)

3. If FAA approves the sponsor's Capital Development Program, federal airport funds could be expended to accomplish the development projects as follows:

Funds directly returned to sponsor by formula:	Sponsor undertakes development with priority of different projects and timing being determined by sponsor (no Requests for Aid or other paperwork).
Funds from FAA discretionary moneys:	If discretionary moneys are needed to supplement direct formula funds, FAA would review individual projects under simplified process and make grant.

If FAA disapproved the sponsor's Capital Development Program, none of the allocated federal funds (direct return formula or discretionary) could be expended until a modified Program were submitted and approved, as above.

4. Sponsor can begin to undertake projects in approved Capital Development Program without delay and without step-by-step FAA approvals and reviews. In lieu of all the present ADAP reviews and procedural delays, sponsor gives assurances to FAA as follows:

(a) That it will use funds only for purposes intended;

(b) That it will follow Federal design and construction standards unless specifically waived;

(c) That it will pay wage rates as required under the Davis-Bacon Act and will not violate federal discrimination laws;

(d) That it will provide whatever local matching share is required by statute, etc.

(NOTE.—Sponsor assurances will be substituted for the present step-by-step FAA approvals to reduce today's ADAP processing delays. Further, local audits will be permitted after project completion.)

5. If FAA determines that assurances have not been complied with, it will require corrective action.

6. In its next Capital Development Program submission, the sponsor must list the airport projects which were accomplished with federal funds in the interim.

Appendix E

COMPARISON OF ESTIMATED FY '76 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS

Under: (1) Administration Bill Formula, and (2) Airport Sponsor-Proposed Formula (exclusive of Secretary's discretionary fund).

INTRODUCTION

The Airport Operators Council International (AOCI) and the American Association of Airport Executives (AAAE), representing the communities which operate U.S. airline airports, reliever and general aviation airports and their airport managers, have recommended a number of major modifications to the Administration's legislative proposal for an Airport and Airway Development Program in FY '76–80. This paper addresses two such major modifications:

1. *Level of Airport Program Funding*

The $350 million annual airport program level recommended by the Administration must be substantially increased. *Merely to counter the impact of inflation since the Airport and Airway Development Act of 1970 was signed into law, any new airport grant program would have to provide not less than $500 million annually, in FY '75 dollars.*

The program advanced by public airport sponsors would authorize a $600 million airports program for FY '76, with 6% annual increases through FY '80 to reflect growing passenger enplanements (numbers of airline passengers boarding aircraft) and rising airport program costs.

2. *Method of Distributing Funds for Air Carrier Airport Development*

The Administration has proposed that $300 million be made available annually for air carrier/reliever airport development, with approximately 80% of these monies being distributed directly (Formula Distribtuion) to the public airport sponsors operating air carrier-served airports based on numbers of annual departures of airline aircraft: $60. for each of the first 30,000 departures; $30. each for additional departures over 30,000, with a $100,000 per airport minimum and a $5 million per airport maximum. The remaining 20% of airport program funds would be distributed at the discretion of the DOT Secretary (Discretionary Fund) on a project-by-project basis.

Airport sponsors support the concept of a two-part funding distribution process (Formula Distribution and Discretionary Fund) but believe that the Administration proposal must be modified in two important respects:

a. The Discretionary Fund must be greatly increased over that proposed by the Administration (to $175 million, one-third of a $525 million program for air carrier/reliever airports) to assist smaller airports primarily with high priority airside projects whose costs would greatly exceed sponsors' formula distribution allocations; and

b. Formula Distribution funds should be apportioned not on the basis of numbers of annual departures of airline aircraft (as recommended by the Administration) but based on the numbers of passengers on those aircraft for whom airport facilities must be provided.

In FY '74, for example, while aircraft departures were reduced by 7%, total passengers flowing through U.S. airports increased by 4% over the prior year and communities had to provide additional facilities to accommodate these additional passengers. Further, there is a long-term trend by airlines to substitute higher passenger capacity aircraft for lower capacity aircraft, to increase the average load factor on all aircraft and then to reduce numbers of aircraft departures. The Administration proposal does not reflect this trend and would increasingly penalize airports with increasing passenger totals but decreasing aircraft operations. In short, numbers of passengers boarded is a better indicator of airport facility requirements than is aircraft departures and passenger totals should be the basis for apportioning Formula Distribution funds to air carrier airport sponsors.

PROPOSED DISTRIBUTION FORMULA FOR AIR CARRIER AIRPORTS

Airport sponsors, for the above reasons, propose a Distribution Formula based on passenger enplanement totals as an alternative to the Administration's aircraft departure formula, as follows:

Annual Allocations Based on Annual Enplanements

Minimum: $125,000 per air carrier airport.
First 100,000 passenger enplanements, $4.00 each.
Additional, from 100,001 to 2 million passenger enplanements, $2.00 each.
Additional, above 2 million passenger enplanements, .50 each.

The enclosed sheets compare, by state and airport location, the approximate amounts of funds which would be available in FY '76 to air carrier airports under the alternative Distribution Formulas proposed by the Administration and by airport sponsors. The data base has been provided by the FAA (3/13/75) as have the computations under the Administration's proposed formula. Under the Administration formula, approximately $237 million would be apportioned in FY '76 under the Distribution Formula plus an additional $63 million under the Discretionary Fund. Under the alternative proposal of airport sponsors, approximately $350 million would be apportioned under the Distribution Formula plus an additional $175 million under the Discretionary Fund.

While the funds to be apportioned to individual airports is increased in virtually every instance under the airport sponsor formula, it is equally important to focus on the relative size of the Discretionary Fund to determine the total funds for which a public airport sponsor would be eligible. Under the airport sponsor alternative, the smallest air carrier-served airports in the nation would be guaranteed $125,000 annually, an increase of $25,000 over the Administration formula. In addition, smaller airports would have access to $175 million in Discretionary Funds under the airport sponsor proposal but only $63 million under the Administration's proposal.

Effects of Distribution Formula on Airports by Hub Size

Like the Administrations proposal, the alternative formula proposed by airport sponsors would, by varying the value of departures or enplanements, increase the formula shares of available funds for smaller airports and decrease those of the largest airports.

U.S. airports serving airline passengers generally are classified by their "hub size." Large Hub airports, generally those in major metropolitan areas, are defined as those which enplane 1% or more of total system passengers. Medium Hub airports enplane more than .25% of total system enplanements but less than 1%. Small Hub airports enplane more than .05% but less than .25% of total system passengers. Non-Hub airports receive scheduled airline service but enplane less than .05% of total system passengers.

The numbers of airports in each hub size and their percentage shares of total system enplanements are approximately as follows:

Hub size	Number of airports	Percent of total enplanements in category	Range of enplanements in fiscal year 1973
Large	25	68	2,000,000 to 16,000,000.
Medium	44	19	500,000 to 2,000,000.
Small	86	9	100,000 to 500,000.
Non	370	4	Under 100,000.
Total	525	100	

On the enclosed sheets, the column on the far right indicates the percentage of funds which an airport would receive if the Distribution Formula were based on unweighted passenger enplanements. Thus, the largest 25 airports would receive 68% of total formula funds. By varying the value of passenger enplanements under the airport sponsor formula, 25% of total funds or approximately $90 million in FY '76 are redistributed from the largest 20 airports to all other airports within the system (compare column on far right with adjacent column). Further, as passenger enplanements increase in future years, the smaller airports will proportionately increase their annual allocations because their enplanements will continue to be accorded greater value.

Comparison of Distribution Formula Apportionments, by Hub Size

The Distribution Formulas proposed by the Administration and by airport sponsors would apportion available funds to various hub size categories of air carrier airports in approximately the same proportions:

Hub size	Percentage of formula funds[1]		
	Administration formula	Airport sponsor proposal	
		677 airports	526 airports [2]
Large	38	39	4
Medium	24	25	26
Small	18	16	16
Non	20	20	16

[1] Would be supplemented by Secretary's discretionary fund ($63,000,000, administration; $175,000,000, airport sponsor proposal).

[2] See attachment B, p. 1, relative to congressional determination as to categories of airports eligible for distribution formula funding (primarily airports served solely by commuter airlines or by airline aircraft not exceeding 12,5[illegible] lbs MGTW).

ATTACHMENT A

AIR CARRIER AIRPORTS, STATE DISTRIBUTION SUMMARY—FISCAL YEAR 1976

State	Number of CAB certified point airports [1]	Administration bill formula		Airport sponsor-proposed formula	
		Number of airports eligible for $100,000 minimum	Total air carrier program allocation (thousands)	Number of airports eligible for $125,000 minimum	Total air carrier program allocation (thousands)
Alaska	215	64	$8,035	166	$24,075
Alabama	9	2	3,722	4	3,960
Arizona	9	6	3,810	8	6,414
Arkansas	9	4	2,213	6	2,151
California	32	16	[2] 19,294	16	35,073
Colorado	12	6	5,700	7	8,170
Connecticut	4	2	2,105	1	2,952
Delaware	1	1	100	1	125
Florida	16	2	15,160	1	24,641
Georgia	10	3	[2] 7,046	4	11,463
Hawaii	8	3	5,622	2	12,190
Idaho	5		1,306	2	1,798
Illinois	16	8	[2] 8,516	11	15,302
Indiana	5	1	3,233	5	5,087
Iowa	10	3	2,852	6	3,114
Kansas	9	6	1,636	7	2,123
Kentucky	6	2	4,751	2	5,924
Louisiana	7		4,638		6,669
Maine	3	1	538	5	1,615
Maryland	1		2,013	2	3,270
Massachusetts	6	4	4,403	3	6,568
Michigan	21	7	7,355	12	9,727
Minnesota	11	7	4,502	8	6,477
Mississippi	11	5	2,200	8	2,331
Missouri	9	2	7,067	5	10,774
Montana	15	2	1,867	11	2,867
Nebraska	13	9	2,775	11	3,551
Nevada	4	2	3,147	2	5,827
New Hampshire	3	1	348	5	625
New Jersey	2		2,802	1	5,451
New Mexico	9	6	2,301	9	2,811
New York	17	5	16,812	7	25,415
North Carolina	13	2	6,181	3	7,306
North Dakota	7	2	1,204	3	1,494
Ohio	7		7,558	2	10,769
Oklahoma	8	5	3,367	5	3,764
Oregon	9	6	3,138	6	4,433
Pennsylvania	11	3	8,563	9	13,895
Rhode Island	1		759		1,113
South Carolina	7	2	2,135	3	2,980
South Dakota	9	4	1,909	7	1,960
Tennessee	9	3	6,803	4	8,045
Texas	26	8	[2] 15,600	11	20,560
Utah	5	4	2,190	4	3,310
Vermont	1		244	1	561
Virginia	9	2	4,142	3	4,863
Washington	11	7	4,540	7	7,006
West Virginia	8	3	1,634	5	1,950
Wisconsin	10	2	4,638	4	4,882
Wyoming	9	4	1,261	8	1,268
Puerto Rico	2	1	1,687		5,103
Virgin Islands	2		320		2,141
Guam	1		495		1,174
American Samoa	1	1	100	1	125
Johnston Islands	1	1	100	1	125
Pacific Islands (Trust Territory)	9	9	900	8	1,446
Grand totals	683	248	237,237	433	368,813
Possible exclusion of certain categories of airports (151)[3]					—18,875
Total					349,938

[1] Excludes heliports and seaplane bases.
[2] Indicates 1 airport in State limited to $5,000,000 maximum apportionment (4).
[3] See attachment B, p. 1, relative to congressional determination as to categories of airports eligible for distribution formula funding.

ATTACHMENT B

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA[1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA[2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)

State and location	Administration bill formula amount[1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements[3]
		Amount[2]	Percent share of formula funds	
Alabama:				
Anniston-Calhoun County	117,780	125,000	0.0333	0.0197
Birmingham Municipal	1,344,780	1,327,030	.3530	.2810
Dothan	259,020	210,508	.0559	.0262
Florence-Muscle Shoals	100,000	125,000	.0333	.0102
Gadsden Municipal	100,000	125,000	.0333	.0047
Huntsville-Madison County	529,560	660,240	.1756	.1147
Mobile-Bates Field	688,920	694,210	.1847	.1232
Montgomery-Dannelley Field	439,320	567,512	.1509	.0916
Tuscaloosa Municipal	142,560	125,000	.0333	.0124
State total	3,721,940	3,959,500		
Arizona:				
Cochise County *		125,000	.0333	.0007
Flagstaff	100,000	125,000	.0333	.0053
Grand Canyon National Park	102,480	137,920	.0365	.0172
Kingman Municipal	100,000	125,000	.0333	.0009
City of Prescott *		125,000	.0333	.0009
Lake Havasu City	100,000	125,000	.0333	.0000
Page	100,000	125,000	.0333	.0022
Phoenix Sky Harbor	2,176,800	3,958,142	1.0531	.9370
Tucson International	930,900	1,317,572	.3504	.2786
Winslow Municipal	100,000	125,000	.0333	.0013
Yuma International	100,000	125,000	.0333	.0014
State Total	3,810,180	6,413,634		
Arkansas:				
Dorado/Camden-Goodwin Field	100,000	125,000	.0333	.0042
Fayetteville-Drake Field	221,520	163,344	.0434	.0204
Fort Smith Municipal	410,400	279,824	.0742	.0349
Harrison-Boone County	100,000	125,000	.0333	.0038
Hot Springs Memorial Field	195,360	125,000	.0333	.0145
Jonesboro Municipal	100,000	125,000	.0333	.0023
Little Rock-Adams Field	840,720	957,886	.2549	.1890
Pine Bluff-Griden Field	100,000	125,000	.0333	.0015
Texarkana Municipal	144,420	125,000	.0333	.0142
State total	2,212,920	2,151,054		
California:				
Apple Valley	100,000	125,000	.0333	.0000
Bakersfield-Kern County	100,000	125,000	.0333	.0000
Meadows Field	164,640	298,584	.0793	.0372
Blythe	100,000	125,000	.0333	.0006
Chico Municipal	100,000	125,000	.0333	.0092
Crescent City-Jack McNamara Field	100,000	125,000	.0333	.0023
Eureka-Arcata	190,500	253,380	.0673	.0316
Fresno	307,500	833,828	.2219	.1580
Imperial	100,000	125,000	.0333	.0117
Indio-Palm Springs	216,300	533,110	.1418	.0831
Lake Tahoe	100,000	125,000	.0333	.0000
Hollywood-Burbank	852,840	[5] 125,000	.0333	.0000
Long Beach	100,000	620,626	.1652	.1049
Los Angeles International	5,000,000	8,128,573	2.3446	[4] 5.5976
Orange County Airport	257,040	1,496,332	.3980	.3232
Merced Municipal	100,000	125,000	.0333	.0050
Modesto	100,000	125,000	.0333	.0088
Ontario International	766,140	1,278,368	.3400	.2689
Palmdale-AF Plant 42	100,000	125,000	.0333	.0000
Red Bluff-Redding Municipal	100,000	125,000	.0333	.0117
Sacramento Metropolitan	908,940	1,914,254	.5093	.4274
Salinas-Monterey Peninsula	298,140	631,342	.1679	.1075
San Diego International	1,921,890	4,241,287	1.1284	1.0385
Oakland-Metropolitan International	938,520	2,520,260	.6705	.5785
San Francisco International	4,541,010	6,857,289	1.8245	[4] 3.6475
San Jose Municipal	1,036,900	2,071,132	.5510	.4665
San Luis Obispo-Paso Robles	100,000	125,000	.0333	.0000
Santa Barbara	175,620	477,722	.1272	.0692
Santa Maria Public	100,000	125,000	.0333	.0149
Santa Rosa-Sonoma County	100,000	125,000	.0333	.0026
Stockton Metropolitan	119,280	232,452	.0617	.0290
Visalia Municipal	100,000	125,000	.0333	.0035
State total	19,294,260	35,072,539		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Colorado:				
Alamosa	100,000	125,000	.0333	.0048
Aspen-Pitkin County	124,860	284,716	.0758	.0355
Colorado Springs-Peterson Field	570,540	720,002	.1916	.1297
Cortez-Montezuma County	100,000	125,000	.0333	.0029
Denver-Stapleton International	3,902,130	5,666,794	1.5078	[4] 2.4602
Durango-La Plata County	113,100	125,000	.0333	.0096
Grand Junction-Walker Field	238,020	427,858	.1139	.0568
Gunnison County	100,000	125,000	.0333	.0043
Lamar Municipal	100,000	125,000	.0333	.0007
Montrose County	100,000	125,000	.0333	.0048
Pueblo Memorial	151,440	195,648	.0521	.0244
Steamboat Springs-Yampa Valley	100,000	125,000	.0333	.0032
State Total	5,700,090	8,170,038		
Connecticut:				
Hartford-Bradley International	1,784,100	2,452,364	.6524	.5616
New Haven-Bridgeport	100,000	125,000	.0333	.0054
New Haven-Tweed	120,720	165,652	.0442	.0206
New London/Groton-Trumbull	100,000	209,268	.0556	.0261
State total	2,104,820	2,952,284		
Delaware: Wilmington (total)	100,000	125,000	.0333	.0101
Florida:				
Daytona Beach Regional	382,740	630,162	.1676	.1073
Elgin AFB	314,700	344,760	.0918	.0430
Fort Myers-Page Field	211,860	507,278	.1349	.0766
Gainesville	100,000	285,974	.0761	.0357
Jacksonville	1,288,200	1,805,446	.4803	.4003
Titusville-Ti-Co	100,000	125,000	.0333	.0011
Melbourne-Cape Kennedy Regional	235,500	470,026	.1251	.0673
Miami-Fort Lauderdale	1,874,820	3,288,710	.8751	.7701
Miami International	3,935,010	6,193,360	1.6478	[4] 2.9854
Orlando-McCoy AFB	1,856,880	2,823,374	.7511	.6541
Panama City-Bay County	271,080	268,152	.0713	.0334
Pensacola Regional	301,260	592,688	.1578	.0979
Sarasota-Bradenton	424,620	727,612	.1937	.1316
Tallahassee Municipal	368,940	636,148	.1692	.1087
Tampa International	2,502,360	4,346,993	1.1566	1.1439
Palm Beach International	991,500	1,456,702	.3877	.3133
Monroe County-Key West International [1]		138,724	.0370	.0173
State total	15,159,470	24,641,099		
Georgia:				
Albany-Dougherty County	177,420	216,656	.0577	.0270
Athens Municipal	100,000	125,000	.0333	.0048
Atlanta-Hartsfield International	5,000,000	8,781,906	2.3366	[4] 5.5670
Augusta-Bush Field	449,820	555,620	.1479	.0887
Columbus Metropolitan	497,880	499,232	.1328	.0746
Brunswick	100,000	125,000	.0333	.0000
Macon-Lewis B. Wilson	161,580	292,232	.0777	.0364
Moultrie-Thomasville	105,240	125,000	.0333	.0032
Savannah Municipal	354,120	617,744	.1644	.1042
Valdosta Municipal	100,000	125,000	.0333	.0070
	7,046,060	11,463,390		
Idaho:				
Burley Municipal*		125,000	.0333	.0001
Boise	642,060	854,090	.2272	.1631
Idaho Falls-Fanning Field	187,860	219,452	.0583	.0274
Lewiston-Nez Perce County	156,120	166,308	.0442	.0207
Pocatello Municipal	217,200	165,588	.0442	.0206
Twin Falls City-County	103,080	142,580	.0380	.0178
Hailey-Friedman Memorial-Sun Valley*		125,000	.0333	.0049
State total	1,306,320	1,798,018		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Illinois:				
Bloomington-Normal	100,000	125,000	.0333	.0048
Champaign-University of Illinois	344,400	299,632	.0798	.0374
Chicago-Midway	617,700	1,056,348	.2810	.2135
Chicago-Meigs Field	100,000	125,000	.0333	.0000
Chicago-O'Hare International	5,000,000	11,076,137	2.9470	[4] 7.8551
Decatur Municipal	199,200	125,000	.0333	.0150
Galesburg Municipal	100,000	125,000	.0333	.0030
Marion-Williamson County	100,000	125,000	.0333	.0070
Mattoon-Coles County	100,000	125,000	.0333	.0022
Moline-Quad-City	558,000	661,380	.1759	.1150
Mount Vernon-Outland	100,000	125,000	.0333	.0020
Peoria	469,980	449,006	.1195	.0621
Quincy Municipal-Baldwin Field	123,480	125,000	.0333	.0081
Rockford	100,000	125,000	.0333	.0028
Springfield-Capital	376,260	384,700	.1024	.0480
Sterling-Whiteside County	100,000	125,000	.0333	.0016
Vermillion County*		125,000	.0333	.0081
State total	8,516,020	15,302,203		
Indiana:				
Evansville-Dress Regional	343,020	573,136	.1525	.0930
Fort Wayne-Baer Field	359,820	586,600	.1562	.0964
Indianapolis Municipal-Weir Cook	2,058,150	2,740,020	.7290	.6333
Latayette-Purdue University	100,000	125,000	.0333	.0098
South Bend-Michiana Regional	372,000	562,282	.1495	.0903
Kokomo Municipal*		125,000	.0333	.0014
Delaware County-Johnson Field*		125,000	.0333	.0052
Monroe County*		125,000	.0333	.0047
Terre Haute-Hulman Field*		125,000	.0333	.0071
State total	3,232,990	5,087,038		
Iowa:				
Burlington Municipal	125,460	125,000	.0333	.0097
Cedar Rapids Municipal	488,700	564,412	.1501	.0909
Clinton Municipal	100,000	125,000	.0333	.0021
Des Moines Municipal	871,800	1,142,844	.3041	.2351
Dubuque Municipal	170,520	125,000	.0333	.0127
Fort Dodge Municipal	100,000	125,000	.0333	.0027
Mason City Municipal	115,500	125,000	.0333	.0073
Ottumwa Industrial	100,000	125,000	.0333	.0041
Sioux City Municipal	416,640	310,096	.0825	.0387
Waterloo Municipal	363,540	346,209	.0921	.0432
State total	2,852,160	3,113,560		
Kansas:				
Garden City Municipal	100,000	125,000	.0333	.0036
Goodland-Renner Field	100,000	125,000	.0333	.0007
Hays Municipal	100,000	125,000	.0333	.0045
Independence	100,000	125,000	.0333	.0018
Liberal Municipal	100,000	125,000	.0333	.0060
Manhattan Municipal	126,300	158,220	.0420	.0197
Salina Municipal	100,000	125,000	.0333	.0075
Topeka-Phillip Billard	164,820	127,220	.0338	.0159
Wichita Municipal	745,080	962,132	.2560	.1900
Great Bend Municipal*		125,000	.0333	.0017
State total	1,636,200	2,122,572		
Kentucky:				
Cincinnati	2,160,120	2,930,324	.7796	.6808
Lexington-Blue Grass Field	500,460	581,382	.1546	.0951
Corbin-London War Memorial	100,000	125,000	.0333	.0016
Louisville-Standiford Field	1,662,120	1,996,136	.5312	.4478
Owensboro-Daviess County	100,000	125,000	.0333	.0045
Paducah-Barkley Field	228,600	166,188	.0442	.0207
State total	4,751,300	5,924,030		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORUMLA[1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA[2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula Amount[1]	Airport sponsor-proposed formula Amount[2]	Airport sponsor-proposed formula Percent share of formula funds	Airport percentage share of total system passenger enplanements[3]
Louisiana:				
Alexander-Esler Field	232,380	244,600	.0652	.0305
Baton Rouge-Ryan Field	399,960	485,554	.1293	.0712
Lafayette Regional	253,020	268,460	.0713	.0335
Lake Charles Municipal	211,320	146,440	.0388	.0183
Monroe Municipal	294,000	337,080	.0897	.0420
New Orleans International-Moisant	2,391,630	4,319,542	1.1494	1.1166
Shreveport Regional	855,780	866,944	.2307	.1663
State total	4,638,090	6,668,620		
Maine:				
Bangor International	174,960	472,440	.1256	.0679
Portland International Jetport	262,560	517,340	.1376	.0791
Presque Isle-Northern Maine Regional	100,000	125,000	.0333	.0145
Auburn-Lewiston Municipal*		125,000	.0333	.0015
Hancock County-Bar Harbor*		125,000	.0333	.0026
Knox County Regional*		125,000	.0333	.0064
State of Maine-Augusta State*		125,000	.0333	.0080
State total	537,520	1,614,780		
Maryland:				
Hagerstown*		125,000	.0333	.0060
Baltimore-Washington International	2,013,420	3,019,772	.8035	.8028
Salisbury-Wicomico*		125,000	.0333	.0139
State total	2,013,420	3,369,772		
Massachusetts:				
Boston-Logan International	3,888,120	5,887,673	1.5666	[4] 2.6805
Hyannis-Barnstable Municipal	100,000	141,196	.0375	.0176
Martha's Vineyard	100,000	125,000	.0333	.0096
Nantucket Memorial	100,000	163,648	.0436	.0204
New Bedford Municipal	100,000	125,000	.0333	.0045
Worcester Municipal	114,480	125,000	.0333	.0079
State total	4,402,600	6,567,517		
Michigan:				
Alpena-Phelps Collins	100,000	125,000	.0333	.0042
Benton Harbor-Ross Field	165,420	125,000	.0333	.0132
Detroit City	100,000	134,240	.0357	.0167
Detroit Metropolitan Wayne County	3,456,690	5,197,244	1.3828	[4] 1.9920
Escanaba-Delta County	127,920	125,000	.0333	.0084
Flint-Bishop	257,040	399,048	.1062	.0497
Grand Rapids-Kent County	672,720	761,354	.2025	.1400
Hancock-Houghton County Memorial	100,000	125,000	.0333	.0090
Iron Mountain-Ford	128,940	125,000	.0333	.0062
Ironwood-Gogebic County	100,000	125,000	.0333	.0044
Jackson-Reynolds Municipal	100,920	125,000	.3333	.0042
Kalamazoo Municipal	346,920	176,204	.0468	.0469
Lansing-Capital City	455,760	514,912	.1370	.0785
Manistee County-Blacker	100,000	125,000	.0333	.0019
Monominee County	129,900	125,000	.0333	.0039
Marquette County	100,000	125,368	.0333	.0156
Muskegon County	226,320	265,716	.0708	.0331
Pelston-Emmet County	119,880	125,000	.0333	.0132
Saginaw-Tri-City	292,740	530,894	.1413	.0825
Sault Ste. Marie Municipal	100,000	125,000	.0333	.0059
Traverse City-Cherry Capital	173,880	247,304	.0657	.0308
State total	7,355,050	9,727,284		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA[1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA[2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount[1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements[3]
		Amount[2]	Percent share of formula funds	
Minnesota:				
Bemidji Municipal	100,000	125,000	.0333	.0060
Brainerd-Crow Wing County	100,000	125,000	.0333	.0052
Chisholm-Hibbing Memorial	114,360	125,000	.0333	.0082
Duluth International	334,140	423,106	.1125	.0556
Fairmont Municipal	100,000	125,000	.0333	.0016
International Falls	100,000	125,000	.0333	.0075
Mankato Municipal	100,000	125,000	.0333	.1016
Minneapolis-St. Paul International	2,857,080	4,617,193	1.2285	.4633
Rochester	496,260	436,702	.1163	.0590
Thief River Falls Municipal	100,000	125,000	.0333	.0048
Worthington Municipal	100,000	125,000	.0333	.0013
State total	4,501,840	6,477,001		
Mississippi:				
Columbus-Golden Triangle Regional	164,280	127,948	.0341	.0160
Greenville Municipal	136,320	125,000	.0333	.0129
Greenwood-Leflore	100,000	125,000	.0333	.0010
Gulfport Municipal	257,520	365,968	.0974	.0456
Hattiesburg Municipal	100,000	125,000	.0333	.0022
Jackson-Allen C. Thompson Field	890,520	837,020	.2227	.1588
Laurel Municipal	100,000	125,000	.0333	.0011
Meridian-Key Field	125,340	125,000	.0333	.0145
Natchez-Hardy Anders Field	100,000	125,000	.0333	.0015
Tupelo-C. D. Lemons Municipal	125,700	125,000	.0333	.0059
University-Oxford	100,000	125,000	.0333	.0009
State total	2,199,680	2,330,936		
Missouri:				
Cape Girardeau Municipal	106,440	125,000	.0333	.0052
Columbia Regional	175,500	125,000	.0333	.0137
Fort Leonard Wood	145,620	125,000	.0333	.0101
Kansas City Municipal*		1,805,316	.4803	.4003
Joplin Municipal	260,400	195,176	.0519	.0243
Kansas City International	2,449,110	2,916,432	.7759	.6773
Kirksville-Clarence Cannon	100,000	125,000	.0333	.0023
Kaiser-Lee C. Fine Memorial	100,000	125,000	.0333	.0030
St. Louis-Lambert	3,397,440	4,882,586	1.2992	[4] 1.6781
Springfield Municipal	332,760	349,584	.0931	.0436
State total	7,067,270	10,774,094		
Montana:				
Billings Logan International	602,700	621,700	.1655	.1051
Bozeman-Gallatin Field	185,100	125,000	.0333	.0125
Butte-Bert Mooney Silver Bow County	175,800	151,352	.0402	.0189
Great Falls International	368,820	472,418	.1256	.0679
Helena	143,340	125,000	.0333	.0138
Kalispell-Glacier Park International	100,000	125,000	.0333	.0070
Missoula-Johnson-Bell Field	190,980	246,640	.0657	.0307
West Yellowstone	100,000	125,000	.0333	.0054
Glasgow and Valley County *		125,000	.0333	.0010
Dawson Community *		125,000	.0333	.0004
Havre City-County *		125,000	.0333	.0003
Lewiston-Fergus County Municipal *		125,000	.0333	.0005
Sidney-Richland Municipal *		125,000	.0333	.0006
Wolf Point International *		125,000	.0333	.0004
Miles City *		125,000	.0333	.0006
State total	1,866,740	2,867,110		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Nebraska:				
Alliance Municipal	100,000	125,000	.0333	.0013
Chadron Municipal	100,000	125,000	.0333	.0017
Columbus Municipal	100,000	125,000	.0333	.0011
Grand Island Air Park	137,460	125,000	.0333	.0098
Hastings Municipal	100,000	125,000	.0333	.0032
Kearney Municipal	100,000	125,000	.0333	.0033
Lincoln Municipal	306,240	479,338	.1274	.0696
McCook Municipal	100,000	125,000	.0333	.0020
Norfolk-Karl Stefan Memorial	100,000	125,000	.0333	.0022
North Platte-Lee Bird Field	107,280	125,000	.0333	.0078
Omaha-Eppley Airfield	1,323,240	1,696,570	.4515	.3731
Scotts Bluff County	101,040	125,000	.0333	.0093
Sidney Municipal	100,000	125,000	.0333	.0007
State total	2,775,260	3,550,908		
Nevada:				
Elko Municipal	100,000	125,000	.0333	.0133
Ely-Yelland Field	100,000	125,000	.0333	.0025
Las Vegas-McCarran International	2,270,370	4,442,285	1.1819	[4] 1.2390
Reno International	677,040	1,134,672	.3020	.2330
State total	3,147,410	5,826,957		
New Hampshire:				
Keene-Dillant-Hopkins	103,140	125,000	.0333	.0060
Manchester-Grenier Field	145,020	125,000	.0333	.0155
Lebanon Regional	100,000	125,000	.0333	.0104
Berlin Municipal*		125,000	.0333	.0001
Laconia Municipal*		125,000	.0333	.0019
State total	348,160	625,000		
New Jersey:				
Atlantic City Municipal-Bader Field*		213,292	.0567	.0276
Cape May County*		125,000	.0333	.0039
Newark International	2,801,700	4,958,008	1.3192	[4] 1.7533
Mercer County*		154,736	.0412	.0193
State total	2,801,700	5,451,036		
New Mexico:				
Alamogordo Municipal	100,000	125,000	.0333	.0042
Albuquerque International	1,371,660	1,686,162	.4486	.3706
Carlsbad-Cavern City Air Terminal	100,000	125,000	.0333	.0026
Clovis Municipal	100,000	125,000	.0333	.0038
Farmington Municipal	181,320	125,000	.0333	.0136
Gallup-Senator Clarke Field	100,000	125,000	.0333	.0037
Hobbs-Lea County	100,000	125,000	.0333	.0027
Rosewell Industrial Air Center	148,140	125,000	.0333	.0116
Silver City and Grant County	100,000	125,000	.0333	.0031
Sante Fe County Municipal*		125,000	.0333	.0003
State total	2,301,120	2,811,162		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
New York:				
Albany	955,100	1,337,606	.3560	.2836
Binghamton-Broome County	239,580	364,484	.0968	.0454
Greater Buffalo International	2,015,160	2,771,748	.7375	.6412
Elmira-Chemung County	335,640	396,236	.1054	.0494
Glens Falls-Warren County	100,000	125,000	.0333	.0012
Islip-MacArthur	282,720	420,532	.1120	.0550
Ithaca-Tompkins County	151,800	163,456	.0434	.0204
Jamestown-Chautauqua County	100,000	125,000	.0333	.0115
New York-JFK International	4,990,920	8,261,422	2.1980	[4] 5.0479
New York-LaGuardia	4,403,610	6,893,314	1.8340	[4] 3.6835
Plattsburgh-Clinton County	100,000	125,000	.0333	.0056
Rochester-Monroe County	1,393,440	1,751,012	.4659	.3867
Saranac Lake-Adirondack	100,000	125,000	.0333	.0020
Syracuse-Hancock International	1,147,260	1,697,214	.4515	.3733
Utica-Oneida County	223,620	219,096	.0583	.0273
Watertown Municipal	100,000	125,000	.0333	.0047
White Plains-Westchester County	132,600	264,312	.0701	.0330
Ogdensburg Municipal*		125,000	.0333	.0015
Massena-Richards Field*		125,000	.0333	.0023
State total	16,811,450	25,415,432		
North Carolina:				
Asheville	422,880	490,514	.1306	.0724
Charlotte-Douglas Municipal	1,860,450	2,391,148	.6362	.5463
Fayetteville Municipal-Grannis Field	456,960	507,142	.1349	.0766
Goldsboro-Seymour-Johnson AFB	100,000	125,000	.0333	.0034
Greensboro-High Point Regional	955,920	1,153,910	.3070	.2378
Greensboro-Smith Reynolds	292,800	205,072	.0545	.0256
Hickory Municipal	114,120	125,000	.0333	.0079
Jacksonville-Albert J. Ellis	158,400	154,408	.0410	.0193
Kinston-Stallings Field	209,640	188,860	.0503	.0235
New Bern-Simmons-Nott	183,060	153,032	.0407	.0191
Raleigh-Durham	1,000,380	1,390,398	.3698	.2968
Rocky Mount Downtown	100,000	125,000	.0333	.0466
Wilmington-New Hanover County	326,820	296,844	.0790	.0370
State total	6,181,430	7,306,328		
North Dakota:				
Bismarck Municipal	305,280	288,560	.0769	.0360
Devil's Lake Municipal	100,000	125,000	.0333	.0009
Fargo-Hector Field	270,360	353,052	.0939	.0440
Grand Forks International	302,160	273,696	.0729	.0341
Jamestown Municipal	100,000	125,000	.0333	.0032
Minot International	126,000	203,260	.0540	.0253
Williston-Sloulin Field International*		125,000	.0333	.0014
State total	1,203,800	1,493,568		
Ohio:				
Allen County*		125,000	.0333	.0007
Akron-Canton Regional	488,340	659,804	.1756	[4] .1146
Cleveland-Hopkins International	2,799,030	4,618,463	1.2287	[4] 1.4147
Cleveland-Burke Lakefront	101,760	125,332	.0333	.0156
Columbus-Port Columbus International	1,791,900	2,223,426	.5915	.5045
Dayton-James M. Cox Municipal	1,644,660	1,726,438	.4592	.3806
Toledo Express	509,040	702,952	.1870	.1254
Youngstown Municipal	222,840	462,898	.1232	.0655
Mansfield Lahm Municipal*		125,000	.0333	.0036
State total	7,557,570	10,769,313		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Oklahoma:				
Bartlesville-Frank Phillips	100,000	125,000	.0333	.0010
Enid Woodring Municipal	100,000	125,000	.0333	.0020
Lawton Municipal	153,180	194,248	.0516	.0242
Muskogee-Davis Field	100,000	125,000	.0333	.0018
Oklahoma City-Will Rogers World	1,469,580	1,575,886	.4193	.3430
Ponca City Municipal	100,000	125,000	.0333	.0013
Stillwater-Searcy Field	100,000	125,000	.0333	.0008
Tulsa International	1,243,740	1,368,784	.3643	.2914
State total	3,366,500	3,763,618		
Oregon:				
Astoria-Clatsop County	100,000	125,000	.0333	.0006
Redmond-Roberts Field	100,000	125,000	.0333	.0026
Eugene-Mahlon Sweet Field	259,920	421,014	.1120	.0551
Klamath Falls-Kingsley Field	100,000	125,000	.0333	.0087
Medford-Jackson County	184,740	324,504	.0865	.0405
North Bend Municipal	100,000	125,000	.0333	.0124
Pendleton Municipal	100,000	125,000	.0333	.0113
Portland International	2,092,950	2,937,034	.7815	.6824
Salem-McNary Field	100,000	125,000	.0333	.0047
State total	3,137,610	4,432,552		
Pennsylvania:				
Allentown-Bethlehem-Easton	269,100	599,040	.1594	.0995
Altoona-Blair County	100,000	125,000	.0333	.0112
Bradford Regional	110,820	125,000	.0333	.0128
Clearfield-Mid-State	100,000	125,000	.0333	.0079
Erie International	290,040	465,070	.1237	.0661
Harrisburg International	340,380	765,430	.2035	.1410
Johnstown Cambria County	100,000	125,000	.0333	.0118
Philadelphia International	3,308,550	5,084,509	1.3527	[4] 1.8795
Pittsburgh-Greater Pittsburgh	3,653,130	5,024,170	1.3367	[4] 1.8193
Hazleton Municipal *		125,000	.0333	.0020
Dubois Jefferson County*		125,000	.0333	.0056
Lancaster *		125,000	.0333	.0119
Reading Municipal-Gen. Spaatz Field *		125,000	.0333	.0119
Venango County-Chess Lamberton *		125,000	.0333	.0040
Wilkes-Barre-Scranton	182,340	507,542	.1352	.0767
Williamsport-Lycoming County	109,080	324,032	.0862	.0404
State total	8,563,440	13,894,793		
Rhode Island: Providence—T. F. Green State (total)	758,460	1,113,114	.2961	.2277
South Carolina:				
Anderson County	100,000	125,000	.0333	.0019
Charleston International	573,960	873,702	.2325	.1680
Columbia Metropolitan	636,420	920,818	.2451	.1797
Florence City-County	132,180	125,000	.0333	.0104
Greenville-Spartanburg	411,420	642,480	.1708	.1103
Greenwood County	100,000	125,000	.0333	.0016
Myrtle Beach	181,020	167,516	.0447	.0209
State total	2,135,000	2,979,516		
South Dakota:				
Aberdeen Municipal	151,020	125,000	.0333	.0156
Brookings Municipal	100,000	125,000	.0333	.0009
Huron—W. W. Howes Municipal	100,000	125,000	.0333	.0030
Mitchell Municipal	100,000	125,000	.0333	.0013
Pierre Municipal	170,640	125,000	.0333	.0149
Rapid City Regional	283,620	430,358	.1144	.0574
Sioux Falls-Joe Foss Field	739,380	654,450	.1740	.1133
Watertown Municipal	164,760	125,000	.0333	.0067
Yankton-Chan Gurney Municipal	100,000	125,000	.0333	.0020
State total	1,909,420	1,959,808		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Tennessee:				
Bristol-Tri-City Municipal	679,920	574,924	.1530	.0935
Chattanooga-Lovell Field	549,060	655,162	.1743	.1135
Clarksville-Outlaw Field	100,000	125,000	.0333	.0038
Crossville	100,000	125,000	.0333	.0000
Jackson-McKellar Field	126,180	125,000	.0333	.0054
Knoxville-McGhee Tyson	922,620	954,634	.2541	.1882
Memphis International	2,605,740	3,645,738	.9701	.8591
Nashville Metropolitan	1,619,640	1,714,534	.4563	.3776
Shelbyville-Bomar Field	100,000	125,000	.0333	.0022
State total	6,803,160	8,044,992		
Texas:				
Abilene Municipal	145,260	156,780	.0418	.0195
Amarillo Air Terminal	431,880	562,526	.1498	.0904
Austin-Robert Mueller Municipal	626,640	835,680	.2224	.1585
Beaumont-Jefferson County	242,460	253,548	.0676	.0316
Big Spring-Howard County	100,000	125,000	.0333	.0017
Brownsville-Harlingen Industrial Airpark	117,120	154,936	.0412	.0193
Brownsville International	100,000	163,464	.0434	.0204
Brownwood Municipal	100,000	125,000	.0333	.0017
Corpus Christi International	350,940	545,882	.1453	.0862
Dallas-Fort Worth Regional	5,000,000	6,291,193	1.6739	[4] 3.0829
El Paso International	950,280	1,260,324	.3352	.2644
Houston Intercontinental	2,748,390	4,385,162	1.1667	[4] 1.1820
Houston-Wm. P. Hobby	529,440	639,498	.1700	.1096
Laredo International	100,000	125,000	.0333	.0089
Longview-Gregg County	133,860	125,000	.0333	.0052
Lubbock Regional	609,960	610,612	.1626	.1024
Lufkin-Angelina County	100,000	125,000	.0333	.0011
Midland Regional Air Terminal	614,280	576,140	.1533	.0938
McAllen-Miller International	154,260	258,400	.0686	.0322
Paris-Cox Field	100,000	125,000	.0333	.0008
San Angelo-Mathis Field	100,000	125,000	.0333	.0125
San Antonio International	1,772,940	2,229,694	.5933	.5061
Temple-Draughon-Miller Municipal	100,000	125,000	.0333	.0071
Tyler-Pounds Field	109,260	125,000	.0333	.0050
Waco-Madison-Cooper Municipal	133,140	125,000	.0333	.0096
Wichita Falls Municipal	130,808	261,004	.0694	.0325
Victoria County-Foster Field *		125,000	.0333	.0035
State total	15,600,190	20,559,843		
Utah:				
Cedar City Municipal	100,000	125,000	.0333	.0019
Moab-Canyonlands Field	100,000	125,000	.0333	.0004
Ogden Municipal	100,000	125,000	.0333	.0000
Salt Lake City International	1,790,220	2,810,384	.7477	.6509
Vernal	100,000	125,000	.0333	.0026
State total	2,190,220	3,310,384		
Vermont:				
Burlington International	244,140	436,284	.1160	.0589
Vermont Aeronautics Board*		125,000	.0333	.0054
State total	244,140	561,284		
Virginia:				
Charlottesville-Albemarle	187,740	195,304	.0519	.0243
Danville Municipal	100,000	125,000	.0333	.0031
Hot Springs-Ingalls Field	100,000	125,000	.0333	.0030
Lynchburg-Preston-Glenn Airport	328,680	229,500	.0798	.0286
Newport News-Patrick Henry	441,540	614,362	.1634	.1033
Norfolk Regional	1,144,680	1,534,182	.4082	.3327
Richmond-Richard E. Byrd International	772,500	1,044,466	.2778	.2106
Roanoke Municipal	925,560	869,964	.2315	.1670
Staunton-Shenandoah Valley	140,940	125,000	.0333	.0099
State total	4,141,640	4,862,778		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Washington:				
Aberdeen-Bowerman	100,000	125,000	.0333	.0007
Ephrata Municipal	100,000	125,000	.0333	.0008
Olympia Municipal	100,000	125,000	.0333	.0000
Pasco-Tri-Cities	210,360	265,496	.0705	.0331
Pullman-Moscow Regional	100,000	125,000	.0333	.0101
Seattle-Boeing Field International	100,000	125,000	.0333	.0000
Seattle-Tacoma International	2,511,030	4,454,356	1.1851	[4] 1.2510
Spokane International	829,800	1,135,976	.3023	.2334
Walla-Walla City-County	100,000	125,000	.0333	.0074
Wenatchee-Pangborn Field	100,000	125,000	.0333	.0029
Yakima Air Terminal	289,200	274,800	.0732	.0343
State total	4,540,390	7,005,628		
West Virginia:				
Huntington-Tri-State Airport	328,140	314,528	.0838	.0392
Beckley-Raleigh County Memorial	100,000	125,000	.0333	.0053
Charleston-Kanawha County	561,600	684,590	.1823	.1208
Clarksburg-Benedum	100,000	150,084	.0399	.0187
Greenbrier Valley	100,000	125,000	.0333	.0067
Morgantown Municipal	105,960	125,000	.0333	.0156
Parkersburg-Wood County	173,940	176,284	.0468	.0220
Princeton-Mercer County	163,920	125,000	.0333	.0114
Elkins-Randolph County*		125,000	.0333	.0017
State total	1,633,560	1,950,486		
Wisconsin:				
Beloit-Rock County	100,000	125,000	.0333	.0029
Eau Claire Municipal	132,960	125,000	.0333	.0114
Green Bay-Austin-Straubel Field	643,260	660,668	.1759	.1149
La Crosse Municipal	189,000	193,120	.0514	.0241
Madison-Traux Field	794,340	671,900	.1824	.1177
Manitowoc County	103,620	125,000	.0333	.0042
Milwaukee-General Mitchell Field	2,053,440	2,330,178	.6332	.5436
Oshkosh-Wittman Field	263,760	221,220	.0588	.0276
Rhinelander-Oneida County	100,000	125,000	.0333	.0101
Wausau-Central Wisconsin	257,220	254,720	.0678	.0318
State total	4,637,600	4,881,806		
Wyoming:				
Casper-Natrona County International	317,520	267,768	.0713	.0334
Cheyenne Municipal	216,420	125,000	.0333	.0135
Jackson Hole Airport	114,660	125,000	.0333	.0126
Laramie-General Brees Field	106,320	125,000	.0333	.0045
Cody Municipal	100,000	125,000	.0333	.0032
Riverton Municipal	106,500	125,000	.0333	.0068
Rock Springs-Sweetwater County	100,000	125,000	.0333	.0051
Sheridan County	100,000	125,000	.0333	.0062
Worland Municipal	100,000	125,000	.0333	.0022
State total	1,261,420	1,267,768		
Alaska:				
Anchorage	1,157,400	1,806,626	.4808	.4006
Fairbanks	335,760	535,158	.1423	.0836
Juneau	142,200	410,496	.1091	.0525
Kenai	100,000	133,604	.0357	.0167
Ketchikan	100,000	151,240	.0402	.0189
Annette Islands*		288,272	.0766	.0359
104 others*		13,000,000		
62 others	6,200,000	7,750,000		
State total	8,035,360	24,075,396		

See footnotes at end of table.

ATTACHMENT B—Continued

COMPARISON OF ESTIMATED FISCAL YEAR 1976 DISTRIBUTION OF AIR CARRIER AIRPORT FUNDS UNDER: (1) ADMINISTRATION BILL FORMULA [1] AND (2) AIRPORT SPONSOR-PROPOSED FORMULA [2] (EXCLUSIVE OF SECRETARY'S DISCRETIONARY FUND)—Continued

State and location	Administration bill formula amount [1]	Airport sponsor-proposed formula		Airport percentage share of total system passenger enplanements [3]
		Amount [2]	Percent share of formula funds	
Hawaii:				
Hilo-General Lyman Field	642,600	1,472,466	.3917	.3173
Honolulu International	2,493,300	5,434,920	1.4461	[4] 2.2290
Hockehua-Molokai	100,000	302,836	.0806	.0378
Kahului	1,072,920	1,899,632	.5055	.4238
Kallua Kona-Keahole	380,220	824,682	.2195	.1558
Kamuela-Waimea-Kohala	100,000	178,596	.0476	.0223
Lanai	100,000	125,000	.0333	.0104
Lihue	732,480	1,827,350	.4861	.4058
Hana *	----------	125,000	.0333	.0039
State total	5,621,520	12,190,482		
Puerto Rico:				
Ponce-Mercedita	100,000	520,342	.1384	.0799
San Juan International	1,587,300	4,582,356	1.2191	[4] 1.3797
Total	1,687,300	5,102,698		
Virgin Islands:				
Charlotte Amalie-Harry S. Truman	285,720	1,328,348	.3533	.2813
Christiansted-Alexander Hamilton	208,680	812,722	.2163	.1528
Total	494,400	2,141,070		
Guam: Agana (total)	320,100	1,173,828	.3124	.2428
American Samoa: Pago Pago International (total)	100,000	125,000	.0333	.0127
Johnston Islands: Johnston AFB (total)	100,000	125,000	.0333	0
Caroline Islands:				
Babelthuap-Koror	100,000	125,000	.0333	.0039
Truk	100,000	125,000	.0333	.0030
Yap	100,000	125,000	.0333	.0067
Ponape International*	----------	125,000	.0333	.0033
Total	300,000	500,000		
Mariana Islands:				
Rota	100,000	125,000	.0333	.0044
Saipan-Kobler Field	100,000	445,690	.1187	.0613
Tinian	100,000	125,000	.0333	.0000
Total	300,000	695,690		
Marshall Islands:				
Kwajalein	100,000	125,000	.0333	.0000
Majuro	100,000	125,000	.0333	.0035
Total	200,000	250,000		

*See footnote 3.

[1] Administration bill formula based on annual departures of airline aircraft: $60 each for 1st 30,000 departures; $30 for each additional departure; $100,000 per airport minimum; $5,000,000 per airport maximum. In addition to formula amounts, sponsors could apply for supplemental grants from the Secretary's Discretionary Fund totalling $63,000,000 in fiscal year 1976.

[2] Airport sponsor-proposed formula based on annual airline passenger enplanements: $4 each for 1st 100,000 enplanements, $2 for each additional enplanement up to 2,000,000, $0.50 for each additional enplanement above 2,000,000, $125,000 per airport minimum. In addition to formula amounts, sponsors could apply for supplemental grants from the Secretary's discretionary fund totalling $175,000,000 in fiscal year 1976.

[3] Caveat: Dollar amounts listed above under the enplanement formula will not exactly correspond to final allocation levels because the data base, compiled by FAA, reflects only fiscal year 1973 passenger enplanement totals. In comparison, the corresponding dollar amounts under the administration's aircraft departure formula reflect fiscal year 1974 data increased by an arbitrary 3 percent to approximate current departure totals. Finally, should Congress decide not to apportion formula funds to airports served solely by commuter airlines or airline aircraft not exceeding 12,500 lb. MGTW (noted by asterisk(*), enplanement formula funding would be reduced by approximately $19,000,000.

[4] Percent reduction.

[5] Hollywood-Burbank allocation is based on FAA data indicating no passenger enplanements. CAB calendar year 1973 data indicates 113,175 enplaned passengers on certificated carriers. Calendar year 1974 data from airport operator shows 823,432 enplaned passengers (intrastate included).

APPENDIX F

REPORTED AIRPORT CAPITAL DEVELOPMENT NEED, 1976–80—AIR CARRIER AIRPORTS BY STATE

State/sponsor	Airside	Landside	Land banking	Total
Alabama (5)	18,717,000	750,000	15,295,370	34,762,370
City of Birmingham	15,500,000	300,000	9,200,000	25,000,000
City of Montgomery	3,047,000	450,000	3,500,000	6,997,000
City of Tuscaloosa	105,000	----	----	105,000
Huntsville-Madison County Airport Authority	65,000	----	2,595,370	2,660,370
Alaska (2) State of Alaska (Anchorage and Fairbanks)	27,647,000	53,119,000	----	80,766,000
American Samoa: Government of American Samoa	7,627,000	825,000	----	8,452,000
Arizona (4)	56,465,800	50,376,000	99,250,000	206,091,800
City of Phoenix	19,900,000	46,442,000	78,000,000	144,342,000
City of Prescott	937,000	429,000	1,250,000	2,616,000
City of Tucson	30,876,000	2,350,000	15,000,000	48,226,000
Cochise County	1,882,800	38,000	----	1,920,800
State of Arizona	2,065,000	997,000	----	3,062,000
U.S. Bureau of Reclamation	805,000	120,000	5,000,000	5,925,000
Arkansas (3)	39,015,000	1,035,300	1,067,000	41,117,330
City of El Dorado	862,000	----	----	862,000
City of Hot Springs	1,650,000	----	----	1,650,000
City of Jonesboro	846,000	185,000	----	1,031,000
Little Rock Municipal Airport Commission	30,011,000	286,300	----	30,297,300
Pine Bluff Aviation Commission and city of Pine Bluff	3,304,000	210,000	250,000	3,764,000
Texarkana Airport Authority	2,342,000	354,000	817,000	3,513,000
California (10)	322,183,000	493,996,500	104,871,000	921,050,500
City and county of San Francisco	29,822,000	101,505,000	----	131,327,000
City of Chico	2,502,000	100,000	700,000	3,302,000
City of Fresno	4,641,000	1,885,000	----	6,526,000
City of Los Angeles	145,773,000	340,098,000	36,600,000	522,471,000
City of Modesto	890,000	765,000	----	1,655,000
City of Oakland	51,707,000	15,425,000	12,000,000	79,132,000
City of Palm Springs	3,467,000	735,000	----	4,202,00
City of Redding	2,222,000	1,647,000	----	3,869,000
City of San Jose	16,000,000	5,035,000	28,000,000	49,035,000
County of Kern	12,290,000	2,675,000	2,571,000	17,536,000
County of Sacramento	35,000,000	2,500,000	15,000,000	52,500,000
Humboldt County	3,361,000	----	----	3,361,000
Imperial County	3,054,000	59,500	----	3,113,500
Monterey Peninsula Airport District	8,820,000	5,500,000	10,000,000	24,320,000
San Diego Unified Port District	2,634,000	16,067,000	----	18,701,000
Colorado	80,891,430	43,896,000	7,050,000	131,837,430
City and county of Alamosa	2,769,000	----	----	2,769,000
City and county of Denver	33,300,000	35,850,000	----	69,150,000
City of Colorado Springs	22,000,000	2,000,000	6,500,000	30,500,000
City of Grand Junction and county of Mesa	12,349,700	4,750,000	----	17,099,700
City of Pueblo	5,247,730	1,096,000	400,000	6,743,730
Routt County	5,225,000	200,000	150,000	5,575,000
Connecticut (3)	----	----	----	----
Delaware: New Castle County Council	7,879,000	1,995,000	----	9,874,000
Florida (6)	140,432,473	523,650,100	263,196,500	927,279,073
Broward County	110,000	100,000,000	----	100,110,000
Dade County	68,150,000	229,260,000	190,000,000	487,410,000
Lee County	2,600,000	210,000	8,000,000	10,810,000
Monroe County	718,600	423,100	----	1,141,700
City of Melbourne	2,918,000	2,000,000	1,750,000	6,668,000
City of Orlando	22,846,000	148,000,000	40,000,000	210,846,000
City of Pensacola	9,538,000	6,700,000	7,000,000	23,238,000
County of Volusia	6,430,200	22,362,000	2,946,500	31,738,700
Hillsborough County Aviation Authority	8,323,000	8,050,000	3,500,000	19,873,000
Jacksonville Port Authority	6,010,000	4,430,000	----	10,440,030
Sarasota-Manatee Airport Authority	12,788,673	2,215,000	10,000,000	25,003,673
Georgia (2)	98,619,740	142,373,000	35,200,000	276,192,740
City of Atlanta	77,660,000	133,900,000	22,000,000	233,560,000
City of Augusta	3,431,000	350,000	----	3,781,000
City of Columbus	1,383,740	3,717,000	11,000,000	16,100,740
City of Macon	4,503,000	537,000	----	5,040,000
City of Savannah and Savannah Airport Commission	7,090,000	1,814,000	1,800,000	10,704,000
City of Valdosta	1,430,000	1,000,000	----	2,430,000
Clarke County	3,122,000	1,055,000	400,000	4,577,000

APPENDIX F—Continued

REPORTED AIRPORT CAPITAL DEVELOPMENT NEED, 1976-80—AIR CARRIERS AIRPORTS BY STATE—Continued

State/sponsor	Airside	Landside	Land banking	Total
Guam: Department of Commerce, Government of Guam	9, 505, 000	5, 101, 000	3, 000, 000	17, 606, 000
Hawaii: State of Hawaii, Department of Transportation	85, 784, 000	101, 756, 000	----------	187, 540, 000
Idaho (2)	15, 522, 000	7, 169, 000	3, 490, 000	26, 181, 000
City of Boise	8, 249, 000	2, 890, 000	2, 000, 000	13, 139, 000
City of Hailey	120, 000	175, 000	340, 000	635, 000
City of Idaho Falls	3, 155, 000	3, 190, 000	1, 150, 000	7, 495, 000
City of Lewiston and county of Nez Perce	1, 809, 000	737, 000	----------	2, 546, 000
City of Twin Falls and county of Twin Falls	2, 189, 000	177, 000	----------	2, 366, 000
Illinois (6)	155, 481, 000	215, 224, 500	8, 440, 000	379, 145, 500
Board of trustees of the University of Illinois	7, 134, 000	1, 499, 500	5, 000, 000	13, 633, 500
City of Chicago	99, 489, 000	200, 000, 000	----------	299, 489, 000
City of Galesburg	1, 803, 000	500, 000	80, 000	2, 383, 000
Decatur Park District	3, 559, 000	335, 000	600, 000	4, 494, 000
Metropolitan Airport Authority of Rock Island County	12, 478, 000	5, 365, 000	----------	17, 843, 000
Mt. Vernon Airport Authority	8, 881, 000	1, 440, 000	----------	10, 321, 000
Springfield Airport Authority	11, 190, 000	5, 200, 000	2, 500, 000	18, 890, 000
Vermillion County Airport Authority	2, 408, 000	575, 000	150, 000	3, 133, 000
Williamson County Airport Authority	8, 539, 000	310, 000	110, 000	8, 959, 000
Indiana (2)	96, 194, 000	20, 724, 200	19, 458, 499	136, 376, 699
City of Kokomo Board of Aviation Commissioners	3, 226, 000	255, 000	1, 000, 000	4, 481, 000
Delaware County Board of Aviation	7, 865, 000	572, 000	522, 000	8, 959, 000
Fort Wayne Board of Aviation Commissioners	10, 908, 000	1, 449, 000	----------	12, 357, 000
Indianapolis Airport Authority	48, 350, 000	8, 739, 200	13, 000, 000	70, 089, 200
Monroe County Board of Aviation Commissioners	11, 020, 000	50, 000	----------	11, 070, 000
St. Joseph County Airport Authority	2, 525, 000	9, 659, 000	3, 936, 499	16, 120, 499
Terre Haute Board of Aviation Commissioners	13, 200, 000	----------	1, 000, 000	13, 300, 000
Iowa (4)	26, 084, 454	5, 257, 500	600, 000	31, 941, 954
City of Burlington	1, 511, 042	580, 000	400, 000	2, 491, 042
City of Cedar Rapids Airport Commission	10, 834, 000	3, 150, 000	----------	13, 984, 000
City of Des Moines	3, 194, 000	200, 000	----------	3, 394, 000
City of Dubuque Airport Commission	1, 256, 517	197, 500	200, 000	1, 654, 017
City of Fort Dodge Airport Commission	1, 557, 000	380, 000	----------	1, 937, 000
City of Waterloo Airport Commission	7, 731, 895	750, 000	----------	8, 481, 895
Kansas (2)	30, 398, 241	8, 370, 000	750, 000	39, 518, 241
Board of Park Commissioners of the city of Wichita	20, 917, 000	5, 870, 000	----------	26, 787, 000
City of Garden City	796, 000	----------	----------	796, 000
City of Goodland	1, 000, 000	65, 000	----------	1, 065, 000
City of Hays	543, 110	216, 000	----------	759, 110
City of Liberal	2, 050, 000	800, 000	400, 000	3, 250, 000
City of Manhattan	1, 830, 000	850, 000	350, 000	3, 030, 000
City of Topeka	2, 880, 000	569, 000	----------	3, 449, 000
Salina Airport Authority	382, 131	----------	----------	382, 131
Kentucky (1)	44, 136, 000	12, 745, 000	26, 915, 850	83, 796, 850
City of Paducah and county of McCracken	847, 000	171, 000	----------	1, 018, 000
Kenton County	18, 339, 000	2, 040, 000	13, 415, 850	33, 794, 850
Lexington-Fayette Urban County Airport Board	5, 182, 000	2, 750, 000	----------	7, 932, 000
Louisville and Jefferson County Air Board	13, 149, 000	5, 607, 000	13, 500, 000	32, 256, 000
Owensboro-Daviess County Airport Board	6, 619, 000	2, 177, 000	----------	8, 796, 000
Louisiana (1)	66, 110, 250	25, 339, 000	96, 049, 200	187, 498, 450
Airport District No. 1 of Calcasieu Parish	2, 703, 250	----------	----------	2, 703, 250
City of Monroe	1, 460, 000	500, 000	----------	1, 960, 000
City of Shreveport and Greater Shreveport Airport Authority	15, 732, 000	----------	----------	15, 732, 000
New Orleans Aviation Board and the city of New Orleans	37, 832, 000	17, 077, 000	95, 149, 200	150, 058, 200
Parish of Lafayette	7, 487, 000	4, 232, 000	900, 000	12, 619, 000
Rapides Parish	896, 000	3, 530, 000	----------	4, 426, 000
Maine (5)	5, 168, 226	2, 283, 168	629, 500	8, 080, 894
City of Bangor	2, 678, 130	178, 500	----------	2, 856, 630
City of Portland	2, 490, 096	2, 104, 668	629, 500	5, 224, 264

APPENDIX F—Continued

REPORTED AIRPORT CAPITAL DEVELOPMENT NEED, 1976-80—AIR CARRIER AIRPORTS BY STATE—Continued

State/sponsor	Airside	Landside	Land banking	Total
Maryland: Maryland Aviation Administration, Maryland DOT	2,173,000	147,678,000	12,000,000	161,851,000
Massachusetts	64,361,000	23,342,000	1,000,000	88,703,000
Martha's Vineyard Airport Commission	1,852,000			1,852,000
Massachusetts Port Authority	30,500,000	21,000,000		51,500,000
New Bedford Airport Commission	685,000	510,000	200,000	1,395,000
Town of Barnstable Airport Commission	5,124,000	200,000		5,324,000
Town of Nantucket Airport Commission	2,500,000	660,000		3,160,000
Worcester Airport Commission	23,700,000	972,000	800,000	25,472,000
Michigan (15)	200,941,200	27,105,000	2,600,000	230,646,200
City of Detroit	5,800,000	420,000	2,000,000	8,220,000
City of Flint	12,431,200	1,050,000		13,481,200
County of Alpena	1,615,000			1,615,000
Houghton County	690,000	145,000		835,000
Muskegon County	6,375,000	210,000	600,000	7,185,000
Wayne County	174,030,000	25,280,000		199,310,000
Minnesota (8)	25,896,900	18,724,100		44,621,000
City of Fairmont	1,611,900	423,100		2,035,000
City of Rochester	5,285,000	301,000		5,586,000
Minneapolis-St. Paul Metro Airport Commission	19,000,000	18,000,000		37,000,000
Mississippi (8)	16,734,500	4,355,000		21,089,500
City of Greenville	2,064,000	421,000		2,485,000
Jackson Municipal Airport Authority	13,170,500	3,934,000		17,104,500
University of Mississippi	1,500,000			1,500,000
Missouri (3)	78,932,000	52,641,000	37,180,000	168,753,000
City of Columbia	483,000	456,000	840,000	1,779,000
City of Joplin	5,695,000			5,695,000
City of Kansas City	15,500,000	1,000,000	25,000,000	41,500,000
City of Kirksville	600,000	300,000		900,000
City of Springfield	7,054,000	1,785,000	11,340,000	20,179,000
City of St. Louis	49,600,000	48,100,000		98,700,000
Montana (9)	14,594,400	10,680,410	1,513,000	26,787,810
City of Billings	2,898,000	670,000		3,568,000
City of Bozeman and Gallatin County	3,367,000	2,615,910	480,000	6,462,910
County of Missoula	3,206,000	5,510,000	500,000	9,216,000
Helena and Lewis and Clark County Airport Board	1,990,400	1,884,500	533,000	4,407,900
Miles City	410,000			410,000
Silver Bow County	2,723,000			2,723,000
Nebraska (6)	30,460,000	8,295,000	3,500,000	42,255,000
City of Chadron	429,000	200,000		629,000
City of Hastings Airport Authority	491,000			491,000
City of Kearney	497,000	80,000		577,000
Hall County Airport Authority	670,000	2,250,000		2,920,000
Lincoln Airport Authority	2,690,000	1,820,000	600,000	5,110,000
North Platte Airport Authority	12,720,000	145,000		12,865,000
Omaha Airport Authority	12,963,000	3,800,000	2,900,000	19,663,000
Nevada (1)	11,820,000	18,258,000	21,450,000	61,528,000
City of Elko	2,100,000	33,000	350,000	2,483,000
City of Reno	4,500,000	10,500,000	9,700,000	24,700,000
Clark County	5,220,000	7,725,000	21,400,000	34,345,000
New Hamsphire (3)	2,307,000			2,307,000
City of Keene	700,000			700,000
City of Manchester	1,607,000			1,607,000
New Jersey (1)	7,015,700	3,106,900		10,122,600
County of Cape May	1,584,700	1,586,900		3,171,600
County of Mercer	5,431,000	1,520,000		6,951,000
New Mexico (7)	9,620,052	7,183,390	3,631,300	20,434,742
City of Alamogordo	3,243,052	200,000		3,443,052
City of Albuquerque	3,792,000	6,533,390	2,881,300	13,206,690
City of Gallup and McKinley County	2,585,000	450,000	750,000	3,785,000

APPENDIX F—Continued

REPORTED AIRPORT CAPITAL DEVELOPMENT NEED, 1976–80—AIR CARRIERS AIRPORTS BY STATE—Continued

State/sponsor	Airside	Landside	Land banking	Total
New York (8)	121, 528, 640	574, 354, 750	32, 940, 000	728, 823, 390
Broome County	468, 640	2, 343, 250	----------	2, 811, 890
City of Syracuse	18, 120, 000	850, 000	----------	18, 970, 000
Clinton County	2, 775, 000	550, 000	----------	3, 325, 000
County of Chemung	8, 687, 000	1, 250, 000	----------	9, 937, 000
County of Monroe	6, 085, 000	2, 000, 000	----------	8, 085, 000
Niagara Frontier Port Authority	28, 611, 000	----------	30, 400, 000	59, 011, 000
Port Authority of New York and New Jersey	47, 422, 000	566, 859, 000	1, 900, 000	616, 181, 000
Tompkins County	1, 052, 000	130, 000	----------	1, 182, 000
Town of Massena	3, 248, 000	40, 000	40, 000	3, 328, 000
Warren County	5, 060, 000	332, 500	600, 000	5, 992, 500
North Carolina (6)	68, 269, 600	60, 956, 000	21, 005, 000	150, 230, 600
City of Asheville	5, 205, 600	1, 200, 000	620, 000	7, 025, 600
City of Charlotte	48, 409, 000	55, 000, 000	20, 000, 000	123, 409, 000
City of Fayetteville	1, 742, 000	1, 620, 000	----------	3, 362, 000
City of New Bern and Craven County	2, 400, 000	415, 000	----------	2, 815, 000
Forsyth County	759, 000	----------	385, 000	1, 144, 000
Lenoir County, city of Kinston	2, 310, 000	----------	----------	2, 310, 000
New Hanover County	7, 444, 000	2, 721, 000	----------	10, 165, 000
North Dakota (2)	32, 188, 000	14, 514, 950	2, 634, 000	49, 336, 950
City of Bismarck	7, 000, 000	6, 100, 000	----------	13, 100, 000
City of Fargo, North Dakota Municipal Airport Authority	19, 537, 000	7, 834, 950	2, 500, 000	29, 871, 950
City of Grand Forks	2, 400, 000	----------	----------	2, 400, 000
City of Minot	2, 025, 000	300, 000	----------	2, 325, 000
City of Williston	1, 226, 000	280, 000	134, 000	1, 640, 000
Ohio (3)	61, 685, 100	73, 338, 000	30, 486, 260	165, 509, 360
Akron-Canton Regional Airport Authority	15, 843, 000	2, 783, 000	900, 000	19, 526, 000
Allen County	481, 700	----------	----------	481, 700
City of Cleveland	18, 965, 400	49, 894, 000	17, 586, 260	86, 445, 660
City of Dayton	15, 769, 000	12, 611, 000	2, 000, 000	30, 380, 000
City of Toledo	10, 626, 000	8, 050, 000	10, 000, 000	28, 676, 000
Oklahoma (5)	31, 550, 000	14, 355, 000	12, 580, 000	58, 485, 000
City of Enid	2, 685, 000	450, 000	----------	3, 135, 000
City of Oklahoma City	21, 592, 000	1, 600, 000	8, 380, 000	31, 572, 000
City of Tulsa and Tulsa Airport Authority	7, 273, 000	12, 305, 000	4, 200, 000	23, 778, 000
Oregon (5)	46, 495, 000	32, 515, 000	14, 300, 000	93, 310, 000
City of Eugene	4, 070, 000	1, 566, 000	2, 300, 000	7, 936, 000
City of Redmond	1, 160, 000	1, 000, 000	----------	2, 160, 000
Port of Astoria	1, 020, 000	45, 000	----------	1, 065, 000
The Port of Portland	40, 245, 000	29, 904, 000	12, 000, 000	82, 149, 000
Pennsylvania (6)	115, 826, 500	99, 943, 000	9, 310, 000	225, 079, 500
City of Philadelphia	7, 618, 000	24, 926, 000	----------	32, 544, 000
County Commissioners, Luzerne and Lackawanna Counties	13, 805, 000	3, 690, 000	310, 000	17, 805, 000
County of Allegheny	72, 600, 000	66, 000, 000	----------	138, 600, 000
Erie International Airport Authority	3, 649, 000	893, 000	----------	4, 542, 000
Johnston-Cambria County Airport Authority	1, 623, 000	1, 414, 000	----------	3, 037, 000
Lancaster Airport Authority	1, 323, 000	825, 000	----------	2, 148, 000
Lehigh-Northampton Airport Authority	10, 619, 000	1, 175, 000	9, 000, 000	20, 794, 000
Reading Municipal Airport Authority	3, 079, 000	1, 020, 000	----------	4, 099, 000
Williamsport Municipal Airport Authority	1, 510, 500	----------	----------	1, 510, 500
Puerto Rico: Puerto Rico Ports Authority	1, 229, 000	15, 252, 000	----------	16, 481, 000
Rhode Island (1)				
South Carolina (5)	9, 389, 173	1, 940, 492	600, 000	11, 929, 665
Greenville Spartanburg	3, 991, 173	1, 290, 492	----------	5, 281, 665
Horry County Airport Commission	5, 398, 000	650, 000	600, 000	6, 648, 000
South Dakota (3)	18, 591, 187	5, 438, 030	265, 000	24, 294, 217
City of Aberdeen	2, 229, 000	1, 180, 000	175, 000	3, 584, 000
City of Huron	2, 980, 000	350, 000	----------	3, 330, 000
City of Pierre	1, 858, 720	982, 000	----------	2, 840, 720
City of Rapid City	2, 753, 400	2, 361, 030	----------	5, 114, 430
City of Sioux Falls	6, 964, 067	225, 000	----------	7, 189, 067
City of Watertown	1, 806, 000	340, 000	90, 000	2, 236, 000

APPENDIX F—Continued

REPORTED AIRPORT CAPITAL DEVELOPMENT NEED, 1976-80—AIR CARRIER AIRPORTS BY STATE—Continued

State/sponsor	Airside	Landside	Land banking	Total
Tennessee (3)	78, 823, 800	95, 023, 900	18, 896, 000	192, 743, 700
City of Jackson and Madison County	1, 688, 000	1, 031, 000	36, 000	2, 755, 000
City of Knoxville	24, 878, 000	865, 000	----------	25, 743, 000
City of Memphis and Memphis-Shelby County Airport Authority	8, 649, 900	44, 527, 800	10, 000, 000	63, 177, 700
Metropolitan government of Nashville and Davidson County Tennessee and metropolitan Nashville Airport Authority	37, 470, 500	47, 600, 100	8, 860, 000	93, 930, 600
The cities of Bristol, Johnson City, Kingsport, Tennessee and Bristol, Virginia, and counties of Sullivan and Washington, Tennessee	6, 137, 400	1, 000, 000	----------	7, 137, 400
Texas (12)	115, 114, 906	139, 154, 040	16, 200, 000	270, 468, 946
City of Abilene	1, 355, 000	----------	----------	1, 355, 000
City of Amarillo	1, 917, 000	1, 250, 000	1, 130, 000	4, 237, 000
City of Austin	2, 270, 000	----------	----------	2, 270, 000
City of Corpus Christi	2, 722, 000	750, 000	2, 000, 000	5, 472, 000
City of Dallas, city of Fort Worth and the Dallas Fort Worth Regional Airport Board	16, 725, 000	60, 175, 000	----------	76, 900, 000
City of El Paso	3, 190, 000	325, 040	10, 800, 000	14, 315, 040
City of Harlingen	2, 500, 000	1, 558, 000	----------	4, 058, 000
City of Houston	37, 177, 000	65, 585, 000	----------	102, 762, 000
City of Laredo	9, 457, 500	454, 000	----------	9, 911, 500
City of Lubbock	9, 798, 406	3, 685, 000	500, 000	13, 983, 47?
City of Midland	6, 850, 000	3, 450, 000	270, 000	10, 570, 000
City of San Antonio	15, 444, 000	750, 000	1, 500, 000	17, 694, 000
City of Tyler	2, 698, 000	700, 000	----------	3, 398, 000
City of Wichita Falls	304, 000	472, 000	----------	776, 000
Gregg County	2, 707, 000	----------	----------	2, 707, 000
Trust territory: Trust Territory of the Pacific Islands	14, 317, 814	3, 780, 000	----------	18, 317, 814
Utah (2)	9, 098, 000	3, 323, 000	720, 000	13, 141, 000
Salt Lake City Corp	8, 725, 000	2, 850, 000	----------	11, 575, 000
Vernal City and Uintah County	373, 000	473, 000	720, 000	1, 566, 000
Vermont	6, 098, 000	1, 081, 000	----------	7, 179, 0??
City of Burlington	4, 100, 000	995, 000	----------	5, 095, 000
Vermont Aeronautics Board	1, 998, 000	86, 000	----------	2, 084, 000
Virgin Islands (1)	37, 373. 537	32, 039, 742	7, 450, 000	76, 863, 279
Virginia (2)	1, 157, 000	1, 100, 000	----------	2, 257, 000
City of Charlottesville and county of Albemarle	6, 536, 000	550, 000	550, 000	7, 536, 000
City of Danville	1, 574, 000	1, 957, 000	----------	3, 531, 000
City of Richmond	4, 600, 000	575, 000	1, 500, 000	6, 675, 000
City of Roanoke	16, 979, 000	12, 315, 000	5, 000, 000	34, 294, 000
Norfolk Port and Industrial Authority	4, 830, 537	13, 845, 742	500, 000	19, 176, 279
Peninsula Airport Commission	1, 697, 000	1, 697, 000	----------	3, 394, 000
Shenandoah Valley Joint Airport Commission	64, 552, 000	18, 492, 000	57, 240, 000	140, 284, 000
Washington (2)	13, 379, 000	1, 568, 000	2, 240, 000	17, 187, 000
City of Spokane and county of Spokane	257, 000	340, 000	----------	597, 000
City of Walla-Walla and county of Walla-Walla	638, 000	1, 840, 000	----------	2, 478, 000
Port of Chelan County and Port of Douglas County	334, 000	----------	----------	334, 000
Port of Ephrata	1, 890, 000	----------	----------	1, 890, 000
Port of Grays Harbor	1, 735, 000	330, 000	----------	2, 065, 000
Port of Pasco	46, 319, 000	14, 414, 000	55, 000, 000	115, 733, 000
Port of Seattle	10, 080, 000	1, 860, 000	----------	11, 940, 000
West Virginia (7)	2, 700, 000	360, 000	----------	3, 060, 000
Greenbrier County Airport Authority	7, 380, 000	1, 500, 000	----------	8, 880, 000
Raleigh County Airport Authority	49, 188, 000	19, 850, 000	650, 000	69, 688, 000
Wisconsin (4)	1, 127, 000	210, 000	----------	1, 337, 000
Winnebago County	8, 335, 000	----------	----------	8, 335, 000
Brown County	2, 547, 000	2, 345, 000	300, 000	5, 192, 000
City of La Crosse	14, 680, 000	4, 510, 000	----------	19, 190, 000
City of Madison	5, 749, 000	750, 000	350, 000	6, 849, 000
City of Rhinelander and Oneida County	16, 750, 000	12, 035, 000	----------	28, 785, 000
Milwaukee County	15, 313, 000	2, 550, 000	1, 300, 000	19, 163, 000
Wyoming (5)	3, 932, 000	450, 000	----------	4, 382, 000
City of Cheyenne	1, 530, 000	----------	----------	1, 530, 000
City of Worland	7, 265, 000	1, 700, 000	900, 000	9, 865, 000
Natrona County	2, 586, 000	400, 000	400, 000	3, 386, 000
Town of Jackson and county of Teton				

Note: Figures in parenthesis indicate nonrespondents.

[The following information was referred to on p. 101:]

The Federal Requirement for Crash Fire Service at All Air Carrier Airports

(By F. Russell Hoyt, Executive Vice President, American Association of Airport Executives)

INTRODUCTION

It is the policy of Congress to conduct oversight of certain of its legislative acts; it should be a requirement on a Federal agency to conduct a review of the impact of certain of its regulations. Four years have passed since the enactment of the Airport and Airways Development Act of 1970. This act contains the requirement for Federal certification of air carrier airports, and the consequent obligation on the FAA to promulgate FAR Part 139. A Congressional review and a FAA study of airport certification is now both timely and imperative.

To provide justification for such review and study as well as to provide both fact and professional opinion, the following detailed analysis of the certification program has been developed. Any objective, unemotional appraisal of the program, its accomplishments to date, and its promise for future improvement in the safety of the traveling public will indicate that very serious consideration should be given by Congress to amend Title I, Part III, Section 51(b)(1) to permit or require the Federal Aviation Administration to provide relief to the airport operator from the more burdensome effects of Part 139. The above cited section was in fact amended by Public Law 91–258. Specifically the phrase "unless the Administrator determines that it would be contrary to the public interest" was included. The implementation of Part 139 has in many cases *not* been in the public interest; however because the Administrator lacks Congressional intent of this amendment or the courage and support to apply this "public interest" criterion, further amendment of this section is necessary.

CONCLUSIONS

Neither the exposure to accidents with fire, nor the effectiveness of airport crash fire companies, nor the expense of providing the service can justify current and contemplated requirements imposed by the Federal government for elaborate crash fire equipment at all air carrier airports.

The public including policy makers and regulators should be made aware of these undeniable facts by the NTSB, or FAA, or ATA, or ALPA, or FSF—not just by AAAE whose opinion might be considered compromised by the fact that airports must provide the service hence bears its costs. The costs are an important consideration. However, the paramount consideration is that such expenditures buy the traveling public little or nothing; that the millions going into crash fire services could buy the public positive benefits if invested in such safety items as approach guidance, runway lengthening, ground proximity warning devices, aircraft fire suppression systems, and similar proven items.

When accidents occur at busy highway intersections, the solution is not to station fire trucks at these intersections, but rather to install traffic control devices or grade separations. No other mode of travel "solves" its safety problems by the judicious stationing of fire trucks. Prevention rather than post-accident reaction is the policy. Should not the Federal government adopt the same policy with respect to airport safety? Long before the requirements of Part 139 were imposed, airports had lengthened and widened runways, removed obstructions, stabilized runway shoulders, removed snow and other runway accumulations—all because of the realization that such action improved the safety of aircraft operations. The busiest airports established on-airport fire departments because the volume of aircraft movements and other airport activities justified such departments; the lower activity airports (some 75 percent of all air carrier airports and most general aviation airports) found no justification for elaborate crash fire services, and hence did not provide them until required by law. It is imperative, that before additional tens of millions in capital and operating costs are incurred annually on crash fire service, the Federal requirements for this service be most carefully examined.

The time is long overdue for fact to replace emotion in an evaluation of this Federal requirement. A conservative estimate, based on actual cost data from airports throughout the country, indicates that at least two hundred

millions of dollars have been spent to meet capital and operating crash fire service costs since passage of the Airport and Airways Development Act of 1970 and subsequent adoption of FAR Part 139.

LEGISLATIVE BACKGROUND

Passage of the Airport and Airways Development Act of 1970 was preceded by a number of bills in both Houses. None made any reference to Federal certification of airports. Consequently during the public hearings, Congress did not receive the benefit of the views of the FAA or the aviation industry (except those of the Air Line Pilots Association) on the merits of airport certification nor the benefits that might accrue to the traveling public from such certification program.

The requirement for certification became a part of the House bill during the committee "mark-up" session just prior to the bill's passage. A similar provision was not in the corresponding Senate bill. While the bills were in conference, Secretary of Transportation Volpe wrote the Senate Committee on Commerce stating "The Department opposes the enactment of those provisions (airport certification)" and detailed why the Department felt the provisions unnecessary and undesirable. (1) Subsequently the Senate accepted the House provision on certification. The section on certification contained the following language: "the operation and maintenance of adequate safety equipment, including fire fighting and rescue equipment capable of rapid access to any portion of the airport used for the landing, takeoff, and surface maneuvering of aircraft." (2) It is the underlined portion above which has been accepted by the FAA as a clear Congressional mandate to require "adequate" crash fire equipment at all airports which regularly or occasionally are used by the CAB certificated air carriers.

IMPLEMENTATION

AAAE from the time certification became part of the House bill until its enactment, strongly opposed airport certification. However once the bill became law (Public Laws 91–258), AAAE worked very closely with the FAA in, first, developing the regulations (FAR Part 139) and once the regulations were issued, in assisting and encouraging airport management to make the program work. A review of AAAE's participation in the various formal and informal industry/FAA meetings of AAAE's written comments to various Notices of Proposed Rule-Making; and of AAAE's published information to its members; all will indicate AAAE's active involvement in, first, getting the program "off the ground" and subsequently making it work throughout the country. AAAE's active involvement pre-dates the enactment of Part 139, has continued unabated to the present, and undoubtedly will continue. Appendix IV highlights our participation in aircraft crash/fire matters.

One of AAAE's chief concerns was that the certification program would foster a further proliferation of the Federal bureaucracy. Such concern was well founded. Almost immediately the FAA proposed a 129 man airport inspection force. Such a force would have meant one inspector for every four airports. Once the original 500 airports—those receiving scheduled air line service—were certificated, the FAA moved to include airports that might infrequently receive a special flight; these "airports" to include "cleared areas for delivery of supplies, material or personnel to places like Forest Service fire towers and remote construction sites; or areas to accommodate small aircraft operations at fishing camps, farms, race tracks and similar sites". (3) The bureaucracy will not stop even at this point. Certification of many, if not all, of the airports serving general aviation exclusively has been under active consideration.

It was obvious from the outset that the certification program would not accomplish what its few proponents intended. Their initial advocacy was on the assumption that the "whole" airport be considered in the certification process. Not just the runway where takeoff begins or landing ends, but the approach and departure paths; not only the services and facilities provided by the airport operator but also those provided by the Federal government, e.g. the visual and electronic navigational aids, control towers, approach control procedures and related traffic control. Their desire to have these elements included in the certification program was logical, it is the approach to landing that is far

more critical than the operations once the aircraft is on airport property. Yet the certification specifically excludes any element for which the Federal government is responsible. The rule-making (Part 139) in the section dealing with the certification items that would not be included stated: "The criteria for each of these items (tower, ILS, VASI, REILS, etc.) are based on operational requirements at the individual airports. Establishment of the items normally is the responsibility of the Federal government, not that of the airport operator, and Federal programs provide funds for them with their scheduling primarily depending upon the availability of funds". (4)

This exclusion puts the entire burden of certification on the airport operator. The entire emphasis for the improvement of airport safety is in the area where little positive improvement will occur for the simple reason that the few accidents in and around airports almost invariably occur in the approach to the airport—not on the airport. What in effect is happening is that the airport has been divided into two parts: the part in which accidents, particularly the serious fatal ones, do not occur, singled out for corrective action. This patently does not make sense.

In the several FAA/industry meetings that preceded the issuance of Part 139, no great divergence in viewpoints occurred except in one major area—namely in the requirement for crash fire services. With the exception of the pilot group, industry held to the position that there was no justification for elaborate crash fire services, particularly at the lower activity airports. The FAA however claimed that it has no alternative but to require such service at all air carrier airports. AAAE cited its own study of fire involved accidents: a study showing the infrequency of such accidents; the inability of airport based fire equipment to deal with such accidents; and the anticipated high costs which would buy little in terms of aircraft occupant survivability. (Appendix I)

The FAA took the easy way out; it contracted with a private consulting firm for recommendations on the requirements for airport fire-fighting services; a study that was done quickly and superficially. (5) It was so limited in scope that the resulting recommendations were rather ludicrous. The study was limited to fire fighting equipment "capable of rapid access, not to all parts of the airport or to off-airport incidents, but to portions of the airport used for landing. take-off or surface maneuvering. (6) In other words, the study concerned itself only with the crash truck response to aircraft that conveniently came to rest on paved surfaces. Statistically the number of fire-involved accidents is extremely low; and of these accidents, the number that ended up on a runway or taxiway are almost non-existent.

The report was issued January, 1971. Further industry/FAA consultation continued. Finally, the requirements were issued. The requirements are in themselves an indictment as to the total lack of justification for the airport fire-fighting services. If, as the FAA states, such services are needed at all airports then how can the following compromises be justified?

(1) "When any required fire-fighting or rescue vehicle becomes inoperable, it shall provide appropriate replacement equipment within 8 hours thereafter. However, if appropriate replacement equipment is not available within that period, it shall promptly issue a Notice to Airmen. When a Notice to Airmen is issued, and the service level is not restored within 10 calendar days after the date of that Notice, the operator shall (unless otherwise authorized by the Administrator), until that service level is restored, limit the air carrier user operations on the airport to the requirement of the Index (no lower than Index A) prescribed in § 139.49 that provides the protection capability of the operator's remaining equipment." FAR Part 139.89(C)

Comment: If the equipment is justified, then what is the rationale for permitting operations without the required complement being available at all times?

(2) "At least one fire fighting and rescue vehicle required by the applicable index can reach the midpoint of the farthest runway * * * within three minutes * * *." FAR 139.49(e)(1)

Comment: "Midpoint of the farthest runway" is obviously an accommodation to reality, i.e. it is impossible, no matter how well trained the firemen are or how modern the equipment may be, to reach even the remote paved portions of airports to say nothing of the off-pavement areas where aircraft will in all probability come to rest, in three minutes. Yet FAA studies clearly indicate that if the fire is of sufficient intensity to prevent or impede evacuation then conditions within the aircraft make it impossible to support life much beyond 90 to 120 seconds. The Gage-Babcock study states "this time period (three

minutes) is considered by most authorities to be longer than can actually be tolerated to assure survivability". (7)

(3) Other vehicles (other than the first) are required to reach midpoint of the farthest runway within 4 or 4½ minutes. Part 139.49(e)(2) and (3).

Comment: Such vehicles no doubt would be useful in controlling/extinguishing the burning aircraft. Most authorities agree that the vehicles would have little bearing on the rescue of occupants who have either already expired or evacuated the aircraft unaided.

(4) No requirements of any kind was directed to providing crash fire-fighting service to other than the scheduled certificated air carriers.

Comment: If there was justification for the service, how can the rather significant number of passengers using the supplemental air carrier or the intrastate carriers (which operate the same large equipment as the scheduled interstate carriers) be ignored?

The above compromises were accepted because it was tacitly recognized that (1) the best in ground-based equipment and the finest in trained firemen have not improved survivability, and (2) the probability of an accident requiring the services of the fire fighting units is so remote that the FAA could "gamble" on issuing waivers or allowing ten day "out-of-service" periods.

IMPACT

Since issuance of Part 139, some 440 crash fire vehicles have been purchased with an expenditure of some $20 million in Federal funds plus at least four million in local funds. (Most recent equipment purchases were made with 82 percent ADAP funding). To this must be added the cost of buildings to house this equipment. Although substantial, such costs have not been determined on a national basis.

Equipment and buildings represent major capital costs of meeting FAR Part 139. Capital outlays however are but a small part of the total cost. Personnel required to man the equipment result in substantial and rapidly escalating airport operating costs. A recent AAAE survey indicates that increases in the order of 30 percent even 40 percent are not unusual. (8) Fire fighting personnel comprise an ever increasing percentage of total airport employees; percentages as high as 33 percent are not uncommon. Coupled with this is the fact that the firemen as a group are "non-productive" in the sense that little they do increases airport efficiency. Even their "productivity," is extremely poor; counting all responses, e.g., first aid, precautionary, fuel spills, actual emergency, non-aircraft fires, etc., airports have found that such occupies less than 1 percent of duty-time. (8)

The Federal requirement for equipment and manning has brought about the following anomaly at several of the lower activity airports: the airport is providing its rather limited number of users fire protection that is not only subsidized by the community but superior to the fire protection which the community itself enjoys! Crash fire service costs must be met through taxpayer subsidy or airport user charges. As the airport is not required to provide aircraft, other than airline, with crash fire protection, and as general aviation does not request such service, general aviation does not feel obligated to share the expense. As the airport has been precluded by Congress from levying a fee directly on the passenger, (9) the airport endeavors to pass the cost of this service onto the airline(s). However, the small airports have historically been unable to recover their costs. Studies indicate that the small or non-hub airport (which make up 88 percent of all air carrier airports) (Appendix II) are not able to recoup their operating costs; hence must be subsidized locally. (10)

The airlines, particularly the local service carriers, are genuinely alarmed at the substantial increases in landing fees that the airports are demanding (though not necessarily receiving) to cover airport operating costs. The situation is hastening the move by the regional carriers to request deletion of service to the low volume airports. This will tend to destroy or weaken air transportation as a system and leave only a series of routes connecting the major cities.

If justification for airport crash fire services can be found in terms of improved survivability for aircraft occupants, then the above emphasis on the economic impact would be misplaced. If the service can be justified, then ways of meeting the costs no matter how substantial must be found. There is however no case for this service, especially at the low volume airports. AAAE has on numerous occasions requested the FAA, ALPA, FSF and particularly the NTSB for some factual rationale for the elaborate crash fire service now required. The

FAA quite recently provided a list of eleven incidents nationwide covering an eighteen month period in which airport crash fire service responded. (11) The list indicates that in no case were there airplane fatalities nor occupant rescue. To the best of our knowledge, the NTSB has never made a recommendation (as it often does following its findings in aircraft accidents) to either the FAA or to the airport operators with respect to crash fire services.[1] NTSB formal replies have evaded the issue. (12) However, experts within the agencies have provided "off-the-record" statements which combined with other expert opinion, show rather conclusively that there is no case that can be made for airport based crash fire service. (Appendix III)

One study was made covering all accidents involving U.S. air carrier operations world-wide during the ten-year period, 1955–1964. (13) The study found that out of 1,955 total fatalities, 1,628 died of impact forces and 297, in a total of 13 accidents, died of fire injuries. An evaluation of each of these thirteen accidents was made to determine the number of victims who might have survived had adequate fire fighting equipment and personnel been available. It was concluded that in only two accidents (Adak, AK and Denver, CO) in ten years could eighteen lives have reasonably been expected to have been saved. The NTSB has not updated this study. AAAE therefore conducted its own review of all U.S. air carrier accidents from 1954 through 1973. This review indicates that there is an average of sixteen accidents per year worldwide in which fire, either of minor or major proportions, was a factor. Approximately half, or eight, of these accidents occurred on or in the immediate vicinity of an airport; of these eight, less than two per year involved occupant fatalities. Only in nine accidents in sixteen years of U.S. carrier operations world-wide, including freighter, training, charter, supplemental as well as regular passenger flights, might have the survivability rate been improved assuming adequate crash fire service in all cases. (Appendix I)

Proponents concede the accuracy of these figures. They claim however that there is no record of the number of fatal accidents prevented through effective crash fire response. It is true that airport based equipment does infrequently cool or extinguish hot brakes, flushes oil spills, and stands by for an aircraft emergency. Hence at those airports with a high level of airline operations, a case can be made for fire protection in terms of savings in property damage. However, the name of the game is improving aircraft occupant survivability, i.e. rescue. The record of the past and the prospects for the future indicate that where fire is present, it either is of such minor proportion that occupants escape unaided or of such intensity that rescue (and often even extinguishment) cannot be effected within the limited time that life can be sustained in a burning aircraft.

THE FUTURE IMPACT

It is urgent that the degree of exposure to fire involved accidents, the effectiveness of crash fire vehicles in such accidents, and the economics involved in maintaining extensive crash fire response, be critically examined because of current pressures to "do more" in this area. For example:

(1) The Air Line Pilots Association recommends: *A maximum two minute* response time by airport crash crews to any part of the active runway and *3000' beyond the threshold under all weather conditions* encountered while flying is in progress (emphasis added).(14)

Comment: Given the acceleration and maximum speed of crash fire vehicles both on the paved areas of the airport and the unpaved portions out from the approach end of runways, simple arithmetic will indicate that a minimum of three fire stations with their complement of men and vehicles would be required to even theoretically meet this objective. Add to this, the practicalities of most situations; the rivers, swamps, woods, uneven terrain, highways, etc., that are found off the ends of runways make a prompt response impossible. Finally a prompt response "under all weather conditions encountered while flying is in progress" means that the crash vehicles would have to be equipped with more sophisticated electronic guidance systems than those on the aircraft which permit the aircraft to safely land under low visibility or other adverse weather conditions. A simple case: six inches of snow off the approach end would not affect landing operations yet would make crash truck response extremely slow or impossible, OR what avoidance system now available would permit a vehicle to

[1] Subsequent to the writing of this article, the NSTB has, in one instance, made such a recommendation.

operate at speeds up to 60 mph under low visibility conditions without colliding with trees or other objects?

(2) "Until January 1, 1981 a maximum response time of three minutes shall be demonstrated * * * timed from the moment of 'impact' to arrival at the crash scene of the first approved crash fire vehicle. After January 1, 1981 a response time of 2 minutes shall be demonstrated.

Comment: The recommendation for the two minute response is based on the simple fact that if the fire resulting from the accident is of sufficient intensity to preclude rapid evacuation, then life is unsupportable within the aircraft beyond 90–120 seconds. This is the same fact that prompts ALPA to recommend the two minute response 3000' out from the runway end because that's where the relatively few fatalities from aircraft fire occur. However the solution does not lie in adopting requirements that state: crash vehicles *shall* respond in two minutes, when in reality there is no way to meet the requirement. The facts are that only under the *most ideal circumstances* (unfortunately accidents seldom occur under ideal conditions) can such a response be made, even with double or triple the firemen and fire vehicles. Ground based fire suppression vehicles simply cannot do the job.

(3) Requirement for full time personnel.

Comment: Part 139 states that the required crash vehicles be manned by "trained personnel". The majority of the 500 air carrier airports required to meet Part 139 do not have men sitting full time in the fire house awaiting an alarm. Most of the non-hub and many of the small hub airports (perhaps 300 out of the 500 air carrier airports) use either an absolute minimum of full time firemen augmented by employees with other primary duties, or with a complete complement of "part-timers". These are the airports that have a total airport employee group of perhaps 5, or 9, or 19. Many of these airports, as they are served by DC9s or 727s, must have a minimum of two vehicles. Full time manning would mean a minimum of twelve men (4 per shift, three shifts to cover about 16 hours/day, seven days/week). Twelve men with nothing to do except wait for an accident which statistically might occur once in 25 to 30 years and at which accident, the probability of their effecting rescue would be almost negligible.

(4) Increase in the level of protection.

Comment: Extinguishment of fire feeding on aviation fuels is a very difficult and "inexact" science. In the case of an aircraft fire of sufficient intensity to preclude timely evacuation, there will not be "enough extinguishing agent, equipment, or men to put out the fire in time to effect rescue. Sooner or later an accident will occur on an airport where, after an efficient response by the airport crash fire units, the fire rages out of control resulting in fire fatalities. The charge will be made: *if* there had been 2 more vehicles, or 20 more firemen, or 2000 more gallons of foam, lives *might* have been saved. As no one will be able to prove otherwise, there will be an emotional outcry for Congress, or the FAA, or the airlines, or the airport operators to do "something"; and about the only way this emotional demand can be met is with more on-airport fire houses and with more trucks and more men.

(5) Extension of Part 139 requirements to more airports.

Comment: This has already occurred with the extension of certification to those "airports" that might infrequently accommodate a certified carrier. Studies are already in progress to include in the certification requirement those airports that handle commuter carriers, air taxis, and the larger aviation aircraft (see page 3 of this article).

The preceding opinions and statements are based on experience with, and a very careful examination of, the crash fire problem extending over a thirty year period. To strengthen the conclusions drawn, the judgment of others was considered and included in Appendix III.

REFERENCES

1. Letter dated November 12, 1969 from Secretary of Transportation Volpe to Senate Committee on Commerce Chairman, W. G. Magnuson.

2. Public Law 91–258, Part III, "Airport Operating Certificates".

3. DOT/FAA News Release 74–192, December 18, 1974.

4. Notice of Proposed Rule-Making 71–14 issued May 10, 1971.

5. Request for Proposals No. WA5S–1–0074, dated 23 July 1970.

6. "Minimum Needs for Airport Fire Fighting and Rescue Services" Gage-Babcock and Associates, January 1971, page 3.

7. Ibid., page 11.
8. Survey results not published; raw data available for review in AAAE reference library.
9. Public Law 93–44, enacted June 18, 1973.
10. "The Airport Passenger Head Tax: Analysis of its Potential Impact," Wm. R. Fromme, Office of Aviation Policy, FAA, July, 1974. "The Economics of Airport Operations", J. A. Neiss, prepared for Office of Aviation Economics, FAA.
11. Attachment to letter dated February 21, 1974, from the FAA Director, Airports Service to AAAE.
12. Various correspondence between NTSB and AAAE.
13. "A Study of United States Air Carrier Accidents Involving Fire, 1955–1964", CAB Bureau of Safety.
14. B. V. Hewes, Chairman, ALPA Fire and Rescue Committee, "Aircraft Crash Fires". *Airline Passenger Association News*, November, 1973.
15. "Minimum Needs for Airport Fire Fighting and Rescue Services" Gage-Babcock and Associates, January 1971, page 60.

APPENDIX I

Summary Sheet

The figures below give the number of accidents in which fire was a factor either before or after the aircraft came to rest. These figures are for all operations (scheduled and unscheduled passenger service, cargo, ferry, training, military charter flights) of all U.S. airlines worldwide. (Note: The résumés of each of these accidents are available for review in the AAAE reference library.)

Year	Total accidents with fire	Accidents on, or accessible from, airports			Number of accidents where CFR might have saved lives
		Total	Fatal	Killed or Injured	
	(1)	(2)	(3)	(4)	(5)
1955	20	8	3	39	1	0
1956	19	9	1	22	2	0
1957	33	20	1	12	2	0
1958	31	16	2	71	23	0
1959	34	15	3	6	0	0
1960	14	4	1	22	10	0
1961	12	8	3	99	13	3
1962	11	7	3	121	14	1
1963	8	4	3	21	31	2
1964	15	8	1	50	17	0
1965	18	10	1	43	49	1
1966	13	5	1	83	4	0
1967	17	11	1	1	1	1
1968	16	7	1	25	24	1
1969	6	5	2	16	2	0
1970	16	15	5	138	457	1
1971	10	8	3	37	4	1
9972	14	10	3	57	36	0
1173	11	8	3	129	1	0

Note: Figures for the years 1955–59 include both air carrier and general aviation (over 12,500 pounds) accidents; from 1960, air carrier only.
Col. (1): "Accident" includes all incidents where death, injury, or aircraft damage occurred at any time from start of aircraft engines to engine shutdown. The number of accidents are those in which fire, of major or minor importance, was present.
Col. (2): Number of accidents of those shown in (1) which occurred on or in the vicinity of an airport.
Col. (3): Number of accidents of those shown in (2) in which occupant fatalities occurred.
Col. (4): Number of aircraft occupants killed or injured in those accidents shown in (3).
Col. (5): Number of accidents in which it is reasonable to assume that airport-based fire/rescue services might have been a factor in saving lives, assuming adequate services were available at all airports.

APPENDIX II

U.S. Air Carrier Airports

440 airports in the United States (excluding non-hubs in Alaska and the Territories) handle airlines on a regularly scheduled basis. Of these 440 airports, 376 or 86 percent are classified as small or non-hubs because of the small number

of airline passengers which are enplaned at these airports. Combined they generate only 13 percent of total number of airline passengers in the United States. Because this majority of airports have low passenger traffic, they have a low revenue potential particularly in comparison with the large airports which one normally associates with the term "air carrier" airport.

CLASSIFICATION OF U.S. AIR CARRIER AIRPORTS (BASED ON CALENDAR YEAR 1973 CAB FIGURES)

Hub category	Number of airports by category [1]	Cumulative number	Percent of airports by category	Cumulative percent	Percent of total enplanements category	Cumulative percent
Large	25		5.6		68.3	
Medium	39	64	8.9	14.5	18.6	86.9
Small	84	148	19.1	33.6	9.4	96.3
Nonhub	292	440	66.4	100.0	3.7	100.0

[1] According to FAA classification, a "hub" is a community, not just an airport, which receives certificated scheduled airline service. A metropolitan area which originates at least 1 percent of the total U.S. enplaned passengers is in the large hub category; one which originates between 0.5 and 1 percent is a medium hub; one which originates between 0.05 and 0.25 percent is a small hub; and a community boarding less than 0.05 percent of total U.S. enplanements is classified as a nonhub.

In calendar year 1973 a total of 192,484,164 passengers were enplaned at the above 440 airports. The large hubs as a group (25) boarded 131,653,400 (68 percent) of this total; the medium hubs (39) boarded 35,737,800; the small hubs (84)—18,134,990; and the 292 nonhubs combined boarded just under 7,000,000 (6,961,000).

APPENDIX III

Many fire chiefs express considerable doubt that they can save lives in an aircraft crash if fire erupts before suppression forces arrive. Report of: National Commission on Fire Prevention and Control as quoted in *Fire Journal*, July 1973.

An indication of the probability that a passenger may be involved in such an accident can be determined from an examination of past performance. The record for the ten-year period of 1962 through 1971 indicates U.S. Domestic and flag air carrier (in all operations world-wide) have been involved in twenty-three survivable aircraft accidents in which fire after impact was reported.—NPRM 73–16, Docket # 12881, Federal Register, June 5, 1973.

The recommended minimum response time for on-field accidents is 60–90 seconds; even this may not be adequate for all accidents.

Fire control should be accomplished within a maximum of 60 seconds and preferably less.

The concept of a rescue path is practical for crew-only aircraft in which accident damage has not trapped the occupants. If the crew is trapped or if a passenger-carrying transport is involved, the fire must be controlled almost to the point of extinguishment to effect rescue.—"Aircraft Ground Fire Suppression and Rescue Systems: Current Technology Review" ITT Research Institute.

A modern airport is likely to have foam-laying fire trucks which are fine for predicted aircraft emergency landing, but usually too late in reaching unpredicted accidents. Consider the case of the 10,000 foot runway: A fire truck stationed at the runway mid-point with a standby crew would require 60 seconds at 60 miles per hour to reach the scene of an accident at either end of the runway. Adding time to man the vehicle, time to accelerate to top speed, and time to decelerate could easily raise the minimum time of 2 minutes which is long past the 90 seconds maximum desired for passenger evacuation.

A review of the many areas associated with the ground rescue and firefighting equipment will show many areas not covered by present vehicle systems at all: aircraft falls a short distance (0.5 to 5 miles) outside airport runway area in terrain inaccessible to wheeled vehicles or into water or swampland, snow, or ice area; fog prevents location of aircraft by fire truck; access to the inside of the aircraft by fire and rescue crewmen is limited to axes which are defeated by tough, thick skins and window materials.—"New Concepts for Emergency Evacuation of Transport Aircraft following Survivable Accidents" North American Rockwell Corp., page 58.

The fact that during two full years of operation, crash crew rescue facilities of the magnitude indicated (varying number of units and personnel at 108 air bases—usually far in excess of that found on civil airports) were responsible for the saving of nine persons, gives rise * * * to some question regarding the advis-

ability of maintaining elaborate crash rescue fire fighting facilities.—Col. Kenneth E. Pletcher, "Crash Crew Effectiveness In Fire-After Impact Crashes".

"Relate that figure (cost to the airport owners to comply with Part 139) to the fact that the only air carrier fatalities ever incurred in the State of Wisconsin were the result of in-flight explosion, totally destroying the aircraft, and to the fact that to our knowledge there has never been an air carrier fire or other emergency in the state wherein the required CFR equipment, or any of the other requirements of this proposal would have been of any value whatsoever.—Letter to FAA General Counsel from F. E. Wolf, Administrator, Wisconsin Division of Aeronautics, dated July 9, 1971.

Well we went back and, I'd rather not be quoted on this, but essentially we found that in the last ten years in commercial aviation if every major air terminal in the United States had had full round the clock fire protection, we could have increased the existing 55 percent in these cases to 58 percent. Now this would involve some 80 million dollars for initial implementation of equipment at sixty-three airports. This 80 million dollars would only be an initial outlay and it would cost 80 million dollars a year to man this 24 hours a day. We would have to have billions and billions of gallons of water and foam and dry chemicals and constant training; and the 160 million dollars for the first year would be only a drop in the bucket by comparison to what it would cost in the long run. And we would have saved seventeen lives in ten years. *It doesn't seem too logical to us then to think that anything we are lacking by way of fire protection and rescue personnel at airports is going to change the picture considerably.*—Statement by a CAB Representative on the Post Crash Fire Problem given at MATS Seminar, taken from the NFPA Aircraft Rescue and Fire Fighting Committee agenda attachment, November 9–10, 1964.

There is no possibility that the study will show a favorable cost/benefit relationship; such a study can make no "case" for crash fire/rescue service. The "need" for CFR is mostly emotional; it is to satisfy the air passengers and pilots that "everything is being done for their safety".—From memo to file made immediately after a conversation with a recently retired NTSB Bureau of Aviation Safety official; conversation resulting from an inquiry as to whether the NTSB would make a study of aircraft accidents with fire as suggested by U.S. Senator Baker in September of 1971.

Analyses of post crash fire conditions involving transport aircraft . . . indicate that the initial fuel fires must be contained and if possible extinguished almost immediately after the aircraft comes to rest if the buildup of heat and fumes is to be kept at a level which will permit evacuation and, if necessary, rescue.—From a letter of the letter of the FAA Civil Aeromedical Research Institute, dated 3/4/63.

APPENDIX IV

Summary of AAAE's Active Participation in Efforts to Improve the Effectiveness of Airport-Based Crash Fire Services

(1) Active member for over twenty years in the National Fire Protection Association's Committee on Aircraft Rescue and Fire-fighting. This committee's concern is primarily that of developing recommendations for the improvement in fire fighting equipment and personnel training.

(2) Periodic distribution (prior to FAA's distribution of Advisory Circulars on the same subject) to airport management of NFPA Bulletins 402 *Standard Operating Procedures: Aircraft Rescue and Fire Fighting*, and 403 *Recommended Practices for Aircraft Rescue and Fire Fighting Services at Airports and Heliports*, as well as other bulletins dealing with equipment and training.

(3) Constructive comment in the drafting of many of the FAA Advisory Circulars dealing with crash fire equipment and personnel.

(4) Participation as a member of the National Transportation Safety Board preliminary investigation of major aircraft accidents occurring on or in the immediate vicinity of airports; such participation for the purpose of reviewing the crash fire service response, and occupant evacuation with the sole purpose of advising airport management of lessons learned from one accident to permit a more effective response in future accidents.

(5) Through its regional Chapters, the sponsorship of periodic training courses and refreshers for airport firemen and supervisors. These courses were pioneers in the field of civilian airport firemen training and still represent the only sources of extensive training in this highly specialized activity.

(6) Assistance to the newly established National Fire Prevention and Control Commission Administration which has, among its several responsibilities, the "training of fire service personnel in the specialized field of aircraft fire control and crash rescue."

Senator CANNON. The next witness is Mr. Daniel D. Mikesell, county supervisor of San Bernardino County, Calif., and chairman of the National Association of Counties' Transportation Steering Committee.

STATEMENT OF DANIEL D. MIKESELL, COUNTY SUPERVISOR, SAN BERNARDINO COUNTY, CALIF., AND CHAIRMAN, NATIONAL ASSOCIATION OF COUNTIES' TRANSPORTATION STEERING COMMITTEE; ACCOMPANIED BY JERRY GRANT, COMMISSIONER, ADAMS COUNTY, COLO., AND CHAIRMAN, AIRPORTS SUBCOMMITTEE; AND SANDRA SPENCE, WASHINGTON OFFICE

Mr. MIKESELL. Mr. Chairman, members of the committee; I am very privileged to be here this morning. I happen to be from San Bernardino County, next to you, Senator Cannon, and I think between the two of us we represent most of the Western United States.

I do happen to represent the National Association of County Officials.

On my immediate left is Mr. Jerry Grant, chairman of the Commissioners' Committee of Adams County, Colo., and he is the chairman of our Subcommittee on Aviation.

On my right is a new member of our staff here in Washington, Sandra Spence. She represents us here in Washington.

We are very delighted to have her with us. She is an asset, as you can probably see.

Senator CANNON. She certainly adds to the presentation.

Mr. MIKESELL. Yes. We have to have something to balance us off, you see.

We have a prepared statement that has been in your hands, I think, Senator, for some time. I would like to submit this for the record, if I might, but unless you wish, I will not read the statement but, rather, just take the first page which is a summary of the position that is contained within our recommendations.

I should like to deal with just those particular items.

The first item is we should support a 5-year extension of the act.

The second one is support at least a $600 million authorization in fiscal 1976 for airport program which includes $350 million for air carrier and reliever formula grants, $175 million for general aviation.

It might seem like we are parroting AOCI and AAAE, and we probably are, because we represent many airports throughout the country and we have discussed this with our operators of airports.

These amounts should be increased annually to reflect increased passenger enplanements and airport program costs.

We support 80-percent Federal matching on grants to large and medium-sized hub airports and 90 percent on all other grants.

We support direct formula distribution of air carrier and reliever airports funds based on annual enplanements with minimum of $125,000 per air carrier airport.

There is a little question about that, and I will go into that a little later on.

Administration proposal on distribution of general aviation funds needs more study as to registered general aviation aircraft and needs.

Strongly support simplified project approval process similar to Administration proposal.

We are opposed to complete transfer of general aviation airport program to States and Federal funding at end of fiscal year 1978.

We support gradual transfer of program responsibility for general aviation airports from FAA to States if: (A) States demonstrate administrative capability, and (B) States provide part of non-Federal match.

We support Administration proposal to extend project eligibility to terminal facilities—public use—and land acquisition for environmental capability.

We oppose the Administration proposal to use trust fund revenues for maintenance of air traffic control system.

We support review of the need for environmental impact statements on all airport projects.

We support continuation of existing Federal aviation user taxes on commercial and general aviation. Level of taxation should only be changed after the cost of the new legislation has been determined by the House and Senate authorizing committees.

If I can go back to one quick one before you question some of these positions, I would like to indicate that in our opinion the results of the study that was made—I am sure everyone is familiar with it—the results of the study by Burns & McDonald of Kansas City concerning the amount of involvements that an airport sponsor must go through to obtain financing for airports, they have reviewed 10 airports that were financed under the FAA procedures, and 10 airports financed under the local procedures, and the recommendations were very excellent in our opinion, and according to a statement issued by Mr. Dow-F.A.A., he, too, was impressed with it, and we are hopeful they will be placed in effect, which will certainly streamline the application process and make it a little easier for all of us to do business on the local level.

I think some of the questions that came up to the gentlemen before us dealt with these matters that were contained in the report.

I would certainly suggest that the committee give earnest consideration to those recommendations and put some of them in the statute.

I am not sure if it is necessary or not, but if it is necessary to put them in we would make that recommendation.

We are pleased to submit ourselves for any questions you may care to direct to us, Mr. Chairman and, hopefully, we will be able to answer them constructively.

Senator CANNON. When you say you support the review of the need for environmental impact statements on all airport projects, do you have some specific recommendations in regard to changes in the environment approval process for airport development projects?

Mr. MIKESELL. I would think so, Mr. Chairman. I think in this way we stressed a few moments ago that perhaps it is not really necessary to have an environmental review for gates, as was indicated.

It may not be necessary in our opinion to have a review made of runway lighting, or a correction or updating of runway lighting that is there.

Certainly in the acquisition of equipment, we doubt very much if there needs to be an environmental review on that.

One of the reasons that I mentioned this report, it says, among other things, that they are hopeful that they may be able to obtain exemptions from a broad range of Government projects, from the detailed analysis requirements under the National Environmental Policy Act.

I am hopeful that recommendation will go to whatever agency it needs to go to to receive those exemptions.

Those which absolutely do not, in their opinion, affect the quality of the environment.

I suppose this is what we are suggesting, that it seems innocuous to request a report on certain things that have little effect on the environment.

Senator CANNON. What do you think about the question discussed yesterday about one overall environmental statement on an airport plan, one which would be sufficient to cover all of the projects within that general master plan?

Mr. MIKESELL. I certainly have no objection to that. I think that is an excellent proposal. Whether or not, however, legislation would change during the period of time over a 1- to 5-year period of time, the time the full development would take place, whether new regulations would come into effect which would still require another report is another matter.

We would have no objection to that at all, a major environmental impact report created.

Senator CANNON. How would the counties view a demonstration project in which several States might be selected to completely replace the FAA in administering ADAP projects for general aviation airports, including the administration of allocations of Federal moneys among the airports in that State?

Mr. MIKESELL. I personally would have no fault with that. That has not come before our committee, Mr. Chairman. We are working now with the western region in my own State of California, the western region of FAA, and they, of course, take into consideration the western region airport master plan to develop airports in the area.

I would find no fault in doing business on that basis. How that might affect another part of the country, I couldn't answer at the moment.

I see no reason why a demonstration operation couldn't take place to examine that.

Senator CANNON. Ms. Spence, or Mr. Grant, do you have any comments to add?

Ms. SPENCE. I think the point No. 8 deals with that briefly, in that a demonstration program might be consistent with the concept of a gradual possible transfer to the States.

The demonstration then would enable everybody to determine if it is possible for a program of that type to work before the administration-type proposal, which would turn everything over by a specific time would be appropriate.

Senator CANNON. When you say the State demonstrates administrative capability, do you imply that the State would have had to have demonstrated some expertise as an aviation authority?

Mr. MIKESELL. Yes.

Senator CANNON. And, second, that they provide part of the non-Federal match?

Do you have any feel as to the amount or part they should be required to pay?

Mr. MIKESELL. I could probably best answer that, Senator. We have that in California. We have a California State plan, and we also assess 3 cents, or 4 cents a gallon gasoline tax on general aviation. That money goes into a fund. It is returned back to cities and counties for primarily general aviation purposes. So they share in the cost and in the construction of those general aviation airports.

We feel that if all States would participate in that in partnership with the local government and with the Federal Government, this is a practical way to do business, and probably is something that is possible.

But we understand in our committee meeting—there are 50 people on our steering committee, representing all of the country, including Alaska, Senator Stevens—and we have found that some States do not have an aeronautics department or aeronautics board or are not prepared for it and this is the reason we made the statement we have.

There is strong support from Washington, I think, and Minnesota I think endorses a return to the States, or going through the States. But other States say they couldn't live with it because they are just not prepared to take care of it at this time.

Senator CANNON. Do you have a tax on air carrier fuel in California?

Mr. MIKESELL. No, sir, we do not; not in California.

Senator CANNON. Senator Stevens?

Senator STEVENS. No questions.

I am pleased to have the statement of your position.

Senator CANNON. Do you have anything to add, Mr. Grant?

Mr. GRANT. No, sir.

Senator CANNON. Thank you very much. We appreciate your being here.

Mr. MIKESELL. We are pleased to be here, and we will see you out West one of these days, Senator.

One of your constituents, from Clark County, is on our steering committee, Mr. Potitti. You must know him, I am sure.

Senator CANNON. He is a good friend of mine. He was in my outfit during the war.

Mr. MIKESELL. Fine.

Good to see you again.

[The statement follows:]

STATEMENT OF DANIEL D. MIKESELL, SUPERVISOR, SAN BERNARDINO COUNTY, CALIF., CHAIRMAN, NACO TRANSPORTATION STEERING COMMITTEE, AND JERRY GRANT, COMMISSIONER, ADAMS COUNTY, COLO., NACO CHAIRMAN FOR AIRPORTS

Mr. Chairman: My name is Dan Mikesell and I am a Supervisor of San Bernardino County, California. I serve as Chairman of NACo's Transportation Steering Committee. With me is Commissioner Jerry Grant from Adams County, Colorado. Commissioner Grant is NACo Chairman for Airports. Also accompanying us is Sandra Spence, NACo Legislative Representative for Transportation.

Our statement represents the official views of the National Association of Counties, adopted by our entire membership in our annual conference in June. NACo is the only organization representing county government at the national level. We believe we represent the level of government most directly involved in almost every form of transportation.

It gives me particular pleasure, Mr. Chairman, to appear before the Senate Aviation Subcommittee because of the subcommittee's long involvement and ex-

pertise in the airport development program. We come before you at a very important time, because we believe the Act needs considerable revision. We have confidence in this Subcommittee.

As you are aware, county governments—both large and small and urban and rural—have a real stake in this legislation. Many of the general aviation airports are either owned or are heavily subsidized by counties. Much of the growth of new airports, both general aviation and air carrier airports, will be planned, financed and managed by counties. It should also be pointed out that 161 of the United States airports with scheduled airline services are either owned or jointly owned by counties, out of a total of 468 such airports. (Attachment A lists these airports)

We stress these facts because the views of counties and municipalities have to be considered just as closely as those of the airlines and the rest of the aviation industry. We are pleased, Mr. Chairman, that you have scheduled significant representation of state and local governments in these public hearings. It should be noted that NACo is working closely with the U.S. Conference of Mayors—National League of Cities as well as the Airport Operators Council International (who represent local government airport sponsors) and the American Association of Airport Executives. We try as much as possible to agree on a unified local government position.

We would like to turn now to the legislative issues the Subcommittee will be addressing.

DELIVERY SYSTEM

One of the most important provisions to be considered is the federal grant application process and the intergovernmental partnership in building an adequate national airport and airways system. We believe the current law and the FAA regulations have to be drastically revised to correct the complicated and time consuming current grant application process.

The FAA-sponsored "Burns & McDonnell" study documents with dramatic clarity the unnecessary and wasteful expense to the American taxpayer of the current project-by-project review. The study compares ten airports built with funds from the federal Airport Development Aid Program (ADAP) with twelve airports constructed with state monies. It reports that generally those built with federal funds took longer to build and cost more.

Acting FAA Administrator James E. Dow, said of the study, "I am pleased with the thoroughness . . . and the report's recommendations. They are generally sound and in several instances support some programs we already have underway to improve our airports program."

We applaud the recent efforts of FAA to "clean its own house." A task group has been identifying ways to reduce some of the red tape caused by administrative procedures. We hope the recommendations coming out of this task group and the Burns & McDonnell report will be implemented fully by the FAA. Beyond what can be done by correction of unnecessarily restrictive administrative requirements, however, we believe significant legislative reform is needed.

NACo strongly supports the provisions in the Administration bill to simplify this whole process. We believe that state and local government sponsors have the ability to plan and implement airport development programs without detailed FAA surveillance. We do it all the time with our own funds. The important point is that FAA will still be sufficiently involved to make certain that our national airport system needs are met, that aviation safety will not be compromised, and that there will be adequate protection against any misuse of federal funds. Differing slightly with the Administration, we still see a need for a National Airport Systems Plan.

In addition to a reduction of red tape, NACo believes the Act has to be revised to provide funding predictability through block grants to state and local government airport sponsors and increased flexibility in our use of the funds. In their prepared statement the AOCI has commented at length on a modified administrative process for FAA approval of development sponsors. This process was developed by our state and local airport officials and we believe it will work.

FINANCING LEVELS

The AOCI and AAAE survey of airport development needs, in which counties participated, shows total needs over the next five years of $8.1 billion. County and city governments, even with local airport user charges, are not in a financial position to provide this level of funding. This is particularly true at the present

time when our revenues are failing to keep pace with inflationary cost increases and with the increases in health, welfare and socal services caused by the current economic situation.

NACo supports a federal program level of $600 million for airport development in fiscal year 1976. We believe this is in line with cost increases since 1970 and the increase in federal aviation user tax revenues. (In fiscal '75, net airport trust fund revenues exceeded authorized program requirements by over $325 million). This should be increased slightly each year over the next five years to cover expected construction and development cost increases. The $600 million authorization would be divided as follows.

$375 million should be distributed directly to air carrier and reliever airports for use on airside and landside projects as determined locally, but subject to federal review. The smallest of these airports should be apportioned funds considering both their dollar needs and their ability to get local user funds from airlines. The AOCI formula, which we support, uses emplanement totals rather than the Administration's aircraft departures formula. Aircraft departure is not as good a formula from our viewpoint because the increased use of higher load aircraft eventually would reduce federal funds to airports. On the other hand, user tax revenues increase as enplanements increase.

$175 million should be provided for discretionary grants from the Secretary. This would be for large projects and reliever airports. The $125,000 minimum will not buy a $3 million runway extension. We need a sizeable discretionary pot for this purpose. We agree with the Administration that the discretionary fund should be limited to airside needs.

$75 million should be provided for general aviation airports. This increase in funding is needed since counties and municipalities do not have access to airline user charges to finance improvements or to build new general aviation airports. We have questions about the Administration's proposed distribution formula for general aviation funds. The Administration's formula is based one-half on registered general aviation aircraft, one-fourth on state population and one-fourth on state area. We would like to have further study of how the number of aircraft relates to needs of the individual state areas.

On the question of federal matching shares, NACo disagrees with the Administration. We believe a strong case can be made for providing 90 percent federal funds for all smaller air carrier and general aviation airport projects. The larger air carrier airports have more local user revenues and could be held to 80 percent federal matching.

GENERAL AVIATION TRANSFER

NACo is very concerned about the Administration's latest proposal to withdraw completely from funding or administering the general aviation program after fiscal year 1978. We support a gradual transfer of program responsibility over general aviation grants from FAA to the states under certain conditions. We believe that a state should meet two critical tests:

(1) demonstrated administrative capability, and

(2) state financing of part of the federal match. Some states could already meet this criteria.

However, we want to emphasize that this is considerably different from what the Administration is proposing. We are opposed to a complete turnover to the states in any specific time frame, unless the states meet the above criteria. We look forward to working with the states in developing a process for transfer of program responsibility.

PROJECT ELIGIBILITY

We are pleased that the Administration bill and several Congressional proposals would provide more flexibility in the use of funds. NACo supports the use of direct formula grants for high priority public use terminal development and the acquisition of land for environmental compatibility purposes.

TRUST FUND DIVERSION

NACo is strongly opposed to authorizing the use of airport trust fund revenues to cover FAA salaries and supplies needed to maintain airways facilities. The Administration proposes an authorization of $431 million for this purpose. With the pressing unmet capital needs of the system, it is not timely to allow any diversion of user tax revenues for FAA operations and maintenance expenses. We further believe that this should be a cost covered by general revenues.

ENVIRONMENTAL IMPACT STATEMENTS

We understand this Subcommittee may consider provisions restricting environmental impact statements to major airport projects which have the greatest possibility of affecting the environment.

Excluding other projects, particularly outside metropolitan areas, would reduce the increased costs resulting from the processing delays. We are very concerned with the problems caused by the environmental impact statements. We would like to work with the Subcommittee on the actual language.

USER TAX LEVELS

While the proposals to adjust the existing aviation taxes will be considered by the Committee on Finance, we would like to make a few general comments.

NACo is pleased that the Administration has reconsidered its position on aircraft departure fees for general aviation aircraft. This proposal was fraught with problems to say the least.

NACo believes that the existing aviation user taxes are sufficient to cover the costs of airport and airways program which we recommend. At the present time we cannot support a reduction in domestic passenger taxes from eight percent to seven percent. While a case may be made that general aviation should contribute more than the nine percent it presently contributes to the trust fund, we currently are opposed to increasing the fuel tax from seven cents to fifteen cents as proposed by the Administration.

We recommend that the level of user taxation be determined after this Committee and the House Committee on Public Works have agreed on the level of authorizations. NACo will make separate presentations to the Committee on Finance and the House Committee on Ways and Means after the authorizing committees have acted.

Mr. Chairman, we appreciate the opportunity to testify so early in these hearings. We would be pleased to answer any questions you may have.

Thank you very much.

Senator CANNON. The next witness is the Honorable Clif Overcash, mayor, city of Fort Worth, Tex., accompanied by Mr. Thomas N. Duffy.

STATEMENT OF HON. CLIF OVERCASH, MAYOR, CITY OF FORT WORTH, TEX.; ACCOMPANIED BY THOMAS N. DUFFY

Mr. OVERCASH. Mr. Chairman, I have with me Mr. Thomas Duffy, representing the city of Fort Worth, here in Washington, and he will help me answer any questions the committee has.

Mr. Chairman and members of the subcommittee, I am Clif Overcash, mayor of the city of Fort Worth, Tex. I am pleased to appear before you today on behalf of the National League of Cities and the U.S. Conference of Mayors to discuss the extension and revision of the airport and airway development program.

The National League of Cities is the organization representing approximately 15,000 city governments in all 50 States and Puerto Rico. The U.S. Conference of Mayors is the national spokesman for virtually all cities with population in excess of 30,000, as represented by their elected chief executives, the mayors.

I am also a member of the U.S. Conference of Mayors' Transportation Policy Committee.

The Airport and Airway Development Act of 1970, when enacted primarily through the efforts of this committee some 5 years ago, was regarded as a landmark in airport legislation because the act established a long-term Federal financial commitment for the development of airports and airway facilities, funding levels higher than those that had been available before, and a predictable funding source.

There can be little doubt that the airport development aid program (ADAP) established in 1970 has resulted in important and measurable benefits to the huge numbers of people who use air transportation and air facilities regularly for both their business and private needs.

The National League of Cities and the U.S. Conference of Mayors recognize the importance of the ADAP program to our Nation's cities and applaud the substantial accomplishments that have been made with the 1970 legislation.

The National League of Cities and the U.S. Conference of Mayors support the continuation of this program and feel that the excellent experience gained during the past 5 years under the 1970 act clearly indicates the appropriate direction that a more efficient and effective airport program must now take.

A continuation and improvement of the ADAP program is essential during the next 5 years. To this end, the National League of Cities and the U.S. Conference of Mayors:

1. Endorse a 5-year program responsive to the needs of our Nation in the area of long-term city financial airport development and improvement;

2. Support a major revision of the airport development aid program by providing a more predictable mechanism for disbursing funds to air carrier airports, supported by a sizable discretionary program;

3. Support the continuation of the direct Federal/local role in general aviation, and take strong opposition to a 3-year phaseout of Federal responsibility for general aviation airports as proposed by the administration; and

4. Request that you consider increasing the overall national funding level to at least $500 million in this fiscal year to adequately provide for airport development needs and to provide in the legislation for annual funding increases to cover rising costs.

The National League of Cities and the U.S. Conference of Mayors strongly endorse a major revision of the existing airport program delivery system, particularly as it relates to the air carrier and reliever airports.

The program quite properly has been subject to an increasing amount of adverse comment from various groups in the aviation industry, as well as from airport sponsors who are the recipients of the Federal funds available under the ADAP program.

Among the several complaints that frequently are levied against the existing program are these: Excessive Federal involvement in matters that properly are of public local concern; too much redtape and inordinate delays in the processing of grant applications; a far too costly application process; and unsure funding levels from year to year.

The League and the Conference, therefore, support many major provisions of the administration's bill (S. 1455) since it does address itself to the problems I have just cited by increasing local flexibility in the management of the airport program and by providing for predictable funding levels.

The block grant delivery system contained in the administration's proposal is a device which in recent years has been used increasingly to streamline delivery in major Federal assistance programs, including manpower, mass transportation and most recently community development.

Mayors and local elected officials find it a vast improvement over past systems, as it allows them to meet in a comprehensive fashion their specific priorities. The League and the Conference have longstanding policy supporting delivery systems which:

1. Maximize predictability of funding levels through an equitable formula allocation mechanism;
2. Increase local flexibility in planning, development, and implementation;
3. Expand eligible uses for funding consistent with statutory intent and local priorities; and
4. Streamline the grant application and award process.

I would now like to review in some detail certain aspects of the legislation proposed by the administration and to focus on areas that we feel need improvement. We hope that you will consider incorporating our recommendations in your ultimate action on the airport bill.

First, the administration's bill establishes a 5-year $1.7 billion Federal commitment to the ADAP program—funded at a constant level of approximately $350 million each year. Of the $350 million, air carier and reliever airports would receive approximately $300 million for each of the next 5 years, and general aviation airports would receive $50 million for each of the next 3 years.

We do not regard the administration's proposed funding levels as adequate or really representative of a reasonable long-term Federal commitment necessary to support a viable national airport program.

When Congress amended this program in 1973, it authorized airport development funding at a level of $310 million annually, which was $30 million above that authorized in the original 1970 legislation. This small increase over the past 5 years of some 10 percent of $30 million does not even begin to reflect the cumulative impact of past inflation.

According to cost data complied by the administration, an airport development program level of $500 million in fiscal year 1976 would be required to keep even with the impact of inflation on airport development costs since 1970.

The league and the conference respectfully ask that you seriously consider an airport program authorization level of $500 million this year, increasing each year at a modest 6-percent rate to reflect the increasing costs of achieving a constant amount of development.

The members of the committee may already be aware of a recent national survey conducted by the Airport Operators Council International and the American Association of Airport Executives on public airport capital development requirements during the period 1976–80.

The major conclusion of this survey, which produced 340 responses from airports across the Nation which represent approximately 92 percent of all enplaned passengers, was that about $8 to $10 billion will be necessary to meet the estimated capital improvement needs over the next 5 years in the component areas of airside, landside, and land banking.

In light of the above, we hope that you regard the $500 million level we are recommending as a minimum level. While we would like to see an even greater commitment, in light of present fiscal restruc-

tions, we support the above level since it reflects inflational impact since 1970.

I would now like to focus on the formula allocation system contained in the administration's bill. The administration proposes a system under which moneys would be distributed to air carrier and reliever airport sponsors based on numbers of annual departures of airline aircraft: $60 for each of the first 30,000 departures, $30 for each departure over 30,000, and so forth.

The league and the conference concur with the view expressed by the Airport Operators Council (AOCI) and the American Association of Airport Executives (AAAE). We feel that the committee in devising a fair and equitable formula for the distribution of moneys should give serious consideration to a formula based on the number of enplanements, that is, the numbers of actual passengers on those aircraft for whom airport facilities must be provided.

Another important and necessary improvement to the existing airport development aid program is an expansion of the eligible activities for funding. Maximum flexibility in the use of moneys best serves to meet local priorities. Among numerous possibilities, the league and the conference specifically endorse the use of formula funds for both the public portions of terminals as well as landbanking for environmental compatibility. Expanded eligibility for public portions has been a long sought after goal of the league and the conference, and we are delighted that this has been included in the administration's legislation.

Speaking for myself and the Dallas-Fort Worth Airport, I would like to suggest there are major airports like ours which are in a holding stage of their development, just one stage has been developed. The planning we did and the burden we assumed produced a full-fledged airport that is outstanding in design and operation.

The design was comprehensive and took into account many elements now being looked at as innovative.

Landbanking is a good example. We did that for DFW. It was very costly. In order to help with these costs and put us in the best possible position for future development, I recommend you design provision in the ADAI program which would allow special-purpose use for ADAP assistance in special circumstances.

Retroactive support of landbank or other development costs of DFW would be such a special purpose.

Another major component of the proposed airport development program which I'd like to address is the general aviation provisions of the legislation. The league and the conference support retaining the existing Federal/local relationship. We oppose a transition to State administrative and financial control over general aviation as proposed by the administration.

General aviation airports have become an integral part of regional airport systems that impacts air carrier airports directly and significantly.

Meacham Field in Fort Worth is now Texas' busiest airfield in terms of aircraft operation. Shifting these operations to DFW would significantly reduce its effectiveness as an air carrier terminal. A good share of Meacham's traffic is business aviation. These flights are to other airports in other States and nations and are equal to DFW's

commercial flights. It is less than logical to deal with one airport on an interstate basis and the other on an intrastate basis. State regulation of such airports would confuse policies for all airports and would not recognize the reality of the interstate character of general aviation.

Furthermore, we question present state technical capacity in this area and feel that scarce moneys would be best spent in improving existing capacity at the local level.

I would like to comment on two additional aspects of the administration's bill before concluding.

First, the administration also has proposed using a portion of the trust fund moneys for maintenance costs for FAA. The league and the conference continue to oppose diversion of trust fund receipts for such purposes, while pressing capital needs remain unmet. We would much rather see the surplus used for landbanking purposes.

Finally, the league of cities and the Conference of Mayors strongly support the concept of landbanking and advanced land acquisition. This tool will allow local government to effectively address environmental concerns and nationally plan for the development of existing airports, as well as the correct citing of new airport facilities. As a minimum, we would endorse the undertaking of the DOT-recommended study to properly develop both the concept itself and the means to develop appropriate financing mechanisms. Preferably, this committee could—following its similar action in 1972—develop a legislative landbanking program now, so that land truly needed for future airport development can be preserved without further delay and cost.

Mr. Chairman, it is indeed encouraging to the Nation's cities to see the concern and commitment demonstrated by this subcommittee to the problems facing the Nation's airport system. We were most appreciative of your efforts this year to obtain a 90-day extension of the ADAP program, whose authorization expired this past June 30.

I am confident the full committee will soon report out a 5-year authorization bill, hopefully along the lines we have suggested, that will reflect the common concern that we all share for the continued orderly development and implementation of our Nation's airport system and for achieving the highest standards possible in safety, efficiency, and technology.

I appreciate this opportunity to appear before you today. I would be pleased to answer any questions you may have.

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

Would you support an experimental or demonstration program in several selected States to test the concept of turning general aviation over to the States. You state you are opposed to that program.

Mr. OVERCASH. I think the position, Mr. Chairman, of the league and the conference would be that we would prefer that the Federal-local relationship continue and no moving from that direction.

Senator CANNON. And that no experimental program along that line would be necessary?

Mr. OVERCASH. Yes, sir.

Senator CANNON. Do you have anything to add, sir?

Mr. DUFFY. No, sir.

Senator CANNON. Senator Stevens?

Senator STEVENS. Was your complex in Fort Worth planned under this act or was it planned before ADAP?

Mr. DUFFY. It was planned before 1970, yes, sir.

Senator STEVENS. I am informed there has been no major complex developed under this act.

Mr. OVERCASH. Not subsequent to the act.

Senator STEVENS. What changes would have to be necessary to make this a workable act so it would bring about further developments of complexes such as your Dallas-Fort Worth complex?

Mr. DUFFY. Among other things commented on this morning, sir, were the environmental requirements. Should we have to deal with those building by building or piece by piece, that would essentially negate the possibility of building something like this airport.

Senator STEVENS. That is one of the things I was getting at. We were providing in this extension that an overall project plan and its environmental assessment would be sufficient for any phase of the plan. Would that be of assistance to this type of planning?

Mr. OVERCASH. I don't have any question about that, Senator. I think that we developed a plan of an airport, and only built one stage, as you know. And we have an ultimate plan that is already developed. Of course, I think the thing that would be very helpful would be to get the overall plan accepted and the environmental impact study made on the plan, the total plan, and as long as you stay within that plan, unless some other substantial change occurred, you are able to operate without going each time you build a building and get another impact statement made.

I think that would be very helpful.

Senator STEVENS. What about the landbanking concept? You mentioned a retroactive application, would it help at all if we provided that any land that had been acquired prior to this extension could be used to meet the matching requirements?

Mr. OVERCASH. Yes. I think so.

Senator STEVENS. We would not have an overall blanket retroactive coverage, but use it in the future to meet the matching requirements under the act. Would that be of assistance?

Mr. OVERCASH. Yes; I think so.

Mr. DUFFY. That would be one step, sir. I think in view of the peculiar needs of DFW and perhaps the Kansas City Airport, it wouldn't be enough, obviously.

Senator STEVENS. Thank you very much.

Senator CANNON. What additions do you contemplate now at your airport?

Mr. OVERCASH. We only have a small part of the terminals built. We have it set for staging depending on the increased activity of the airport. So we haven't set up a specific timetable, saying as of 19–X we will build this terminal?

It depends on the usage of the airport.

Senator CANNON. Do you contemplate additional runways and taxiways in your overall plan, is it principally terminal facilities with which you are concerned?

Mr. OVERCASH. Basically, terminal facilities, yes, sir.

Senator CANNON. I guess, as you build additional terminal facilities, you will need the mass transit system to the new facilities?

Mr. OVERCASH. The mass transit system is lined out now to serve the buildings.

Senator CANNON. I see. It is already built to serve the additional buildings?

Mr. OVERCASH. Yes, sir.

Incidentally, it is working very well.

Senator CANNON. I have heard varying comments on it. I came down and visited your airport and had a fine tour of it, but I didn't have time to ride the transit system.

Mr. DUFFY. Reliability factors are running on the order of 98 percent for the last 6 months now.

Senator CANNON. Very good.

Counsel has a question.

Mr. GINTHER. In procuring the land needed for the DFW airport, what year was the land purchased by the authority?

Mr. OVERCASH. It was prior to 1970. I have forgotten the timetable. Do you remember?

Mr. DUFFY. It began in the mid-1960's, I know.

Mr. OVERCASH. We blocked it up and started procuring it. We had to go through condemnation suits on each of it.

STAFF. Do you own all of the land now that you forsee necessary for DFW?

Mr. OVERCASH. We either own it or are in the process of acquiring it through condemnation suits.

Mr. DUFFY. Given aircraft technology and everything else remaining constant.

Senator CANNON. What kind of revenue do you get out of the farmland you have leased out now?

Mr. OVERCASH. I have forgotten the exact dollar number. We have it for farming as well as cattle-grazing in some areas. I have forgotten the dollars we get, but it is fairly reasonable.

Senator CANNON. Is it substantial?

Mr. OVERCASH. Oh, yes.

Mr. DUFFY. For farming it would be. For rangeland, it is sadly underpaid.

Senator CANNON. Yes.

Thank you, sir.

The last witness for today is Mr. J. E. Mitchell, Jr., chairman, League of American Airports.

STATEMENT OF J. E. MITCHELL, JR., CHAIRMAN, LEAGUE OF AMERICAN AIRPORTS, AND EXECUTIVE DIRECTOR OF HUNTSVILLE-MADISON COUNTY AIRPORT AUTHORITY; ACCOMPANIED BY KENDALL K. HOYT, MANAGER, DISTRICT OF COLUMBIA; WILFRED M. POST, JR., VICE PRESIDENT, ALLENTOWN, PA.; AND SANFORD L. WARTELL, ALLENTOWN, PA.

Mr. MITCHELL. Thank you, Mr. Chairman. I would like to introduce those people who accompany me.

Mr. Wilfred M. Post, Jr., to my right, the vice president of our League of American Airports, and manager of the Allentown-Bethlehem Airport in Pennsylvania. To his right is Mr. Sanford Wartell, chairman of the league, Lehigh-Northampton Airport Authority. And to my left, Mr. Kendall Hoyt, manager of the League of American Airports in Washington.

With your permission, Mr. Chairman, we would like to submit our testimony. We would appreciate it if you would make it a part of the record and permit us to make a few highlight comments.

Senator CANNON. Very fine.

Mr. MITCHELL. Our testimony is oriented in the direction of the interests of small airports.

The League of American Airports was recently organized to provide small airports—small airport operators, an effective voice or a voice that could be heard in matters of this type which you are considering right now. Our testimony, being oriented as it is, we think is important, because the backbone of the system of air transportation to a measureable degree in this country rests on small airports.

We have itemized several things that we are concerned about.

Keep the taxes. There has been some indication here that they should be reduced. I am sure there is a demand on the part of the airlines that the taxes should be reduced. But balance that with a few things that you are considering, more airports, not necessarily new airports, but including more airports in the delivery system of Federal assistance; higher ratio of Federal assistance, 80, 90 percent probably; more eligible items, including terminal facilities, public space in terminal facilities, and land banking. Add all of this to the fact that in our opinion you do not have an accurate assessment of development needs, although we know there is a considerable demand, far more than what is being suggested be allocated over the next 5 years. But we don't have a real accurate assessment based on these factors of what the Federal assistance need or demand is. In addition to that, we don't really have a realistic planned system of what our airport system looks like. How many airports are in it, where they are located, what are their ultimate design capabilities? So we would be inclined to suggest, Mr. Chairman, for the present time, until we can get some answers to these problems, let's keep the taxes.

If it is reduced and we find we need more funds, we will be in a jam to increase it again. For that reason, we ask that you guard the trust fund.

I think you did a magnificent job in setting up this legislation several years ago, and we appreciate it. The small airports have fared extremely well under it. There is an effort to siphon off some of that money for administrative purposes, and there again until these other priority needs are met, we are leaning on you and your committee rather heavily to guard that.

In that context, the money is available, and we should be inclined to suggest you us it, because the demand to use it, I think, has already been documented in many, many cases, the demand is there for it to be used and to be used equitably, to be used profitably, and the level is being recommended from $400 or $500 million on up.

We are suggesting an $800 million-a-year program for airport development over the next 5 years: airways $250 million annually, and research and development $80 million a year, there being a cushion in the trust fund right now of about $2 billion.

So I don't think there is a problem of either running out of money, and I don't think there is a problem in light of all of these add-ons as to whether or not this money can be properly utilized.

We are like the rest, we would like to see a 5-year program. The stop-and-go development results in stop-and-go financing, and frankly, both of them are disruptive to progressive airport development and management. It is just that simple.

We would like to see the Federal share for smaller airports increased from 75 percent to 90 percent. We are hindered, Mr. Chairman, small airport operators are, by the fact that our sources of revenue are limited to operations, and we don't have many operations. We cannot go out and levy a head tax, or whatever other tax we might want to, there being a Federal prohibition against that. Beyond that, we have been heavily impacted by fire/rescue, security, and imposed requirements of that nature. We don't have anywhere to go to get money. In most cases, most small airports and local governments are pretty heavily supporting the operation. So, we don't feel it is out of order to ask for a 90–10 type of situation.

Increased planning effort—this is something, Mr. Chairman, we would like to hit heavily on. I have heard a lot of comments this morning, and I would like to make some remarks in that direction.

There is a Federal Government, there are 50 States, and there are numerous local governments. For some reason, everybody wants to circumvent the State government. I haven't been able to circumvent it, and I don't know anybody else that has. It is live; it is there. If you want to get rid of it, pass a Federal law and dissolve all of the States; that will get rid of it. But we are being a little bit naive I think when we say State governments don't exist. They are there; they have a right to be there. And if we are realistic in our evaluation of this situation, some of the jams that the airports are in around this country is for the simple reason that we have bypassed the States. We have not coordinated the highway system with the airports. We have not coordinated land use with the States and regional governments. We have not done a bunch of things. In fact, we haven't done up, until recently, very much planning whatsoever. And up until a couple of years ago, with the advent of the planning grant program that you originated, there wasn't even any Federal money for airport planning at all, and what was done was done inside of the airport fence.

Little Huntsville, Ala., had the first planning grant program that involved Federal funds 3 years ago to do planning outside of the airport boundaries, and it took a year to get a decision out of the FAA attorney that it was legal to grant the money for that purpose.

Senator CANNON. You got a quick decision.

Mr. MITCHELL. Yes; I guess so. Our operations are within that boundary, that is true. But the impact of our operations go considerably beyond that boundary.

I think we need to, if anything, get the planning horse in airports out in front of the airport wagon. It has not been there yet, and until we do, we are going to continue to have problems with environmental considerations, noise suits, land banking, and one thing after another.

I will talk about that a little more later.

But to circumvent the States is going to be a difficult problem, because that eliminates to a great degree the necessity and the need to coordinate what you are doing with other elements of local and State government. It is just absolutely a necessity. I speak on this realisti-

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cally, Mr. Chairman, because I served for approximately 4 years in State government, in a cabinet position, in charge of State development and State planning. And the responsibility I had at that time involved your requiring more, every year, statewide plans for this and that. We had to set up a State clearinghouse under A–95. No problem with it. I think it was absolutely necessary. But you require statewide plans for just about everything in the world except airports. Why eliminate airports? I am a little of a fish or fowl here, and the fact that most of these other people are saying they don't want anything to do with State governments, gentlemen, is a limited voice, and it comes from most of the big hub operators, not from a lot of the smaller operators.

Let's get our planning program going, and to get it going, Mr. Chairman, you have set it up as a prerequisite. FAA interpreted it (planning) as optional, and then you had to put 33⅓ percent of your money with it. Well, when this program first started out, airport priorities were so great for money, local money, they put in runways and things like that, that they had to have, and didn't have the money to put in planning. Let's make the planning program 100 percent Federal assistance, including the money to FAA to do their part of the planning, to States to do their part of the planning, and to the local governments. Require as a prerequisite to Federal assistance, Mr. Chairman, FAA approval of an airport master plan. One that indicates the ultimate development capability of that particular airport, just like the gentlemen testified about Dallas/Fort Worth. They know what the capability of that airport is now, because it was well laid out and well planned. But not every airport in the country is laid out and planned in that way. Then more that through a statewide plan to see that there aren't two airports like Dallas/For Worth, or some other similar situation. It has to be coordinated at other levels, not only for road transportation, but for airspace requirements as well. And let's have that system flow on through the States up to the Federal level, let the Federal system approve it, and then, gentlemen, you can put together a national system of airports.

Now whatever our air transportation system is in this country, it is going to rest directly on whatever our airport system is. That is a fact. Your interstate highway system rests directly on the pavements you have in the ground and the plan you have for that system. That is what it rests on, because you do not run your automobile willy-nilly wherever you want to, you have to go with the system.

So we ask you to give a lot of consideration to the planning and expedite it, and let's get on with a system of airports. To not have a system and let everybody willy-nilly do what they want to within the local communities I don't think will give you anything but chaos. And the traveler will not benefit from it.

Reduce redtape. I think everybody is for that. We would like to see the State role increased. I can't see why it would hurt, why you don't let several States, four or five or six or seven, that are already in it, doing a good job, let them see how it works and do it as an example or a test situation, just to see what the results are.

First of all, in a statewide plan you would have the control, I presume, that should be in there, that FAA has first approved the statewide plan. If that State has the proper administrative capacity, turn

the funds over to them, and general aviation can start and see what kind of job they do.

Everybody says no, don't do it. We don't really have an answer as to what kind of job a State can do. There are a number of States saying they are doing a good job, and I think they are. Maryland, Minnesota, California, quite a few of them are doing an excellent job.

Probably there is a big disagreement of the funding formula. We think the formula you came up with 5 or 6 years ago is a real good one, one-third, one-third, and one-third. One-third of the first third based upon enplanements was to go to the individual airport operator for the priority of his projects.

There again if you had a master plan that was already approved, you would know and he would have a list and FAA would have a list of what his projects and priorities were. It should cut out the redtape practically altogether.

But the idea there was the priority of an airport project here might be from a national standpoint way down the line but it was a No. 1 priority to that airport. By giving one-third of the funds in that manner, you at least let each airport begin to progressively develop to its ultimate capability. That was a good plan. The only thing that went wrong with it, FAA didn't do what you said to do, they spent it discretionarily wherever they wanted it. That is why you had the lawsuit in Los Angeles. That is why we nearly had a lawsuit with them the other day. They said we had to put up $200,000 for security fencing, they (FAA) said we are out of funds, and we said go jump in the creek. They said we had to do it anyway and I said try us on for size, we will see, I don't believe you can make us do it. And they came up with the money, but they scraped the barrel from everybody in the country. They hadn't set aside our allocation. If they had, we would have had plenty of money to do the security fence. That is not two-bit to us; $200 thousand is a lot of money to us, I guarantee you.

One-third was apportioned on an area/State population, so each State could, in its own fashion, grow progressively, and a third was discretionary to FAA, because you have big projects and sometimes, some where, like in Hawaii, you have to put in big money to get big projects going.

There is not a thing wrong with that type formula, not a thing in the world. It worked reasonably well as it was, but it would have worked better if it had been administered like you said to.

Along this line, we recommend a Federal-aid program of approximately $1 billion annually; $700 million to air carrier, reliever and commuterline airports; $70 million for general aviation airports on a 75–25 matching basis; $30 million to DOT for use to finance a permanent and continuing airport planning program. Of the $700 million for airport development, $260 million based on originating passenger enplanements, not less than $100,000 for each airport, cumulative 3 years for use, 100 percent, on any approved NASP project; $220 million to the DOT Secretary for discretionary used based on area-population formula for use on any eligible approved NASP project, 90–10 matching basis for small airports; $220 million to DOT Secretary for discretionary use on any eligible approved NASP project on 90–10 matching basis for small airports. Let's compare this with the enplanement formula of $4 introduced by AOCI. On the top rung for small

airports, the top rung, there are a few up there, they would get $1.2 million annually. At the bottom of the rung, and that is where all of them are, they would get $125,000 a year. Gentleman, you might as well spit out that window with that money for building a runway. It won't do anything. It won't even buy an emergency generator. It will hardly buy a fire truck. It won't do nothing. I mean, what is the use of a distribution formula of that nature. You know, it really doesn't accomplish anything. I think it is trying to kid somebody to distribute all of the money on that basis. It also takes away the flexibility of the Federal system to at least guide and direct the money in the direction of what is needed to build a system of airports in this country on which an air transportation system can be built.

I would like to comment about land banking in that connection and that is one reason we recommend the increased level of spending, because I think you will see more and more land required. In the planning of an airport you should lay out, for environmental considerations, what land you do need, because of the environmental impact that operation of an airport has on the rest of the community. I can remember the time when FAA said all you needed was 50 feet beyond the end of the runway. I can remember when that was extended to 200 feet, and when it was extended to 2,500 feet. Now it is out to 5,000. That extension, gentlemen, was solely based on one criteria, we ain't got no money or anything else. It wasn't based on any demonstrated requirement, we just didn't have the money. So we will pass a regulation, we don't have money for land more than 50 feet beyond the end of the runway. Stupid as that may have been, that is the way it was and that is why we are in the pickle we are in in some of the airports about encroachments. They are already surrounded.

You have to look at each airport and find out its operation based on design and capacity and see what influence that has on the surrounding area, and if that is the land that you need, gentlemen, and you can demonstrate you need it, then fine, go get it. If you build a highway and you say, and everybody says, after environmental considerations, and they are going to tackle you, you have to go through the mishmash today and it is a good thing, if they say we need 300 feet of corridor for the interstate highway along this stretch, then that rings a bell and the first thing you do is go buy the right-of-way. There is no need for land banking. You are trying to out-guess somebody, second-guess somebody. Until the local community can demonstrate they have a need for a new airport, that the location has been designated and has cleared all of the hurdles and has been defined as right-of-way or land necessary, and when that definement has been accomplished in the final stages, fine, take airport trust fund money and go buy the land, just like you buy rights-of-way for a highway. You don't build highways until you get the land. That's the first order of business.

If I need more land to environmentally protect my airport, then I ought to be able to demonstrate it, document it, and once I get it approved, I should have a right to get Federal aid to buy that land. It might be easements, I don't know, or fee simple.

Senator STEVENS. What time frame do you consider? We don't use highway funds, Federal aid highway funds, to acquire land for future interstate highways: when it becomes a dual land road under the interstate highway funds they go into another fund. What are you

talking about as a long-range project for these airports? What kind of time frame would you have for the original acquisition of the land?

Mr. MITCHELL. Senator, I think one of the problems now is we just don't really know where we stand with respect to land requirements, either for new airports, improvement of airports, or for environmental considerations. That is one of the predicaments we are in. That is why I say accelerate for at least 3 years, at 100 percent funding, the planning proposition, because that is needed in order to find out just exactly where we are and what we do need. I am sorry, I would like to answer that question, but I don't know, because I don't think we know ourselves, individually or collectively. I know at my airport what it is. I think most can find out fairly quickly what it is.

Senator STEVENS. That is why I asked about including the land bank money for future matching requirements under the matching formula. I can see where you put a lot of money into land in some of the major city airports and not have any left for some of the rural States that are in dire need also.

Mr. MITCHELL. There again I think that is where the discretionary peddle that is going to have to be exercised at the Federal level as to what are the priorities around the country for land acquisition. Because I can envision, as you do, if you found out what the needs were, practically all of the money available in the trust fund might go to buy up land for the first several years. It will have to be done on some type of phase implementation. You say you are going to build a highway through a State north to south, but that doesn't mean that at that minute you buy every bit of the right-of-way. Isn't that right? Then you have to take the same approach on land acquisition for airports. First it should be demonstrated at the local, State, and Federal level that there is a need, and this is what that need is. Then I think you can begin to do business.

Mr. Chairman, we would like to see also a few items added, snow removal equipment for one. I think in a lot of cases this is probably more important to some airports, particularly small airports, than maybe fire/rescue. I won't get into an argument about fire/rescue other than we, like a lot of others, have found it extremely costly.

Finally, Mr. Chairman, it is our contention that small hub, nonhub, reliever commuterline and general aviation airports form the backbone of air transportation of our Nation. Without these small airports, 16 States would have no air carrier service whatsoever, and an additional 20 States would be served by only 1 air carrier airport. If you want to go into Michigan, say, you go to Detroit; that would be it. If you went to Illinois, you would go to Chicago, and that would be it, too. On this basis, about 75 percent of the land area of the United States would receive poor to no service at all. We are going to have to get back to the system business, if we are going to have air transportation in this country. The map here reflects this situation, and highlights the important role small airports play in the system of airports and the absolute necessity existing Federal assistance to airports be continued, but upgraded consistent with the trust funds available and the demonstrated need for the use of these funds.

Mr. Chairman, thank you very much. I know you are rushed for time, and we appreciate the opportunity of letting us appear before you.

Senator CANNON. How many members do you have in your organization?

Mr. MITCHELL. We have to date—and we are less than a year old—40 members, Mr. Chairman.

I might add, though, that less than a year ago I chaired in AOCI a committee for small airports and their problems. If you would like to extract from their minutes the recommendations of that committee on small airports within AOCI to be put in your record, I am sure you could get it. You might be surprised at what you find in those recommendations, because they don't show up in the statements presented to you by AOCI and AAAE.

Senator CANNON. How many States are represented?

Mr. HOYT. About half of the States.

Mr. MITCHELL. We are newly formed, and the reason we were was because whenever we said something and came to a conclusion within the framework of small airports, we got shut up. Maybe we should be shut up, I don't know, but we like to be heard, too, we have some problems, and we didn't feel like they were being heard. So we formed this league, and I had some question about whether it would fly myself, but I think we are making headway, and I daresay in another year we will have a fairly representative representation all over the country. We are gaining strength in membership.

But insofar as our representation to you from the sector that we allege we represent, there will be little or practically no dissension from what I just told you. Probably in some areas of State relationship, that would be probably one of the more volitile issues even within small airports.

Senator CANNON. Senator Stevens?

Senator STEVENS. What percentage of your operating budget in these smaller airports is involved in crash and rescue?

Mr. MITCHELL. It all depends; the smaller the airport, the greater the impact. But probably no less than 30 percent, up to 80 percent, I would say.

Senator STEVENS. Have you found that the FAA requirements in this area are burdensome as far as the smaller airports are concerned?

Mr. MITCHELL. Senator, burdensome is, I guess, a good word. I might take the position we don't need any fire rescue service except if I were in that airplane and it was landing and was in need of that service. And I am real serious about that. It is a highly expensive item when you get down to evaluation of costs and so forth. But it is just a hard question to answer. I think the amount of service required as far as equipment is concerned is not overly burdensome. The overly burdensome factor, frankly, is not in the cost of the equipment, it is the continuing expense of employing the people to operate it.

Senator STEVENS. Maintenance and operation?

Mr. MITCHELL. Yes. We already had a building at the airport, we had one 1,500-gallon truck, we already had some firemen there, we worked out a deal with the city, so that the city maintains the station, we built it for them, they answer structure calls from there as well as airport service calls. You try to make ways to get it done. So we had to buy let's say $150,000 worth of equipment. But that also necessitated more personnel and so forth. But the salary expense of running that operation is $200,000 a year. You know, we exceed in 1 year what the equipment outlay cost is and it is not going to

get any less, it will go up. We have a quarter of a million operation enplanements per year, so we fall in a fairly high category of the requirement for fire and rescue. What is yours?

Mr. POST. Ours runs about 25 percent. Again, the big cost is the cost of personnel.

Mr. MITCHELL. What are your enplanements?

Mr. POST. About 200,000. With a small airport, this can run between 40 to 60 to 80 percent.

Senator CANNON. I have two air carrier airports in my State with one takeoff and one landing each direction a day.

Mr. MITCHELL. I think there could be some modification of that based upon studies of the National Air Safety Board, people of this nature, to give some relief, particularly in a smaller airport category.

Now you get into the larger airports, get up to enplaning 200,000 or 300,000 passengers, I think you have a requirement there, a possibility, that maybe warrants that type of thing. Then at that time it becomes less and less of an impact on your overall budget, and although they have a great deal in volume, but in comparison to their total budget, it is not quite that much.

Senator STEVENS. My people have raised that question with me. I just wondered what your overall experience was.

I want to thank you for speaking out as an Alabama representative of national American airports for snow removal equipment. We find that to be an important item in Alaska and we appreciate your support.

Mr. MITCHELL. Mr. Chairman, you would be surprised that in Huntsville I have had 21 inches of snow on my runway. But we don't need snow removal equipment; we just let the sun melt it by 2 days later.

Senator CANNON. Thank you very much, gentlemen. We appreciate having you here.

[The statement follows:]

STATEMENT OF J. E. MITCHELL, JR., CHAIRMAN, LEAGUE OF AMERICAN AIRPORTS

Mr. Chairman and committee members, my name is J. E. Mitchell, Jr., Chairman, League of American Airports, Professionally, I am Executive Director of the Huntsville-Madison County Airport Authority, Huntsville, Alabama. The League of American Airports was recently organized to provide small airports a voice that could be heard. Past testimony from the airport operators sector has been large hub airport dictated. Our testimony, admittedly, is oriented to the interests of small airports, but as these airports are and will be the backbone of any system of airports necessary to serve the public need in air transportation, we feel our interests are parallel to those of our nation.

We are grateful to your committee for the 1970 Airport and Airways Development Act. It has contributed much to making the U.S. airport system superior to all others. The 1970 law met the needs of the big airports as the flexibility of discretionary funds permitted high levels of assistance, the same flexibility allowing a wide and fair distribution of funds to the many small airports around the country. Consequently, we do not see the necessity of any major legislative changes whatsoever, other than in a few instances where experience clearly demonstrates the law can be made to work even better.

Our positions on legislative considerations before you are, in brief as follows:

1. *Keep taxes.* The airlines desire a reduction in the 8% ticket tax. If you authorized a reduction, the passenger paying the tax would never know it, and in all likelihood, there would not be any real reduction in the cost of air transportation thereby. Until a system of airports is built across the country to serve the public need, there should be no discussion whatsoever about reducing the tax that provides the funds for airport and airway development.

2. *Guard the trust fund.* There is and has been considerable pressure to divert Trust Fund monies for use and purposes other than initially intended. We can only state we are totally dependent upon you to protect the trust fund you, in your wisdom, established.

3. *Use it all.* Taxes at the present rate are yielding enough to give AIRPORTS 800 million dollars a year over the next five years; AIRWAYS 250 million dollars annually; and RESEARCH and DEVELOPMENT 80 million dollars each year, there being a cushion in the Trust Fund right now of approximately 2 billion dollars. Today's airport dollar buys barely half as much as in 1970. There are enough eligible projects right now, spread over the nation, to utilize all available funds during the next five years.

4. *Extend five years.* Stop-and-go development results in stop-and-go financing, and both are disruptive to orderly and progressive airport development and management. Many projects require phase implementation, and a five year program is absolutely necessary if we at the airport operator level are to plan and manage efficiently.

5. *Increase Federal share.* Federal assistance has been 50% for the large airports, 75% for others and 82% on projects for safety and security. The large airports generate sufficient revenue due to the volume of traffic they enjoy to give them the revenue they need for matching fund requirements. More often than not airport development projects are extremely costly and the matching fund requirement to the small airport is a serious problem, there generally being insufficient revenue from operations to provide the necessary funds. Congress has recognized this problem. We recommend, therefore, that the 75% federal assistance share for small airports be increased to 90%.

6. *Increase planning effort.* The 1970 Airport and Airway Development Act mandated the development of a National Airport System Plan based on local and state plans. Non-compliance with this mandate has been virtually total. The reason is rather simple. The planning program was put on an optional basis requiring one-third matching funds and everybody had a higher priority for their money than for planning. Thirty to 50 million dollars annually should be allocated to planning, 100% Federal assistance, at the Federal, State, and Local level. You, then can require, as a prerequisite for aid for airport development, that the airport sponsor have an approved airport master plan with a current inventory of short- and long-range projects necessary for the orderly development of that airport to its ultimate design capability. The airport would also have to be qualified in the statewide plan, all of this supplying the necessary input for the development of a National Airport System Plan. Then, and only then, will the National Airport System Plan provide you with the information you need to guide and direct the development of a national system of airports and any federal assistance program related thereto. It is extremely urgent that airport planning get out in front of airport development for, to date, it never has.

7. *Reduce redtape.* Simplify and improve the delivery system of Federal assistance at all project levels.

8. *Increase State role.* We recommend a test experiment in several states as to the ability of states to handle air transportation and projects and programs related thereto.

9. *Keep the funding formula.* For federal aid to air carrier airports, your committee wisely established a one-third one-third, one-third formula that has proved itself over the past five years. If we are to build a system of airports around the country to serve the public need, federal assistance, obviously, should flow to where the need exists. Our nation's air transportation system is going to rest squarely on our system of airports and where there is no need there should be no allocation of funds.

The larger airports would like to dismantle this one-third, one-third, one-third formula on the basis that they produce most of the traffic and, therefore, they should be entitled to a majority of the funds. If we took that approach on matters of national interest, we would not have a system of highways or a system of anything else. And it takes just as much runway to handle a 727 jet at Small Airport USA as it does at Big Airport USA.

We strongly urge you, therefore, to keep the formula intact but increase the amount of federal assistance substantially as:

(1) Funds are available and

(2) The need for the use of these funds can be demonstrated.

Of the funds we have recommended be appropriated annually, the division and distribution is rather key. Our recommendations are as follows:

	Millions
Airway facilities and equipment	$250
Research and development	80
Airport development	800
Total annually	1,130

The 250 million will continue to upgrade and properly equip our airports with airway facilities in a progressive manner. Research and development, obviously, should continue; however, we suggest this committee give closer concern and attention to the projects these funds are allocated to. Of the 800 million for airport development we recommend distribution as follows:

	Millions
To Air Carrier Reliever and Commuterline Airports	$700
For States and territories by formula for use on general aviation airports on 75/25 matching basis for approved project in statewide plan	70
To DOT Secretary for use to finance (100%) a permanent and continuing airport planning program for the development of airport master plans by sponsor, statewide plans by states and a national airport system plan by FAA, including short and long range priorities related thereto, all coordinated with other modes of transportation	30
Total annually	800

Distribution of the 720 million to Air Carrier, Reliever and Commuterline airports is recommended as follows:

	Millions
Based on originating passenger enplanements, not less than $100,000 each airport, cumulative 3 years, for use (100%) on any approved NASP Project	$260
To DOT Secretary for discretionary use based on area/population formula for use on any eligible approved NASP Project, 90/10 matching basis for small airports	220
To DOT Secretary for discretionary use on any eligible approved NASP Project on 90/10 matching basis for small airports	220
Total annually	700

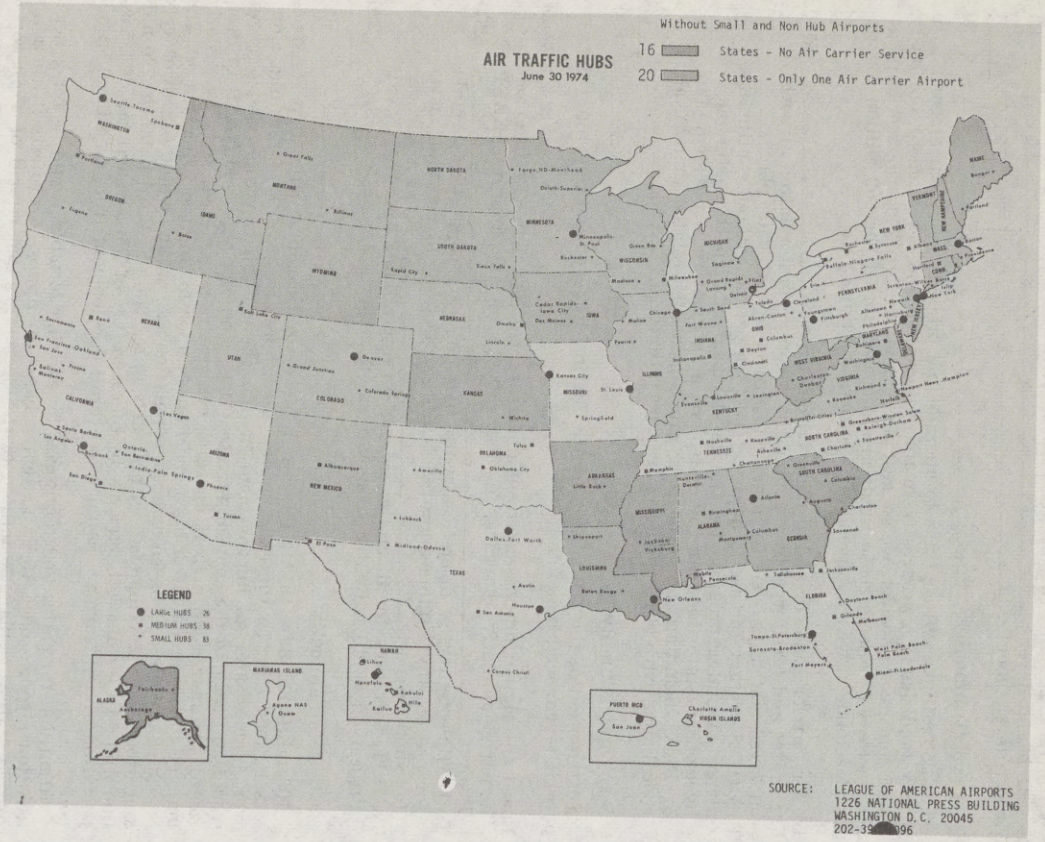
700 million dollars to Air Carrier, Reliever and Commuterline airports sponsors is, basically, on the existing one-third, one-third, one-third formula. However, it does offer an improvement in that the one-third originating passenger would go direct to the sponsor for use (100%) on any approved NASP Project. In this manner, each airport operator can progressively, year by year, orderly manage the development of his airport based upon his highest priority need. The one-third distribution based on area/population, 220 million would permit orderly and progressive development within each state. The one-third balance, 220 million would be for discretionary use by the Secretary of The Department of Transportation, thus insuring a balance to overall development from a national standpoint.

70 million for states and territories by existing formula would be for general aviation airports on a 75/25 matching basis for approved projects in their approved statewide plan. 30 million to the Secretary, Department of Transportation, for use to finance a permanent and continuing airport planning program as previously outlined.

It is our further recommendation that snow removal items should be included on the equipment eligibility list on the same basis as fire/rescue equipment, as such likewise is for the safety of the airport and those that use it.

We have not established a position with respects to restoration of local head tax other than if such is done, we recommend that the legislation make it mandatory that any such tax be (1) added to the airline ticket price; (2) the tax have a ceiling; (3) all funds so collected must be used for airport development.

Finally, it is our contention that the small hub, non-hub, Reliever Commuterline and general aviation airports form the backbone of air transportation of our nation. Without these small airports, 16 states would have no air carrier service whatsoever, and an additional 20 states would be served by only one air carrier airport. On this basis about 75% of the land area of the United States would receive poor to no service at all. The attached map reflects this situation and highlights in our opinion, the important role small airports play in our system of airports and the absolute necessity existing federal assistance to airports be continued but upgraded consistent with the trust funds available and the demonstrated need for the use of these funds.


AIR TRAFFIC HUBS
June 30 1974
Without Small and Non Hub Airports
16 States - No Air Carrier Service
20 States - Only One Air Carrier Airport
LEGEND
LARGE HUBS 26
MEDIUM HUBS 38
SMALL HUBS 83
SOURCE: LEAGUE OF AMERICAN AIRPORTS
1226 NATIONAL PRESS BUILDING
WASHINGTON D.C. 20045
202-39[illegible]096

Senator CANNON. The committee will stand in recess until 10 o'clock Monday morning.

[Thereupon at 12:10 p.m. the hearing was recessed to reconvene at 10 a.m. Monday, September 8, 1975.]

EXTENSION OF THE AIRPORT DEVELOPMENT AID PROGRAM

MONDAY, SEPTEMBER 8, 1975

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

The subcommittee was reconvened, pursuant to recess, at 10:10 a.m. in room 1318, Dirksen Senate Office Building, Hon. Howard W. Cannon (chairman of the subcommittee) presiding.

Senator CANNON. The hearing will come to order.

Our hearings resume this morning on the airport development legislation. Today, we will hear from groups representing general aviation and some people representing airport districts.

Our first witness this morning is Mr. Edward W. Stimpson, president, General Aviation Manufacturers Association.

STATEMENT OF EDWARD W. STIMPSON, PRESIDENT, GENERAL AVIATION MANUFACTURERS ASSOCIATION; ACCOMPANIED BY DAVID D. THOMAS, CONSULTANT

Mr. STIMPSON. Good morning, Mr. Chairman. With me today is Mr. David Thomas, formerly Acting Administrator of the FAA and longtime Deputy Administrator. He is now serving as a consultant to our organization.

Mr. Chairman, since my statement is lengthly, I would like to just read a few things from the first page or two and then skip to the summary, and save reading the entire statement. If it could be put in the record, I would appreciate it.

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

Mr. STIMPSON. Thank you. There is no question of the need for expansion and improvement of our airport-airway system.

We basically feel the Congress did a wise thing in 1970 when it passed the Airway Development Act. Our basic thesis is we should build upon the legislation that was passed then and refine and improve it.

However, we are greatly concerned about the policy declaration in the proposed bill before you, S. 1455, and its supporting provisions that removes general aviation from any Federal interest after September 30, 1978.

To us it is inconceivable that Congress would fail to recognize the general aviation transportation contributions and that general aviation airports are very much a part of the total airport-airways system.

General aviation's transportation role is increasing. There have been some fundamental changes in its role today, as general aviation carries more passengers and cargo in interstate transportation.

The fastest growing segment of general aviation is business aviation; approximately one out of three intercity passengers in air are carried by general aviation aircraft.

So if general aviation is to continue to provide this unique transportation role, we must have an airport-airways system that will accommodate its growth.

Between 1970 and 1980 we anticipate approximately 40 percent increase in the size of the general aviation fleet.

Now I would like to skip to the last page of my statement, and summarize the recommendations, that we would recommend to your committee for inclusion in the bill.

First, we definitely believe the act should be extended for 5 years, an additional 5-year program should be enacted.

Second, we believe the national airport system plan should continue to be effective and should be improved. We are concerned that the administration plan as presented last week essentially recognizes 400-plus, around 500 airports, as part of the plan. Basically it includes the air carrier and a few reliever airports. We think the plan should include realistically the national airport system for all of civil aviation in the country.

And we certainly agree that the airport system plan could be improved. There are many ways in which this could be done to make it more involved, perhaps, with the longer range aspects, rather than just some of the nitty-gritty of it.

But definitely we would like to see the plan continued as a strong document for orderly development and growth of aviation in this country.

Special attention should be given to the provision of general aviation facilities in metropolitan areas, including, reliever airports, separate general aviation runways at major airports, and joint use of military airfields.

Our biggest problem for general aviation facilities is now in the metropolitan areas. Eighty-five new airports have been built under the ADAP program since 1970 but we have only been able to construct three new reliever airports, two in Virginia and one in Idaho. And the provision of reliever facilities we think continues to be one of the highest priority programs.

Separate general aviation runways at major airports would help increase capacity wherever possible. And third, the joint use of certain military fields.

As you are aware the legislation established an aviation advisory commission in 1970. The commission looked in some detail at some 70 military fields that would be in the process of phaseout or might be available for joint use. We would like to see some efforts directed toward how we can make greater use of some of the military fields in the civilian inventory, particularly those which are planned to be phased out in the next few years.

I might add, too, Mr. Chairman, the loss of airports in metropolitan areas continues to accentuate the capacity problem we have in the areas like Los Angeles, Chicago, and New York. The private airport

is becoming a thing of the past. But we have seen some developments like in New Jersey, Caldwell-Wright, where the private airport has been taken over by the public authorities. We have seen this now at Glenn Martin outside of Baltimore.

The retention of private fields, under public ownership, should be accomplished wherever possible.

We think the trust fund should be limited to capital expenditures and research and development until capital needs are met, and the various questions of public benefit and cost allocation are resolved. Continued emphasis needs to be placed on cost reduction rather than cost recovery by the Department of Transportation.

Congress recognized the public benefit value of the system, and should resolve the controversial questions that have been raised by the cost allocation study. In the Senate report in 1970 you had excellent language about the public benefit, which seems to have been somewhat ignored during the time the cost allocation was conducted.

In looking at who pays for what in the system, we have done some studies relating back to 1970, and we have no quarrel with the fact that the airline passenger could pay the ticket tax and general aviation should pay through a fuel tax.

As you will recall in 1970 the ticket tax and fuel tax approximated to be about equal, as to what the airline passenger would be paying if the airlines would pay a fuel tax. And we think that if you continue this analysis today, the airlines burn about 10 times more fuel than general aviation does, and of course the airline passengers contribute about 10 times as much to the trust fund as general aviation. So this 90–10 ratio works out a number of ways.

About 90 percent of the ILS's are located at air carrier airports and 90 percent of the towers. What I am getting at, if you look at cost allocation, who pays for what in different forms than were looked at by the cost allocation study, we feel some justification can be made not only for lowering the current airline tax, but retaining the general aviation tax where it is.

Though in our testimony we have not spelled the level of expenditures out for the total ADAP program, you have received considerable testimony as to what these levels should be. I am not sure we have any expertise on that. We are recommending $50 million for general aviation.

Basically we could use a lot more. The requests are far outpassing the available funds, but it gets back a little bit to the question of cost allocation, and the tax structure.

I would rather see the taxes remain where they are rather than see increased taxes at this time, to accommodate expensive programs for some of the reasons you were talking about in the hearing last week, about the situation in Nevada. We want to see airplanes utilized and an increase in the tax structure at this time is highly inappropriate.

The current formula for apportionment of general aviation funds we would suggest remain in effect as well as the 75–25 that is currently in place.

We would also urge that discretionary fund provisions be made and that adequate discretionary funds be maintained.

The basic Federal share of airport project costs on the basis of 75 percent we think makes a lot of sense. When Congress passed the act

in 1970 with the 1973 amendments, of course the 75 percent helped a great deal over the 50 percent for the smaller airports and there are some projects, particularly reliever airports in metropolitan areas, we would like to see go up to 90 percent, and certain safety items at 100 percent.

We suggest the Federal-State-local relationship which existed in the act of 1970 be maintained. A number of States have done an excellent job in building State airport system plans, developing airports. There has been a lot of controversy of course over design standards, and it is maintained the States can do it cheaper, with less red-tape, and there is some valid criticism of the Federal standards.

First, we recommend the Federal standards be simplified, the red-tape procedures be simplified wherever possible, but you also look at the other fact, if you start handling the program entirely over to the States, they are going to have to do many things they haven't had to do in the past, such as, the Davis-Bacon Act, Environmental Impact Statements, relocation studies. And I think this is a factor which is going to complicate the State issue considerably, as well as the question of the financial resources for the State to do the job. They can obviously build the technical competence over a period of time, but somebody has got to pay for it. This is a key question.

And there is a question as to whether or not you are really going to accomplish what we think we are going to accomplish by the administration proposal.

If you look back at the National Airport System Plan, we do have a national system program that has worked well, and we strongly suggest that this existing Federal-local relationship remain in place.

As part of this, the States do have many valid complaints. We recommend that only minimum national design standards be retained for general aviation airports constructed with Federal funds.

We also recommend provisions for limiting environmental statements and hearings to projects of real significance. The environmental impact has been a part of the procedure which has slowed things down. The concept of a master plan approval, and then approving projects only when they have significance would undoubtedly be a great aid in not only getting projects moving faster, but saving a lot of the red-tape and paperwork which is currently involved.

Lastly, Mr. Chairman, we would certainly like to see the provision adopted that was in the administration bill for land banking provisions. The provision in the committee bill 3 years ago had a lot of merit to it, and the provision for starting at least a land banking study to see if there is not a solution that makes sense somewhere along the line we would like to see incorporated in the final legislation.

That concludes the summary of our recommendations. If there are any questions, we would be happy to answer them.

Senator CANNON. Thank you. What do you think the net effect would be of this last recommendation of yours, that procedures for handling airport development funds be streamlined by FAA, accepting sponsor assurance of compliance with applicable Federal laws, and making postaudits rather than preaudits of assurances.

Mr. STIMPSON. I think it would simplify no procedure. Taking the statement of the local official that he is meeting the Federal law, would speed things up. You don't have to have a Federal official go out and

check on compliance on every item, which seems to be one of the points that has caused delay and concern.

Mr. THOMAS. Mr. Chairman, the principal advantage would be in saving time. A sponsor makes a proposal, someone goes and looks at it to see if they are really going to do it, and then it is checked again after the job is completed.

Senator CANNON. You have had experience on the other side of the fence, so to speak, in this area.

Do you see any disadvantage of going from the standpoint of FAA to this kind of proposal?

Mr. THOMAS. No, sir, I do not, because errors can be caught in a post-audit as well as in a preaudit, and surely there will be some errors made. But I think overall we would get a much more effective and less expensive program if we simply took the sponsor's assurances instead of making a preaudit.

Senator CANNON. You voiced objection to the administration recommendation that general aviation airport development be turned over to the States after 1978.

If that was done pursuant to the establishment of minimum standards, which the States would be required to follow in the development of general aviation airports, could you then support the proposal?

Mr. STIMPSON. I think it goes further than minimum standards. I think it involves also the planning aspect of it. When I speak of minimum standards, I refer mainly to design standards, and this of course has been a lot of comment, that the type of light, or type of fixture, whether the cable should be buried or not.

I think if you are talking about design standards, which was the minimum I was referring to, you still haven't solved the broader problem of national airport system planning, which still seems to be an important Federal role to me, nor the idea of the uniform direction in other aspects.

So I think it goes beyond just the minimum design standards.

Senator CANNON. What is your view about the feasibility of developing a pilot program, in which airport development of general aviation airports might be turned over to a State, or several selected States, on a trial basis to see how the program would work?

Mr. STIMPSON. I am a little skeptical of what you are going to accomplish with a trial program. I suppose it is one alternative, it might help settle the controversy, as to who is right or wrong on this.

But I think we have to also look at the broader aspects down the line as to whether we have truly a national airport system plan or whether we don't. And if we are going to say we are somewhere down the line going to phase out the national aspect, on that basis a demonstration program makes more sense.

Senator CANNON. It seems to me that there is one aspect that has not been considered, and that is there is no assurance that if you had a State developing a pilot program, that another State would necessarily have the same results as the first one. You have 50 different entities, and they might all take a different approach.

Mr. STIMPSON. That is right. That has been one of the questions we have raised on this. We do have a national air transportation system, and relatively few airports, too.

Senator CANNON. There have been some suggestions made that Federal airport funds should be made available to privately owned public use airports to insure the survival of some of these airports.

Would you support such a funding program, and if so, what safeguards could be provided to protect the taxpayers' investment in privately owned fields?

Mr. STIMPSON. First, I would rather see privately owned fields become public ownership by the State or county or city, because somewhere down the line money can be put into a privately owned field and it can be sold in 5 years from the profits made, and the Federal Government's investment would have to be recouped and safeguarded.

It would certainly have to be a condition of any policy decision that went that way. I think there are some private fields which have generated user taxes which certainly are deserving of support, and some private fields in busy metropolitan areas.

I think it raises some very tough policy questions. And someone would have to establish appropriate safeguards. I am sure it could be worked out.

Dave, do you have anything to add on that?

Mr. THOMAS. My view is that we could put in safeguards that would guarantee recovery of Federal funds. For example, if we consider a runway to last for 20 years, we could prorate the life of the runway, and recover on a prorated basis.

I, too, would rather see public airports, but I would much rather see some support of private airports and retain those private airports than to see them disappearing at the present rate.

As noted in the statement, there have been about 50 which ceased operation in the Los Angeles area in the past 20 years. There have been quite a few in the Washington area over the past 10 or 20 years that have disappeared.

I would like to see some provision for supporting private airports, so long as they remain airports and open for public use.

Senator CANNON. What you are suggesting is that they be supported as public use airports, and then if they converted their use to some other purpose, there would be a payback provision on the depreciated costs?

Mr. THOMAS. Yes, sir, that is right.

Senator CANNON. It is a very serious problem to maintain these privately owned fields with the value of land as it is today, and it is just not economically feasible in many instances to maintain that kind of a plan for the purpose of an airport, when a fellow can go out and sell it and make 10 or 20 times as much money by converting it to residential or some other use.

Let me ask you this: Is there authority under the present law or under the proposed law for the public acquisition of these privately owned fields?

Mr. STIMPSON. It exists under present authority, if they want to become public fields, yes. Of course there is no authority for——

Senator CANNON. Yes, I understand that. But let's assume that a State or county wants to and can acquire a privately owned field.

Is there authority under the act now for them to do that?

Mr. STIMPSON. Yes.

Senator CANNON. And under the administration proposal?

Mr. THOMAS. I think the authority is there, for the purchase of the land essentially, to make them public airports. Specific authority would be needed to pave a runway, or put in some other things on a private airport.

Senator CANNON. What is your view of the recommendations of the airlines to reduce the passenger exise tax, the international departure tax, and weighbill tax? Do you support that proposal or oppose it?

Mr. STIMPSON. I think they have made a good case for lowering the tax rate, and particularly when you look at the trust fund, which is bringing in substantial surpluses right now.

I suppose that question would be better resolved after you determine what the levels of expenditure are going to be for this new program. But in view of the fact that airline passenger fares have gone up some 25 percent over the years, inflationary impact, and they are contributing 90 percent of the trust fund right now, I think they have got a pretty good case for reducing it.

Senator CANNON. Some aviation interests have been particularly critical of some of FAA's spending in this program. I would like to ask if your organization has any recommendations for more efficient utilization of funds and manpower by FAA, and I would particularly like to have Mr. Thomas' views on that.

Mr. THOMAS. Mr. Chairman, GAMA and several other aviation associations have joined in several programs looking toward reducing costs.

I am not talking as much about capital costs as operating costs in several programs, and the FAA has been very receptive to ideas and suggestions.

A major program is the consolidation of flight service stations at air traffic control center locations, which will give immensely better weather service and significantly reduce costs.

As a matter of fact, about the only way we see to continue to provide weather information is by automation and concentration at a few locations.

Another one I think most general aviation organizations are concerned about is the excessive number and cost of control towers at strictly general aviation airports. We think that criteria should be changed significantly and changes are underway now.

It is in the operating areas, because the FAA generally is a very manpower-intensive organization, that we are looking for more automation and reduced operating costs, and not necessarily reduction of capital costs, because in many cases the capital cost investments will be cheaper in the long run because of reduction in manpower.

Senator CANNON. Elaborate on the control towers. I thought one of the contentions was that we didn't have enough control towers. You seem to indicate you think maybe we have too many, that the criteria is too low.

Mr. THOMAS. Insofar as strictly general aviation airports are concerned, we have no quarrel with the criteria for control towers at air carrier airports. I really think that a passenger in a DC–8, 737, 727, deserves the protection and the air carrier passengers are paying enough that they can afford it.

However, at the general aviation airports, or the lighter periods at the air carrier airports, it is very expensive to pay $400,000 to $600,000 for a control tower, pay another $150,000 or $200,000 a year to operate it, for 50,000 general aviation operations.

We think it would be much more realistic, to consider something around 200,000 operations.

The reason is that one simply cannot put a control tower at all 13,000 airports to avoid collisions. We have to rely on traffic patterns, pilots being alert, and the pilots can handle their own traffic control at the moderate or low density activity locations better than with a tower.

Senator CANNON. Thank you very much, gentlemen.

[The statement follows:]

STATEMENT OF EDWARD W. STIMPSON, PRESIDENT, GENERAL AVIATION MANUFACTURERS ASSOCIATION

I am Edward W. Stimpson, President of the General Aviation Manufacturers Association (GAMA). With me is Mr. David D. Thomas, former FAA Deputy Administrator from 1965 to 1970, and Acting Administrator in 1968 and 1969. Mr. Thomas is now a consultant to GAMA.

The General Aviation Manufacturers Association is an independent trade organization representing 34 U.S. companies which manufacture over 99 percent of the nation's airframes, engines, avionics and components. We appreciate the opportunity to appear before this Committee on the proposed Airport and Airway Development Act of 1975.

There is no question of the need for expansion and improvement of the nation's airport and airway system and the need for legislation to continue programs which were included in the Airport and Airway Development Act of 1970. The Congress recognized these needs in 1970 when it passed the Airport and Airway Development and Revenue Acts. This has proved to be good legislation. We should work towards improving it and not discarding the basic framework.

Although we do not believe that S. 1455, as now written, will meet those needs, we are confident that a good Bill will emerge from this Committee which will accommodate the future needs of civil aviation, both air carrier and general aviation.

We are gravely concerned over the policy declaration in the proposed Bill, with its supporting provisions, that removes general aviation airports from any federal interest after September 30, 1978. It is inconceivable that the Congress would fail to recognize the important role played by general aviation in fulfilling the nation's transportation needs and in promoting the national welfare and economy.

General aviation is rapidly increasing its large role in the transportation system of this country.

In 1970 there were 11,620 airports in the United States and the scheduled airlines were authorized to serve 532. There are now approximately 13,000 airports of which the scheduled airlines serve only 478. General aviation serves and interconnects all 13,000 airports including those served by the airlines.

One out of three intercity air passengers, approximately 90 million a year, travel on a general aviation airplane.

General aviation serves as a partner with the scheduled airlines. Eighty-five percent of all air taxi and commuter operations connect with the scheduled airlines. Surveys show that 40 percent of general aviation business flights to airports served by airlines carry passengers to connect with a scheduled carrier.

Cargo tonnage carried on general aviation airplanes has been increasing at an annual rate of 30 percent, and mail by 27 percent.

If general aviation is to continue providing transportation and unique services, we must have an airport/airway system that will handle this growth.

In 1970, the general aviation fleet numbered about 130,000 aircraft. At the present time, there are 161,500 and the FAA estimates that there will be over 186,000 general aviation aircraft by 1980. This represents a 40 percent fleet growth over the ten-year period.

In 1970, general aviation flew about 25.5 million hours. In 1975, general aviation hours flown is estimated to exceed 32 million, an increase of 25 percent. By 1980, general aviation hours are expected to exceed 38 million. The biggest and fastest growing segment of general aviation is business flying. Of the total hours flown in general aviation, 75 percent are for business and commercial purposes.

In 1970, miles flown by general aviation aircraft totaled more than 3.2 billion miles. Currently, general aviation aircraft are flying more than 3.8 billion miles. By 1980, this figure is expected to exceed 4.8 billion miles.

In 1974, U.S. aircraft manufacturers produced over 14,000 airplanes. Approximately 30 percent, or 4,200, were exported. Consequently, about 10,000 new aircraft entered the U.S. fleet. Of this, the largest number, or about 80 percent, were single engine aircraft. However, increasing numbers of multi-engine, turboprop and jet aircraft are now being produced. The production for 1975 will approximate 1974 in units produced but will exceed 1974 in dollar value.

General aviation could not have made these contributions to the nation's transportation system and economy without a basic national network of airports from which to operate. The influence of past Federal Airport Development programs has been a prime factor in bringing our national airport system up to its present status.

The United States Civil Airport System of 13,000 airports includes less than 5,000 publicly owned airports and over 8,000 privately owned airports of which the majority are available for public use. Over 4,000 are paved, and 5,000 are lighted. Two-thirds of the landing areas in this country has been supported solely by private funds, while giving air access to our national air transportation system.

The Airport Development Act of 1970 has done a good job. During the four-year period, fiscal years 1971 through 1974, nearly one and one third billion dollars in airport development funds have been allocated to over 2,400 projects. Eighty-five new airports have been built. Of this number, three have been air carrier, three reliever, and seventy-nine general aviation. During the same period, 178 new runways have been built, and most of these were at general aviation or reliever airports. Hundreds of other airports have been upgraded by runway extensions or improvements, taxiway and apron construction, installation or improvement of lighting and approach aids, and safety equipment.

The success of airport development under the Airport and Airway Development Act of 1970, and predecessor Acts, may be attributed to several important principles, such as:

The Acts considered the need for a national system of airports which included both air carrier and general aviation airports.

A national plan was required to guide growth and determine eligibility for federal funding.

National standards for configuration and construction were required.

Participation of local sponsors was required.

PROVISIONS OF S. 1455

S. 1455 would destroy all concepts of national planning and would limit the federal interest in airports to less than 500 airports served by certificated scheduled carriers and a few relievers. The federal role in air carrier aiports would be limited to essentially that of passback of user charge revenues collected from passengers. User charges paid by general aviation in the form of fuel taxes would buy the users nothing after 1978 in the way of airport capacity, new airports or improvements. Despite heavy fuel taxes which were designed to pay the capital costs of both *airport* and *airway* improvements, S. 1455 would abrogate all federal responsibility for general aviation development, but would continue to assess and collect taxes from general aviation for services not rendered.

We would like to comment briefly on certain other provisions of the proposed Bill.

Section 6(a)(2) terminates appropriations for general aviation airports at the end of fiscal year 1978. For reasons stated earlier, we recommend that the amount of $50,000,000 be continued for each year through 1980.

Section 6(b) limits the amount of funds for airway facilities to $25,000,000. Since $250,000,000 is now authorized, we presume this is a typographical error and $250,000,000 is intended.

Section 6(d) opens the Trust Fund to use for administrative and operational expenses in addition to meeting capital needs. The current FAA Budget document requests $431,000,000 for these purposes in 1976.

The Airport/Airway Trust Fund was created primarily for capital improvement of the airport/airway system. It was established in 1970, with the conditions that after the capital improvement of the system had been met, the surplus could be utilized to pay for operational and maintenance costs of the system. In 1970, the Administration immediately attempted to divert large sums to operations and maintenance at the expense of capital needs. Congress then amended the Act to specify that the Trust Fund is strictly capital in nature and no funds are to be used for operations and maintenance costs.

We oppose opening the Trust Fund for maintenance and other operations and administrative expenses until capital needs of the system have been met and questions involving cost allocation and public benefit have been resolved.

Section 7(a)(1)(A) provides for the distribution of user taxes back to air carrier airports. While the formula used is of more concern to the air carrier industry and airport operators rather than to general aviation, we would like to point out that those airports designated as "air carrier" by virtue of being served by contract commuter airlines appear to have no source of federal funding. These airports are excluded from the general aviation definition, but cannot qualify for federal funds since they are served by commuters flying aircraft that weigh less than 12,500 pounds. These airports must be provided for in some manner.

Section 7(a)(1)(B) provides for any unused air carrier funds to be made available to the Secretary to use at his discretion for air carrier and reliever airports, for test and evaluation, and for planning.

In the past, the "discretionary funds" have been a most valuable tool in assuring development of a national system of airports. The limitations on the sources and use of the discretionary fund will severely handicapped efforts for orderly national development.

The method of financing "Reliever Airports" is not clear. They are defined as general aviation airports, but their funding is authorized in connection with air carrier airports. The only source of funds seems to be from the discretionary fund which is an unspecified amount, but at least ten percent of the air carrier funds. It is suggested that a minimum amount, such as $30,000,000 be set aside for reliever airports without competition with air carrier and other discretionary fund projects.

Section 7(a)(2) (A) and (B) establishes new apportionment formulas for general aviation and introduces the concept of aircraft registrations as an element of apportionment. The formula of 75 percent based on land area and population and 25 percent on the Secretary's discretion has worked well, is understood, is adequate and we see no advantage to changing it.

Section 7(a)5) provides that the United States costs of any project, with exceptions for public land states, may not exceed 75 percent of the project costs. A sliding scale of participation is desirable.

We recommend the following federal share of funding:

	Percent
Safety Items	100
Reliever Airports in Metropolitan Areas	90
All Other Qualified Projects	75

Section 8(b), which terminates all federal interest in general aviation airports by turning all responsibility for design, construction and financing over to the various states, gives us the most concern over the future of general aviation airport development. Our concern is not over the capability of some states to take on the total responsibility for general aviation airports, although there are many that do not have the financial capability of doing so, but is rather the lack of uniform control and direction of an important element of our national transportation system. The current federal/state/local relationships should be retained. If a state chooses to have airport development channeled through a state agency, as a number currently do, this can be accomplished. Also, provisions should be made for making grants to Port Authorities and Commissions which are regional in nature.

The action contemplated under Section 8(b) implies that public benefit is derived only from the 400-odd airports served by the larger scheduled carriers and the vast transportation services provided by general aviation should be severed from the national air transportation system.

The most often heard arguments for eliminating general aviation airports from federal programs are:

1. The states can construct airports cheaper with less red tape.
2. General aviation airports are matters of local concern only.

Several states have demonstrated they have built airports with state funds and with less procedural delays than if federal funds had been used. Some states have done an excellent job in constructing a state system of airports. However, closer examination reveals they were not built to the same standards and did not have to comply with various federal laws, such as certain labor, environmental and hearing requirements, that apply to all projects involving federal funds.

With regard to standards, we agree that federal construction standards have created cost problems. The basic issue is whether there should be any minimum federal standard which would apply to the design and construction of general aviation airports or whether each state could establish its own standards without regard to any federal or industry standards.

The arguments for separate and individual state standards are appealing superficially. The climate in Montana or Minnesota requires more frost protection than in Florida or Louisiana; airport construction in deserts is different from airport construction in swampy lands; local people know more about local conditions; and, above all, federal standards are too restrictive, too costly and involve lengthy delays in inspection and approval.

The airplane knows no geographical boundaries and many things like pavement strength, runway length, configuration, lighting and marking, and obstruction clearance require minimum national standards for various classes and types of aircraft. Although there cannot be a single standard for pavement strength for all aircraft from a two-place trainer to a four-engine jet transport, there should be minimum specifications for each category of airport based on the type of aircraft to be served, and for local climatic and geographic conditions.

There has been much comment to the effect that present federal design and construction standards are so expensive and unnecessarily rigid that airports can be constructed at less cost to the sponsor if federal aid is not involved, and many examples have been cited to support these charges. This is the result of some present specific standards rather than proof that there should be no uniform standards of any kind. The cure is to correct any excessive and over-zealous federal standards rather than abandon standards altogether.

An analogy is sometimes made to the highway system and it is stated that each state has its own highway construction standards and airport construction should be handled similarly. It would be difficult to conceive that the Interstate Highway System grew out of 48 different standards governing gradients, lane-width, median strip separation, limited access and other remarkably uniform features of this safe and efficient highway system. The fact is that very rigid national standards were applied, or a hodgepodge system would have resulted.

While it is true that the Federal Highway Administration in itself did not develop and promulgate design and construction standards, it has adopted and uses the standards developed by the American Association of State Highway and Transportation Officials for all classes of roads from secondary to interstate. These national standards are minimum standards and may be exceeded by the various states, but uniformity is obtained by making the participation of the federal government in highway costs contingent upon meeting industry developed national standards.

We recommend that only minimum national design standards be retained for any general aviation airport constructed with federal funds. These minimum standards should apply to runway and taxiway dimensions, runway gradients and markings, lighting configuration, obstruction clearance, runway gradients and runway strength.

Paving materials, drainage, ground cover, lighting cable runs and other items which have been both controversial and costly would be the responsibility of the states or sponsors. The federal government would be assured of airports that are functionally adequate without dictating those decisions that can best be made locally.

With regard to the "red tape" involved in handling projects under federal grants, it should be noted that many of the "steps" involve compliance with federal statutes that are not specifically related to airport construction, but involve any project supported by federal funds. Among these are assurances concerning environmental impact, labor practices, coordination with appropriate planning

agencies, relocation or displacement of persons, public hearings, civil rights and real property ownership.

Of all of the steps, the environmental impact studies and hearings are the most time-consuming, expensive and generally nonproductive, especially for general aviation airports outside of metropolitan areas.

We suggest environmental statements and hearings be limited to those airports and projects having a significant environmental impact. We suggest that only new airports, new runways or runway extensions beyond existing airport boundaries be subject to environmental analyses. This provision should greatly simplify and accelerate the process for obtaining new airports.

Some simplification of the process would also result if the FAA would accept sponsor assurances that all applicable federal laws have been or will be complied with, and protect government interests by post-audit rather than by pre-audit.

Section 9 provides for the Secretary to make grants from the discretionary fund for certain purposes including grants to planning agencies for "airport system planning" which is defined as planning the "extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public airports." However, there is no requirement that such planning be done as a prerequisite to obtaining federal funds, nor is there any requirement for a National Airport System Plan.

The Airport and Airway Development Act of 1970 required the Secretary to develop, publish, and revise as necessary, a national airport plan for the development of public airports in the United States. The plan was to be made in consultation with other agencies and was to reflect the product of local, state and federal planning and participation. Authorization was given for the allocation of $15 million annually to planning agencies and public agencies for system planning and airport master planning.

The National Airport System Plan has been beneficial in many respects. It provided insight into future needs, it assisted in determining priorities, and it influenced orderly growth. A national plan is the only means by which an integrated national system may be achieved.

It is essential that the National Airport System Plan be continued and improved and that it contain, at a minimum, all present and proposed paved and lighted airports available to the public.

The National Airport System Plan should not be involved with planning details, such as the number of lights, yards of perimeter fencing and other items suitable for an airport master plan. The plan should be limited to the functional role and broad category of each airport in the plan. Overall program needs could be forecast from a plan listing function and category as accurately as from a plan that attempts to keep detailed planning on a current basis.

Planning for specific airports at specific locations should proceed far enough to determine if the project is feasible. If it is, and the airport is accepted in the National Airport System Plan, the federal share of the planning project could be included in the grant. If the project is not feasible, no federal planning funds should be allowed.

Up to this point, we have commented on some rather serious deficiencies we found in the proposed Bill. Obviously, there are good elements and we strongly support:

Extension of the concept of airport and airway development for at least five additional years.

Examination of the feasibility of land-banking for future airport development.

More recognition of commuter and reliever airport needs.

Funding level of $50,000,000 per year for general aviation airports, if the termination date of 1978 is eliminated.

Continuation of trust fund authorizations for capital improvements and research and development.

There are issues which are associated with the airport and airway development which are not addressed in the proposed Bill, but which merit the attention of this Committee and we would like to discuss some of these.

METROPOLITAN AIRPORT SITUATION

The current program has been effective in producing additional airports in areas outside of the major metropolitan areas where land is more available and the smaller communities recognize the value of becoming a part of the national

air transportation system. The program has failed to provide reliever airports in metropolitan areas.

General aviation's major airport needs are in the major metropolitan areas. Increasing congestion at major airline airports, loss of existing airport facilities in the metropolitan areas, and the failure to construct new reliever airport facilities have created a major problem for the traveling public.

In places like Dallas, Houston and Kansas City, former airline airports have been retained for general aviation transportation services. This has provided first class facilities in close proximity to major downtown areas. This development has been of significant importance.

The areas where major capacity problems exist are important. They include Washington, D.C., Los Angeles, San Francisco, Chicago, Atlanta and New York. Unless bold action is taken to provide increased capacity in metropolitan areas for general aviation, an increasing problem will occur in the years ahead, at the existing locations as well as at additional locations.

We have several recommendations:

1. *Provision of Separate Runway Facilities at Major Airports to Accommodate General Aviation:* A number of airport planners have already recognized the fact that general aviation does not need the long runways designed for airline requirements and have installed separate general aviation runways which operate on a noninterference basis with airline operations. Indianapolis, Phoenix, and Nashville are good examples, as well as the separate general aviation runway planned for the new Dallas/Fort Worth airport. We urge that increased efforts and funding be directed in this area.

2. *Development of New Reliever Facilities and Retention of Existing General Aviation Airports in Metropolitan Areas:* Despite the fact that 85 new airports have been built since 1970, only three reliever airports have been constructed. In addition to lack of new airport facilities, many airports have been or are being lost. In the Los Angeles area, over 50 airports have been lost in the past 20 years, and several more are threatened. The reason for the loss of many private airports is the inability to compete with other land uses such as shopping centers or apartment buildings. In many locations, the taxes have become so high that the airport operator can no longer afford to keep the airport and he sells it for other uses. Some states, like Illinois, have passed constructive legislation which allows the airport to be taxed at lower than the commercial rates for the land surrounding the airport.

It is imperative that we keep good airports in public use. One avenue that would assist in this regard is public ownership in contrast to private ownership. Two recent examples can be cited where a public authority is taking over a privately owned airport in a metropolitan area: Caldwell, Essex County, New Jersey, and Glen Martin Field, outside of Baltimore. Both of these airports are important reliever facilities for their metropolitan areas. We recommend that the new Act encourage public ownership of existing private airports in metropolitan areas which are an important part of the national transportation system and are in danger of being lost. Reliever airports should also be a high priority item in funding.

3. *Improved Utilization of Military Airfields by Civil Users:* Section 12 of the current Act requires that "the Department of Defense shall make military airports and airport facilities available for civil use to the extent possible." In advising the Secretary of Transportation of national defense requirements for the national airport system plan, the Secretary of Defense is required to indicate the extent to which military airports and facilities will be available for civil use.

The Department of Defense operates about 240 airfields in the continental United States. The President's Aviation Advisory Commission analyzed the subject in some detail in 1971 and identified 70 airfields which could provide additional capacity for the civil system. We would like to submit the comments of the Department of Defense on their 70 fields for the record and review by the Committee.

Because of security requirements and types of operation, some military fields do not lend themselves to joint use with civil operations. In other cases, types of civil activity may have to be restricted. However, in the future a number of these fields could be used to alleviate traffic at high and medium density hubs as well as provide airport capacity at minimum expense and, in most cases, minimal environmental impact.

We recommend that the new Act require a joint study to be conducted by the Secretaries of Transportation and Defense and a report to the Congress at an

early date as to what military fields could be utilized on a joint use basis and what airports may be declared surplus to military requirements in the future. State and local governments should be made aware of such information for their total transportation planning purposes.

DOT COST ALLOCATION STUDY AND PUBLIC BENEFIT

While users are willing to pay a share of the costs of a necessary airport/airway system efficiently operated, neither the users or the general public should pay for facilities or services that are not required by them. We firmly recommend that cost control and reduction in federal aviation expenditures are much more in order than increased new taxes. Examples of excess costs are found in establishing and operating control towers at low activity airports; outdated flight service station systems; study contracts that lack a real purpose or duplicate information already available; high overhead caused by an excessive number of FAA regions; and costly delays created by procurement practices.

Concentrated efforts should be directed towards cost reduction before changes are made in the methods or the amounts of user charge collection.

DOT Cost Allocation Report

The Airport and Airway Development and Revenue Acts of 1970 directed the Secretary of Transportation to conduct a study, and report the results to the Congress by May 1972, respecting the appropriate method for allocating the cost of the airport and airway system among the various users and to identify the cost that should be charged to the federal government for public benefit. The Secretary of Transportation submitted a "Part I Report" in September 1973. This report has been widely rejected for use as a valid guide to cost allocation, but the Department of Transportation continues to base its cost recovery and taxation proposals upon conclusions in it. The DOT Report has many defects, such as:

1. It placed no "value" on the substantial and widespread public benefit it found. The report stated it was unable to place specific quantifiable values on the major social and economic benefits aviation brings to the nation, and that the existence of these benefits did not prove the desirability of taxpayer support.
2. No consideration was given to the requirements of each class of user for elements of the system. The "long-run marginal costs" system was used which measures use of a facility regardless of need for the facility.
3. The DOT Report recommended including a ten percent "discount rate" to amortize capital costs. Since the users are paying in funds to purchase equipment well in advance of procurement, this system makes the users pay ten percent instead of their own funds.
4. The DOT Report provided no suggested mechanism for giving users any voice in controlling costs of the system. The present system is manpower intensive. The costs could and should be reduced by more automation and reduction of nonessential services.
5. The DOT Report lost sight of the basic objectives of the Federal Aviation Act of 1958 and the Airport and Airway Development Acts of 1970 in developing a system to meet the demands of interstate commerce, the postal service, national defense, and the general public.

The DOT Report has served only to generate controversy rather than to contribute to constructing an efficient and effective airport and airway system. The final resolution must be the Congress. We know the Committee will consider all of the issues in reaching its conclusions, but we suggest the following factors be examined.

Public Benefit

The 1973 DOT Report cited a number of public benefits of aviation including contributions to Gross National Product, employment, export and balance of trade, technical development, social and cultural advantages, and national security.

However, incredibly, the DOT finally brushed off the public benefit from aviation by saying:

"The issue is by no means clear, although on purely intuitive grounds the hypotheses can be made that there would have been some loss in the overall efficiency of the economy without Airport and Airway System expenditures. The released expenditures could have been made either by the government in other public programs or funds released to the private sector via tax cuts. The prob-

able loss in GN is not very large, however, since less than 1 percent of the nation's total GNP originates in the aviation sector and this loss pertains not to the entire aviation sector, but just to impacts due to the lack of Airport and Airway System expenditures."

A more realistic view of aviation was taken by the Aviation Advisory Commission, established by Public Law 92–258, 1970, in its January 3, 1973 report to the Congress on "The Long Range Needs of Aviation." In considering what would happen if all civil aviation were to be grounded, the Commission predicted:

"Many small, widely scattered communities in our western and mountain states would find themselves stripped of the services of physicians, engineers, pathologists, and certainly businessmen, for whom the private plane alone overcomes the economic disadvantages of dispersion."

"Management would have to revert to old-style plant centralization, for today's 2,600 scheduled transport planes, 6,800 corporate aircraft, 3,800 air taxis, 690 commuters, and 102,000 personal planes would no longer be able to supply the mobility on which the burgeoning movement to economic decentralization was founded."

"Inventory costs on expensive items would mount, for they would have to be stockpiled rather than ordered on a morning and air delivered the next day."

"Errors in scheduling, mistakes in procurement, failure of critical parts, would exact a rising tool on assembly lines for, again, they could not be quickly rectified by air-freight, air-taxi, or business plane."

". . . Agriculture and forestry would suffer as 5,400 planes engaged in seeding and pesticide dusting and spraying failed to take to the air; more forest fires would roar out of control for lack of smoke jumpers, spotters and equipment; . . ."

Other examples relating to foreign relations, crime control, mail and amenities were mentioned, and the Commission concluded:

"*Civil aviation's absence would clip the nation's pocketbook, reduce its standard of living, circumscribe its horizons, narrow its options, and severely inhibit the nation's defense capabilities.*"

These substantial public benefits, which can be judged to contribute a minimum of 50 percent of the cost of the system, should be included in cost allocation determinations.

The DOT assessed the entire "public benefit" as being 20 percent of the total costs based on proportional use of the system by military aircraft.

A "military public benefit" should be charged for the provision of facilities that would not otherwise be employed in the civil system. Several significant accommodations of the common system have been made to adapt it for military use. These accommodations were necessary to meet the objectives of a common civil-military system. Certain costs caused by the military should be borne by the general taxpayer rather than the civil user. Specific examples include expensive long range radar, separate UHF communication frequencies at FAA facilities for communication with military aircraft, use of STACAN to provide a separate navigational system, and provision of large blocks of airspace reserved for military operations.

Another category of "military public benefit" is provision of facilities that serve as military "standby." Usually, the standby value is dismissed on the theory that everything in the country—highways, manufacturing plants, telephone systems, etc,.—are "standby" and are not necessarily supported by public funds. The airway system should not be brushed aside so casually. The airway system contains elements that would not exist without a military requirement and should be *assessed on the basis of whether the military would require the continuance of the facilities in the absence of a civil requirement.*

Obviously, facilities established at military bases, such as approach control and navgational facilities, TACAN and long-range radar, would not be included in standby costs as they should be accounted for in the special military facility category. Standby value should be assigned to any other types of facilities, such as Air Route Traffic Control Centers, which the military requires to be in existence and operational in the event of military need or which are used for training military personnel.

In the final analyses, pure judgment of equity must decide the fair share to be paid by the general taxpayer and the air traveller.

As noted earlier, the general taxpayer should support:

a. Military use of the system.

b. System components added to accommodate military flight operations.

c. Standby value for contingent military priority use and for training.

d. Civil economic public benefits derived from the airport/airway system.

The value of military "use" has been estimated by the FAA as 20 percent of system costs. The value of system components to be installed and operated because the system is truly a common civil/military system (such as long range radar, TACAN, ATC at military bases, etc.) can be estimated, and five percent of total costs is a conservative figure. The "standby" value is less susceptible to estimation, but 5 percent to 10 percent would be a minimum consideration.

ALLOCATION OF COSTS

An initial concept of user charges considered in the development of the 1970 Airport and Airway and Revenue Acts was to charge a uniform tax on all aviation fuels, whether used in airline or general aviation aircraft. It was reasoned that fuel use provides a fair measure of the use of the airport and airway systems, the tax is easy to collect, and there was an excellent precedent in the highway fuel tax system.

It was decided to use a passenger ticket instead of fuel taxes for air carrier operations. An excise tax on tickets was in existence, the administrative machinery for collection was in process, and the passenger had to be the ultimate source of revenue. The ticket tax could be set at a figure which would produce revenue equivalent to the fuel tax. The ticket tax was set at 8 percent of the fare which was calculated to produce the same revenue as would seven cents a gallon fuel tax. We agree with the very practical aspect of using ticket taxes as the vehicle to collect revenues from the airlines and are not suggesting that they pay fuel taxes. Rather, we suggest that parity between ticket taxes and fuel taxes be maintained.

Parity between ticket taxes and fuel taxes has now become distorted. Ticket tax revenues rose because of an increased fare structure, elimination of many discount fare arrangements, and increased passenger traffic.

We are suggesting that the use of fuel is a fair measure of use of, and benefit from the airport and airway system and the ticket taxes should maintain parity with fuel taxes. If the ticket taxes are set to produce revenue equivalent to fuel taxes, air carrier segments should pay approximately ten times the amount paid by all general aviation segments as the airlines burn at least ten times as much fuel.

The airlines use less than 500 of the 13,000 airports in the system, but:

Eighty-eight percent of all airport funds since 1970 were spent on these air carrier and reliever airports;

Ninety percent of all FAA control towers are at these air carrier airports;

Over 90 percent of all instrument landing systems are at these air carrier airports;

All airport radar facilities are either at these air carrier airports or military airports.

GAMA does not object to the concentration of funding for the primary purpose of serving and protecting airline passengers and we acknowledge that we use the airports and facilities served by the air carriers. However, general aviation should not be charged for a tower it neither needs nor wants, nor a 10,000 foot runway built for an air carrier, simply because it has no practical alternative to the use of these facilities.

The division of costs for civil aviation and air carriers would be equitable if the concept of fuel tax parity is used.

The administration acted wisely in recognizing the deficiencies of, and withdrawing the proposal for, a federal departure fee of $5.00 and $10.00 at FAA control tower airports. GAMA continues to believe that the fuel tax is the proper means for general aviation to make its contribution to the support of the airport/airway system. However, an increase in the present fuel tax of 7 cents to 15 cents which amounts to an increase of 114 percent would have a severe impact upon the economic health of the entire industry, including the 200,000 people that are employed in general aviation. An increase in fuel taxes from 7 cents to 15 cents a gallon would increase fuel costs by $72.5 million, or an average tax increase of $459 per airplane, which is both inequitable and unnecessary.

Although not a part of the Bills being considered here, an integral part of the Department of Transportation user charge scheme is their proposal to remove the legislative prohibitions against imposing administrative user charges for certification activities, which are basically for the protection of the public. This was the language that was inserted in the DOT Appropriations Bill for the last two years, and we are gratified that the Appropriations Committee has again retained this language.

SUMMARY

In summary, we recommend:

Extension of the Airport and Airway System Programs for at least five years;

Continuation of an effective and improved National Airport System Plan;

Special attention be given to the provisions of general aviation facilities in metropolitan areas including reliever airports, separate general aviation runways at major airports, and joint use of military airfields;

The trust fund be limited to capital expenditures and research and development until capital needs are met and questions of public benefit and cost allocation resolved;

Emphasis be placed on cost reduction rather than on cost recovery by the Department of Transportation;

That the Congress recognize the "public benefit" value of the system to be at least 50 percent of the costs and finally resolve the controversial Department of Transportation Report;

That the civil users share of the costs be allocated on a basis proportional to fuel use. The airline passenger share should be paid in the form of ticket taxes, but the ticket tax revenues should approximate the revenues that would have been received if airline fuel was taxed at the same rate as general aviation fuel. No justification exists for eliminating federal aid for general aviation airports and continuing the imposition of fuel taxes for airport and airway development;

That the level of expenditures for general aviation airports be maintained at $50 million throughout the life of the Act of 1975;

That the current formula for apportionment of general aviation funds remain in effect;

That the basic federal share of airport project costs of 75 percent be adopted except that funding of reliever airports be at 90 percent, and safety items be at 100 percent;

That the federal/state/local relationships which existed in the Act of 1970 be maintained;

That only minimum national design standards be retained for general aviation airports constructed with federal funds;

That provisions for limiting environmental statements and hearings to projects of real significance be adopted;

That procedures for handling airport development funds be streamlined by the FAA, accepting sponsor assurance of compliance with applicable federal laws and making post-audits rather than pre-audits of assurances.

Thank you for the opportunity to appear before this Committee.

Senator CANNON. The next witness is Mr. Guy F. LeMieux, president, Board of Levee Commissioners of the Orleans Levee District.

STATEMENT OF GUY F. LeMIEUX, PRESIDENT OF THE BOARD OF LEVEE COMMISSIONS OF THE ORLEANS LEVEE DISTRICT, NEW ORLEANS, LA.; ACCOMPANIED BY O. KELLY WELD, AIRPORT MANAGER, NEW ORLEANS LAKEFRONT AIRPORT; AND KENDALL K. HOYT, MANAGER, LEAGUE OF AMERICAN AIRPORTS, WASHINGTON, D.C.

Mr. LEMIEUX. Mr. Chairman, I am accompanied this morning by Mr. Kelly Weld, the manager of the Lakefront Airport and Mr. Kendall Hoyt, manager of the League of American Airports.

Senator CANNON. All right, sir.

Mr. LEMIEUX. Mr. Chairman, and members of the committee: My name is Guy F. LeMieux. I am president of the Board of Levee Commissioners of the Orleans Levee District. The board owns and operates the New Orleans Lakefront Airport, a general aviation airport.

Although New Orleans Lakefront is a general aviation airport, it has been designated a reliever airport and has been given a high priority by the FAA. Lakefront was the 37th busiest airport in the United States last year in movement of airplanes.

We have spent close to $1 million in master planning and engineering planning for critically needed expansion of our airport. Our expansion was to be funded under the Airport Development Act that ended in June; however, our environmental impact statement did not clear the DOT in time for funding to be included in the budget before the act died.

Mr. Chairman, if I may, I would like to take only excerpts from my statement, just the parts that I would like to emphasize, if that is all right.

We consider that this airfield is a dynamic force in the economic life of our area. It brings key businessmen, important Government officials, and priority cargo in and out of New Orleans, considerably faster than it would be possible to bring it in and out by and other means.

It takes a considerable amount of air traffic away from New Orleans International Airport, where congestion will continue to increase in the years ahead.

Because it relieves the air hub airport of a considerable amount of air traffic, it was given the title reliever airport. Such is the function of some 200 airports throughout the country, recognized as relievers by the FAA in the National Aviation Plan. Their dual purpose is to afford close entry by air to the major cities and thus to route most of the light plane general aviation traffic away from airline jetports.

There are 200 fields in the country that are classified as reliever airports.

We have just recently started to organize our reliever group as a self-governing division of the League of American Airports, an organization formed earlier this year as a nonprofit association to advance such aims.

Already our group includes reliever airports serving Dallas, Detroit, Los Angeles, St. Louis, and other large cities.

In my report, Mr. Chairman, I have listed all of the airports that are designated as reliever airports, and for brevity I will not read their names, although I have shown a number of airports that are in the cities and States that members of your committee represent, and I am sure they are very aware of these airports.

Mr. Chairman, we have come to your committee today to ask the following: First, that the funding formula, the funding formula that existed in the Airport Development Act that ended in June be continued in the new act as it was in the old one.

It provided the flexibility necessary to expedite urgent projects. It allowed the FAA to make a decision from their discretionary funding as to which airports urgently needed work, and it gave the flexibility to put the money where the need was.

We felt this was a very excellent plan, and that it should be continued. We hope that the annual sum for airports will not be less than $500 million, including not less than $425 million for air carrier fields. And one of the most important things to us is that in the existing act, or the act that ended in June, reliever airports, although they were considered to be general aviation airports, were funded from the air carrier fund as well as from the discretionary fund. They did not receive money from the general aviation portion of it, but from the other two-thirds the way the money was funded. And we ask that relievers be allowed to continue to draw from the air carrier funds, since one of their prime purposes is to relieve air carrier airports.

We also feel that the general aviation airports should at least be funded to the amount of $75 million. We would like to ask that the funding be changed for reliever airports from the existing 75 percent–25 percent that now exists, where the local sponsor puts up the 25 percent, to a 90 percent–10 percent, where the local sponsor would put up 10 percent of the funds.

We are also a little bit afraid that some of the costly FAA requirements for safety and security at air hub airports may be brought over to reliever airports. We would like to have some type of exemption from such costly requirements for security and safety and such.

Senator CANNON. What sort of things are you talking about there?

Mr. LEMIEUX. Well, for example, for an airport to be certificated, the FAA is requiring now certain types of rescue equipment, certain types of fire and safety equipment, so many people to man this equipment, and while it may serve some useful purpose at the air carrier airports, although I question its usefulness, we would hate to see the same formula brought over to reliever or general aviation airports.

I think that this is something that has been perhaps pushed very heavily by the Airline Pilots Association, and we feel that we were just a little bit afraid that such security and such firefighting equipment and capability may be pushed upon general aviation and upon the reliever airports.

We certainly do feel there should be a study made, that the Senate or Congress in its wisdom could study this particular problem, because we do not believe that it is the answer at air carrier airports also.

Senator CANNON. Are you speaking for reliever airports generally, or about your own situation?

Mr. LEMIEUX. I am talking for reliever airports in general, as well as my own.

Senator CANNON. How many operations do you have at your airport?

Mr. LEMIEUX. Last year we had 267,000 operations at our airport.

Senator CANNON. What sizes of aircraft are involved?

Mr. LEMIEUX. We have had everything in from—I don't believe we got the C–5–A, because of the problem in the Mideast. But we have had BAC–111s—I think that is probably the largest that has come in. Although our airport, if it is expanded under the present master plan and under the priority that has been given to it by FAA, there will be probably 727's coming into the airport as cargo aircraft, bringing in product. There is a very big farmer's market being built near the airport, and it is in the plans to bring in produce from South America and other places.

Senator CANNON. Do you have any 121 operators?

Mr. LEMIEUX. We have one that is in the process of being certified as a 121 operator.

One of the reasons why our airport is so busy, Mr. Chairman, is if you look at other cities, Houston I believe has something like a total of 12 airports, Dallas-Fort Worth area has something like 15, Atlanta has something in that neighborhood, Miami, has more than you can count, I guess, but New Orleans only has two, New Orleans International and Lakefront. And it is comparable in size to a number of those other cities.

So all of the business aircraft that come into New Orleans prefer Lakefront. Lakefront Airport is a very safe airport. It is designed—I don't know if it was intentionally put there—but the corridors to land

on the airport, you can either take off directly over the lake, or down an industrial complex corridor if you take off to the south. So the airport takes traffic away from houses, and one of the big parts of our expansion program, where we ended up with just a noncontroversial public hearing, was the fact that the expansion of the airport will move more traffic away from houses. It will put it out over the lake, into an area where it will have less effect upon the environment.

There are a number of companies that base aircraft there. Large oil companies, minerals, Freeport Sulphur keeps their planes there, J. Ray McDermott, Chevron Oil Co., keeps a fleet of planes there.

Of course the new Super Bowl that is being completed on weekends brings a lot of traffic in, the Super Dome, rather. The Mardi Gras and other festivities that the city of New Orleans has bring a great amount of traffic in.

Over half of our traffic last year was not local traffic, it was itinerant aircraft. And it has increased this year.

In fact, it even went up during the time where the fuel shortage cut down all general aviation movements.

To continue, Mr. Chairman, I heard Mr. Stimpson speak about the privately owned airports. We agree with his comments, his previous comments. We feel that they should be included in the National Airport System plan and should be made eligible for aid. We feel that priority should be given to those airports that are threatened with closing, including, if necessary, public purchase of privately owned airports, where perhaps the money could be at a low interest type loan that would be paid back by the community.

We definitely believe that the program should be for 5 years, instead of 2. To give an example of why we feel that the program should be extended for 5 years, Lakefront Airport is a beautiful example of that.

We had a noncontroversial public hearing, with an airport that could be expanded into the lake, which required dredging and filling, and we didn't have the Sierra Club or Audubon Society or any of those appear against the program, yet it took us 2 years to get our environmental impact program out of and approved by the Department of Transportation.

I understand this is not an unusual thing, to have the Department of Transportation take so long to approve an environmental impact statement.

Consequently we put up into the process something like a million dollars of our own money in planning, consultants planning, for both the master plan and what was necessary to ask for Federal aid, Federal participation. And yet in 2 years, the act died. So we are sitting down here with a million dollars invested in it; it took 2 years to get the environmental impact statement through DOT and we don't know yet, until you in your wisdom come up with a new bill, whether we will even be able to participate in it.

So to us it is very important—not so much to us now, because if we are included in your bill, we are ready to go ahead—but there are a number of airports that the 2-year length of time is just not enough, because the planning process takes longer than 2 years.

So we feel perhaps 5 years would be a more appropriate time.

Mr. Chairman and members of the committee, I appreciate being given the opportunity of addressing you, and I know that we will be

given consideration by your committee as an airport, Lakefront Airport, as a group reliever airports also will be given consideration.

I might say that the present act as it existed, the act that existed through June, was one that we felt was a very good act. It had taken a lot of thought and in your wisdom you developed a very good act.

An act similar to that one, without any major changes, but with perhaps some streamlining of the processes that the FAA or DOT must take, would certainly be hard to beat. It would be an act that I think you put in a considerable amount of time on before, and I think it would be hard to come up with a better one.

I would like to thank you for the opportunity of addressing you.

Senator CANNON. Thank you very much.

Do you have any thoughts with respect to the proposals that the administration made for a change in the imposition of taxes?

Mr. LEMIEUX. Yes, sir, in the sense of taking general aviation out of the Federal Government responsibility and putting it into the States, where the States then would take the funding on the taxes and run general aviation? Is that the question?

Senator CANNON. That, and also makeup of the funds that go into the trust fund.

Mr. LEMIEUX. The makeup of what, sir? I am having trouble hearing you.

Senator CANNON. The funds that go into the trust fund. Reducing the weigh bill taxes and so on.

Mr. LEMIEUX. I think both would be a mistake. To start off with, I am very involved in our State government in the job that I have, and I would feel that, taking our State legislature for example, we would end up with a State aviation plan, but every State senator would want a little airport in his city, whether it was for the benefit of the State or not.

I have seen this happen again and again. I think we would then get away from a national airport system plan. I do not believe such a plan would be to the best benefit of the public.

I think the FAA has done a magnificent job in determining airports that have priority status, and take our district, for example, our district FAA office is in Dallas, but we work very closely with them in Louisiana, and they have done a very good job in setting priority airports in Louisiana.

I would hate to see our State legislature get that responsibility.

On the other part, I feel that—I just don't think the DOT is an organization that can or has shown itself to be an organization or a department that can handle the aviation system of this country. I think they were more set up for highways and railroads, and I think that the administration's policy of reducing funds into the airport system is just the opposite from what we should do.

We should start increasing it, we should start working on decentralizing people instead of putting all of the money into large hub airports, we should start helping develop smaller towns and cities, getting businesses there and getting people to move there, rather than concentrating them in the large cities.

In order to do that, I think we have to put more into the system plan, put more money into small airports in smaller cities, and induce busi-

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nesses to go to those cities and start getting people away from the large cities such as New Orleans, New York, Detroit.

I don't think that that has been the aim of the administration. I think it has been more into mass transit, into putting money into keeping the people where they are. I think that is a mistake.

Senator CANNON. Senator Hartke?

Senator HARTKE. I have no questions.

Senator CANNON. Thank you very much, gentlemen.

[The statement follows:]

STATEMENT OF GUY F. LEMIEUX

Mr. Chairman and members, my name is Guy F. LeMieux. I am the President of the Board of Levee Commissioners of the Orleans Levee District. The Board owns and operates the New Orleans Lakefront Airport, a general aviation airport. Although New Orleans Lakefront is a general aviation airport it has been designated a reliever airport and has been given a high priority by the F.A.A. Lakefront was the 37th busiest airport in the United States last year in movements of airplanes.

We have spent close to $1,000,000.00 in master planning and engineering planning for critically needed expansion at our airport. Our expansion was to be funded under the Airport Development Act that ended in June, however our environmental impact statement did not clear the Department of Transportation in time for funding to be included in the budget before the act died.

We consider this airfield a dynamic force in the economic life of our area. It brings key businessmen, important government officials and priority cargo in and out of the city faster than is possible by any other means. It takes a lot of traffic away from New Orleans International where congestion will increase in the years ahead. It relieves the air hub airport of a considerable amount of air traffic. Because of this fact Lakefront is given the priority title of "Reliever Airport".

Such is the function of some 200 airports throughout the country, recognized as relievers by the Federal Aviation Administration and in the National Aviation Plan. Their dual purpose is to afford close entry by air of the major cities and thus to route much of the light-plane general aviation traffic away from the airline jetports.

These 200 fields are a class apart from the 425 airline airports on the one hand and from the thousands of general aviation fields on the other. They have their own problems with rising costs and the pressure of urban population.

It is time to reassert their identity as a sub-industry with a vital role in the nation's transportation system and in the progress and welfare of the cities they serve. We therefore are organizing our Reliever Group as a self-governing division of the League of American Airports, formed early this year as a non-profit association to advance such aims.

Already our group includes reliever airports serving Dallas, Detroit, Los Angeles, St. Louis and other large cities.

Our League also has a private airport group including some of our relievers, with parallel aims. To list just a few Reliever Airports that are familar to you Mr. Chairman, and to the members of your Committee, I have included the names of the following Relievers.

In the State of Nevada there is: North Las Vegas Air Terminal.

In the State of Washington there are:

King County Airport.
Renton Municipal Airport.
Felts Field Airport.

In Indiana there are:

Eagle Creek Airpark.
Gary Municipal Airport.

In Michigan there are:

Oakland—Pontiac Airport.
Detroit City Airport.
Detroit Willow-Run Airport.
Mettetal Airport.
Berg-Macomb Airport.
Big River Airport.
Grand Prix Airport.

In Illinois there are:
Du Page County Airport.
Pal-Waukee Airport.
Civic Memorial Airport.
Bi-State Park Airport.
Meigs Field.
Waukegan Memorial Airport.
Joilet Municipal.
Chicagoland Airport.
Aurora Municipal Airport.
In Kansas there are:
Fairfax Municipal Airport.
Piper Airpark.
Augusta Municipal Airport.
Cook Airfield.
Johnson County Airport.
Kansas City Suburban Airport.
In Arkansas there is:
West Memphis Municipal Airport.
In Maryland there are:
College Park Airport.
Laurel Suburban Airport.
Martin Marietta Airport.
Montgomery County Airpark.
In South Carolina there is:
Charleston Municipal.
In California there are:
Van Nuys Airport.
Torrance Municipal Airport.
San Jose Municipal Airport.
Hayward Air Terminal.
Buchaman Field.
Reid Hillview Airport.
Santa Monica Municipal Airport.
Gillespie Field.
Fullerton Municipal Airport.
San Carlos Airport.
Napa County Airport.
Brackett Field.
Fresno Chandler Downtown.
Brown Field.
Brown Field Municipal Airport.
El Monte Airport.
Palo Alto Airport of Santa Clara County.
Hawthorne Municipal Airport.
Livermore Municipal Airport.
China Airport.
Whiteman Airpark.
Compton Airport.
San Fernando Airport.
Corona Municipal Airport.
Riolts Municipal Airport.
Cable Airport.
Half Moon Bay Airport.
Tri-City Airport.
South County Airport of Santa Clara County.
Fremont Airport.

Mr. Chairman. I have included in my written testimony the full list of the 200 Reliever Airports in our country but for the purpose of brevity with your permission I will not read them into the record.

We have come to your committee to ask the following:

1. *Funding Formula.*—Keep the present fair deal distribution that you, in your wisdom and experience, established in the Airport & Airway Development Act of 1970. It provides the flexibility necessary to expedite urgent projects. Many relievers are hard pressed. Any change that would limit discretionary funding would be a hard blow to all relievers and a disaster to some.

2. *Air carrier class.*—We hope the annual sum for airports will not be less than $500 million, including not less than $425 million for carrier fields. We ask

that the relievers be allowed to continue to draw from the carrier funds where most of the money will be. If relievers were put under general aviation, as some propose, they would compete with thousands of other fields, plus new airports, for the spending of some $75 million. This would mean years of delay for many projects that must go forward now if the relievers are to do their job.

3. *Safeguards against FAA rules.*—Costly FAA requirements for safety and security at airline fields would be an undue burden; the law should clearly and fully exempt relievers.

4. *Private fields.*—Some 400 privately owned airports, open to public use and in the NASP, should be made eligible for aid on the same basis as publicly owned airports. This includes many relievers and these should be funded in the reliever class as above.

5. *Endangered airports.*—Where reliever airports are threatened with closing, priority should be given to saving them, including public purchase of privately owned airports in whole or part.

6. The new aid program should be for a period of five years to allow for the long planning process necessary to prevent what occurred at New Orleans Lakefront where, with a non-controversial public hearing, it took two years to obtain the Department of Transportation's approval of our Environmental Statement.

In general, the Reliever Group supports the points previously made by the League of American Airports. If your hearing schedule was less crowded there is much we could say and would like to say about the crucial role of the reliever airports and their urgent problems, however, I am sure the needs will be evident to your experienced committee. We know that you will do what is right for aviation, our great cities and our nation.

Mr. Chairman and Members of the Committee I appreciate being given the opportunity of addressing you on this matter which is of such importance to our airport group and for your consideration of the requests for aid for Reliever Airports which I have discussed here today.

Senator HARTKE. Mr. Chairman, I especially welcome these two gentlemen. They represent an area of the Midwest which is very vital not alone to the State of Indiana, but to Michigan, Illinois, and Chicago as well.

Mr. Frick has been one of the outstanding community leaders in that area, making sure that not alone the city itself has developed, but the whole area has been developed.

He is a dedicated public servant.

STATEMENT OF JOHN J. FRICK, PRESIDENT, MICHIANA REGIONAL AIRPORT, ST. JOSEPH COUNTY AIRPORT AUTHORITY, SOUTH BEND, IND.; ACCOMPANIED BY ROGER BIRDSELL, EXECUTIVE DIRECTOR, MICHIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.

Mr. FRICK. Thank you, Mr. Chairman and Senator Hartke.

My name is John J. Frick, and I am president of the St. Joseph County Airport Authority Board which operates the Michiana Regional Airport at South Bend, Ind.

I am here today to testify in support of amendment 833 to S. 1455, the Airport and Airway Development Act of 1975, and particularly the intermodal airport demonstration project amendment sponsored by Senator Hartke.

Airport officials in an age of energy conservation and environmental protection demands, must plan and test new methods of development. We no longer can simply rely on huge new jetports to meet this Nation's transportation needs.

The intermodal airport demonstration project offers an opportunity to plan and test. It authorizes for the first time Federal airport devel-

opment funds which by law must tie together our major modes of mass transportation—air, bus, and rail. Airport officials recognize that one of our major problems is connecting ground and air transportation modes.

This proposal is particularly relevant to our large urbanized areas with populations running in the millions. These are areas, often covering more than one State, which no longer can or should rely primarily on the private automobile.

For a minute or two I would like to address your attention to one of these very large urbanized areas, Chicago.

You have before you a map showing the relationship of South Bend and the Michiana area to the greater Chicago area. Most of our Michiana residents now travel to Chicago by private car, using I–94, the northern Indiana toll road, and U.S. 30.

Relatively few ride buses or the remnants of rail passenger service via Amtrak or the South Shore Railroad electrified interurban line from South Bend to Chicago.

Relatively larger numbers fly from the regional airport at South Bend or smaller nearby airports. However, most of these passengers must change airplanes at Chicago's O'Hare Airport or at Cleveland or Detroit.

A recent South Bend Chamber of Commerce survey indicated that 20 to 30 percent drive to O'Hare to connect with commercial flights.

The other map before you shows a plan for a new terminal facility at the Michiana Regional Airport in South Bend.

At this time, Mr. Chairman and Senator Hartke, if you have the booklets that I have here, and would turn to where the paper clip is, it will give you, I think, a better idea of what we are speaking to.

It shows a cutaway of a possibility of a multimodal terminal. It is a multimodal airport. It is a terminal, and it is a terminal for South Shore interurban trains to Chicago. It is a terminal for intercity buses and for intracity buses. It is a terminal for improved air services, capable of handling longer flights to more distant points with extended airfield runways.

It is a terminal with easy access to the region's principal east-west and north-south highways.

It is a terminal to which more than 1 million Michiana residents who do not arrive by bus or rail can drive, park their cars, and board ground or air mass-transportation vehicles safely and conveniently.

It is a terminal which emphasizes mass transportation, whether by ground or by air. It is a terminal designed to conserve energy and our environment.

I hope I have not dwelt too long on our particular project. I have done so because I think the intermodal approach to airport development which is being considered by Congress in S. 1455 can itself best be demonstrated by reference to a particular transportation problem and proposal.

We live in a period of scarce resources. This includes our transportation system. We cannot afford to scrap any part of this system. We must take existing airports, existing rail lines, existing highways, existing mass transportation modes and use them more efficiently.

The intermodal or multimodal approach to airport development in general and to terminal construction in particular is a method of more efficiently using existing transportation resources.

Wherever Federal funds are used under the proposed intermodal airport demonstration project, the results will provide a model for the entire Nation.

Mr. Chairman, I would like to submit a copy of my remarks and the attached supporting documents for your record. We would be happy to answer any questions the committee may have.

Senator HARTKE. John, how much local money have you used in developing this plan so far, and in planning for this type of facility?

Mr. FRICK. I will have to guess at this, but it is in the order of $2 or $3 million, including runway extension 1,100 feet.

Senator HARTKE. $2 or $3 million?

Mr. FRICK. Yes.

Senator HARTKE. And you have a master plan in this area, which includes this facility, is that right?

Mr. FRICK. Yes, sir.

Senator HARTKE. You have tremendous community support for this operation, do you not?

Mr. FRICK. We certainly have.

Senator HARTKE. Not alone the chamber of commerce, the business, the labor people, but the State of Indiana, and the State of Illinois, including the Governors and the State legislatures?

Mr. FRICK. That is right.

Senator HARTKE. What date do you anticipate that the whole thing will be in operation?

Mr. FRICK. With your help, hopefully we could start next year and possibly finish within 2 years after that.

Senator HARTKE. Federal money is going to be necessary to get it done, is that right?

Mr. FRICK. Yes, sir.

Senator HARTKE. Let me say, Mr. Chairman, I just had a demonstration run on the South Shore Railroad to demonstrate what could be done in this sort of situation. But what could be done with this type of facility, for example, you could come in with the South Shore moving in there—and the right-of-way is there, all they have to do is move forward with the equipment and urban mass transit funds at the present time—and you would be able to land at this airport, and be in downtown Chicago probably as quickly as you can if you landed at O'Hare and went to downtown Chicago. The reason for that is that O'Hare is not that close, nor are any of the airports that close to the center of the city.

But this would provide an access for traffic and utilization of a type which really is, I think, a type that will serve as a model for not only the Nation, but possibly for the world.

I have seen some intermodal facilities, but none that compares in scope and expectations to this one. They have spent a lot of money getting ready for it. It would be a shame if they were held back by the lack of funds to go forward.

Senator CANNON. What do you estimate the cost will be to complete the project?

Mr. FRICK. The total, including access road and so forth, about $30 million.

Senator CANNON. That is not very expensive when you look at some other airport projects.

Senator HARTKE. No, Mr. Chairman, they have done such a remarkable job compared to other things. They have gotten the State of Indiana to agree to bring the highway system in there. We have the cooperation of the railroads coming in; they have the cooperation of the bus companies.

It is one of those situations where ordinarily you find somebody in the community who wants to go ahead and put some type of obstacle in the way of development. Here it is a case where it seems that everybody has been doing everything they can to make it easier and the expense involved, certainly with the type of response it would give to a city like Chicago, is amazing.

I really think something can be done in other areas, but it would require the cooperation frequently of competing operations. Take New York. You have the difficulty of so many different ones; they have a central authority, but they still have never put together a complete intermodal concept.

Senator CANNON. How many operations do you have at your airport now?

Mr. FRICK. It is around 118,770 a year—1974.

Senator CANNON. How many scheduled carriers?

Mr. FRICK. Two now, sir, United and North Central.

Senator CANNON. How many airline passengers do you enplane in a year?

Mr. FRICK. I think the last figures were around 250—and I am guessing at that—181,196 verified, 1974.

Senator HARTKE. Mr. Chairman, one point I wanted to make is the present idea is to move into what you would call a major hub and try to develop an intermodal concept around that.

In this case these is no question but that they would be able to relieve a lot of the congestion and give the same service as some of the other concepts. It is certainly worth trying.

Mr. FRICK. Mr. Chairman, I would like to correct that figure. I have looked it up. It is 181,196 actual 1974, projected for 1975.

Senator CANNON. I was about to say, you had a lot of aircraft movements for that number of passengers.

Mr. FRICK. A lot of that is general aviation, of course.

Senator CANNON. What is the population of that metropolitan area?

Mr. FRICK. In that area, between a million and a million and a half, within 50 minutes driving time.

Senator CANNON. How far is Chicago, 90 miles?

Mr. FRICK. Yes, sir; 90 air-miles.

Senator CANNON. Thank you very much, gentlemen.

Mr. FRICK. Thank you, Mr. Chairman, and thank you, Mr. Hartke.

[The documents referred to follow:]

MICHIANA COMMITTEE FOR IMPROVED TRANSPORTATION,
South Bend, Ind., September 2, 1975.

Mr. JOHN J. FRICK,
President, St. Joseph County Airport Authority,
Michiana Regional Airport, South Bend, Ind.

DEAR JOHN: Residents of North Central Indiana and Southwestern Michigan are acutely aware of the need to improve mass transportation services for the Michiana area. Rising energy costs and the need to do a better job of conserving the environment require us to return to greater reliance on mass transportation systems rather than the private automobile.

The plans of the Michiana Regional Airport authority to build a multi-modal terminal facility which will serve not only commercial airliners but also buses and a rapid rail transit system to Chicago has the full support of the Michiana Committee for Improved Transportation.

The new facility will help us solve several regional transportation problems.

1. It provides a central point at which travelers can connect easily and conveniently with all available mass transportation modes.

2. It offers a more adequate terminus for the South Shore Railroad as part of an overall modernization program to preserve that fast electrified passenger rail link to Chicago.

3. It brings inter-city and intra-city bus passengers within the region to a point where they can obtain ground and air mass transportation connections to other points within the region or outside the region.

4. With additional Michiana Regional Airport commercial flights, it can lessen the region's dependence on O'Hare Field on the other side of Chicago.

The Michiana area, because of the advantageous location of its regional airport next to the intersection of the principal east-west and north-south highways and close to the existing South Shore rail line, has a unique opportunity to develop a multi-modal transportation center which could well serve as a model for the rest of the nation.

Sincerely,

O. C. CARMICHAEL, Jr.

SOUTH BEND-MISHAWAKA AREA,
CHAMBER OF COMMERCE, INC.,
South Bend, Ind., September 3, 1975.

Mr. JOHN J. FRICK,
President, St. Joseph County Airport Authority,
Michiana Regional Airport, South Bend, Ind.

DEAR JOHN: The business community welcomes the rapid progress that has been made toward construction of a multi-modal transportation center at the Michiana Regional Airport.

Businessmen are keenly aware of rising energy prices as they affect transportation costs both for employees and for goods, and our very serious need for improved transportation facilities. They are cognizant of the need to conserve scarce energy resources while at the same time protecting the environment.

All of these circumstances make the multi-modal approach to airport development particularly attractive to the business community.

Frankly, our present reliance on O'Hare Field for many air services, which business executives in our area often must reach by car in lieu of adequate air connections, is wasteful of both time and energy.

The recently completed extension of the main runway, the decision to bring ground as well as air mass transportation modes to the airport, and other long-range development plans provide the most economical and efficient solutions for our total transporation needs.

We need to do a better job, not only here but elsewhere in the country, of building mass transportation systems which inter-connect in ways which genuinely serve public convenience.

It may well be that the multi-modal transportation center here will serve as a model for the rest of the country.

Sincerely,

RICHARD J. VAN MELE,
Chairman, Aviation and Transportation Committees.

MICHIANA AREA COUNCIL OF GOVERNMENTS,
South Bend, Ind., September 5, 1975.

Mr. JOHN J. FRICK,
President, St. Joseph County Airport Authority,
Michiana Regional Airport, South Bend, Ind.

DEAR MR. FRICK: The plans of the St. Joseph County Airport Authority Board for the development of a multi-modal terminal facility at the Michiana Regional Airport are within the scope of regional transportation planning for the Michiana Region and the South Bend Urbanized Area. This project has several exciting, innovative features which emphasize a greater reliance on

mass transportation, both by ground and by air. This approach fits into our national policy of greater conservation of energy and concern for environmental protection.

The possibility of a federal demonstration grant for projects of this type at our nation's airports is now most appropriate. Such a grant for the multi-modal terminal facility as proposed at the Michiana Regional Airport should be given priority funding consideration as a demonstration project. I am sure that in the future our urbanized areas will be turning more and more to this kind of multi-modal transoprtation development.

Sincerely,

GEORGE L. KRUSE, JR.,
Executive Director.

Senator CANNON. Mr. Robert Monroe, vice president for policy and technical planning, Aircraft Owners and Pilots Association.

STATEMENT OF ROBERT MONROE, VICE PRESIDENT FOR POLICY AND TECHNICAL PLANNING, AIRCRAFT OWNERS AND PILOTS ASSOCIATION, WASHINGTON, D.C.

Mr. MONROE. Thank you, Mr. Chairman. I appreciate this opportunity to present the views respecting the airport and airway program in behalf of the AOPA's 180,000 members.

Five years of experience with the program has persuaded AOPA that the airport-airway law should be repealed.

However, if the ultimate decision is that the airport-airway program must be continued, as seems likely, it should be modified to take it more cost effective and likely to more nearly achieve the purposes envisioned.

The airport development program needs a more specific objective. That objective should be to make all communities and public recreational resources accessible by at least small aircraft. Many of the places people want to visit simply do not have an airport at all, or one that is available for public use.

The Nation has some 20,768 identified communities and a great number of public recreational resources. Yet there are only 7,099 public use airports. Only 60 percent of these are in public ownership. Since airlines have a difficult time maintaining scheduled service to the approximately 500 places they now serve, resolution of the deficiency is essentially a problem of preserving and building small airports capable of handling small aircraft.

It is logical to reverse the present priorities for assistance so that places which do not have an airport can get one before the money is all used up in redeveloping existing airports.

The other remedy is to make private sponsors eligible for Federal assistance under the same terms as public sponsors and to provide property tax relief for the public use portions of their airports; that is, the runways, taxiways, and public ramps but nothing else. This would cost less and give private enterprise a viable and useful role in airport provisioning.

There is little point in trying to preserve and encourage the building of privately owned public use airports unless the State and local jurisdictions will take the necessary steps respecting property tax exemption to make them viable and competitive. Hence, aid for public sponsors should be conditioned upon the granting of tax relief to private sponsors.

Likewise, aggressive steps should be taken to open Federal airports to public use. Several Government departments and agencies have airports with little traffic which could be used by the public to advantage for both travel or recreational purposes. The Departments of Agriculture and Interior have airports in national forests and other recreational resources.

NASA has airports in several locations. The Department of Defense has granted little in the way of joint use unless it was for their own advantage.

Excess and surplus airports should be retained as public use airports instead of being converted to other purposes as in the cases of Sand Point, Floyd Bennett, Oxnard, Bolling, and Anacostia.

The Federal Government is in a poor position to complain that private owners give up and sell out when it makes little effort to preserve and make available the airports it already has built with public funds.

AOPA has considered and rejected the option of delegating the federally aided airport development program to the States. Many States have demonstrated the ability to build more airports in less time at less cost than the Federal Government.

However, this was done by doing without Federal money and the strings that go with it. It seems clear that the States would not be able to do as well with Federal assistance and its strings as they have been able to do without it.

On the other hand, there does appear valid cause for giving sponsors the option of meeting State, in lieu of Federal, construction standards.

The National Airport System Plan should be converted into an inventory and give detailed substance to the objective of making all communities and recreational resources accessible by at least small aircraft. Up to the present time, the airport master plan has served only to describe the layout and construction intended for an airport. Environmental considerations have created new problems and hampered airport development as a consequence. Currently, each new airport project of any significance, even though called for in the master plan, must suffer the rigors of environmental clearance procedure.

To eliminate repetitious procedures with their corresponding dedays, the airport master plan should be made the vehicle for providing environmental clearance and approval of all development contemplated by the airport master plan. Thereafter, any development projects in accordance with the master plan should not require individual processing.

Planning and development have always been considered separately as if they had no relationship. It seems timely to combine resources for these activities so that planning becomes a part of the development process rather than an unrelated activity. If planning is necessary, it should be done and there is no valid reason for separating its funding from that for other development work. Hence, the resources should be combined.

Appointment, i.e., the rationing of available funds to State and territorial sponsors, has given rise to many complaints. Initially it was done on the basis of area and population and this still seems a valid part of a formula.

Later, passenger enplanements was added and this seems less valid for it gives greater assistance to airports which transfer passengers than to those which originate them.

Origination should be substituted for it is more nearly a measure of true demand. Enplanement is a reflection of airline routing and scheduling deficiencies.

Two more factors should be added: (1) a measure of actual aircraft traffic in the form of "aircraft operations," i.e., the takeoffs and landings of aircraft, and (2) a measure of aviation development and utility in the form of "based aircraft," i.e., the number of aircraft based within the State.

With five equal bases for apportionment, no one of them will overwhelm the formula and the resulting distribution is more likely to respond to the needs within the various jurisdictions for developmental assistance.

Currently, a large fraction of the available money is placed in a discretionary fund. The amounts apportioned by area and population remain available to State sponsors for almost 2 years and then lapse to the discretionary fund. Amounts apportioned on the basis of passenger enplanements remain available to sponsors for almost 3 years and then lapse likewise.

Actually, the entire amount available should be apportioned on the five bases recommended, remain available for almost 3 years, and then lapse to the discretionary.

There should be no direct apportionment to the discretionary; it should be composed entirely of lapsed funds, if and when any occur. A large discretionary fund has been justified on the basis that large projects could not be funded from State apportionments. If more were available in the State apportionments, this would not be true. Moreover, the likelihood of new large airport projects seems much less probable in view of the opposition to such developments. The real need is for more small airports.

As mentioned previously, the trust fund has a balance of $2 billion with about half of it committed. Annual income now approximates $1 billion. Therefore, it is appropriate to authorize $1 billion, to be available until expended, for airport planning and development projects. This would make a substantial amount available for conversion of private airports to public ownership and use and for the development of new airports in places which now have no airport at all. It would not decimate the fund and the money would be used for the purpose for which collected. Since the money has already been collected, its expenditure would not be inflationary.

The authorization of $250 million for capital investment in facilities and equipment, F. & E., should be left at that level for fiscal year 1976 and should cover also the requirements of the interim quarter. Thereafter, authorizations for this purpose should be made on an annual basis and subjected to close and critical scrutiny.

There is a strong feeling on the part of a substantial portion of the aviation community that past expenditures for F. & E. have been excessive, produced little in increased air traffic capacity but produced much in increased regulatory restriction. The safety record shows no identifiable impact.

Research, engineering and development should be removed from trust fund financing. Much of this effort has turned out to be either remedial work to compensate for poor capital investments or solutions hunting for problems to solve. It also should be subjected to a searching annual authorization process.

Heretofore, attention has focused on the categorization of airports as to whether airline service was involved directly, indirectly, or not at all. Hence the terms "air carrier," "reliever," and "general aviation" were used as a basis for differing apportionments. Now there is pressure for an additional category termed "commuter." Categorization of this kind is unnecessary. It leads to discrimination and dodges the real objective which should be to make all places people would like to visit accessible by air.

Experience has demonstrated that a system of priorities for airport development should be established in the law. Those priorities should be based upon the extent to which airport aid has already been rendered and the degree of sophistication of the development intended. Similarly, the extent of Federal participation should vary. Initial and elementary development should get a high priority and a high level of assistance. Additions and improvements should have lesser priorities and less assistance as the sophistication increases. It is appropriate and logical to require that sponsors, which have received aid and found the development beneficial enough to want more, bear a higher share of the costs involved.

Applications for airport assistance should be handled on a semiannual cyclic basis. They would be received, categorized as to priority, and at the end of the period, granted to the extent of the funds available. All priority one applications would be granted before any priority two applications and so on through the schedule.

There is ample evidence that repairs should not be eligible for assistance. Maintenance has frequently been neglected to the extent that repair become necessary. Therefore it seems necessary and appropriate to eliminate repair and to disallow applications from sponsors which have neglected maintenance. There is no point in giving more assistance to sponsors which fail to maintain the facilities already provided.

Since miscellaneous items were incorporated in this law, recommendations respecting them and two additional ones are included.

Airport certification has created an unjustified increase in airport developmental and operational costs. The requirement should be deleted from the law.

Security measures to prevent hijacking incidents have created both increased costs for airport development and great difficulties in the use of private aircraft on the airports where they are in force. The problem is real, but the solution is overkill. The requirements should be deleted from the law, and the responsibility placed upon the airlines where it belongs.

The requirement for any reimbursement by private aircraft and boat operators of inspection personnel for entering the country should be repealed.

The requirement for emergency locator transmitters on aircraft was premature and has created great problems. At the very least, the requirement should be modified in the manner suggested by Senator Goldwater's bill, S. 910.

Present law does not permit aliens resident in the United States to own aircraft of U.S. registry. This is a pointless restriction hanging over from earlier years and should be removed. It does not apply to surface vehicles and should not to aircraft.

Tax and trust fund matters have not been addressed in this proposal for amendment. They will be given attention subsequently in the appropriate forums.

Finally, the attached recommendations, for the most part, are not presented in the form of a draft bill. We do hope they adequately display what parts of existing law are most desperately in need of modification and how that might be achieved. We will be happy to assist in putting them in bill form.

We would appreciate your favorable consideration. Thank you for hearing us.

Senator CANNON. Thank you for a very comprehensive statement.

In advocating grants for privately owned airports, what assurances do you believe should be provided so that the taxpayers would know that the funds would be protected against future sale or closing of the airport?

Mr. MONROE. We believe the private sponsor should sign and make a contract in the same fashion in which public sponsors do, giving the identical assurances.

Senator CANNON. Do you think it would be feasible to require a deed restriction from the owner providing that it would be used for no other purpose other than an airport?

Mr. MONROE. I don't know that that is precisely necessary. Actually there is a similar restriction with respect to public sponsors at the present time. That is, they cannot dispose of an airport without actually coming back and getting a law through Congress, specially relieving them of that requirement.

So I assume any requirement laid on a public sponsor would also be applicable to a private sponsor.

Senator CANNON. Your organization in particular has been critical of what you call FAA waste and extravagance. In what specific areas do you believe Congress should limit FAA programs or funds?

Mr. MONROE. Certainly we think that the number of towers could be reduced. As a matter of fact, the criteria for tower establishment ought to be doubled, and probably the distinction between those airports served by carriers and those not served by carriers should be eliminated from that criteria.

The number of ILS's provided at individual airports; if actual instrument weather conditions prevail to the extent that an instrument approach is necessary, then we think that unless you get a substantially measurable improvement in landing minimums, so that perhaps as much as 10 percent more or 10 percent of the people who would like to land there but can't, because of the absence of that facility, some sort of a criteria of that nature would help to reduce the number of ILS's. There are a number of ILS's going into airports where there is actually no substantial weather problem.

Senator CANNON. Have you made any precise studies on those two points, that is, could you give us some examples as to towers and ILS installations that you think could well have been left out?

Mr. MONROE. Yes; I think we can give you some representative examples of what we are talking about. We will be glad to do so.[1]

Senator CANNON. I think that would be helpful if you could.

Excuse me for interrupting you.

Mr. MONROE. As far as the control of air traffic is concerned, it seems to us that the drive for positive control in more of the air space is one of those things that is simply an impossible solution.

We can't get radar coverage enough, the country can't afford enough radar coverage to give us total positive control throughout the Nation.

So attempting to provide more and more of it, in more and more of the air space is also adding to our costs.

We think maybe there ought to be a little realism in how much positive control is imposed.

Certainly with respect to research and development, we have seen many projects started up for which there is not actually an operational requirement for the R. & D. project involved. That is, none has been stated by the operational arm of the FAA. But nevertheless it has been pursued as a matter of, well, it is a possibility, so let's look into it and see if the state of the art will enable us to do it.

We think this is sort of wasteful in this type of thing. These are some of the areas.

Senator CANNON. We would be glad to have you expand on those examples for the record, because I think it would be very helpful.

Mr. MONROE. All right, sir, we would be happy to do so.[2]

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

Senator Stevens?

Senator STEVENS. During the period of this act, Mr. Monroe, we have substantially lost competition in Alaska as far as the interstate carriers are concerned.

Has your organization done any studies to determine what the effect of the act has been on reducing the number of carriers in interstate commerce?

Mr. MONROE. If I understand your question correctly, and I am not sure I do—maybe you better repeat it, Senator.

Senator STEVENS. The CAB, primarily because of a statement as to efficiency and costs, which relate back to the cost of operation, has eliminated western from southeastern Alaska, Wien-Alaska from northwestern Alaska, and Alaska Airlines from the central area, where they competed with Wien, and we have substantially lost competition between or within the State of Alaska as far as the airlines are concerned.

I wondered if this had in any way come out in terms of your studies?

Mr. MONROE. No, sir. I think your question lies in an area which we do not address ourselves to particularly so far as airline service and airline coverage is concerned.

Senator STEVENS. Thank you very much.

Senator CANNON. Thank you, Mr. Monroe.

[The attachments follow:]

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[1] See p. 253.
[2] See p. 253.

Explanation of Amendments Proposed by Aircraft Owners and Pilots Association for the Airport and Airway Act of 1970, as Amended

INTRODUCTION

AOPA holds that the Airport and Airway Development nad Revenue Acts of 1970 should be repealed. However, there appears to be insufficient support for this position. It seems likely the program will be continued in some modified way. Therefore, the following amendments are proposed in lieu of repeal as a "second best" solution to the many problems generated by the program in past years.

These amendments are designed to do several things: to establish an objective for the program, to limit authorizations, to encourage the retention of existing airports, to encourage the establishment of new airports in places which are not now easily accessible by air, to establish priorities for airport development, to give more aid proportionately to airports which have had none and less to those which have had more, and to make the airport master plan the key to project approval and environmental clearance.

These proposals would increase aircraft utility, avoid the difficulties of categorization of aviation segments, and simplify to some extent the administration of a complex program.

SECTION BY SECTION ANALYSIS

Sec. 1. Provides an appropriate title.

Sec. 2. Deletes paragraphs respecting obligational authority which suggest that the policy is merely to spend and substitutes a declaration that the goal is to make all communities and public recreational resources accessible by air.

Sec. 3. No change.

Sec. 4. Deleted. The cost allocation study has been completed.

Sec. 11. Modifies definition of "airport development" to delete repairs, airport certification and security equipment, and land for future airports. Changes "public airports" to "public use airports."

Adds a definition to "community."

Adds a definition of "public recreational resource."

Changes "public airport" to "public use airport" and revises definition.

Adds definition of "small aircraft."

Changes definition of "sponsor" to include private persons and corporations.

Sec. 12. Modifies requirement for National Airport System Plan to include making all communities and public recreational resources accessible by air. Introduces cost effectiveness considerations in development contemplated.

Adds provision for public use of government airports.

Changes civil use of DOD airports from "extent feasible" to "fullest extent possible."

Changes "feasible" to "necessary" for environmental recommendations.

Deletes Aviation Advisory Commission which has completed its task.

Sec. 13. Changes "public agencies" to "sponsors" and relates authorizations to priorities established in section 17. Deletes amount and apportionment provisions since these are transferred to section 15.

Sec. 14. Changes authorization to a ceiling rather than a floor. Provides one billion dollars with no termination date since the amount is to be available until used up or modified by subsequent legislation in the light of need and experience. Deletes subsections categorizing authority for airports served by air carriers, relievers and general aviation.

Modifies obligational authority to make entire amount available and limits obligations to one per airport per year.

Changes airway authority to a ceiling and extends annual authorization to include the interim quarter in 1976.

Deletes authority for research and development activities which should be funded by the general fund.

Sec. 15. Changed to make all ADAP funds available to sponsors in the states and territories with the total apportioned in fifths on the basis of population, area, aircraft operations, based aircraft, and passenger originations.

Adds airport master and system planning as eligible items and makes funds available for approximately three years.

Adds passengers of commuter carriers in calculating passenger originations.

Deletes direct apportionment to discretionary fund so that it is composed solely of unobligated funds lapsing from the state apportionment.

Sec. 16. Modifies subsection (a) to conform with changes in definition of "sponsor" and inclusion of planning. Provides alternative of meeting state standards.

Adds new subsection requiring property tax exemption for runways, taxiways and public ramps and improvements thereto. The purpose is to encourage retention and provision of public use airports by private sponsors.

Adds new subsection to prevent applications by sponsors which have failed to adequately maintain facilities provided by previous grants.

Makes master plan the vehicle of environmental clearance.

Deletes subsection relating to site selection by the Secretary.

Sec. 17. Deletes existing subsections except one relating to public land states. Substitutes a table of priorities for types of projects with varying matching shares based upon the type and sophistication of the development involved.

Sec. 18. Deletes sponsors assurances relating to fiscal items covered by subsequent contract requirements, fee schedules, and exemption land costs of federal facilities. The latter item is discriminatory since it applies only to certain airports and results in an understatement of the cost of the facilities and services concerned.

Sec. 19. No change.

Sec. 20. Editorial change that combines the sense of two similar paragraphs. Deletes "Costs Not Allowed" as covered by other provisions.

Sec. 21. No change.

Sec. 22. No change.

Sec. 23. Conforming changes. Deletes exemption for certain lands since the purpose is to make public recreational resources accessible by air.

Sec. 24. Adds requirement for accumulated progress report.

Sec. 25. Conforming change.

Sec. 26. No change.

Sec. 27. No change.

Sec. 51(b). Deletes requirement for airport certification. This program is unjustified on a cost/benefit basis.

Sec. 52. No change.

Sec. 53. Changed to delete requirement for reimbursement for border crossing processing costs. This would put aircraft on an equal footing with the automobile.

Sec. 54. New section to allow aircraft to operate while emergency locator equipment is being repaired.

Sec. 55. New section to allow aliens to own and register aircraft.

TITLE I - AIRPORT AND AIRWAY DEVELOPMENT

ACT OF 1970

Act of May 21, 1970 (Public Law 91-258, 91st Congress, 2nd Session, 84 Stat. 219; 49 U. S. Code 1701).

AN ACT to provide for the expansion and improvement of the Nation's airport and airway system, for the imposition of airport and airway user charges, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART I - SHORT TITLE, ETC.

SHORT TITLE

Sec. 1. This title may be cited as the "Airport and Airway Development Act ~~of 1970~~ Amendments of 1975."

DECLARATION OF POLICY

Sec. 2 (49 U. S. Code 1701). The Congress hereby finds and declares -

That the Nation's airport and airway system is inadequate to meet the current and projected growth in aviation.

That substantial expansion and improvement of the airport and airway system is required to meet the demands of interstate commerce, the postal service, and the national defense.

~~That the annual obligational authority during the period July 1, 1970, through June 30, 1980, for the acquisition, establishment, and improvement of air navigational facilities under the Federal Aviation Act of 1958 (49 U. S. C. 1301 et seq.), should be no less than $250,000,000.~~

~~That the obligational authority during the period July 1, 1970, through June 30, 1980, for airport assistance under this title should be $2,500,000,000.~~

That it is the objective to make every community and public recreational resource accessible by air.

NATIONAL TRANSPORTATION POLICY

Formulation of Policy

Sec. 3 (49 U. S. Code 1702). (a) Within one year after the date of enactment of this title, the Secretary of Transportation shall formulate and recommend to the Congress for approval a national transportation policy. In the formulation of such policy, the Secretary shall take into consideration, among other things -

(1) the coordinated development and improvement of all modes of transportation, together with the priority which shall be assigned to the development and improvement of each mode of transportation; and

(2) the coordination of recommendations made under this title relating to airport and airway development with all other recommendations to the Congress for the development and improvement of our national transportation system.

Annual Report

(b) The Secretary shall submit an annual report to the Congress on the implementation of the national transportation policy formulated under subsection (a) of this section. Such report shall include the specific actions taken by the Secretary with respect to (1) the coordination of the development and improvement of all modes of transportation, (2) the establishment of priorities with respect to the development and improvement of each mode of transportation, and (3) the coordination of recommendations under this title relating to airport and airway development with all other recommendations to the Congress for the development and improvement of our national transportation system.

~~COST-ALLOCATION-STUDY~~

~~Sec. 4 (49 U. S. Code 1703). The Secretary of Transportation shall conduct a study respecting the appropriate method for allocating the cost of the airport and airway system among the various users, and shall identify the cost to the Federal Government that should appropriately be charged to the system and the value to be assigned to any general public benefit, including military, which may be determined to exist. In conducting the study the Secretary shall consult fully with and give careful consideration to the views of the users of the system. The Secretary shall report the results of the study to Congress within two years from the date of enactment of this title.~~

PART II - AIRPORT AND AIRWAY DEVELOPMENT

DEFINITIONS

Sec. 11 (49 U. S. Code 1711). As used in this part -

(1) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Airport development" means (A) any work involved in ~~constructing, improving, or repairing~~ constructing or improving a public use airport or portion thereof, including the removal, lowering, relocation, and marking and lighting of airport hazards, and including navigation aids used by aircraft landing at, or taking off from, a public use airport, ~~and including safety equipment required by rule or regulation for certification of the airport under section 612 of the Federal Aviation Act of 1958, and security equipment required of the sponsor by the Secretary by rule or regulation for the safety and security of persons and property on the airport,~~ and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace, ~~including land for future airport development,~~ which is necessary to permit any such work or to remove or mitigate or prevent or limit the establishment of airport hazards.

(3) "Airport hazard" means any structure or object of natural growth located on or in the vicinity of a public airport, or any use of land near such airport, which obstructs the airspace required for the flight of aircraft in landing or taking off at such airport or is otherwise hazardous to such landing or taking off of aircraft.

(4) "Airport master planning" means the development for planning purposes of information and guidance to determine the extent, type, and nature of development needed at a specific airport. It may include the preparation of an airport layout plan and feasibility studies, and the conduct of such other studies, surveys, and planning actions as may be necessary to determine the short-, intermediate-, and long-range aeronautical demands required to be met by a particular airport as a part of a system of airports.

(5) "Airport system planning" means the development for planning purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public airports. It includes identification of

the specific aeronautical role of each airport within the system, development of estimates of system-wide development costs, and the conduct of such studies, surveys, and other planning actions as may be necessary to determine the short-, intermediate-, and long-range aeronautical demands required to be met by a particular system of airports.

(6) "Community" means a body of people living in a local geographical area characterized by business and/or residential development.

(7) "Government aircraft" means aircraft owned and operated by the United States.

~~(6)~~ (8) "Landing area" means that area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

~~(8)~~ (9) "Planning agency" means any planning agency designated by the Secretary which is authorized by the laws of the State or States (including the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam) or political subdivisions concerned to engage in areawide planning for the areas in which assistance under this part is to be used.

~~(9)~~ (10) "Project" means a project for the accomplishment of airport development, airport master planning, or airport system planning.

~~(10)~~ (11) "Project costs" means any costs involved in accomplishing a project.

~~(11)~~ (12) "Public agency" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam or any agency of any of them; a municipality or other political subdivision; or a tax-supported organization; or an Indian tribe or pueblo.

(13) "Public recreational resource" means any place available to the public for amusement, leisure or vacation purposes.

~~(12)~~ (14) "Public use airport" means any airport which is ~~used or to be used for public purposes; under the control of a public agency; the landing area of which is publicly owned~~ or will be available for public use.

~~(13)~~ (15) "Secretary" means the Secretary of Transportation.

(16) "Small aircraft" means aircraft with a gross weight of not more than 12,500 pounds.

~~(14)~~ (17) "Sponsor" means any private person, corporation or public agency or any combination thereof which~~, either individually or jointly with one or more other public agencies~~ submits to the Secretary, in accordance with this part, an application for financial assistance.

~~(15)~~ (18) "State" means a State of the United States or the District of Columbia.

~~(16)~~ (19) "Terminal area" means that area used or intended to be used for such facilities as terminal and cargo buildings, gates, hangars, shops, and other service buildings; automobile parking, airport motels, and restaurants, and garages and automobile service facilities used in connection with the airport; and entrance and service roads used by the public within the boundaries of the airport.

~~(17)~~ (20) "United States share" means that portion of the project costs of projects for airport development approved pursuant to section 16 of this part which is to be paid from funds made available for the purposes of this part.

NATIONAL AIRPORT SYSTEM PLAN

Formulation of Plan

Sec. 12 (49 U. S. Code 1712). (a) The Secretary is directed to prepare and publish, within ~~three~~ one years after the date of enactment of this part, and thereafter ~~to review and~~ revise as necessary, a national airport system plan for the development of public use airports in the United States. The plan shall set forth~~, for at least a ten-year period,~~ the number, general location, type and estimated total cost of airport development ~~considered by the Secretary to be~~ necessary to provide ~~a system of~~ public use airports adequate to anticipate and meet the needs of civil aeronautics and make all communities and public recreational resources accessible by air, to meet requirements in support of the national defense as determined by the Secretary of Defense, and to meet the special needs of the postal service. The plan shall include all types of airport development ~~eligible for Federal aid under section 14 of this part,~~ and terminal area development considered necessary to provide for ~~the efficient~~ cost effective accommodation of persons and goods at public use airports, and the conduct of functions in operational support of the airport. Airport development identified by the plan shall not be limited to the requirements of any classes or categories of public use airports. In preparing the plan, the Secretary shall ~~consider~~ be responsive to the needs of all segments of civil aviation.

Consideration of Other Modes of Transportation

(b) In formulating and revising the plan, the Secretary shall take into consideration, among other things, the relationship of each airport to the rest of the transportation system in the particular area, to the forecasted technological developments in aeronautics, and to developments forecasted in other modes of intercity transportation.

Federal, State, and Other Agencies

(c) In developing the national airport system plan, the Secretary shall to the extent feasible consult with the Civil Aeronautics Board, the Post Office Department, the Department of the Interior regarding conservation and natural resource values, and other Federal agencies, as appropriate; with planning agencies, and airport operators; and with air carriers, aircraft manufacturers, and others in the aviation industry. The Secretary shall provide technical guidance to agencies engaged in the conduct of airport system planning and airport master planning to insure that the national airport system plan reflects the product of interstate, State, and local airport planning.

Cooperation With Federal Communications Commission

(d) The Secretary shall, to the extent possible, consult, and give consideration to the views and recommendations of the Federal Communications Commission, and shall make all reasonable efforts to cooperate with that Commission for the purpose of eliminating, preventing, or minimizing airport hazards caused by the construction or operation of any radio or television station. In carrying out this section, the Secretary may make any necessary surveys, studies, examinations, and investigations.

Consultation With Department of Defense

(e) The Department of Defense shall make military airports and airport facilities available for civil use to the fullest extent ~~feasible~~ possible. In advising the Secretary of national defense requirements pursuant to subsection (a) of this section, the Secretary of Defense shall indicate the extent to which military airports and airport facilities will be available for civil use.

Civil Airports Owned By Government Agencies

(f) Departments and agencies of the Federal Government shall make their airports and airport facilities available for public use to the fullest extent possible.

Consultation Concerning Environmental Changes

~~(f)~~ (g) In carrying out this section, the Secretary shall consult with and consider the views and recommendations of the Secretary of the Interior, the Secretary of Health, Education, and Welfare, the Secretary of Agriculture, and the National Council on Environmental Quality. The recommendations of the Secretary of the Interior, the Secretary of Health, Education, and Welfare, the Secretary of Agriculture, and the National Council on Environmental Quality, with regard to the preservation of environmental quality, shall, to the extent that the Secretary of Transportation determines to be ~~feasible~~ necessary, be incorporated in the national airport system plan.

Cooperation With The Federal Power Commission

~~(g)~~ (h) The Secretary shall, to the extent possible, consult, and give consideration to the views and recommendations of the Federal Power Commission, and shall make all reasonable efforts to cooperate with that Commission for the purpose of eliminating, preventing, or minimizing airport hazards caused by the construction or operation of power facilities. In carrying out this section, the Secretary may make any necessary surveys, studies, examinations, and investigations.

~~Aviation Advisory Commission~~

~~(h) (1) There is established an Aviation Advisory Commission (hereafter in this subsection referred to as the "Commission"). The Commission shall be composed of nine members appointed by the President from private life as follows:~~

~~(A) One person to serve as Chairman of the Commission who is specially qualified to serve as Chairman by virtue of his education, training, or experience.~~

~~(B) Eight persons who are specially qualified to serve on such Commission from among representatives of the commercial air carriers, general aviation, aircraft manufacturers, airport sponsors, State aeronautics agencies, and three major organizations concerned with conservation or regional planning.~~

~~Not more than five members of the Commission shall be from the same political party. --Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made, and subject to the same limitations with respect to party affiliations. --Five members shall constitute a quorum.~~

~~(2) It shall be the duty of the Commission --~~

~~(A) to formulate recommendations concerning the long range needs of aviation, including but not limited to, future airport requirements and the national airport system plan described in subsection (a) of this section, and recommendations concerning surrounding land uses, ground access, airways, air service, and aircraft compatible with such plan;~~

~~(B) to facilitate consideration of other modes of transportation and cooperation with other agencies and community and industry groups as provided in subsections (b) through (g) of this section.~~

~~In carrying out its duties under this subsection, the Commission shall establish such task forces as are necessary to include technical representation from the organizations referred to in this subsection, from Federal agencies, and from such other organizations and agencies as the Commission considers appropriate.~~

~~(3) --Each member of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a rate fixed by the President, but not exceeding $100 per day, including travel time, and, while so serving away from his home or regular place of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.~~

~~(4) (A) The commission is authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, to appoint and fix the compensation of such personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS 18 by section 5332 of such title.~~

~~(B) The Commission is authorized to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed $100 per diem.~~

~~(c) Administrative services shall be provided the Commission by the General Services Administration on a reimbursable basis.~~

~~(d) The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information and assistance it deems necessary to carry out its functions under this subsection; and each such department, agency, and instrumentality is authorized to cooperate with the Commission and, to the extent permitted by law, to furnish such information and assistance to the Commission upon request made by the Chairman.~~

~~(5) The Commission shall submit to the President and to the Congress, on or before January 1, 1973, a final report containing the recommendations formulated by it under this subsection. The Commission shall cease to exist 60 days after the date of the submission of its final report.~~

~~(6) There are authorized to be appropriated from the Airport and Airway Trust Fund such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this subsection.~~

PLANNING GRANTS

Authorization To Make Grants

Sec. 13 (49 U. S. Code 1713). (a) In order to promote the effective location and development of airports and the development of an adequate national airport system plan, the Secretary may make grants of funds to planning agencies for airport system planning, and to ~~public agencies~~ sponsors for airport master planning as provided in section 17.

~~Amount and Apportionment of Grants~~

~~(b) The award of grants under subsection (a) of this section is subject to the following limitations:~~

~~(1) The total funds obligated for grants under this section may not exceed $75,000,000 and the amount obligated in any one fiscal year may not exceed $15,000,000.~~

~~(2) No grant under this section may exceed two-thirds of the cost incurred in the accomplishment of the project.~~

~~(3) No more than 7.5 per centum of the funds made available under this section in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.~~

Regulations; Coordination With Secretary of Housing and Urban Development

~~(c)~~ (b) The Secretary may prescribe such regulations as he deems necessary governing the award and administration of grants authorized by this section. The Secretary and the Secretary of Housing and Urban Development shall develop jointly procedures designed to preclude duplication of their respective planning assistance activities and to ensure that such activities are effectively coordinated.

AIRPORT AND AIRWAY DEVELOPMENT PROGRAM

~~General~~ Airport Development Authority

Sec. 14 (49 U. S. Code 1714). (a) In order to bring about, in conformity with the national airport system plan, the establishment of a nationwide system of public use airports adequate to meet the present and future needs of civil aeronautics, the Secretary is authorized to make grants for airport development, airport master planning and airport system planning by grant agreements with sponsors in an aggregate amounts not ~~less~~ more than ~~the following:~~ $1,000,000,000.

~~(1) For the purpose of developing in the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, airports served by air carriers certificated by the Civil Aeronautics Board, and airports the primary purpose of which is to serve general aviation and to relieve congestion at airports having a high density of traffic serving other segments of aviation, $250,000,000 for each of the fiscal years 1971 through 1973, and $275,000,000 for each of the fiscal years 1974 and 1975.~~

~~(2) For the purpose of developing in the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, airports serving segments of aviation other than air carriers certificated by the Civil Aeronautics Board, $30,000,000 for each of the fiscal years 1971 through 1973, and $35,000,000 for each of the fiscal years 1974 and 1975.~~

~~Obligational Authority~~

~~(b) To facilitate orderly long term planning by sponsors, the Secretary is authorized, effective on the date of enactment of this title, to incur obligations to make grants for airport development from funds made available under this part for the fiscal year ending June 30, 1971, and the succeeding~~

~~four fiscal years in a total amount not to exceed $1,460,000,000.~~ No obligation shall be incurred under this subsection for a period of more than three fiscal years. ~~and no such obligation shall be incurred after June 30, 1975.~~ The Secretary shall not incur more than one obligation per year under this subsection with respect to any single ~~project for~~ airport ~~development. Obligations incurred under this subsection shall not be liquidated in an aggregate amount exceeding $200,000,000 prior to June 30, 1971, an aggregate amount exceeding $560,000,000 prior to June 30, 1972, an aggregate amount exceeding $840,000,000 prior to June 30, 1973, an aggregate amount exceeding $1,150,000,000 prior to June 30, 1974, and an aggregate amount exceeding $1,460,000,000 prior to June 30, 1975.~~

Airway Facilities

~~(c)~~ (b) For the purpose of acquiring, establishing, and improving air navigation facilities under section 307(b) of the Federal Aviation Act of 1958, the Secretary is authorized, within the limits established in appropriations Acts, to obligate for expenditure not ~~less~~ more than $250,000,000 for ~~each of the fiscal years 1971 through 1975~~ the period July 1, 1975 through September 30, 1976.

Other Expenses

~~(d)~~ (c) The balance of the moneys available in the trust fund may be allocated for the necessary administrative expenses incident to the administration of programs for which funds are to be allocated as set forth in subsections (a), ~~(b), and (c)~~ and (b) of this section. ~~and for research and development activities under section 312(c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958. The initial $50,000,000 of any sums appropriated to the trust fund pursuant to subsection (d) of section 208 of the Airport and Airway Revenue Act of 1970 shall be allocated to such research and development activities.~~

Preservation of Funds and Priority
for Airport and Airway Programs

~~(e)~~ (d) (1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the trust fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in subsections ~~(c)~~ (b) and ~~(d)~~ (c) of this section, as amended.

(2) Amounts equal to the ~~minimum~~ amounts authorized ~~for each fiscal year~~ by subsections (a) and ~~(c)~~ (b) of this section shall remain available in the trust fund until appropriated for the purposes described in such subsections.

(3) No amounts transferred to the trust fund by subsection (b) of section 208 of the Airport and Airway Revenue Act of 1970 (relating to aviation user taxes) may be appropriated for any fiscal year to carry out administrative expenses of the Department of Transportation or of any unit thereof except to the extent authorized by subsection ~~(d)~~ (c).

DISTRIBUTION OF FUNDS; STATE APPORTIONMENT

Apportionment of Funds

Sec. 15 (49 U. S. Code 1715). (a) (1) As soon as possible after July 1 ~~of each fiscal year for which any~~ , 1975, the amount ~~is~~ authorized to be obligated for the purposes of ~~paragraph (1) of~~ section 14(a) of this part~~, the amount made available for that year~~ shall be apportioned by the Secretary ~~as follows:~~ for use by sponsors in the several states on the following basis:

~~(A) One-third to be distributed as follows:~~

~~(i) 97 per centum of such one-third for the several States, one-half in the proportion which the population of each State bears to the total population of all the States, and one-half in the proportion which the area of each State bears to the total area of all the States.~~

~~(ii) 3 per centum of such one-third for Hawaii, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, to be distributed in shares of 35 per centum, 35 per centum, 15 per centum, and 15 per centum, respectively.~~

~~(B) One-third to be distributed to sponsors of airports served by air carriers certificated by the Civil Aeronautics Board in the same ratio as the number of passengers enplaned at each airport of the sponsor bears to the total number of passengers enplaned at all such airports.~~

~~(C) One-third to be distributed at the discretion of the Secretary.~~

~~(2) As soon as possible after July 1 of each fiscal year for which any amount is authorized to be obligated for the purposes of paragraph (2) of section 14(a) of this part, the amount made available for that year shall be apportioned by the Secretary as follows:~~

~~(A) Seventy three and one half per centum for the several States, one half in the proportion which the population of each State bears to the total population of all the States, and one half in the proportion which the area of each State bears to the total area of all the States.~~

~~(B) One-and-one-half-per-centum-for-Hawaii, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, to be distributed in shares of 35 per centum, 35 per centum, 15 per centum, and 15 per centum, respectively.~~

~~(C) Twenty-five-per-centum-to-be-distributed-at-the-discretion-of-the-Secretary.~~

(1) One-fifth to be distributed in the proportion which the population of each state or territory bears to the total population of the United States.

(2) One-fifth to be distributed in the proportion which the area of each state or territory bears to the total area of the United States.

(3) One-fifth to be distributed in the proportion which the aircraft operations in each state or territory bears to the total operations in the United States.

(4) One-fifth to be distributed in the proportion which based aircraft in each state or territory bears to the total based aircraft of the United States.

(5) One-fifth to be distributed in the proportion which passenger originations in each state or territory bears to the total passenger originations in the United States.

~~(3)~~ (b) Each amount apportioned ~~to~~ for use by sponsors within a State or territory under paragraph ~~(1)(A)(i) or (2)(A)~~ (a) of this subsection shall, during the fiscal year for which it was first authorized to be obligated and the two fiscal years immediately following, be available only for approved airport development, airport master planning, and airport system planning projects located in that State, or sponsored by a sponsor of that State ~~or some public agency thereof~~ but located in an adjoining State. ~~Each amount apportioned to a sponsor of an airport under paragraph (1)(B) of this subsection shall, during the fiscal year for which it was first authorized to be obligated and the two fiscal years immediately following, be available only for approved airport development projects located at airports sponsored by it.~~ Any amount apportioned as described in this paragraph which has not been obligated by grant agreement at the expiration of the period of time for which it was so apportioned shall be added to the discretionary fund established by subsection ~~(b)~~ (c) of this section.

(4) For the purposes of this section, the term "passengers ~~enplaned~~ originated" shall include United States domestic, territorial, and international revenue passenger ~~enplanements~~ originations in scheduled and nonscheduled service of air carriers, ~~and~~ foreign air carriers and commuter air carriers in intrastate and interstate commerce as shall be determined by the Secretary pursuant to such regulations as he shall prescribe.

Discretionary Fund

~~(b)~~ (c) (1) The amounts ~~authorized by subsection (a)~~ not obligated within the period specified in subsection (b) of this section to be distributed at the discretion of the Secretary shall constitute a discretionary fund.

(2) The discretionary fund shall be available for such approved projects for airport development, airport master planning and airport system planning in the several States, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam. ~~as the Secretary considers most appropriate for carrying out the national airport system plan~~ regardless of the location of the projects. ~~--In determining the projects for which the fund is to be used, the Secretary shall consider the existing airport facilities in the several States, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam, and the need for or lack of development of airport facilities in the several States, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam. --Amounts placed in the discretionary fund pursuant to subsection (a) of this section, including amounts added to the discretionary fund pursuant to paragraph (3) of such subsection (a), may be used only in accordance with the purposes for which originally appropriated.~~

Notice of Apportionment; Definition of Terms

~~(c)~~ (d) Upon making an apportionment as provided in subsection (a) of this section, the Secretary shall inform the executive head of each State, and any public agency which has requested such information, as to the amounts apportioned to each State. As used in this section, the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.

SUBMISSION AND APPROVAL OF PROJECTS FOR AIRPORT DEVELOPMENT

Submission

Sec. 16 (49 U. S. Code 1716). (a) Subject to the provisions of subsection (b) and (c) of this section, any ~~public agency, or two or more public agencies acting jointly~~ sponsor may submit to the Secretary a project application in a form and containing such information, as the Secretary may prescribe,

setting forth the airport development, airport master planning or airport system planning proposed to be undertaken. No project application shall propose airport development, airport master planning or airport system planning other than that included in the ~~then~~ current ~~revision of the~~ national airport system plan formulated by the Secretary under this part, and all ~~proposed development~~ projects shall be in accordance with standards established by the Secretary~~, including standards for site location, airport layout, grading, drainage, seeding, paving, lighting, and safety of approaches~~ or appropriate state aviation authority.

Public Agencies Whose Powers Are Limited
by State Law

(b) Nothing in this part shall authorize the submission of a project application by any municipality or other public agency which is subject to the law of any State if the submission of the project application by the municipality or other public agency is prohibited by the law of that State.

(c) Nothing in this part shall authorize submission of a project application by any sponsor unless the appropriate state and local jurisdictions provide that land and improvements for all runways, taxiways and ramp areas available for public use within those jurisdictions are exempt from property taxes.

(d) A sponsor which has failed to adequately maintain to the satisfaction of the Secretary the facilities provided by a previous grant shall not be authorized to submit an application for an additional project.

~~(c)~~ (e) (1) All airport development projects shall be subject to the approval of the Secretary, which approval may be given only if he is satisfied that -

(A) the project is reasonably consistent with plans (existing at the time of approval of the project) of planning agencies for the development of the area in which the airport is located and will contribute to the accomplishment of the purposes of this part;

(B) sufficient funds are available for that portion of the project costs which are not to be paid by the United States under this part;

(C) the project will be completed without undue delay;

(D) the ~~public agency or public agencies~~ sponsor which submitted the project application have legal authority to engage in

the airport development as proposed; and

(E) all project sponsorship requirements prescribed by or under the authority of this part have been or will be met.

No airport development project may be approved by the Secretary with respect to any airport unless ~~a public agency or the United States or an agency thereof~~ the sponsor holds good title, satisfactory to the Secretary, to the landing area of the airport or the site therefor, or gives assurance satisfactory to the Secretary that good title will be acquired.

(2) No airport development project may be approved by the Secretary which does not include provision for installation of the landing aids specified in ~~subsection (d) of~~ section 17 of this part and determined by him to be required for the safe and efficient use of the airport by aircraft taking into account the ~~category of the airport and the~~ type and volume of traffic utilizing the airport.

(3) No airport development project may be approved by the Secretary unless he is satisfied that fair consideration has been given to the interest of communities in or near which the project may be located.

(4) It is declared to be national policy that airport development ~~projects~~ consonant with an approved airport master plan and authorized pursuant to this part shall provide for the protection and enhancement of the natural resources and the quality of environment of the Nation. In implementing this policy, the Secretary shall consult with the Secretaries of the Interior and Health, Education, and Welfare with regard to the effect that any ~~project involving airport location, a major runway extension, or runway location~~ airport master plan may have on natural resources including, but not limited to, fish and wildlife, natural, scenic, and recreation assets, water and air quality, and other factors affecting the environment and shall authorize no such ~~project~~ airport master plan found to have adverse effect unless the Secretary shall render a finding, in writing, following a full and complete review, which shall be a matter of public record, that no feasible and prudent alternative exists and that all possible steps have been taken to minimize such adverse effect.

Hearings

(d) (1) No airport ~~development project~~ master plan involving ~~the location of~~ an airport, ~~an airport runway, or a runway extension~~ may be approved by the Secretary unless the ~~public agency~~ sponsoring of the project certifies to the Secretary that there has been afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport ~~location~~ and its consistency with the goals and objectives of such urban planning as has been carried out by the community.

(2) When hearings are held under paragraph (1) of this subsection, the ~~project~~ sponsor shall, when requested by the Secretary, submit a copy of the transcript to the Secretary.

Air and Water Quality

(e) (1) The Secretary shall not approve any ~~project application for a project involving~~ master plan of an airport ~~location, a major runway extension, or runway location~~ unless ~~the Governor of the State in which such project may be located certifies in writing to the Secretary that~~ there is reasonable assurance that the ~~project~~ airport will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. ~~In any case where such standards have not been approved or where such standards have been promulgated by the Secretary of the Interior or the Secretary of Health, Education, and Welfare, certification shall be obtained from the appropriate Secretary. Notice of certification or of refusal to certify shall be provided within sixty days after the project application is received by the Secretary.~~

(2) The Secretary shall condition approval of any ~~such project application~~ airport development on compliance during construction and operation with applicable air and water quality standards.

~~Airport Site Selection~~

~~(f) (1) Whenever the Secretary determines (A) that a metropolitan area comprised of more than one unit of State or local government is in need of an additional airport to adequately meet the air transportation needs of such area, and (B) that an additional airport for such area is consistent with the national airport system plan prepared by the Secretary, he shall notify, in writing, the governing authorities of the area concerned of the need for such additional airport and request such authorities to confer, agree upon a site for the location of such additional airport, and notify the Secretary of their selection. In order to facilitate the selection of a site for an additional airport under the preceding sentence, the Secretary shall exercise such of his authority under this part as he may deem appropriate to carry out the provisions of this paragraph. For the purposes of this subsection, the term "metropolitan area" means a standard metropolitan statistical area as established by the Bureau of the Budget, subject however to such modifications and extensions as the Secretary may determine to be appropriate for the purposes of this subsection.~~

~~(2) In the case of a proposed new airport serving any area which does not include a metropolitan area, the Secretary shall not approve any airport development project with respect to any proposed airport site not approved by the community or communities in which the airport is proposed to be located.~~

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Grant Obligation Approval Procedure

(f) The Secretary shall, on a six month cycle, accept project applications, categorize them as to priority in accordance with the table set forth in section 17, and make grant obligations as a consequence thereof as soon as possible.

PROJECT PRIORITIES AND
UNITED STATES SHARE OF PROJECT COSTS

General Provision

Sec. 17 (49 U. S. Code 1717). (a) ~~Except as otherwise provided in this section, the United States share of allowable project costs payable on account of any approved airport development project submitted under section 16 of this part may not exceed--~~

~~(1) 50 per centum for sponsors whose airports enplane not less than 1 per centum of the total annual passengers enplaned by aircarriers certificated by the Civil Aeronautics Board; and~~

~~(2) 75 per centum for sponsors whose airports enplane less than 1 per centum of the total annual passengers enplaned by air carriers certificated by the Civil Aeronautics Board and for sponsors of general aviation or reliever airports.~~

Applications for airport development, airport master planning and airport system planning projects submitted under section 16 of this part shall be approved and the United States share of project costs shall be funded as set forth in the following table:

Priority	Type of Project	U.S. Share
1	Convert privately owned airport to public ownership.	90%
2	Convert government owned limited use airport to public use.	90%
3	Establish new airport adequate for small aircraft in community or public recreational resource which has no airport. (Includes master plan; land; paving of one runway, taxiway and public ramp; field lighting, low intensity runway lighting; wind tee or sock.)	90%

4	Establish new airport adequate for small aircraft in a community or public recreational resource which already has an airport. (Includes master plan; land; paving of one runway, taxiway and public ramp; field lighting, low intensity runway lighting; wind tee or sock.)	80%
5	Establish new airport adequate for transport type aircraft. (Inclusions scaled to type of service appropriate for the community to be served.)	75%
6	Improve existing airport to meet minimum federal or state standards.	75%
7	Add nonprecision instrument approach capability.	75%
8	Add initial Category I precision instrument approach aid. (Includes air easements, requisite land and site preparation.)	60%
9	Add short parallel runway adequate for small aircraft at airport served by transport type aircraft.	70%
10	Add land and construct additional runway and associated taxiways.	60%
11	Improve existing airport facilities. (Includes revision of master plan; extension or strengthening runways, taxiways or ramps; upgrading of lighting, additional navaids except those in priority 15.)	50%
12	Meet airport security requirements and airport certification requirements (if these are retained in the law.)	90%
13	Establish or improve public use areas of terminal buildings, access roads and related facilities.	25%
14	Formulate airport system plan.	20%
15	Add Category II or III precision instrument approach capability.	10%

Projects in Public Land States

(b) In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 per centum of the total area of all lands therein, the United States share under subsection (a) shall be increased by whichever is the smaller of the following percentages thereof: (1) 25 per centum, or (2) a percentage equal to one-half of the percentage that the area of all such lands in that State is of its total area.

~~Projects in the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands~~

~~(c) The United States share payable on account of any approved project for airport development in the Virgin Islands, American Samoa, or the Trust Territory of the Pacific Islands shall be any portion of the allowable project costs of the project, not to exceed 75 per centum, as the Secretary considers appropriate for carrying out the provisions of this part.~~

~~Landing Aids~~

~~(d) To the extent that the project costs of an approved project for airport development represent the cost of (1) land required for the installation of approach light systems, (2) touchdown zone and centerline runway lighting, or (3) high intensity runway lighting, the United States share shall be not to exceed 82 per centum of the allowable costs thereof.~~

~~Safety Certification and Security Equipment~~

~~(e)(1) To the extent that the project cost of an approved project for airport development represents the cost of safety equipment required by rule or regulation for certification of an airport under section 612 of the Federal Aviation Act of 1958 the United States share may not exceed 82 per centum of the allowable cost thereof with respect to airport development project grant agreements entered into after May 10, 1971.~~

~~(2) To the extent that the project cost of an approved project for airport development represents the cost of security equipment required by the Secretary by rule or regulation, the United States share may not exceed 82 per centum of the allowable cost thereof with respect to airport development project grant agreements entered into after September 28, 1971.~~

PROJECT SPONSORSHIP

Sec. 18 (49 U.S. Code 1718). As a condition precedent to his approval of an airport development project under this part, the Secretary shall receive assurances in writing, satisfactory to him, that -

(1) the airport to which the project for airport development relates will be available for public use on fair and reasonable terms and without unjust discrimination;

(2) the airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions;

(3) the aerial approaches to the airport will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards;

(4) appropriate action, including the adoption of zoning laws, has been or will be taken, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft;

(5) all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft will be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, a charge may be made for a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities used;

~~(6) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control activities, or weather reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction at Federal expense of space or facilities for such purposes;~~

~~(7) all project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Secretary after consultation with appropriate public agencies;~~

~~(8) the airport operator or owner will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection;~~

~~(9) the airport operator or owner will submit to the Secretary such annual or special airport financial and operations reports as the Secretary may reasonably request, and~~

~~(10) the airport and all airport records will be available for inspection by any duly authorized agent of the Secretary upon reasonable request.~~

To insure compliance with this section, the Secretary shall prescribe such project sponsorship requirements, consistent with the terms of this part, as he considers necessary. Among other steps to insure such compliance the Secretary is authorized to enter into contracts with ~~public agencies~~ sponsors on behalf of the United States. ~~Whenever the Secretary obtains from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and constructs space or facilities thereon at Federal expense, he is authorized to relieve the sponsor from any contractual obligation entered into under this part or the Federal Airport Act to provide free space in airport buildings to the Federal Government to the extent he finds that space no longer required for the purposes set forth in paragraph (6) of this section.~~

GRANT AGREEMENTS

Sec. 19 (49 U. S. Code 1719). Upon approving a project application for airport development, the Secretary, on behalf of the United States, shall transmit to the sponsor or sponsors of the project application an offer to make a grant for the United States share of allowable project costs. An offer shall be made upon such terms and conditions as the Secretary considers necessary to meet the requirements of this part and the regulations prescribed thereunder. Each offer shall state a definite amount as the maximum obligation of the United States payable from funds authorized by this part, and shall stipulate the obligations to be assumed by the sponsor or sponsors. If and when an offer is accepted in writing by the sponsor, the offer and acceptance shall comprise an agreement constituting an obligation of the United States and of the sponsor. Thereafter, the amount stated in the accepted offer as the maximum obligation of the United States may not be increased by more than 10 per centum. Unless and until an agreement has been executed, the United States may not pay, nor be obligated to pay, any portion of the costs which have been or may be incurred.

PROJECT COSTS

Allowable Project Costs

Sec. 20 (49 U.S. Code 1720). (a) Except as provided in section 21 of this part, the United States may not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this part, any portion of a project cost incurred in carrying out a project for airport development unless the Secretary has first determined that the cost is allowable. A project cost is allowable if -

(1) it was a reasonable and necessary cost incurred in accomplishing airport development in conformity with approved plans and specifications for an approved airport development project and with the terms and conditions of the grant agreement entered into in connection with the project;

(2) it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development accomplished under the project after the execution of the agreement. However, the allowable costs of a project may include any necessary costs of formulating the project (including the costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred subsequent to May 13, 1946; and

~~(3) in the opinion of the Secretary it is reasonable in amount, and if the Secretary determines that a project cost is unreasonable in amount, he may allow as an allowable project cost only so much of such project cost as he determines to be reasonable; except that in no event may he allow project costs in excess of the definite amount stated in the grant agreement; and~~

~~(4)~~ (3) it has not been included in any project authorized under section 13 of this part.

The Secretary is authorized to prescribe such regulations, including regulations with respect to the auditing of project costs, as he considers necessary to effectuate the purposes of this section.

~~Costs Not Allowed~~

~~(b) The following are not allowable project costs: (1) the cost of construction of that part of an airport development project intended for use as a public parking facility for passenger automobiles, or (2) the cost of construction, alteration, or repair of a hangar or of any part of an airport building except such of those buildings or parts of buildings intented to house facilities or activities directly related to the safety of persons at the airport.~~

PAYMENTS UNDER GRANT AGREEMENTS

Sec. 21 (49 U. S. Code 1721). The Secretary, after consultation with the sponsor with which a grant agreement has been entered into, may determine the times and amounts in which payments shall be made under the terms of a grant agreement for airport development. Payments in an aggregate amount not to exceed 90 per centum of the United States share of the total estimated allowable project costs may be made from time to time in advance of accomplishment of the airport development to which the payments relate, if the sponsor certifies to the Secretary that the aggregate expenditures to be made from the advance payments will not at any time exceed the cost of the airport development work which has been performed up to that time. If the Secretary determines that the aggregate amount of payments made under a grant agreement at any time exceeds the United States share of the total allowable project costs, the United States shall be entitled to recover the excess. If the Secretary finds that the airport development to which the advance payments relate has not been accomplished within a reasonable time or the development is not completed, the United States may recover any part of the advance payment for which the United States received no benefit. Payments under a grant agreement shall be made to the official or depository authorized by law to receive public funds and designated by the sponsor.

PERFORMANCE OF CONSTRUCTION WORK

Regulations

Sec. 22 (49 U. S. Code 1722). (a) The construction work on any project for airport development approved by the Secretary pursuant to section 16 of this part shall be subject to inspection and approval by the Secretary and in accordance with regulations prescribed by him. Such regulations shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary. No such regulation shall have the effect of altering any contract in connection with any project entered into without actual notice of the regulation.

Minimum Rates of Wages

(b) All contracts in excess of $2,000 for work on projects for airport development approved under this part which involve labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

Other Provisions as to Labor

(c) All contracts for work on projects for airport development approved under this part which involve labor shall contain such provisions as are necessary to insure (1) that no convict labor shall be employed; and (2) that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given, where they are qualified, to individuals who have served as persons in the military service of the United States, as defined in section 101(1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 App. U.S.C. 511(1)), and who have been honorably discharged from such service. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

USE OF GOVERNMENT-OWNED LANDS

Requests for Use

Sec 23 (49 U. S. Code 1723). (a) ~~Subject to the provisions of subsection (c) of this section,~~ Whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project for airport development under this part, or for the operation of any public use airport, including lands reasonably necessary to meet future development of an airport in accordance with the national airport system plan, he shall file with the head of the department or agency having control of the lands a request that the necessary property interests therein be conveyed to the ~~public agency~~ sponsoring of the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

Making of Conveyances

(b) Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of his determination within a period of four months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby authorized and directed, with the approval of the President and the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option

of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner consistent with the terms of the conveyance, only that particular part shall at the option of the Secretary, revert to the United States.

~~Exemption of Certain Lands~~

~~(c) Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) of this section shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service, within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the Bureau of Sport Fisheries and Wildlife, or within any national forest or Indian reservation.~~

REPORTS TO CONGRESS

Sec. 24 (49 U. S. Code 1724). On or before the third day of January of each year the Secretary shall make a report to the Congress describing his operations under this part during the preceding fiscal year. The report shall include a detailed statement of the airport development accomplished, the status of each project undertaken, the allocation of appropriations, and an itemized statement of expenditures and receipts, and a recapitulation of the accumulated total of the number of projects and federal funds granted to each airport in the National Airport System Plan.

FALSE STATEMENTS

Sec. 25 (49 U. S. Code 1725). Any officer, agent, or employee of the United States, or any officer, agent, or employee of any ~~public agency~~ sponsor, or any person, association, firm, or corporation who, with intent to defraud the United States -

(1) knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this part;

(2) knowingly makes any false statement, false representation, or false report or claim for work or materials for any project approved by the Secretary under this part; or

(3) knowingly makes any false statement or false representation in any report required to be made under this part;

shall, upon conviction thereof, be punished by imprisonment for not to exceed five years or by a fine of not to exceed $10,000, or by both.

ACCESS TO RECORDS

Recordkeeping Requirements

Sec. 26 (49 U.S. Code 1726). (a) Each recipient of a grant under this part shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and the disposition by the recipient of the proceeds of the grant, the total cost of the plan or program in connection with which the grant is given or used, and the amount and nature of that portion of the cost of the plan or program supplied by other sources, and such other records as will facilitate an effective audit.

Audit and Examination

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to grants received under this part.

Audit Reports

(c) In any case in which an independent audit is made of the accounts of a recipient of a grant under this part relating to the disposition of the proceeds of such grant or relating to the plan or program in connection with which the grant was given or used, the recipient shall file a certified copy of such audit with the Comptroller General of the United States not later than six months following the close of the fiscal year for which the audit was made. On or before January 3 of each year the Comptroller General shall make a report to the Congress describing the results of each audit conducted or reviewed by him under this section during the preceeding fiscal year. The Comptroller General shall prescribe such regulations as he may deem necessary to carry out the provisions of this subsection.

Withholding Information

(d) Nothing in this section shall authorize the withholding of information by the Secretary or the Comptroller General of the United States, or any officer or employee under the control of either of them, from the duly authorized committees of the Congress.

GENERAL POWERS

Sec. 27 (49 U. S. Code 1727). The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this part, as he considers necessary to carry out the provisions of, and to exercise and perform his powers and duties under, this part.

PART III - MISCELLANEOUS

AMENDMENTS TO FEDERAL AVIATION ACT OF 1958

Procurement Procedures

Sec. 51. (a) (1) Section 303 of the Federal Aviation Act of 1958 (49 U.S.C. 1344) is amended by adding at the end thereof the following new subsection:

"Negotiation of Purchases and Contracts

"(e) The Secretary of Transportation may negotiate without advertising purchases of and contracts for technical or special property related to, or in support of, air navigation that he determines to require a substantial initial investment or an extended period of preparation for manufacture, and for which he determines that formal advertising would be likely to result in additional cost to the Government by reason of duplication of investment or would result in duplication of necessary preparation which would unduly delay the procurement of the property. The Secretary shall, at the beginning of each fiscal year, report to the Committee on ~~Interstate and Foreign Commerce~~ Public Works and Transportation of the House of Representatives and the Committee on Commerce of the Senate all transactions negotiated under this subsection during the preceding fiscal year."

(2) Table of Contents. - That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading "Sec. 303. Administration of the Agency." is amended by adding at the end thereof the following:

"(e) Negotiation of purchases and contracts."

~~Airport Certification~~

~~(b) (1) Title VI of the Federal Aviation Act of 1958 (49 U.S.C. 1421-1431), relating to safety regulation of civil aeronautics, is amended by adding at the end thereof the following new section:~~

~~"Airport Operating Certificates~~
~~"Power to Issue~~

~~"Sec. 612. (a) The Administrator is empowered to issue airport operating certificates to airports serving air carriers certificated by the Civil Aeronautics Board and to establish minimum safety standards for the operation of such airports.~~

"Issuance

"(b) Any person desiring to operate an airport serving air carriers certificated by the Civil Aeronautics Board may file with the Administrator an application for an airport operating certificate. If the Administrator finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this Act and the rules, regulations, and standards prescribed thereunder, he shall issue an airport operating certificate to such person. Each airport operating certificate shall prescribe such terms, conditions, and limitations as are reasonably necessary to assure safety in air transportation, including but not limited to, terms, conditions, and limitations relating to--

"(1) the installation, operation, and maintenance of adequate air navigation facilities; and

"(2) the operation and maintenance of adequate safety equipment, including firefighting and rescue equipment capable of rapid access to any portion of the airport used for the landing, takeoff, or surface maneuvering of aircraft."

(2) Table of Contents.--That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading "Title VI--Safety Regulation of Civil Aeronautics" is amended by adding at the end thereof the following:

"Sec. 612. Airport operating certificates.

"(a) Power to issue.

"(b) Issuance."

(3) Prohibitions.--Section 610(a) of such Act (49 U.S.C. 1430(a)), relating to prohibitions, is amended--

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and

(C) by adding at the end thereof the following new paragraph:

"(8) For any person to operate an airport serving air carriers certificated by the Civil Aeronautics Board without an airport operating certificate, or in violation of the terms of any such certificate."

(4) Effective Date.--The amendments made by paragraph (3) of this subsection shall take effect upon the expiration of the three-year period beginning on the date of their enactment.

REPEAL; CONFORMING AMENDMENTS; SAVING PROVISIONS; AND SEPARABILITY

Repeal

Sec. 52 (a) The Federal Airport Act (49 U.S.C. 1101 et seq.) is repealed as of the close of June 30, 1970.

Conforming Amendments

(b)(1) The first section of the Act of March 18, 1950, relating to Department of the Interior Airports (16 U.S.C. 7a) is amended by striking out "Administrator of the Federal Aviation Agency" each place it appears and inserting in lieu thereof at each such place "Secretary of Transportation".

(2) Section 509(c) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by inserting "Airport and Airway Development Act of 1970;" immediately after "Federal Airport Act;".

(3) Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by inserting "section 19 of the Airport and Airway Development Act of 1970;" immediately after "section 12 of the Federal Airport Act;".

(4) The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended -

(A) by striking out "or by the Federal Airport Act" in section 313(c) and inserting in lieu thereof ", the Federal Airport Act, or the Airport and Airway Development Act of 1970"; and

(B) by striking out "Federal Airport Act" in section 1109(e) and inserting in lieu thereof "Airport and Airway Development Act of 1970".

(5) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214(c)) is amended by inserting "Airport and Airway Development Act of 1970;" immediately after "Federal Airport Act;".

(6) Section 13(g)(1) of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)(1)) is amended by striking out "Federal Airport Act (60 Stat. 170)" and inserting in lieu thereof "Airport and Airway Development Act of 1970".

(7) Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267) is amended by striking out "and (h)" and inserting in lieu thereof "(h) the Airport and Airway Development Act of 1970; and (i))".

Saving Provisions

(c) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary of Transportation, or any court of competent jurisdiction under any provision of the Federal Airport Act, as amended, which are in effect at the time this section takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by any court of competent jurisdiction, or by operation of law.

Separability

(d) If any provision of this title or the application thereof to any person or circumstances is held invalid, the remainder of the title and the application of the provision to other persons or circumstances is not affected thereby.

~~MAXIMUM~~ CHARGES FOR CERTAIN OVERTIME SERVICES

Sec. 53 (49 U. S. Code 1741). (a) Notwithstanding the provisions of section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) of any other provisions of law, ~~the maximum amount payable by~~ no payment shall be required of the owner, operator, or agent of any private aircraft or private vessel for services performed on or after ~~July 1, 1970 upon the request of such owner, operator, or agent,~~ thirty days following enactment of this section by officers and employees of the Customs Service, by officers and employees of the Immigration and Naturalization Service, by officers and employees (including an independent contractor performing inspectional services) of the Public Health Service, and by officers and employees of the Department of Agriculture ~~on a Sunday or holiday, or at any time after 5 o'clock postmeridian or before 8 o'clock antemeridian on a week day,~~ in connection with the arrival in or departure from the United States of such private aircraft or vessel. ~~shall not exceed $25.~~

~~(b) Notwithstanding any other provision of law, no payment shall be required for services described in subsection (a) if such services are performed on a week day and an officer or employee stationed on his regular tour of duty at the place of arrival or departure is available to perform such services.~~

~~(c) Amounts payable for services described in subsection (a) shall be collected by the Department or agency providing the services and shall be deposited into the Treasury of the United States to the credit of the appropriation of that agency charged with the expense of such services.~~

~~(d)~~ (b) As used in this section -

(1) the term "private aircraft" means any civilian aircraft not being used to transport persons or property for compensation or hire, and

(2) the term "private vessel" means any civilian vessel not being used (A) to transport persons or property for compensation or hire, or (B) in fishing operations or in processing of fish or fish products.

EMERGENCY LOCATOR TRANSMITTERS

Sec. 54. Section 601(d)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1421(d)(2)) is amended by striking out "and" at the end of clause (H), striking out the period at the end of clause (I) and inserting in lieu thereof a semicolon and the word "and", and inserting at the end thereof a new clause to read as follows:

"(J) Aircraft equipped with an emergency locator-transmitter which has been temporarily removed for repair, modification or replacement.".

AIRCRAFT REGISTRATION

Sec. 55. Section 501(b)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1401(b)(1)) is amended to read as follows:

"(1) It is owned by a citizen of the United States or an individual citizen of a foreign contracting state to the Convention on International Civil Aviation who has been lawfully admitted for permanent residence in the United States and it is not registered under the laws of any foreign country; or".

[The following information was referred to on p. 218:]

AOPA has been critical of what it termed wasteful and excessive spending on the part of the FAA. AOPA has expressed this concern for well over a decade, long before the imposition of "user" taxes although they have precipitated a sharp increase in the complaints we receive from members. Before "user" taxes, our members were concerned about the drain on their pocket books as a result of general taxation. With "user" taxes they have suffered not only the increases in general taxation suffered by other taxpayers but the addition of the special "user" taxes as well.

Wasteful and excessive spending arises from decisions reflecting errors as to what programs, facilities and services are necessary, reasonable, and adequate for the purpose.

The following material gives indicative examples of the problem rather than exhaustive.

An FAA contract study by Burns & McDonnell Company was completed this year and is available from the FAA. It documents, through a study of airports developed with and without federal aid, that adequate airports can be developed without the excessive costs generated by ADAP requirements. On the average, airports developed without FAA assistance cost 32.5% less than those with such assistance.

Criteria established by the FAA permit the establishment of a tower at any airport served by an air carrier if itinerant operations amount to 24,000 and at airports not so served if itinerant operations amount to 50,000. We contend the differential is not justified and that in both cases the level should be set at 100,000 itinerant operations. (Itinerant operations constitute approximtely 63.9% of total operations; therefore 24,000 itinerant is equivalent to 37,558 total; 50,000 is equivalent to 78,246; and 100,000 is equivalent to 156,494 total operations.)

If the criteria were raised as we recommend, 255 of the existing 402 towers could be decommissioned and approximately $200 million would be saved in annual operating costs. Proportional savings would be achieved in maintenance and capital costs.

A reduction of this magnitude in the number of towers would still leave 147 in existence, enough to cover requirements at all large, medium and small hubs which account for the enplanement of 95.5% of air carrier passengers.

Over half the existing towers operate 24 hours per day yet few if any have sufficient traffic during the hours from 11 pm to 7 am to warrant traffic control service. Tower operation during these hours is a waste of manpower and energy resources.

During the course of the DOT cost allocation study, a study by DOT staff compared the cost of operation of 22 FAA and non-FAA towers. The results were never released or published—despite our request—but we understand that non-federal tower operational costs were significantly lower—something in the order of one half.

GAO Report B–164497, Costly Requirements for Certain Control Towers, Navigation Aids, and Airport Lights, issued December 10, 1974, indicated that "the least expensive FAA low-activity airport traffic control tower GAO reviewed cost $189,000 while costs ranged from $32,000 to $128,000 for five non-FAA towers GAO reviewed."

In one of the cases reviewed by GAO, the tower at Beverly, Mass., the total construction cost under the FAA program was $199,700 in contrast to a state proposal for modernization at a cost of only $52,000.

Only 3% of the airports in the nation have towers. Hence it cannot reasonably be contended that a tower is essential to the operation of an airport. Similarly, 20% of the airports served by air carriers are without towers and it cannot be contended logically that a tower is essential to the operation of such an airport for reasons of either safety or efficiency. Otherwise, the FAA would not permit air carrier operation, nor would the carriers engage in operation, nor would the airline pilots consent to fly into, nor would passengers consent to be flown into airports without towers. The decision on whether to provide a tower must be based upon a determination of the volume of traffic and the runway layout which necessitates a tower. Thus, for instance, an airport with two parallel runways of differing lengths with contrarotating traffic patterns could handle a much higher volume of small and large aircraft traffic without a tower than could an airport with three intersecting runways. The FAA has not promoted this solution to airport capacity.

The FAA seeks an exceptionally high degree of reliability in the electronic equipment it procures. Reliabilities in the order of 95% to 98% to 99% are achieved only at exceptional costs. At the same time, the FAA pursues a program of "system redundancy", i.e., providing identical backup electronic (or electrical) systems. On the other hand, equipment with reliabilities in the range of 80% to 90% can be achieved at much more reasonable costs. Therefore, where redundant equipment is provided, lower component reliability can be accepted and lower total costs will be incurred.

Until recently, the FAA has relied upon its own resources to establish and commission new facilities rather than employ "turnkey" contracts with suppliers. This resulted in costs 50% to 100% higher than necessary. Now the FAA is making some use of turnkey contracts. As a result, where the average FAA installation of a VOR–DME exceeds $400,000 a turnkey contract provided one at Sandusky, Ohio, for less than $150,000.

FAA specifications and procedures have other impacts. VOR–DMES installed on a turnkey basis for local authorities at Hayward, Wis., and Robinson, Ill. rather than the FAA, cost half as much as the one at Sandusky.

Relocation of FAA facilities and equipment costs considerably more than establishment of new facilities. Installation of a new VORTAC can cost $350,000 to $400,000 as a general thing but relocation will cost something in the order of $500,000 to $700,000. Similar relationships occur in connection with towers and other items. It would be cheaper to scrap or abandon the old facility than to relocate it.

Instrument landing system (ILS) criteria call for establishment of an ILS at any airport served by air carrier turbojet aircraft regardless of whether an instrument weather problem is likely to be encountered. Thus, an ILS was installed at a cost of $191,815, plus annual maintenance costs in the order of $20,000, at St. Croix, V.I., a location that does not have instrument weather conditions half a day per year.

Expensive precision approach facilities are frequently established at airports which already have a non-precision approach. Unless the more expensive system results in a much higher percentage of landings during adverse weather conditions than would be achieved by the non-precision system, it is a waste. This is often the case.

Currently there is considerable agitation on the part of airline pilots for the provision of visual approach slope indicators (VASI) on the ends of all runways used by air carriers. So far, the FAA has not generally allowed a VASI on a runway equipped with an electronic glide slope but there are indications the FAA may yield on their present policy. If it does, this will result in needless expenditures.

Expenditures for radar have led to wasteful extensions of positive control both in terminal areas in the form of terminal control areas (TCA) and at altitudes above 12,500 feet. This has forced aircraft owners to buy transponders and altitude encoders in order to fly in such airspace or to crowd more closely together in the remaining airspace not positively controlled. Thus, FAA required more equipment and more people and aircraft owners suffered a substantial loss in aircraft utility.

The GAO report mentioned previously also indicated excessive costs related to air navigation aids and airport lights caused by excessive specifications and requirements.

Airport security requirements have caused the replacement of four foot fences with six foot fences, which means the trespasser may have to pole vault instead of high jump. At Rockford, Ill., this resulted in an unjustified expenditure of $220,000.

FAA airport beacons cost about $26,000 while an Ohio company makes adequate ones for $800. FAA specifies runway light bulbs with an 800 hour life that cost $7 while a state uses traffic light bulbs with the same candlepower and a 20,000 hour life that cost 67¢ each.

House Government Operations Committee hearings last year revealed that the FAA had contracted for an electronic voice switching system for which no operational requirement had been stated by the Air Traffic Service and despite a previous adverse recommendation by Mitre in 1968. The project was suffering cost overruns of 28% and was three years behind schedule when it was cancelled last year at a total loss of $13 million.

The FAA has spent in excess of $50 million to develop a microwave landing system (MLS) and still pursues the project despite the fact that an alternate

system is now available off the shelf at much less cost and is adequate for all verified requirements. The only thing the interim system MLS (ISMLS) does not do is provide curved and variable glide slopes. We have yet to learn of a pilot, air carrier or general aviation, who wants to fly these kind of glide slopes since the essence of a safe approach is a stabilized flight path.

Utter waste is probably best represented by the $57,000 FAA study of "anthropometry of Airline Stewardesses" to ascertain their measurements since the standards employed by the airlines for hiring these women could have been obtained for the asking.

The FAA continues to pursue development of self-briefing cathode ray terminals for the Flight Service Station system. We contend that industry is fully able to develop these terminals and should market them directly to the potential customers. They should not be included in the FAA program to modernize the FSS system.

Earlier in the year we completed the following review of the FAA's proposed Engineering and Development program for FY–76. It shows how, where and why we believe these costs could be reduced by 80%.

Program	FAA estimate	AOPA recommendation
1. System	5.8	
Research direction, included in the FAA operations appropriation, provides $17,900,000 for activities related to "overall system engineering and guidance." That is more than ample to cover the guidance required in this program.		
2. Radar		
3. Beacon	10.0	5.0
A decision is required whether ATCRBS should be improved or DABS should be developed for the future system. Work should proceed on one but not both.		
4. Navigation	3.5	1.0
Reduce to this level pending a decision on which way to go for the national navigation system. RNAV R. & D. efforts should be drastically curtailed. The equipment is available but the controllers are reluctant to let pilots use it in the low altitude structure.		
5. Airborne separation assurance	.9	
Equipment is available and more is becoming available from private developers. The need is for a national standard, not R. & D.		
6. Communications	3.4	
Off-the-shelf procurement is available and private R. & D. is available to fill remaining needs.		
7. Approach and Landing Systems	17.0	
Interim MLS is available off the shelf and serves all needs expressed by the pilots who will use it. There is no verified or verifiable advantage to continuation of the national MLS development program.		
8. Airport/airside	4.5	.5
These problems are largely site specific and should be left to local solution. The amount recommended is for airport surface traffic control development.		
9. Airport/landside	.5	
These problems also are site specific and involve local planning and coordination of implementation rather than engineering and development.		
10. Oceanic	.9	.9
11. ATC systems command center automation	1.7	
The functions are already being performed and working relatively satisfactorily. Further automation I as not in the past and is not likely in the future to improve system capacity.		
12. En route control	9.4	2.3
A large amount involves NAFEC which we recommend be closed. The UG3RD does not give promise of being a worthwhile investment.		
13. Flight service stations (FSS)	4.3	2.0
The DOT report on FSS modernization was rejected by the users and FAA has agreed to a different plan which involves operational testing. This will require a substantially smaller amount of R. & D. for this program. The self-briefing terminal element can be undertaken by private enterprise without Federal financial assistance.		
14. Terminal/tower control	7.6	2.0
Additional work is warranted on metering, spacing and conflict prediction. Since tower and related criteria are being modified to provide for fewer towers, there is no need for a family of equipments or great enhancement.		
15. Weather	1.6	
This program should be the responsibility of NOAA in accordance with sec. 310 of the Federal Aviation Act.		
16. Technology	.8	
The benefits of this program are doubtful. Any essential Federal activity should be undertaken by NASA and the balance left to private sponsors.		
17. Satellites	5.0	3.0
This program should be reduced to the amount needed to fulfill international commitments for AEROSAT and the rest should be deferred pending completion of that test program.		

Program	FAA estimate	AOPA recommendation
18. Aircraft safety	4.0	
NASA is already deeply involved in programs relating to crashworthiness, fire prevention and control, aircraft controlability and man-machine relationships. Duplication and dual funding is unnecessary. Security problems should be left to the airlines.		
19. Aviation medicine	2.7	
There is no evidence that R. & D. along these lines has produced a useful output or that medical factors are a significant problem to aviation safety.		
20. Environment	6.8	
Efforts along these lines should be left entirely to NASA and private enterprise.		
21. Support	2.6	1.6
Amount recommended is for wake vortex work. Essentially, performance assurance is remote monitoring and has already been developed for ISMLS. Private enterprise is able to provide the adaptations necessary.		
Program total	93.4	18.3

Senator CANNON. The next witness is Mr. Richard I. Hornbeck, treasurer, National Business Aircraft Association, Inc.

STATEMENT OF RICHARD I. HORNBECK, TREASURER, NATIONAL BUSINESS AIRCRAFT ASSOCIATION, INC., WASHINGTON, D.C., AND MANAGER OF THE AIR TRANSPORT OPERATION OF GENERAL ELECTRIC CO.; ACCOMPANIED BY JOHN H. WINANT, PRESIDENT; FREDERICK B. McINTOSH, DIRECTOR OF OPERATIONAL SERVICES; AND ROBERT A. COOKE, MANAGER OF AIRPORT SERVICES, NBAA

Mr. HORNBECK. Mr. Chairman, members of the subcommittee, let me introduce myself and the others who are here to present the view of the National Business Aircraft Association.

I am Richard Hornbeck, an elected officer of NBAA, serving currently as its treasurer. I have also been a member of the board of directors since 1971. My principal occupation is that of manager of the Air Transport Operation of the General Electric Co. That operation is based at the Westchester County Airport in White Plains, N.Y.

With me this morning are John H. Winant, who is the appointive president of NBAA and its chief operating officer; Frederick B. McIntosh, staff director of operational services; and Robert A. Cooke, staff manager of airport services.

NBAA has been in existence since 1947, with principal purposes of promoting and protecting the best interests of business aviation in the United States. Its membership consists of some 1,200 American companies and individual businessmen who own or operate aircraft as a business tool; that is, in furtherance of the fundamental business purposes of their companies.

Of the 155,000 civil aircraft in this country, approximately 45,000 are used principally for business purposes. Ours is the largest element in general aviation in terms of hours and miles flown, and it is also the most diverse in terms of the kinds of aircraft used. The business fleet includes thousands of single-engine piston aircraft and spans the entire spectrum of other types of fixed- and rotary-wing equipment, up to and including turbojet aircraft with intercontinental range capabilities.

Adding further to the diversity of business aviation is the fact that its aircraft are piloted in many cases by businessmen pilots whose principal occupations may be in the company's marketing, engineering, executive, or other "line" functions; and in many thousands of other cases by company employees who are full-time pilots with experience and credentials of the highest professional degree.

I stress the broad base and nature of business aviation because its diversity makes it unique in the aviation world. Its very nature gives it points of common interest with every other segment of aviation, from those whose primary interests encompass private flying only, to those whose principal concerns involve commercial and certificated aviation. Our aircraft utilize every type of airport, from the smallest sod strip to the largest intercontinental hub airport. We present our views, then, on the basis that the diversity of our interests makes NBAA's positions ones which are thoughtfully predicated, balanced, and reasoned.

I shall not comment on each and every item of the legislative proposals which have been put forth with respect to extension and amendment of the Airport and Airways Development Act of 1970. There are a number of items which we feel merit explicit comment, however, and it is to these that I address NBAA's views. If the subcommittee members have questions on items not expressly covered in these remarks, we shall, of course, be pleased to comment on them.

EXTENSION OF LEGISLATION

NBAA feels that the act, and the airport program contained in it, should be extended for a 5-year period. This, we believe, is consonant with Congress intent as expressed in 1970 when this subcommittee took the leadership in developing a program which would extend over the subsequent decade. It is our view that the review currently taking place was intended to be an overview of how well the act's principal purposes were fulfilled during the first 5 years of the decade, and not as a trigger point for shifting basic emphasis or policy. We believe Congress judgment was sound in envisioning the need for a 10-year Federal airport and airway development program, and we support continuation for the programs established by the act for the full term of that decade.

We wish to make note here that there appears to be divergence of opinion, at least on the House side, as to whether the act should be extended for 5 years, or for the relatively short span of 2 years. We can understand some of the basic reasons for reluctance to go beyond 2 years, but we wish to emphasize that there are necessities for longer range planning, and for reasonable leadtimes, which convince us that a 5-year plan is preferable. As a compromise approach, we would be agreeable to a 5-year program, set out in positive and firm specifications, which would be subject to a review at the end of 2 years. But we would not favor a program under which vital, long-range needs would be subject to elemental restructuring only 2 years from now.

We also wish to state most emphatically, with respect to extension of the act, that we oppose the administration's proposal, as stated in the bill which it presented to this subcommittee in the spring, to totally sever general aviation airport development from the Federal program after fiscal 1978. Such a concept implies a policy which would recognize

two airport systems, one of "Federal" and interstate nature, the other of "local," intrastate dimension. The entire history of Federal statutory leadership in aviation clearly tells us that all airports are part of one national system which binds the States and the individual communities together because they collectively make possible an air transportation system which is interstate in nature. We feel most positively that a strong Federal presence is necessary to the orderly development of general aviation airports, on the basis that there is strong national public benefit in our airport system.

With respect to the question of general aviation development, we also wish to comment on other proposals which have been made to test the ability of the individual States to assume responsibility for administering the Federal program. One such proposal calls for a "demonstration" project involving a small number of States which would be given such authority over the next 2 to 3 years. The aim of such a project would be to provide a test bed, and if the results were deemed satisfactory, then presumably the same kind of authority could be given to other States, or perhaps to all States. We are extremely skeptical about this concept, for the same reasons that we are opposed to the severance of the entire general aviation development program from Federal overview and leadership.

NBAA feels that a much more realistic approach would involve greater Federal utilization of State resources and management where available. If a federally approved ADAP project involved an airport which was contained in that State's aviation system plan, it would appear sound that the State could utilize its own management and standards to the good mutual advantage of all concerned. An airport which was included in both the NASP and the State system plan could conceivably receive additional support from State resources.

In 1970 Congress clearly stated that it would take a minimum of 10 years to revitalize the airport and airway system of this country. This declaration set forth aviation's high priority in unmistakable terms. We should encourage the States to support this national goal in any manner possible, and we firmly resist any relaxation that might lead to untenable pressures to convert aviation funding to discretionary use by States for other forms of transportation.

We would add, as a footnote, that there are implications bearing on safety of operations which merit serious thought when consideration is given to the general aviation airport program. There are a number of States which work effectively and well in the promotion of airport development. But there are also States which have no constituted State agency dealing with the matter. There would be great divergence of performance, then, State by State, and we feel this could lead to gaps of serious proportions in the maintenance of requisite safety standards.

FUNDING LEVELS

I might interject here, Mr. Chairman, that the act described certain airports as those "served by air carriers."

While I shall use the act's terminology, I wish to note that there are no airports which are exclusively air carrier airports.

Airports so termed are actually used by all segments of aviation. There is cogent evidence that the existing annual funding levels for the airport development are not sufficient to produce a satisfactory

national system of airports by the end of the 1970's. NBAA frankly does not have a specific level to recommend with respect to air carrier and reliever airport development, and believes that the Congress should make a "best judgment" decision which satisfies two criteria:

First, the total should be in that realm which lies between the $300 million for air carrier reliever airports recommended by the Administration and the higher level ranges recommended by spokesmen for the airport community.

Second, the funding level for these types of airports—and for all other funding levels as well—should aim at a balance between expenditure and revenue which is predicated on taxes which are not higher in rate than those existing today.

NBAA, then, asks for a "balance sheet" approach between expenditures and revenue, on the basis that such an approach constitutes responsible, sound fiscal policy during what is, and will continue to be, a difficult period in constructing the Federal budget.

NBAA feels that the funding level for general aviation airports should be increased above the existing $35 million per year, to the extent that current, or even less, user taxes can be retained. If achieving that objective implies a funding level of $50 million a year, for example, we shall be satisfied with such level. If the funding level could reach $75 million a year under such a caveat, we would welcome that figure.

APPORTIONMENT FORMULAS

NBAA believes that the amount of apportionment permitted in the discretion of the Secretary of Transportation should remain at or near the existing level, rather than be lowered substantially as is proposed by the Administration. We feel that the discretionary apportionment is vitally important to development of reliever airports, which we believe should take on a role of increasing importance to the national aviation system in future years.

With respect to the general aviation airport program, we believe the present State distribution formula, based on land and population with 25 percent of funds subject to the Secretary's discretion, is acceptable. We are not convinced of the soundness of the Administration's proposal to utilize the number of general aviation aircraft that are principally flown within the State of registration. Our experience tells us empirically that business aircraft are interstate vehicels by nature and purpose.

PROJECT ELIGIBILITY

NBAA believes that the current ground rules which govern project eligibility should not be substantially changed. We note that there are thoughtful proposals which would include use of aviation trust fund moneys for certain limited portions of airport terminal construction. We would note that at general aviation airports, construction of terminal facilities is, in our view, a problem of minor proportions. The need for extensive terminal facilities simply does not exist. We would much prefer to see available trust fund moneys applied to runways, taxiways, navigational aids, and safety equipment. The Administration proposes to change the definition of "airport development" to include only visual landing aids and to exclude electronic navigational aids. We do not concur with that change. Landing aids, both visual and elec-

tronic, have always been needed for airport safety, particularly during periods of reduced visibility and inclement weather. Environmental considerations, particularly in the area of noise abatement, now make any type of landing aid an important part of an airport's equipment. The safety of airports will be best served if all these types of landing aids, both visual and electronic, are included in ADAP eligibility.

With respect to eligibility, NBAA wishes also to state its support of proposals to grant ADAP project eligibility to those many airports which are privately owned, but open for public use, provided that such airports are named as part of the national airport system plan. We shall speak later in this statement about the urgent need to retain a strong NASP. We shall also speak about the need to retain good general aviation airports. There are many such airports which are privately owned, and they are in many cases potentially vulnerable to transformation into shopping centers or residential developments. We feel these airports have unique funding problems, and that they should be granted access to ADAP funding in recognition of the fact that they are vital links in our public air transportation system.

In addition, because of local and jurisdictional political pressures, these airports may be denied inclusion in their State's aviation plan, such denial having no relationship to their true value or need in the national aviation system.

FEDERAL SHARE OF PROJECT COSTS

We would underscore our comments with the firm belief that the sponsor of a project receiving funds under the act should have a financial stake in it, as a means of demonstrating good faith in the project itself and as a testimony to the sponsor's intention of maintaining the facility on a permanent basis.

Within that context we find that the current level of 75 percent Federal sharing for general aviation airports is a sound one. The current level of 82 percent Federal participation for landing aids and for security and safety equipment is worthy of upward review, perhaps to a level of 90 percent. In any case, as we stated earlier, whatever new and higher levels might be considered, both for general aviation and for air carrier and reliever airports, should be tempered by a balancing of anticipated expenditures versus anticipated tax revenues, on a "balance sheet" basis at levels not higher than those now in effect.

CONSTRUCTION STANDARDS AND THE ROLE OF THE STATES

With regards to construction standards, there is a wide disparity between various proposals, including those of segments of the aviation community which have offered their views to the subcommittee. Some feel that there should be adherence to a set of standards developed wholly and exclusively by the Federal Government; others feel the States should individually set standards for construction and configuration.

NBAA believes there is great merit in allowing the States to increase their beneficial involvement in helping to develop standards, but not to the point that they could independently do so. Cost studies recently circulated have shown that, in many instances, projects have been

or could have been completed at general aviation airports at lower costs under State direction than would have been the case under more rigid Federal overview.

Our recommendation is that the Secretary of Transportation properly should be satisfied with and approve all standards of construction and configuration. We do not believe, however, that he should set the standards in the absence of participation and recommendation by the States.

We would favor an orderly review of all Federal standards, with the aim of developing a set of minimum standards for application in projects involving aviation trust fund moneys. Such a review could take into account differences in geography, climate, and weather patterns as these relate to runway stressing and thickness, and the type of and weight of aircraft which will use the airport.

The role of the States with respect to the distribution and management of airport development funds is also a matter over which considerable differences of opinion exist, as noted earlier in this statement. We feel that the program must continue basically to be a Federal responsibility, including leadership and encouragement. Where "channeling" acts exist in the various States, they can properly continue to be the conduit through which general aviation airport grants can be applied. But we also feel that any potential airport development grant sponsor should have direct access to the Federal authorities who supervise the ADAP program, along with the appropriate State agency.

We also feel that the number of check points involved in obtaining and implementing an airport development grant should be minimized to the essentials required to monitor the grant, and to insure compliance with all applicable regulations, and more emphasis, for example, could be placed on the use of an extensive post-audit, rather than through a multiplicity of progress audits as the project is carried out.

The foregoing complete our specific comments on proposed legislation to extend and amend the 1970 act. The sum and substance of our recommendations imply correctly that NBAA is in substantial disagreement with the administration's proposed changes, both with respect to the airport development program and proposed fuel tax levels.

We would now appreciate the opportunity of taking just a few more minutes to present to the subcommittee some statements of broad principle which are germane to review of this important public law, and which we feel should undergird legislation to revise it.

THE NATION'S AIRPORT-AIRWAY SYSTEM: A VALUABLE RESOURCE WHICH BENEFITS THE PUBLIC

NBAA considers the airport and airways systems as an integrated national transportation system. National systems of any type, by definition, are for the benefit of the entire public.

The airport and airways system, like all other parts of the national transportation system, was designed, built, operated, and maintained exclusively with Federal general revenue funds for many years. NBAA concurs with the principle developed in the late 1960's that users and other beneficaries should pay a share of system costs in proportion to the benefit received. Similarly, NBAA accepts the principles embodied

in the Airport and Airways Development Act of 1970 by which such contributions were determined.

In addition to the broad public benefits of the airport and airways system, there is a specific benefit, which benefit varies only in degree, to owners and operators of all aircraft, regardless of size or complexity.

Taxes for support of the airport and airways system should begin only after allowance for the value of the system to the public welfare, economy, and national defense.

The existing tax structure established by the Airport and Airways Development Act of 1970 has provided more than enough funds in its first 4 years to provide capital equipment and construction for the national airport and airways system. Congress in 1970 established a system of taxes which have produced revenues approximating 50 percent of total system costs. The balance of system costs has properly been covered by the Federal general revenue fund.

There is obviously a need to recognize and affirm the requirement for an equitable tax base reflecting the benefits received from and measuring the exposure to and use of a national airport and airways system.

NBAA believes the existing legislation fixing taxes according to aircraft gross weight and fuel used, amounting to the equivalent in commercial air carrier ticket taxes and bill-of-lading excise taxes, is basically equitable. This method recognized both the productivity of the aircraft and its exposure to the national airport and airways system. The weight tax, in particular, reflects the runway requirements for airports from which a specific aircraft will operate.

NBAA has no objection, therefore, to the levying of taxes on the commercial air carriage of passengers or cargo, provided that the taxation base is equitable with the benefits to both the commercial air carrier and the passenger or shipper.

These principles were understood by the Congress in 1970 when, in writing the law, it directed the Secretary to conduct an aviation cost allocation study which would, and I quote, "Identify the cost to the Federal Government that should appropriately be charged to the system and the value to be assigned to any general public benefit."

As an attempt to determine the amount of public benefit and to allocate fair costs among the users of the airport and airways system, the DOT's Aviation Cost Allocation Study incorporates many errors of methods, fact, and assumed conditions.

Despite these faults it did, perhaps inadevertently, document that the national welfare is so well served by the airport and airways system that the Federal Government has indeed been properly involved in design, construction, and operation of that system as a means of protecting and preserving public benefit.

In carrying out this task, however, DOT employed economists under contract who worked along strictly academic guidelines. By adhering to abstruse economic theory instead of the realities of the national transportation system, the economists chose to ignore the unique benefits of this system which accrue to the Nation as a whole.

Unfortunately, the incorrect findings of the study have been accepted in some quarters, despite the lack of logic in many of the conclusions.

Administration spokesmen, including the Secretary of Transportation, have cited the aviation cost allocation study's findings as showing a very large negative "gap" between general aviation tax revenues and the costs of the system allocable to general aviation. It was on the basis of this alleged "gap" that the administration has proposed an increase in the general aviation fuel tax rate from 7 cents to 15 cents a gallon. We would emphasize that such a gap does not exist in the real sense, since the cost allocation study reached the erroneous conclusion that there is no way in which a "specific quantifiable 'value' can be determined" for measuring public benefit of the aviation system.

The finding that there is no public benefit derived from the airport and airways system is tantamount to stating that there is no public benefit derived from a U.S. Navy aircraft carrier because the residents of the American Midwestern States have never used one.

We would like to see this issue put to bed once and for all by this Congress by the inclusion in the new legislation of a positive statement of the public benefit of the Nation's air transportation system.

To supplement our views, I would commend to your reading chapter 2 of the January 1973 Report of the Aviation Advisory Commission created by the 1970 act, in which the beneficial contribution of the Nation's air transportation system to the U.S. economy is discussed in very positive terms.

I would further commend a report issued in October 1974, by the Subcommittee on Aeronautics and Space Technology of the then House Committee on Science and Astronautics, which stated that "General aviation is a benefit to the Nation and its continued vitality should be promoted." The report further observed that "General aviation makes a strong input to our economy by generating considerable employment and revenue. It often is the key factor in opening up new areas to commercial growth and prosperity."

We sincerely hope that, in assessing the future course of the airport development program, and along with it, the several other principal programs of the 1970 act, the Congress will continue, as it has in the past, to affirm that the Nation's system of airports and airways is a valuable public resource from which great public benefits derive.

THE VALUE OF THE AIRPORT NETWORK SHOULD BY VIEWED IN FULL CONTEXT

This Nation depends upon a national air transportation system which is an integration of air carrier and general aviation operations: An air transportation system which depends upon an integrated system of airports. In its proposed legislation the administration calls for the elimination of the national airport system plan (NASP). NBAA believes that such a step would be catastrophic to the maintenance and further development of a sound system. We fully endorse continuation of NASP and urge that the entire airports system, including those facilities not included in the plan, be viewed as an integrated national network serving the entire United States.

We wish to call to your attention the fact that, for valid economic and service reasons, there has been a continuing decline over the past decade in the number of airports served by the certificated air carriers.

We do not address this situation in an attempt to direct criticism at those carriers. We do recognize that there are totally valid reasons for the decline. But we also wish to point out that as such service declines, the responsibility for providing service falls more and more on the shoulders of general aviation.

We in business aviation has a strong dependence on the certificated carriers and on other commercial air transportation segments. Almost 30 percent of all business flights serve those airports which are served by carriers, and are for the sole purpose of interconnecting passengers or cargo to and from the carriers.

But we also point out that those 30 percent of business blights probably originated from, or terminated at, airports not served by any carrier.

The Secretary of Transportation, speaking for the administration, recently has provided review of airport development under the first 5 years of ADAP. He indicated that 82 new airports, 3 of which are served by air carriers, have been built, and there have been a multitude of improvements to airports. We would like to show you the Nation's airport system from a slightly different viewpoint.

A 14-year perspective on airports reveals that the number built to provide air service for nonmetropolitan and rural America has risen to 60 percent since 1960, while airports served by certificated air carriers declined 26 percent in the same period. In terms of points served, U.S. airlines are now providing the lowest level of service in almost 25 years.

Senator Stevens, the statistics we are talking about here apply somewhat, I think, to the service portion of the question you posed to the previous witness.

Research by NBAA staff, using CAB statistics, shows that 1960 was the peak year for passenger service by certificated air carriers. In that year, 575 of 626 authorized points were actually served by the airlines. By 1974, the number fell of 425 points actually served out of 489 points authorized by CAB. Excluding 8 points in the Hawaiian Islands, that means only 417 points in the continental United States received regular service by scheduled certificated route air carriers in 1974.

On the last day of 1973, the FAA recorded 12,700 airports used by civil or joint civil-military aviation in the United States and its territories. Despite reports of 353 abandonments during the year, the total had grown by 295 airports (2.4 percent) from 1972.

These aircraft landing facilities are classified by type, ownership, pavement and lighting. By type, there are 10,961 airports, 12,280 heliports and 459 seaplane bases. About 36 percent of all facilities are publicly owned and 64 percent privately owned.

These statistics reemphasize the importance of general aviation: General aviation aircraft are the sole means of air transportation at over 95 percent of the Nation's airports.

We have appended to our statement as exhibits 1 and 2 specific figures on airports and on service levels by air carriers for a number of years. These detailed figures may be of interest to you as you review statements furnished to the subcommittee.

The point which I want to emphasize here is that while the air carriers are doing a gargantuan chore in carrying large numbers of

passengers between major metropolitan centers, the task falls to general aviation of providing air transportation which binds together the remaining 12,000-plus community airports which are essential parts of the air transportation network. The demand for air transportation by citizens throughout this whole land is one of the reasons for general aviation's splendid growth through the post-World War II years. In fact, general aviation operations for the year 1973 constituted nearly three-quarters of the aircraft operations recorded by FAA control towers.

AIRCRAFT OPERATIONS AT AIRPORTS WITH FAA CONTROL TOWERS

	1973		1963	
	Number	Percent	Number	Percent
General aviation	41,363,042	73.1	19,921,053	64.3
Air carrier	9,922,044	17.5	7,339,533	23.7
Military	3,040,922	5.4	3,716,187	12.0
Air taxi	2,227,945	4.0	(1)	(1)
Total	56,553,953		30,976,773	

[1] Not available.

Source: FAA, Office ot Management Systems.

The foregoing facts say to us in business aviation that it would be a grave mistake to eliminate the national airport system plan. To do so would be to abdicate the position that there is a national policy which fosters and guides the development of airports. We do not feel that the Congress will be willing to permit such abdication.

CONCLUSIONS

In summary, NBAA asks your consideration of these few principal points:

(1) The airports and airways networks constitute an integrated national transportation system which includes all of the airports in the United States, both those which serve general aviation only and those which also enjoy the benefits of certificated or other commercial air carrier service.

(2) There is a very positive public benefit which derives from that national air transportation system, and this benefit should be recognized in the act.

(3) The airport development program, along with other principal programs in the act, should be extended for the full decade which Congress intended, subject to a possible review prior to that time.

(4) No new taxes, or higher taxes, are needed to carry out a lively and sound program. Based on revenues accrued to date, expenditures can be reasonably increased for airport development and associated programs with existing or even lowered tax rates.

NBAA deeply appreciates the opportunity of appearing before the subcommittee. All of us representing the association at this table will be pleased to answer any questions you may have.

[The exhibits follow:]

EXHIBIT 1

TOTAL AIRPORTS ON RECORD WITH FAA, 1961–73

Year	Total	With runway lights	With paved runways
1961	7,715	2,299	2,058
1962	8,084	2,481	2,355
1963	8,814	2,672	2,451
1964	9,490	2,773	2,620
1965	9,566	2,878	2,747
1966	9,673	2,988	2,859
1967	10,126	3,149	3,109
1968	10,470	3,312	3,353
1969	11,050	3,430	3,650
1970	11,261	3,554	3,805
1971	12,070	3,759	4,176
1972	12,405	3,827	4,390
1973	12,700	3,880	4,527

Source: FAA, Office of Management Systems.

POINTS AUTHORIZED FOR AIR CARRIER SERVICE BY TYPE OF AIRLINE, IN THE CONTINENTAL UNITED STATES,[1] 1953–54, 1963–64, AND 1973–74

Year[2]	Authorized for service by—			
	Trunk airlines	Local airlines	Both types	Total
1953	197	240	180	617
1954	205	236	181	622
1963	95	311	164	570
1964	92	305	163	560
1973	60	276	169	505
1974	57	273	159	489

[1] Includes 8 points in Hawaii.
[2] On the last available date of each year.

Source: Civil Aeronautics Board.

EXHIBIT 2

POINTS RECEIVING PASSENGER SERVICE BY CERTIFIED AIR CARRIERS IN THE CONTINENTAL UNITED STATES,[1] 1954–74

Year[2]	Points authorized	Actual points served	Year[2]	Points authorized	Actual points served
1954	622	550	1965	544	532
1955	591	547	1966	539	527
1956	583	548	1967	534	522
1957	587	554	1968	535	525
1958	589	555	1969	534	526
1959	618	566	1970	532	482
1960	626	575	1971	531	479
1961	609	569	1972	517	471
1962	607	569	1973	505	452
1963	570	551	1974	489	425
1964	560	547			

[1] Includes 8 points in Hawaii.
[2] On the last available date of each year.

Source: Civil Aeronautics Board.

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

Senator Stevens?

Senator STEVENS. I don't have any questions. I think you have documented a portion of our problem. I am interested in your recommendation.

I would ask you one thing: You say you don't want any increase in taxes. Some people don't want a decrease.

Have you taken any position on decreasing the taxes?

Mr. HORNBECK. Our feeling is if we can get the desired program within the portion of the taxes, this is fine. We would like to see, from the general aviation point of view, an increase from the present $35 million ADAP funding.

John, do you have any comments?

Mr. WINANT. I would say NBAA has not taken the position that the existing 7-cent tax should be reduced. We have as noted in our testimony forcefully made the point that it should not be increased.

Senator STEVENS. Thank you very much. Thank you, Mr. Chairman.

Senator CANNON. Thank you very much, gentleman. We appreciate your being here.

The committee will now stand in recess until 10 o'clock tomorrow morning.

[Thereupon, at 12 noon the hearing was recessed, to reconvene at 10 a.m. on September 9, 1975, in room 1114, Dirksen Senate Office Building.]

EXTENSION OF THE AIRPORT DEVELOPMENT AID PROGRAM

TUESDAY, SEPTEMBER 9, 1975

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

The subcommittee met at 10:10 a.m. in room 1114, Dirksen Senate Office Building, Hon. Howard W. Cannon (chairman of the subcommittee) presiding.

Senator CANNON. The hearing will come to order.

The first witness today is Mr. John A. Nammack, executive vice president, National Association of State Aviation Officials.

STATEMENT OF JOHN A. NAMMACK, EXECUTIVE VICE PRESIDENT, NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS; ACCOMPANIED BY FRITZ E. WOLF, ADMINISTRATOR OF THE WISCONSIN DIVISION OF AERONAUTICS AND PRESIDENT OF NASAO; JAMES D. RAMSEY, DIRECTOR OF THE MICHIGAN AERONAUTICS COMMISSION; ROBERT J. AARONSON, ADMINISTRATOR, MARYLAND STATE AVIATION ADMINISTRATION; WAYNE WHITHAM, SECRETARY OF TRANSPORTATION, COMMONWEALTH OF VIRGINIA; CROCKER SNOW, DIRECTOR OF THE MASSACHUSETTS AERONAUTICS COMMISSION; AND BUD THAR, REPRESENTING THE NATIONAL GOVERNORS CONFERENCE

Mr. NAMMACK. Thank you, Mr. Chairman.

I'd like to begin at the left: Mr. Crocker Snow, Director of the Massachusetts Aeronautics Commission; Mr. Bud Thar, representing the National Governors Conference; Mr. Fritz Wolf, director of the Wisconsin Division of Aeronautics and president of NASAO; Mr. J. Ramsey, director of the Michigan Aeronautics Commission; Mr. Wayne Whitham, secretary of transportation for the Commonwealth of Virginia and cochairman of the Conference of State Departments of Transportation; and Robert Aaronson, director of the Maryland Aviation Administration.

Before we begin, Mr. Chairman, I'd like to ask Mr. Thar to say a few remarks on behalf of the Governors in support of the positions you are about to hear.

Mr. THAR. Mr. Chairman, on behalf of the National Governors Conference, as special assistant for transportation, I am here today to assist in presenting the National Governors Conference position of a continued strong State role in general aviation.

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The Governors have met and voted twice this year to maintain a key role in ADAP because of the critical need for balanced State transportation systems. States have a proven record of cost-effective construction, maintenance, and management of airports. The views you are about to hear are totally supported by the States and have been developed in consultation with the National Governors Conference.

Senator CANNON. Thank you, sir.

Mr. NAMMACK. And if you will, sir, Mr. Wayne Whitham, on behalf of all the State DOT secretaries, has just a few remarks for you.

Mr. WHITHAM. Mr. Chairman, it's a pleasure to be with you this morning. I am Wayne Whitham, secretary of transportation for the Commonwealth of Virginia. I am cochairman of the Conference of State Departments of Transportation and chairman of its aviation committee.

The State DOT Secretaries worked closely with NASAO and the National Governors Conference in formulating a unified State position on the proposed ADAP legislation and on recommendations to improve this important program. The results of our combined efforts form the contents of the remarks you will hear this morning.

I merely wish to add, Mr. Chairman, that the State DOT secretaries take a very active and continuing interest in aviation matters which form an important part of our statutory responsibilities to develop coordinated and efficient transportation systems in our respective States. This, of course, is consistent with our roles in highways and in urban transportation systems.

We believe that maximum State participation is essential not only to the creation of a true national airport system plan but also to the administration of a truly efficient and effective airport development aid program.

Thank you, sir.

Senator CANNON. Thank you.

Mr. NAMMACK. I'm going to paraphrase these remarks, Mr. Chairman, in the interest of saving your time and everybody else's.

Senator CANNON. All right.

Mr. NAMMACK. We are going to begin with the premise that we think you agree with our basic view of the air transportation system as a part of an overall national transportation system. We think that Congress endorsed that view when it created the DOT 8 years ago to coordinate the different modes of transportation and give us one national transportation system. I understand we will be seeing a new statement of national transportation policy next week.

I think it only fair to say that we think your original ADAP bill has done a very effective job during the first 5 years. We think DOT-FAA administration of that program has also been quite effective, given the constraints it must operate under. We will describe some of those constraints in just a moment.

We think that quite a record has been established. I don't have to go through the statistical information. It's there in our statement. We have gotten a lot of airport development these first 5 years.

We want that program to continue, Mr. Chairman, and we want it to be resumed as quickly as possible. The risk of losing another year of construction is a risk nobody welcomes. We hope that nothing we say

today is going to create further points of controversy that would delay this program. We'd like to get on with the job.

We think that the ADAP bill must be modified and can be improved, but it doesn't require drastic surgery. It does require some change but nothing so fundamental that we have to rework the whole bill.

I will skip over our basic State premises. It's philosophy pure and simple, and again it's there for the record.

Mr. Chairman, we recommend that the amended ADAP be continued for an additional 5 years. Any lesser period compromises planning implementation and efficient management of phased development. A 5-year program certainly doesn't preclude amending the act at any time your subcommittee sees fit. It happened in 1973. It can happen again.

The problem with short-term funding is that there's funding uncertainty and you can lose an entire construction season, as we have just seen happen this year. As far as annual funding level, NASAO surveyed the 50 States about 9 months ago to try to get a handle on what their airside development needs were for the next 5 years. We came up with a figure of $4.7 billion in combined Federal, State, and local funds.

We found that the air-carrier-served and reliever airports required at least $3.4 billion in additional development funding. General aviation airports needed $1.2 billion over the next 5 years.

State governments, Mr. Chairman, share with the Federal Government the fiscal, economic, and social problems created by inflation and economic recession. We are engaged in the same efforts to try to resolve some of these problems. We defer the issue of annual funding levels to your better judgment. We believe, however, that the annual funding level should not be less than $550 million per year with about 75 percent of that amount going to the air carrier-served and reliever airports and the other 25 percent to general aviation airport development.

On the apportionment formula, we tried to study all of the various proposals very carefully and we have yet to find a proposal that in our view does a more effective job than the apportionment formula you originally designed.

We have specific proposals. We think that air carrier and reliever airport funds should continue to be apportioned in equal thirds. We have one modification. We think that one-third should continue to be apportioned at the Secretary's discretion; one-third should continue to be apportioned on the basis of State area and population. The modification we offer is that the final third should be apportioned according to the ratio of total enplanements within each State to the total national enplanement.

Unlike the original act, this final one-third of the available funds could then be used for any air carrier airport project within the particular State rather than for the specific air carrier airport where the enplanements were generated.

As far as general aviation airport funds, we recommend continuation of the 75-percent distribution based on State area and population, 24 percent at the Secretary's discretion, and the remaining 1 percent reserved for the territories.

On the Federal share of project costs, again we believe that the original levels of Federal participation, namely, 50 percent for the large hubs, 75 percent for all the other public airports, and 82 percent for airport certification and security, have been tested by experience and proven acceptable in almost all respects. We will have some further remarks about the airport certification program itself which, quite frankly, we have very serious reservations about.

Regarding project eligibility, there is widespread support in the aviation community for the concept of broadening ADAP eligibility to include the public areas of passenger terminals and land acquisition to mitigate the effects of jet noise. We have anly two reservations here. We have stated that about $327 million worth of ADAP requests could not be funded in the last fiscal year. We recommend that top priority continue to be assigned to needed airside capacity and safety projects. We further recommend that the public areas of terminals and land acquisition for environmental compatibility be made eligible ADAP items, but that their funding be limited to not more than 50 percent of the State's one-third apportionment based on originating passenger enplanements.

To assure the greatest utility from our airports, we think it's imperative Mr. Chairman, that electronic navaids continue to be eligible for ADAP funds, contrary to the administration position which would make them eligible. As you know, many States have purchased, operated and maintained electronic navaids to supplement the Federal navaid system. Frequently these supplementary navaids have been purchased entirely with State funds. We believe, however, that to make electronic navaids ineligible for ADAP funding would compromise efforts being made to improve airport safety through the use of these navaids.

While land is currently eligible for ADAP funding, we do recommend that the act provide that 90 percent of the Federal share be advanced to sponsors at the time of the appraisal with the balance paid on acceptance of title opinion.

We would also urge you to include in the definition of airport development work planning for adequate ground access to airports without which no airport can realize its full potential.

On the use of surplus funds, although every level of government as well as the airport operators and airlines have taken significant steps in recent years to reduce jet noise levels and ground exposure to jet noise, the problem is still very much with us. It's more acute in some States than it is in others, but there is a consensus of State views which now recommends to you that trust fund surpluses up to a maximum of $750 million be used for jet engine modification programs aimed at reducing jet noise at its source.

Also by consensus the States would not object to the Administration's proposal to use some of the remaining trust fund surpluses each year to help pay the maintenance of ATC facilities installed only under the ADAP program, not under the F. & E. program. Our single reservation here is that first priority must continue to be given to appropriating adequate funds each year to meet the primary purpose of the Airport and Airway Development Act, which is airport development and airway improvement.

As far as what's in the trust fund, there's always been some confusion about that. People quote the Treasury report every month when

it comes out and some people continue to confuse the excess assets over liabilities figure with the uncommitted total. As of June 30, Mr. Chairman, the uncommitted total of surplus funds in the trust fund amounted to $1.327 billion. Since June 30 it's been growing and increasing at the rate of about $90 million a month.

The Federal-State-local government partnership in airport development is one of the major issues which Congress must decide. We must determine once and for all what the appropriate roles are for each level of government in the development of our national airport system. You know better than anybody else, Senator Cannon, that the issue isn't new. What is new is the quantity and quality of impartial data and factual information that has been developed during the past few years comparing the performance and results of State and Federal airport development programs. This body of evidence has been developed by three major studies; one by the DOT–FAA, another conducted by the General Accounting Office, and the third by the independent consulting firm of Burns & McDonnell under a DOT contract.

The DOT–FAA conclusions seem to be reflected in the Administration's recommendations that the States administer the GA ADAP. Later on, Mr. Chairman, we will go into that a litle bit more. We do not agree with every stipulation of the Administration proposal in that respect, specifically on increasing fuel taxes and having States collect those taxes.

Copies of the conclusions of the GAO and Burns & McDonnell studies are attached to your copy of our formal statement. We respectfully urge each member of this subcommittee to familiarize himself with those conclusions. We think you will find compelling arguments for strengthening the Federal-State-local partnership and for extending FAA's capability by authorizing qualified State agencies to administer the GA portion of the ADAP.

Every element of State government—the Governors, the State legislatures, who are represented in this audience today by Mr. Charles Whitmire, Council of State Governments, the State DOT Secretaries—every level of State government, Mr. Chairman, supports this view. FAA has proposed specific competence criteria—which are attached to your copy of this statement—which would be required of each State before it could participate in any expanded program for GA ADAP. These are competence criteria, which each State would have to satisfy before it could administer the GA ADAP program. We thing these criteria are rather comprehensive. FAA would continue to oversee and audit State performance, establish operating and reporting criteria, and continue to coordinate airport system development in the national interest. It's not a case of the States or the FAA or the States versus the Federal Government. It's a case of perfecting a partnership.

The advantages of State GA ADAP administration I will skip through, and just hit a few highlights. These are direct quotes, Mr. Chairman, from the Burns & McDonnell report.

Of the 12 GA airports surveyed by this independent consulting firm, the average cost for 10 of them that were federally aided was $583,000. If you include the other two federally assisted GA airports that were surveyed the average Federal cost went up to $1.2 million per GA airport. In contrast, the average cost of a State-assisted GA airport was only $394,000, a 40-percent difference.

Point "d"—and this is the contractor speaking now—"This analysis not only agreed with the States' contention that they can develop general aviation airports faster and at lower cost than the Federal program, but that they do so and maintain a comparable quality."

Going down the list at random here, "No pattern was established that would indicate either being of superior quality or durability." "The sites visited during this analysis did not show a trend toward providing better or worse expansion potential than the Federal program sites." "State development programs generally have fewer overall requirements than the Federal program." "The Federal program has appeared to be quite rigid with respect to meeting requirements in an established order prior to the continuation of processing of grant applications." "Without exception, the total cost of the FAA-approved medium intensity runway lighting system exceeds the cost of the nonapproved system of similar performance."

We could go on at length with these comparisons of the two programs, but we think the conclusions cited above can certainly help make the point. That point, quite simply, is that State-administered GA airport development programs appear to be far more cost effective and less time consuming and generally more efficient than the Federal GA airport development program.

We therefore propose that this subcommittee carefully consider the conclusions of these studies and authorize suitably qualified State agencies to assume program responsibilities for the GA ADAP.

We think it's important, Mr. Chairman, to again say that the FAA established an excellent record over the years with the airport program. It doesn't need an elaborate defense. We think they have done the best possible job within the redundancies and bureaucratic redtape generally associated with Federal programs.

It's important to note that some of the problems—many of them, for the matter—the delays, the higher costs in recent years, are not the FAA's fault. They are the direct result of requirements imposed by other Federal agencies and by certain acts of Congress.

THE NEED FOR PLANNING

When your subcommittee drafted the original ADAP in 1969–70, you wisely recognized that no airport development program could or should be undertaken unless it was based on a carefully drawn and authenticated national airport system plan. You stated your requirements for such a plan with great precision in sections 3, 11, and 12 of the original act. You went even further. You clearly recognized that airports do not exist in a vacuum, that they are only one element in our overall national transportation system. You insisted that airport planning be accomplished with a context that gave full consideration to the other transportation modes that coexist with and have a direct impact on every airport.

The States are with you 100 percent on those concepts, Mr. Chairman. Comprehensive and continuous transportation system planning forms the core of our whole ADAP position. We think it is the indispensable ingredient in the development of a national airport system plan, and in the evolution of a national transportation system plan.

We therefore urge this subcommittee to reiterate and strengthen its commitment to planning and to at last bring some semblance of

logic and order to national aviation system development by adopting the following proposals:

Establish a firm deadline for the creation of a national aviation plan to serve as the blueprint for determining the types of air services the United States requires and how those requirements can be met in terms not only of airports but of aircraft, ground access, and airways; much more on this subject was developed in the Aviation Advisory Commission's final report submitted 2 years ago.

We think that you should require that the national aviation plan be integrated with the national transportation plan to incorporate all modes.

We ask that you require that responsibility for the development of this plan be assigned to not merely the DOT–FAA, but to the CAB as well, working together with the DOT and FAA and in close consultation with State and local government transportation officials and with aviation system users. We have had this paradox too many years, Mr. Chairman, where the CAB awards the routes and regulates the airlines; the DOT–FAA and State and local governments build the airports, but never the twain shall meet.

We ask that you continue to authorize at least $15 million per year for the planning grant program but amend section 11, paragraph 5, of the original act to read "airport system planning" means the continuing development for planning and site selection, and add the words, "and such planning actions as may be required to relate to the airport system to the overall transportation and development objectives of the State or area."

We ask that you amend section 13, paragraph (a), of the original act by adding these words:

All master planning for airports enplaning 0.05 percent or more of the total annual passengers enplaned by air carriers certificated by the Civil Aeronautics Board shall be accomplished in the context of and shall be consistent with State and regional airport system plans and shall be based upon a comprehensive, coordinated, and continuing planning process for the provision of all airport and airport-related services required to meet the air transportation needs of the public, giving consideration to factors affecting transportation needs such as safety, economic and social objectives, energy, environment, and land use, in order to achieve an efficient, balanced transportation system responsive to National, State, regional, and community goals.

We ask that you require DOT–FAA to develop national framework criteria for a national airport system plan so that the individual State, metropolitan, and regional plans can be intelligently evaluated and can be correlated and brought together to form finally an authentic national airport system plan. There's nothing like that of the kind at the moment, Mr. Chairman, beyond lipservice.

Finally, we ask that you increase the Federal share of planning grant program grants from the current two-thirds/one-third proportion to 75 percent Federal share for consistency with ADAP project grants.

We think that unless these, or at least similar, concepts are adopted, we will continue to develop airports but not an airport system. Instead of a coherent blueprint which clearly defines the system, we will relay on an NASP document which FAA itself admits, in its March 1975 edition of the "National Aviation System Plan," page 10–2, provides us merely with "a listing of projects eligible for Federal financial assistance."

I don't think that's what you requested in 1970, Mr. Chairman, and I hope you're not going to settle for it now.

THE AIRPORT CERTIFICATION PROGRAM

We are very encouraged by your interest in this, Senator Cannon. Your announced decision to review the program is more than timely, and we'd like to cooperate with you and your staff on this effort.

We are submitting to you today two cost summaries and comments by NASAO president Fritz Wolf, concerning the financial difficulties experienced by Wisconsin air carrier airport operators resulting from the certification requirements.

We understand that the AAAE has given you copies of a study they prepared on the impact of crash-fire-rescue service requirements at their member airports. We are very familiar with that study and totally support its conclusions.

As an aside on this, Mr. Chairman, if you will, you probably saw the recent GAO report on airport certification which concluded that the program should be expanded to include entire new categories of airports. GAO obviously has no safety expertise. Allegedly, they have cost effectiveness expertise. They didn't apply those criteria. They concerned themselves with safety. They made no effort to determine the cost effectiveness or lack of same of the airport certification program and we very much doubt if you find any cost effectiveness in that program. Quite frankly, we'd like to see the program discontinued forthwith.

ENVIRONMENTAL CONSTRAINTS

It's a matter of record where the States stand on legislation protecting the environment. It's also a matter of record that certain Federal requirements for environmental clearances have been the largest single constraint on airport development since 1970. It's meant long processing delays and increased costs. We could understand some of these penalties and even accept them when major development projects were being planned or undertaken if there was any realistic possibility that those projects might have some impact on the environment. However, we believe that implementation of national requirements for reviewing environmental impact statements can be streamlined and made far less onerous than they are right now.

Specifically, FAA Order 5050.2A, which was published just last month in the Federal Register, August 20, offers a classic example of excessive zeal and regulation in processing airport development actions which allegedly affect the environment. We are now preparing a detailed response to this order which will demonstrate our conclusion that it is unreasonable and possibly unlawful and that it constitutes an arbitrary and an unnecessary interference with State and local airport planning and development and should be rescinded.

Again, we would like to work with this subcommittee and its staff to try to develop some other proposal which would accomplish the same environmental objectives without crippling airport development efforts and without driving airport sponsors either into the poor house or into a state of total despair.

For the past several days, Mr. Chairman, you have heard a number of conflicting views on how to improve the ADAP. Sorting out those

conflicting views is no easy task. The main point we want to stress here today is that the program must be resumed as soon as possible. The need is clearly still there. If you'd allow us to review our major recommendations to you, we will conclude our formal statement.

Those major recommendations are: That we have a 5-year program as soon as possible; that the minimum funding level be $550 million a year, 75 percent for air carrier and reliever airports and 25 percent for GA airports. We had only one modification to the original apportionment formula, distributing the enplanements apportionment by States rather than by single airports.

Mr. Chairman, the States wouldn't get the money. It would go into a State account. Every air carrier airport in that State could draw on that one-third but the money would not go directly to the State, the difference being that as it stands right now it's the airport that has the enplanements that gets the money back.

Senator CANNON. Who would make the determination as to which airports got the money?

Mr. NAMMACK. FAA, sir.

We recommend that the Federal share of project costs remain the same except for the planning grant program which we would recommend increasing to 75 percent, from 66⅔ where it is now.

As far as eligibility, we said that 50 percent of that State enplanement one-third should be authorized for use in the public areas of passenger terminals and to acquire land for environmental compatibility. We said that Federal funds should be advanced up to 90 percent for land costs during the appraisal period. We ask that you continue to include electronic navaids as eligible items for ADAP.

On surplus funds, we said that up to $750 million could well be used for jet engine modification programs. Any remaining surplus, once the primary needs of the program had been met, could be used to help fund the maintenance of federally developed navaids installed only under the ADAP program and not the F. & E. program.

As far as the State role, we think that good program management and development of a sound system require that the States be made full partners in the development of this system.

On planning, we said that a master plan should be consistent with State and regional plans; that we have got to at last define what we mean by the national airport system; and that there be national criteria established to evaluate the individual State airport system plans that are now being developed, many of which have already been completed. We don't have such criteria right now within the FAA to tell you whether this is a good plan or a bad plan. They have no visible impact whatsoever to the national system.

On certification, we fundamentally question the desirability of the entire program and its cost effectiveness above all. We think any proliferation of that program to other categories of airports should be avoided at all costs. We think that accident and rescue evaluation as proposed by AAAE several days ago based on historic accident rates is a good proposal and we endorse it.

Finally, on environment, Mr. Chairman, while we certainly concur with the basic needs for the environmental regulations, we think they should be realistic and that they can be streamlined. We are particularly concerned with the FAA 5050.2A and ask that you allow

us to submit for the record, as soon as we complete our final response to that order, a copy of our comments.

Senator CANNON. All right. We will be happy to receive that for our files.

Mr. NAMMACK. Finally, Mr. Chairman, we'd like to thank you and the other members of the subcommittee for hearing us out this morning. Every member of this panel is at your disposal to at least try to answer any of your questions.

Senator CANNON. It's been suggested earlier by some of the witnesses that once an environmental impact statement is established on the overall airport plan, individual parts of the plan need not be considered separately.

Do you agree with that proposition?

Mr. RAMSEY. Mr. Chairman, if I understand what you have said, this would be an environmental assessment of the system plan as opposed to satisfying the requirements of the environmental considerations, as opposed to the environmental consideration given at the master plan stage. Is that your question?

Senator CANNON. No. I am speaking of the overall environmental impact statement on the entire master plan for a particular airport.

Mr. RAMSEY. Well, the only problem with that is that when you develop a master plan it's for a long-range period of time, generally 20 years or in that neighborhood. Obviously you're speculating beyond the known period and if you hold the environmental hearing on the total act from the standpoint of the airport I would say this would be good, but whether or not that airport is actually developed to the extent of the full master plan is still speculative at the point it's developed.

Therefore, whether it would really be meaningful or not, I don't know. I think unless we ran into serious problems because of the expansion requirements of the airport based on a 20-year projection, that it would be desirable, but I'm not sure it would be really meaningful in the final analysis.

Senator CANNON. I wonder if Mr. Wolf could address himself to the results of the impact of certification.

Mr. WOLF. We were very disturbed in Wisconsin about the cost element of implementing the requirements under certification and we have a very close relation with all of our air carrier airports. In fact, we act as agent for all of them for all their projects and so we went to them and said, "Let's figure out what your costs are going to be on capital costs and what your costs are going to be for the operation of the equipment required by the certification program, the crash and rescue equipment primarily." We realize that the equipment itself was eligible for 82 percent Federal aid but that's just part of the cost. The main costs are the operating costs, keeping the crews out there three shifts or maybe two-thirds of the 24-hour period.

So we went and got their costs and took their enplaned passengers for 1974 to arrive at what was the actual cost figure for airport crash and rescue services per enplaned passenger. We have 10 airports in Wisconsin. Eau Claire enplanes 20,000 passengers with a cost of $16.63 per passenger for crash-rescue services. Rock County is going to do it by volunteer personnel and they board about 6,000 passengers and it's going to cost about $2 per passenger. Madison is $1.41 and Manitowoc is $2.56 and at Mosinee, which is the regional airport, $1.14 per passenger, and then 41 cents for Oshkosh.

But these are the figures that we arrived at based on enplanements. We think it's too much. In some cases we know it's going to go up. Inflation and everything else is going to cause greater costs to these communities and they are already faced with quite a bit of cost in operating their airport now. The only alternative is to seek some recourse or some extra funds from the airlines and the airlines have their own problems.

So we believe that certification should be based on real need. Crash-rescue equipment requirements should be based on maybe the number of enplanements per year, the exposure rate, like you have insurance rating and so forth. We think there's a method that can be derived—maybe the level should be 200,000 enplanements, then you can justify some crash and rescue equipment.

Senator CANNON. You have indicated that one of the primary reasons that general aviation airport development be turned over to the State is that the development could be accomplished more quickly and less expensively.

Now all witnesses seem to agree that some Federal standards of procedures are much too rigid, thus increasing the cost of airport development, but we hope to streamline the Federal program to reduce the cost.

Now if that's done, would you agree that Federal administration of ADAP programs would be just as thrifty and efficient as State administered programs, and if not, why not?

Mr. RAMSEY. I think one of the prime reasons for costs in the Federal program is the size and the fact that it's centralized in Washington and we have a time delay and time equates into money both at the State and local levels. As Mr. Nammack has stated, we believe that the FAA has done a fairly good job under the arrangements, but we think it can be done more efficiently and at less cost if it's done at the State level and it's just simply no matter what you do at the Federal level, because of the necessary constraints, you're going to have to build into this—with the centralized nature of this, it's just going to cost more money; and I belive that the Burns and McDonnell report pretty well bears this out.

Many States today build airports on their own, outside of the Federal program, total projects from the standpoint of site selection and design and construction supervision and the final inspection.

Senator CANNON. There aren't many States in that category.

Mr. RAMSEY. There are a significant number of them, sir.

Senator CANNON. Probably not more than a dozen, I wouldn't imagine. If there are, I'd be glad to have you submit a list.

Mr. NAMMACK. Mr. Chairman, may I add to that a little bit?

As you no doubt know, sir, 48 States do have State aviation agencies. Of that 48-State total, 45 of them put up State funds for airport development and have been doing it in most cases for about 30 years.

I think the significant point is this; that for every airport sponsor who applies for Federal funds for airport development, general aviation development, at least two do not. They bypass the Federal program. They have found it's too expensive and too time consuming. And we'd be very happy to document that.

Senator CANNON. Well, I wish you would supply us documentation on that. I'm sure, as you know, almost all of the witnesses appearing before the committee, with the exception of yourselves and the ad-

ministration, oppose turning over the general aviation airport development program to the States.

Even the Administration, while recommending that change, conceded to Senator Pearson last week that such a change would not on an overall basis save money.

Now I recognize that maybe a dozen States have developed a sound airport program, but the majority of the States have had little or no experience in that field. Personally, I am fearful that with a Federal mandate to run the general aviation program, that the States would need to quickly establish the competence and expertise to do so; expertise that already exists in the FAA.

I would agree that presently the Federal program may be cumbersome, but I'm wondering if we wouldn't be more efficient if we tried to streamline that system rather than create expertise statewide, which would run the cost up to the user to develop that expertise.

[The following information was subsequently received for the record.]

NUMBER OF STATE-LOCALLY FUNDED AIRPORT PROJECTS COMPARED WITH NUMBER OF FEDERAL-STATE-LOCALLY FUNDED PROJECTS

State	1971		1972		1973		1974		1975	
	S-L	F-S-L	S-L	F-S-L	S-L	F-S-L	S-L	F-S-L	S-L	F-S-L
Alabama [1]							29	8	18	6
Arizona	5	4	10	4	9	7	11	17	17	7
Arkansas	5	6	4	8	9	2	4	6	1	4
California	26	10	46	24	56	29	33	17	24	36
Florida [2]	4	11	12	14	10	17	15	33		
Idaho			5	2	10	8	6	5	6	10
Illinois [3]					5	9	2	21	10	14
Iowa [4]	9	3	10	5	10	13	5	6	11	10
Michigan [5]					17	12	16	19	4	8
Minnesota	43	3	43	10	53	19	41	12	35	23
North Dakota [6]	3,	5	10	4	8	7	9	6	6	7
New York [7]	5	23	15	23	15	31	2	33	1	28
Oklahoma	24	5	15	10	16	16	8	14	14	17
Oregon [8]					[9] 20	[9] 11				
South Dakota	7	1	1	1	3	4	2	3	2	2
Tennessee	4	2	0	5	6	4	5	5	6	4
Texas	24	4	11	4	6	9	10	15	8	13
Washington	9	4	10	4	9	7	8	7	11	10
Total	142	71	146	94	242	205	206	227	174	199

[1] Alabama: While figures are not readily available for earlier years, upwards of 75 percent of all airport projects in Alabama have been State/locally funded.

[2] Florida: S-L columns do not include approximately 40 projects for runway improvement using State funds only.

[3] Illinois: 46 State-local projects were in the design stages during 1975, but not placed under grant.

[4] Iowa: S-L columns do not include approximately 20 projects per year for State-locally funded NDB's, VOR's, REILS, etc.

[5] Michigan: Large majority of federally funded projects were on air carrier airports.

[6] North Dakota: Seven federally funded projects shown for 1975 had not yet been placed under grant due to lack of Federal funds.

[7] New York: State-local funding is 75 percent State, 25 percent local. The 5 State-local projects shown for 1971 totaled $70,734,000, and only one project had local funds made available. The 23 Federal-State-local projects shown for 1971 had a total dollar value of $31,234,000.

Following are comparative dollar amounts for the years 1972–74:

	S-L	F-S-L
1972	$18, 320, 000	$18, 186, 000
1973	10, 205, 000	12, 605, 000
1974	2, 500, 000	17, 784, 000

[8] Oregon: Figures shown for total number of projects in 3-yr period 1973–75 are not reflected in totals.

[9] For 3-yr period 1973–75

Mr. WOLF. Well, Senator, if I could add to Mr. Ramsey's statement I'm going to speak just for Wisconsin right now. We have 10 air carrier airports in Wisconsin and we do the entire airport development program for them. We do everything from the very start to the very end, including running the environmental impact statement, and we have been doing this since 1949 and they rely on us. We have been as high as three times our apportionment share of funds by our ability to go out and do these jobs for them. If the State was given the GA program, it would bring some order to it.

Now the State departments of transportation handle all construction for highways and for airports and in many cases they are involved with railroads and mass transit and so forth. We have the ability to bring these programs together. Right now in the State of Wisconsin we are having a problem with environmental impact on putting in asphalt mixing plants. Just by that alone we can save money by organizing and preparing a program for the next 2 years and we could have a road project going on at the same time we've got an airport project using the same mixing plant and reducing hauling cost.

On the Federal side where the contractor has a certain amount he charges for the fact that he's got to go out and make short-term loans, we can promise a county board or a city council that 2 years from now your funds will be available for your program. We bring orderliness into it which we don't have now. Now it's the last month of the year and we rush like mad trying to get everything into order. We ask for a special county board session. We ask for special city council meetings in order to comply with the act, and this would be eliminated. We'd have a sound, orderly program.

Senator CANNON. You do that in connection with your highway program that you have now. It's precisely the same. You've got the problem of obligating money before the end of the year runs, don't you?

Mr. WOLF. Well, under the highway it's a little different. The States own the highways and many of the States don't own the airports. We work with the subdivisions of the State.

Senator CANNON. But isn't the problem of committing the money at the end of the year exactly the same as it is in this type of program?

Mr. WOLF. It wouldn't have to be.

Senator CANNON. Well, it wouldn't have to be, but it is in the State programs now as far as I know. I don't know why you think it would change if this were made a State program.

Mr. RAMSEY. Mr. Chairman, I am very encouraged by your assessment of this problem addressing yourself to cost first. That's all we're after. Now if it can be shown that it can be done at a lower cost and more efficiently by the Federal Government, then I think we ought to be supporting that process. Based on all the studies that have been made, it seems to be the reverse of that.

On the other hand if it could be shown that it can be done at a lower cost and more efficiently at the State level, then that's the way it should be done if you're interested in saving the public dollar, and I know you gentlemen are. That's all we're asking. If you look at the Burns and McDonnell study, is there any real validity in this question as to whether or not it can be done at a lesser cost at the State level? I under-

stand that Burns and McDonnell's job was to pick comparable airports in comparable cities, not apples and oranges, and compare them. If we accept what they found, we come up with a significantly lower dollar cost and it would seem to provide some evidence that it is cheaper that way. I'm not aware of any evidence that would support the other contention: that we can do something about streamlining the program that will actually make it less costly at the Federal level. I think that's our position. We are really interested in getting this job done as rapidly as we can and at the least cost.

Now whatever way that is, I will speak just for Michigan, that's what we support and we believe it can be done better by a State-Federal partnership than it can be in its present form.

Senator CANNON. Now let's suppose that Congress were to turn over the general aviation program to the States, as you and the Administration was suggesting. If we did that, and provided that no State could enact any charge on the users of the system, would you then support such a program?

Mr. RAMSEY. I'm not sure how to answer that because if you're talking about the head tax type of thing, obviously Congress has already eliminated this. Some States, of course, do presently have a fuel tax. Would that be included in your condition? Others have a license and registration fee on certain users of facilities within States. They have to have some source of this, something reasonable.

Senator CANNON. What I'm really talking about is to freeze it so the State couldn't add any additional charges by reason of taking over the general aviation airports.

Mr. RAMSEY. Obviously this has to be considered and one of the concepts that has been discussed in the past—and as a matter of fact the Administration proposal was that they would reduce their tax in aviation gasoline by 5 cents so that this could be taken up by the States. This is not, in my opinion, politically practical or possible. However, I believe that the Congress could earmark let's say 5 cents of that tax to be distributed to the States for this purpose, for general aviation, at the same time protect the user by saying in the event that they are paying a State or local tax on this product it would be deducted from their charge at the Federal level. So they could control the total amount that would be assessed to the user and yet I think would provide for a balanced distribution of funds throughout the system to enable the system to be developed.

Senator CANNON. Of course, the Congress is currently distributing a portion of that tax back, through the ADAP program, for general aviation. Are you suggesting that we ought to be distributing something more back?

Mr. RAMSEY. No. I'm suggesting that the general aviation portion be turned over to the States as suggested by the Administration, that the method of providing the financing locally be handled at the Federal level with the Federal Government being the collection agency rather than depending on 50 State legislatures to impose a 5-cent gas tax on local gas. We will end up with the same to the user, but it would be a uniform tax throughout.

Senator BEALL. On the point of the cost and how costly it is at the Federal and State level, are the additional costs associated with the Federal projects safety related or are they plain redtape?

Mr. RAMSEY. Basically, redtape. I believe, again, the Burns and McDonnell report addressed itself to this and they state that they find no evidence of lower quality construction, less design specifications, and so forth in State jobs versus Federal jobs. It's obviously got to be——

Senator BEALL. Runway mending and all that business is the same under State requirements as it is under Federal requirements?

Mr. RAMSEY. Most States pretty well adhere—and again, the Burns and McDonnell report substantiates this—to the Federal standards established by the FAA. I think we are comparing apples and apples in this study. I would hope that the report is accepted as that because they were hired by the Federal Government to come up with this report. If anything, you would think they would lean toward the person who hired them.

Senator BEALL. On a related point, Mr. Chairman, there's a lot of talk about the Federal-State relationship. People obviously compare everything we do with the highway trust fund because of the ideal Federal-State relationship that's grown up around that. Of course, with the State owning all the highways, it's very easy to establish that kind of relationship, but I know in the State of Maryland the State owns and operates the largest air carrier facility in the State in competition with the Federal Government, I might say—which is a desirable situation to be in. But are other States that are heavily involved in the development of their air carrier airports? Is there a developing uniformity among the way the States handle their airport development problems?

Mr. NAMMACK. There are degrees of uniformity, Senator Beall, but I have some figures here which I think will interest every member of the subcommittee. There is a common impression that the State aviation agencies only financially support general aviation airports. That isn't true at all. We'd be happy to supply for the record a survey of the States showing what percentage of State aviation funds, airport development funds, in fact are given to the air carrier served airports, not the general aviation airports. You will find such specific percentages—Connecticut, 90 percent; Florida, 70 percent; Minnesota, 85 percent; Montana, 89 percent—on through the list.

The point I'm making, of the $121 million that the States have put up on the average for the last 5 years in State funds for airport development, the bulk of that money has gone to the air carrier airports, not the GA airports.

If I may add one point, Mr. Chairman, you said a moment ago that during the Administration's testimony Mr. Dow stated that as far as he could see there would be no cost saving if the States were to take over the GA ADAP program. I can only suggest to you, sir, that for 18 months, the period that FAA conducted this study with a couple of part-time consultants, we tried to get the FAA to show us the cost data they were using. We were never able to break the first fragment of it loose.

I only ask you rhetorically, sir, if you think an agency is going to admit that a lower level of government can do the same job more effectively and cheaper.

Senator CANNON. Well, I'm not sure that your conclusion is correct, other than if you were to say that the States can do it cheaper than the Federal Government because the State wouldn't have to comply

with the minimum wage law if it's not receiving Federal funds; that it wouldn't have to comply with the Davis-Bacon Act; or that it wouldnt' have to comply with the environmental statements. If you're going to say the States would go their own way and not comply with these minimum requirements which the Federal Government establishes, then you're going to risk Federal funding to perform those responsibilities.

Currently, if you don't have the Federal Government involved fundwise, you don't have to meet those requirements. So that makes a difference in cost. There's no question about that. Some of the States pay less than a minimum wage, and some States don't comply with the provisions of the Davis-Bacon Act, and some States don't comply with the environmental requirements that the Federal Government mandates.

So I think you must decide if you are going to meet all the standards that the Federal Government mandates in these areas, and if you do, are you really going to have any cost saving?

Mr. RAMSEY. Mr. Chairman, I'm not aware that this was ever the basis for our contention that it would be cheaper because we wouldn't have to comply with these Federal regulations.

Senator CANNON. I'm saying that's one of the reasons.

Mr. RAMSEY. It could be, but again, we feel that standards should be set by the Federal Government. This should not be left to 50 different States to go with 50 different programs and 50 different standards. We should have a standard for each which we are going to build our system toward and whatever the Federal Government deems to be necessary that should be in there. We are not arguing that point.

I think more we are arguing the time element. For example, it takes about 4 years from the time you think of a Federal project until you consummate it. We can complete a similar project within a year at the State level if you go through the various steps that you have to go through, and even going through these other considerations that you have enumerated.

Senator CANNON. The environmental impact statement alone would take 2 years at the Federal level. Are you saying that the States simply won't meet the environmental impact requirements?

Mr. RAMSEY. No. We would meet in many of these cases—and I'm talking about negative environmental statements where there are negative statements presented, not a full environmental hearing—we are still involved with this long time period.

Now admittedly, when we get into a positive environmental posture, it stretches it out considerably longer and obviously the State would be faced with that also. But FAA simply can't move that fast and I don't say that critically of them. It's because of checks and balances they need at the national office, the regional office and the district office. It has to go through a certain process and in order to do this it simply takes time. If it were done at the State level under Federal guidelines this could all be eliminated and this equates into dollars in the final analysis.

If we can't prove that, sir, then I would support what you say; let's do it the cheapest way we can do it, whatever way that is.

Senator CANNON. Well, I'm just a little concerned by the fact that every witness that has appeared so far has been opposed to this concept except the administration.

Mr. RAMSEY. Have they presented facts, sir, to back up their contention that refute these other facts?

Senator CANNON. I don't think you present facts that back it up now.

Mr. RAMSEY. We presented copies of studies.

Senator CANNON. You said you could do it in a year, and I say you can't do it in a year if you're going to meet the environmental impact statement.

Mr. RAMSEY. No, we could not, if it was a positive environmental statement.

Senator CANNON. Those are not facts. Those are statements that I don't think can be met necessarily.

Mr. RAMSEY. I agree with that. I'm talking about the——

Senator CANNON. What I'm trying to determine is how we can best do this job. Now I recognize that a lot of States—your State among them—have a lot of expertise in this area, but there are a lot of States that don't, and if they are going to have to build up a State aviation authority, beef it up with all kinds of expertise to do a job that is somewhat limited in scope in many of the smaller States, I seriously question whether we are really going to save any money. I think we are going to build up another level of bureaucracy rather than try to whittle down on the one we have now.

Mr. RAMSEY. Mr. Chairman, I know you're familiar with the various highway departments throughout the States. They are handling a program that is not totally similar but there are many similarities to it. I can't conceive that there would be any major problem for any State, whether they have a State aviation agency identified as such or not today, to gear themselves up to do this in a relatively short period of time. I would say by next July 1, if necessary, and without a large staff increase to do it. It could certainly be done through highway department activities because they deal in many of these same things.

Now you're going to need someone, true, that's in there that has some knowledge of aviation, but it's not going to take a full-blown complete staff all the way through to do this because the States have this capability today.

Senator CANNON. What would be the source of funds to bring the State agencies up to the competence required, for those that do not have it at the present time?

Mr. RAMSEY. I think they ought to come from the States themselves. In my opinion, many States have been derelict in supporting this program. They have a vital stake in supporting an airport system within their territory and they have not shouldered their part of the burden and I think they should come up with them and should be made to.

Senator CANNON. If they should come up with funds, are you suggesting a gas tax on aviation users?

Mr. RAMSEY. I'm not identifying where that would come from. That would be up to the State legislature. But I do feel the States have a financial responsibility in this program and where they haven't been meeting that they should do so.

Senator CANNON. If I read your proposal correctly, you suggest that the master plans of the air carrier hub airports be subject to the approval of the States, and be consistent with State plans. Do you think it's realistic to try to tell the large metropolitan airports

that their master plan should or should not include things to make it consistent with the State plan?

Mr. NAMMACK. May I ask Mr. Aaronson to address that?

Mr. AARONSON. Mr. Chairman, I don't think it would be correct to say that the position we have recommended would require State approval per se. What we are saying is that the master plan should be consistent with the system plan which has been developed at the State and regional level. I would submit that it would be up to FAA to make the judgment as to whether they were consistent or not, but it really doesn't make good sense in my view to try to do a planning effort to develop aviation system plans which are tied in with the rest of the transportation system in the State that consider highway access to airports, that consider all kinds of other problems, and consider the need for a total transportation system on a regional and State level, and then to suggest or allow a gap in the system so that the development of any given airport need not in any way be consistent with that. It's not a good use of resources.

Senator CANNON. Well, I think in the development of the systems that we have now that certainly those issues have been given some consideration. Do you have any examples of situations where this has not occurred?

Mr. AARONSON. I think our concern stems more from some of the proposals that have been made to amend the existing legislation and the direction in which that would move to automatically channel funds without respect to the relationship with other plans that have been developed.

As to whether there have been any examples to date of problems that have been developed, let me defer to my colleagues and see if they have any.

Mr. NAMMACK. The only addition there, Mr. Chairman, is that you, yourself, stipulated very clearly in 1970 that you wanted a system developed, and I would only ask you how can you have a system if each of 3,000 local airports sponsors goes off in his own direction developing his own plan with no relationship whatsoever not only to the other airports within his metropolitan area or region, but with no relationship whatsoever to the other transportation modes within that region. That's no system.

Mr. WOLF. Senator, what you're talking about is being done right now by the State of Minnesota, State of Wisconsin, State of South Dakota, State of Illinois, because you have to have all these things coordinated. If you don't you run into trouble. We failed to do so at the General Mitchell Field. Now we have a turnoff from the expressway that you have to either go north or south from the airport and come back into the main entrance. Had this been under proper planning we would have had an expressway road and a leadoff from it which would have been in accordance with the master plan development of the airport. Now we're doing it. We're doing another master plan on all the air carrier airports and its being coordinated with all other modes of transportation. It has to be. Otherwise, we're causing ourselves a tremendous amount of cost if we make an error.

Mr. NAMMACK. Mr. Chairman, a moment ago you said that so far the full parade of witnesses that have appeared before you have opposed this concept. I wonder, sir, if you really meant to make such a general statement. I know of three organizations that have opposed

this concept. I know of about five who do not oppose it and, as a matter of fact, to varying degrees, support it very strongly, and you're going to hear from more today before this hearing is finished.

Just last week the Great Lakes Chapter of the American Association of Airport Executives passed a formal resolution supporting the transfer of the GA ADAP program to the States. I have back in my office a file this thick [indicating] of individual letters from airport operators supporting the concept. I think you heard the League of American Airports testify the other day. I think there's an even split, quite frankly.

Senator CANNON. Well, thank you very much, gentlemen. We appreciate your being here.

[The attachment follows:]

RESULTS OF STUDY COMPARING FEDERAL AND STATE AIRPORT DEVELOPMENT

[This report was submitted to Federal Aviation Administration officials during a briefing held June 6, 1975, by Burns & McDonnell.]

As some of you know, Burns & McDonnell was selected early last year to conduct an in-depth study of the Airport Development Aid Program for the FAA. The study was specifically directed at smaller airports and was give the title "Analysis of General Aviation Airports Developed With and Without Federal Financial Assistance."

My remarks today are a very brief description of that study—what it involved, how it was accomplished, and what was recommended to the FAA to correct some of the problems that were found. One thing that must be stressed is that in most cases the FAA program is technically sound. However, it is burdened by outside requirements of other Federal Agencies and by self-serving bureaucratic redundancies so familiar in all Federal programs. Also, we cannot emphasize too strongly that the observations, conclusions and recommendations are those of Burns & McDonnell only and do not in any way reflect the official position of the FAA or indicate their approval or concurrence with any of the findings.

The study was divided into three separate tasks which involved differing types of effort. The first task was to assemble all published state and federal standards and procedures and to evaluate their differences. In so doing, we had the opportunity of discussing the pros and cons of the federal program with each state agency by telephone. These discussions brought many of the most pertinent factors to light and were quite valuable through other phases of the study. As would be expected, the same factors were almost unanimously pointed out by each state and we quickly realized we were picking away at old wounds for many of these agencies. Generally, when the material arrived that had been requested, it was frequently acompanied by lengthy transmittal letters reiterating those points in detail. We later found most of these comments to be quite accurate and well founded.

However, it should also be pointed out that many of the allegations expressed loudly by some states were not based on criteria comparable to FAA standards and were actually an "apple to orange" comparison.

In view of their expressed discontent with other factors of the program, we were surprised to learn that most of the State Agencies that had published standards adopted FAA dimensional criteria. This first slide shows graphically by the large black dot those areas where the states conform to FAA dimensional criteria and in some cases shown by the plus sign exceed the FAA criteria. There are relatively few areas where the minus sign would indicate dimensional criteria less than the FAA. Although the primary reason for the adoption of this criteria was to retain the federal eligibility of sponsors who might later apply for federal funds, most states also felt the criteria was sound and based on good judgment. In almost every other respect the states utilized entirely different standards and procedures in their own programs and they were quite similar to each other.

As part of the first task, we requested each of the state agencies and the Regional offices of the FAA to submit a list of airports developed to either the state or federal standards that would be good representatives of those standard

As a result of this request, over 400 airports were submitted as shown on this slide. The blue circle indicates airports developed with Federal Funds and to FAA criteria while the red circles indicate airports developed without Federal funds and to state standards. These are a representative national cross-section of general aviation airports in varying conditions of climate, geology, elevation and level of activity. Through a subjective evaluation process this list was narrowed to 22 airports recommended for the physical inspection phase of the study.

The second task of the study involved these physical inspections. The initial contract had called for inspection of ten airports, five developed with Federal funds and five with state funds. At our request, in order to broaden the data base, the number was increased to include all 22 recommended airports. These airports are shown on the next slide. Not only were all physical facilities evaluated at each airport, but the complete and detailed development history of the airport was review and discussed with each sponsor. The records were examined for development costs and specifications and the sponsors were also asked to recount any significant events that affected the development of the airport. In conjunction with each airport inspection, the associated state agency and FAA field office was visited and interviewed. The site inspections revealed one rather surprising factor. There was no evidence that an appreciable difference in quality exists between airports developed under the Federal program and the state programs. Airports of outstanding quality as well as substandard quality have been developed under both programs.

The third task of this analysis involved a detailed evaluation of the findings from the previous two tasks and recommendations based on the conclusions drawn for modifications to the federal program. In essence this task represents the purpose of the analysis. We specifically addressed the efficiency of the system and the effectiveness of the program. In this regard the overriding factors that had originated from statements made by state agencies continuously for the last few years were the cost and time factors associated with development under each program. This analysis not only agreed with the states' contention that they can develop general aviation airports faster and at lower cost than the federal program but that they can do so and maintain a comparable quality. There are several reasons for these differences, many of which are beyond the control of the FAA. However, it was also quite apparent that the FAA has not kept pace with the state of the art, has not developed adequate guidance in several critical areas and has lost touch with reality on some standards imposed upon general aviation airports.

I would now like to go through some of the major findings and conclusions of the analysis that illustrate the problems and outline our recommended modifications to the FAA program. I want to re-emphasize that the conclusions and recommendations are those of Burns & McDonnell and do not reflect the official FAA position.

First, the procedures involved under ADAP include an overwhelming number of complex requirements that are frequently misunderstood by FAA personnel, let alone sponsors who have no familiarity with the program. Several of the sponsors we interviewed indicated the red tape was unrealistic and had almost forced them to reconsider seeking federal aid. In fact, at seven of the 12 state-developed airports, sponsors had initially tried to obtain federal assistance but had given up after two or three years of frustrating effort. FAA and the ADAP program is primarily geared to air carrier airports. Because of this, most procedures have been established to administer and control very large projects and grants. However, these same procedures have been imposed on the small general aviation airport sponsor. Even though the airport and project may be small, the same processing procedure is required; only the numbers change. The effort required does not diminish in direct proportion to the size of the project and therefore it becomes increasingly difficult for the small sponsor to afford the administrative cost of obtaining Federal financial assistance. Unfortunately the trend has been to increase rather than decrease the number and complexity of the procedures and requirements under ADAP. In defense of the FAA, I want to point out again that many of the most burdensome requirements have been imposed by other agencies such as, EPA, OMB and the Department of Labor. In addition some laws passed primarily to control other Federal programs have been applied to ADAP without regard to providing realistic methods of implementation for airports. If no other point is made from this analysis, the fact that this trend must be reversed cannot be over emphasized. The program has already approached a point where it cannot be adequately understood by those it is intended to serve.

Therefore, our recommendations, like that of the states, some FAA personnel and some members of congress, were to reduce the number of requirements and simplify the procedure to the absolute minimum necessary for efficient administration.

Similar to the procedures, but to a lesser extent, development standards for utility airports are merely scaled down versions of those developed for air carrier airports.

Because the ADAP includes several types of airport development the standards associated with the program must be extensive enough to cover them all. Since the vast majority of these standards affect each type of development, they have been combined wherever possible. Sponsors who are developing utility airports generally have the least experience and in-house expertise necessary to interpret these standards and their applicability to the development under consideration. They are often confused by the terminology to which they are exposed for the first time and frequently cannot differentiate between different types of development. The need for clear and simple guidance without cross referencing the applicability of the standard is very apparent.

Therefore, we have recommended that separate standards and procedures be developed that apply only to small general aviation airport development. Further, these standards and procedures should be developed to cover all phases from preapplication to final payment.

In regard to the FAA construction specifications there are only two major problem areas. These are in the pavement and lighting areas. In airfield paving the predominant problem areas are that because the specifications must apply nationwide it is difficult and sometimes very expensive to meet the requirements with locally available materials. The federal standards are considered by most contractors to be good specifications although they are not as familiar with them as a rule and feel they do contain items that increase the cost to utilize them. Several of these items do not appear to be necessary and the federal specification can be revised to be more acceptable with minor changes.

Detailed technical recommendations covering several pages have been made to the FAA regarding the paving specifications. If anyone wishes to discuss them, I will be happy to do so after this session.

Airfield lighting specifications are responsible for more controversy and criticism of the federal program than any other them. The state agencies are unanimously of the opinion that these specifications are far too rigid and costly. Several sponsors under the federal program indicated the lighting systems that were required cost two or three times as much as comparable systems they could have purchased. Four of the 10 federally developed airports in this analysis had deleted lighting from their contracts and had installed non-approved systems on their own or with state aid. Two of the others had applied to substitute nonapproved systems on their airports because of the cost. Several state agencies have indicated that a trend has developed where a large percentage of sponsors that developed their airports using the federal program do not include lighting. They seek state aid for lighting systems after the airport has been constructed.

The imposition of a mandatory VASI requirement with the approved lighting system appears to have been more than the last straw. Although the VASI is a very worthwhile and important safety feature it is not necessary on every airport. The idea behind standards should be that of providing a standardized system of lighting on all airports developed under the program. Just the opposite effect is occurring and was quite evident during the analysis. Since the sponsors are not willing to purchase the approved system, they seem to go the opposite direction. Substandard lighting systems utilizing everything imaginable from glass jar lenses to fixture mountings made from 5-gallon can full of sand were observed on two of the federal projects. Although VASI systems are significant safety items on airports it must be realized that adequate lighting is even more significant to start with.

Several factors involving the wiring systems, fixture components and installation methods also involve very rigid and costly specifications compared to several non-approved systems of similar quality. The primary conclusion from the detailed evaluation of lighting specifications is that rigid adherence to top quality requirements has priced the system out of consideration for many sponsors. Many of the design benefits inherent to the approval system are also lost soon after the system is installed because of the relatively poor maintenance it receives.

We, therefore, have recommended that specifications be developed for a low-cost-lighting system specifically for utility airports utilizing the cost saving features of the currently available "off the shelf" non-approved systems. Further that specific requirements be demand to justify installation of the highly refined

design of the currency approved MIRL system. Finally that the requirement for the mandatory inclusion of a VASI system as a component of an airfield lighting system be deleted.

Very briefly this has been the results of our analysis. We know that the FAA is actively evaluating the recommendations and we hope some of them will be incorporated in the future.

EXCERPTS FROM SUMMARY REPORT TASK II—COMPARATIVE ANALYSIS OF SELECTED GENERAL AVIATION AIRPORTS

(Prepared by the Burns & McDonnell Co. Under DOT Contract No. DOT–FA74WA3434)

NOTE.—In March 1974 the DOT/FAA awarded the above-cited contract to Burns & McDonnell to study and compare general aviation airports developed with and without Federal financial assistance. The contractors examined 12 pairs of airports in different parts of the country to evaluate the differences between State and Federal construction standards and specifications, administrative procedures, levels of safety and performance, and cost effectiveness.

The final report of the contractor will be submitted to DOT/FAA in May 1975. Each pair of airports studied consisted of one Federally aided airport and one airport developed entirely by State and local effort.

A. EFFECT UPON AIRPORT EXPANDABILITY

(1) "The most predominant difference between the State and Federal Programs with respect to expandability is that *many States require minimum lengths greater than the FAA Basic and II requirements. The primary effect of these differences is to prolong the need of future expansions to runways.*"

(2) "The State programs generally did not contain extensive site selection requirements like those in the Federal programs. *The general recommendations were similar but less detailed and rigid. . . .*"

(3) "*The sites visited during this analysis did not show a trend toward providing better or worse expansion potential than the Federal program sites.*"

(4) "The State programs as a rule *did not require the sponsor to purchase as much land as the Federal program.*"

(5) "Generally, the State agencies *have similar land zoning requirements around an airport* to those in the Federal program."

B. EFFECT UPON AIRPORT CAPACITY

(1) "The primary factors pertaining to capacity on an airport are the inclusion of turnarounds and taxiway systems to clear the runway of traffic. *The State programs generally appear to incorporate more of these facilities initially than the Federal program.*"

C. LEVEL OF SAFETY PROVIDED AERONAUTICAL USERS AND AIRPORT NEIGHBORS

(1) "Most State agencies attempt to follow Federal criteria with regard to Part 77 and the Terminal Instrument Procedures (TERPS) that pertain to safety on and around airports. However, the State agencies are generally of the opinion that some major problems presently result from these existing guidelines. *The predominant opinion of the State agencies is that the requirements included in these two documents are inconsistent and incompatible in several* areas." (See NASAO recommendations submitted to FAA—December 1974.)

(2) "Nonapproved parallel (edge lighting) systems approaching the limit of circuit capacity will tend to dim those fixtures at the end of the circuit. Proper circuit layout and design can minimize this problem. *The approved MIRL series circuit system has short filament bulbs that tend to blacken after a short time in operation. This results in nonuniform intensity of individual fixtures in a random pattern and was observed at several airports.*"

D. DURABILITY OF THE DEVELOPED/INSTALLED FEATURE ITEM

(1) "*In terms of the finished pavements observed, there was no evidence that one built to Federal standards was any more durable than one built to State-local standards.* Most of the pavements were in good to excellent conditions."

(2) "*No pattern was established that would indicate either being of superior quality or durability.*

(3) ". . . *there are only minor differences in durability between the FAA MIRL system and the nonapproved parallel wired systems.* The approved series circuit systems have experienced some difficulties in installation and maintenance . . . due to the unfamiliarity with the installation requirements by contractors in small communities and the unavailability of materials for maintenance. On the other hand, the nonapproved parallel circuit system is familiar to all contractors and can be maintained with locally available materials."

(4) "Because of the blackened bulb effect described before, *the lamp life in the FAA MIRL system is not as long as the traffic bulbs used in the nonapproved parallel systems.*"

(5) "The durability of the VASI systems inspected was poor . . . The nonapproved systems observed were only slightly more durable than the FAA system."

E. EFFICIENCY OF PROGRAM PROCEDURES

(1) "*State development programs generally have fewer overall requirements than the Federal program.* . . . In many cases, similar laws are enacted in State Legislatures but the time lag between Federal and State adoption of these requirements allow the States to incorporate them in different ways and generally with a *significant reduced impact to the program.*"

(2) "The States generally feel that the *accounting procedures* necessary to comply with the requirements incorporated into FAR Part 152 *exceed the capabilities of most smaller sponsoring agencies.*"

(3) "Although the State programs have many of the same requirements as the Federal program, *more flexibility in these procedures was evident* in several cases during this analysis. The States appeared to be capable of suspending some requirements and deadlines in order to get the development started. The requirements were met and proof of compliance was submitted at a later date."

(4) "The *Federal program has appeared to be quite rigid with respect to meeting requirements in an established order prior to the continuation of processing.*

(5) "Several State agencies provide a great deal of help to the sponsor to meet program requirements. In some cases, the *State agencies provide engineering services at no cost to the sponsor. The State agencies also conduct site studies for sponsors* and *prepare the environmental analysis* for a proposed project. Many of the *State agencies will handle the procurement and design of lighting systems for the sponsor.*"

(6) "Many of the *State agencies involved in this analysis have also developed research and development programs and constantly try to improve specifications and equipment used in their programs based on these studies.*"

(7) ". . . the requirements of 'Standard Specifications for Construction of Airports' (AC 150/5370–1A) are not over-specified. However, *they do induce requirements that are difficult to comply with in many areas of the country.*"

(8) "*Delays or difficulties in obtaining specified materials* result in inefficiency of the program. State highway specifications, which are used on most State-local projects, are designed around locally available materials. Most paving contractors are familiar with the State highway specifications and procedures. . . . Therefore, there is no loss in efficiency in producing the specified pavement."

(9) "A second deterrent to an efficient operation is *specifying in detail the equipment and procedures to be followed to obtain the finished pavement. Many States utilize performance or end product specifications which allow a contractor flexibility* in the methods and equipment used to obtain the desired results."

(10) "*The 'Standard Specification for Construction of Airports' sets forth a series of testing requirements* to insure a high quality product. Destructive testing of the pavement often requires the contractor to wait until results are determined before continuing the operation. *On small general aviation airports where the paving operation involves only a few days this results in a great loss of efficiency.*"

(11) "The most obvious difference between the State and Federal programs regarding efficiency is *the final payment procedures. . . . The time necessary to obtain payment under the Federal program is considerably longer than the State programs.*"

(12) "Another aspect of efficiency that most affects the Federal program involves *policy changes . . . the Federal criteria are generally more specific and new standards have a more significant impact. . . .* since the Federal program appears to stress staged construction more than the States, *the sponsor's previous*

decision to develop specific items or at specific times can be significantly affected by the change in policy."

(13) "In general, *the requirements and established procedural format of the State programs appear to allow more flexibility. The end result of this flexibility is that States normally will be able to develop airports in less time than that required by the Federal program.* (Accompanying chart in report shows average elapsed time for Federal project to be more than twice that of average elapsed time for State project.)"

F. COSTS OF THE INITIAL DEVELOPMENT AND CONTINUED MAINTENANCE

(1) "Costs for the development of the airports involved in this analysis have been extremely difficult to establish. Costs as a rule were complete and well documented in Federal projects, especially when associated with eligible items for program funds. State agency records were also found to be complete with regard to items eligible for program funds. In many cases, major portions of the project costs were not eligible. . . . Several of the airports had received donations in the form of land, labor, equipment and materials."

(2) "An attempt has been made to illustrate costs based on the eligible item figures that could be obtained. Appropriate costs have been estimated for donations and are normally included in the miscellaneous construction costs for the project. The eligible cost figures have been adjusted to 1974 equivalent prices. . . ."

NOTE.—Accompanying chart in report shows:

a. *Federal average*	*$583,500*
1. with Chesterfield	*860,900*
2. with El Monte	*1,235,620*
b. *State average*	*394,100*

(3) "*Without exception the total cost of the FAA approved MIRL system exceeds the cost of a nonapproved system of similar performance.*"

(4) "The addition of a VASI system as a mandatory requirement for any MIRL system with Federal financial assistance has increased the cost beyond the funding capability of most small airport sponsors."

(5) "*The off-the-shelf nonapproved parallel circuit MIRL systems are very comparable in performance to the FAA system at a lower cost.*"

(6) "*The performance of the FAA MIRL system theoretically should be superior to the nonapproved parallel-wired systems. However, in practice this has not been the case.*"

(7) "Observation of both the approved and nonapproved systems *did not reveal any appreciable difference in perceived intensity.*"

(8) "*The maintenance costs of the FAA MIRL system were found to be higher than for the nonapproved systems.*"

(9) "*Replacement parts and cable for the approved system require a long lead time to obtain* and because they are special units subject to rigid quality control, they are expensive. *Replacement parts and cable for most of the nonapproved systems are readily available.*

GAO STUDY DOCUMENTS COST REDUCTIONS ACHIEVED BY STATE AVIATION AGENCIES

Washington, D.C., Dec. 18—A General Accounting Office study comparing Federal and State costs for airport lighting systems, navigation aids and air traffic control towers shows sharp reductions in costs achieved by the States for equipment whose performance either equals or in some cases surpasses equipment built in Federal standards.

The GAO study, entitled *Costly Requirements for Certain Control Towers, Navigation Aids and Airport Lights*, was requested by Congressman H. R. Gross of Iowa and was released by his office December 11, 1974. In concluding that Federal Aviation Administration equipment requirements and installation methods were excessive and resulted in unnecessarily high costs, particularly for the sponsors of smaller airparts, the GAO found that:

"FAA towers are much more costly than those constructed without Federal funds although both structures perform the same basic function. The least expensive FAA tower reviewed cost about $189,000 while non-FAA towers ranged in cost from $32,000 to $128,000."

"FAA either did not consider or rejected possible cost-savings alternatives."

"FAA is moving in the direction of increasing the cost of its towers."

"FAA could save money by reevaluating its low activity control tower requirements."

"FAA-approved airport lighting costs substantially more than non-approved lighting because of FAA's more extensive and demanding equipment and installation requirements."

"FAA has not directed its attention to the needs of small general aviation airports but has based requirements on equipment and systems designed for the larger air carrier airports."

"Runway lighting meeting FAA's minimum requirements costs several times as much as runway lights installed by State and local governments without FAA assistance."

"The practices followed by State and local governments result in runway lights which are satisfactory to the users of the airports and are not costly to maintain."

"The FAA-approved lighting fixture costs about $70 to $77, including the isolation transformer, while the non-approved fixtures cost from about $12 to $16."

"The special light bulb required by FAA costs about $2 each, while the light bulbs used in the non-approved systems cost as little as 21 cents each."

"Although the FAA-approved lighting system is designed to insure uniform brightness among the lights, the FAA-approved light bulb dims with use, resulting in differences in brightness among the lights. The non-approved systems we observed were of uniform brightness."

"FAA requires the use of FAA-approved 5,000-volt electrical cable in the installation of Federally-assisted runway lighting projects, while 600-volt cable is generally used in the non-approved systems. FAA-approved cable costs about 22 cents a foot while the cable used in Iowa's non-approved systems costs from 4 cents to 9 cents a foot."

"Costs for FAA-approved runway end identifier lights (REILS) varied only slightly from non-approved lights. The installation costs on FAA-approved projects we reviewed were significantly higher than on the local projects because in the FAA projects the runway end identifier lights were not connected to the nearest source of power."

At three airports in Nebraska and five in Iowa where non-FAA-approved REILS were installed at local cost, "the average costs for *equipment and installation* were about $1,525. FAA plans to install REILS at 98 locations under its F&T activity and estimated that *equipment* costs at each location will amount to about $1,650 and that typical *installation* costs will be $10,000 to $11,000."

An April 1973 survey of State and Federal airport development costs published by the National Association of State Aviation Officials indicated substantial savings in project costs and time achieved by the States when the projects are constructed in accordance with State requirements and guidelines. The GAO report appears to confirm major elements of the NASAO survey. Additional evidence will be available next Spring when the Burns & McDonnell Engineering Company completes a study for FAA comparing Federal and State standards, construction specifications and administrative procedures and costs associated with the development of general aviation airports.

Airport System Needs

A recent NASAO survey of all member States disclosed currently eligible airport development needs during the period 1975–1980 as follows:

	Billions
(a) Total projected needs	$4.7
1. Air carrier-served airports, $3.4 billion.	
2. General aviation airports, 1.2 billion.	
(b) Total State and local sponsor funds esitmated to be available to meet these needs were	1.1
1. Air carrier-served airports, $949 million.	
2. General aviation airports, 240 million.	
(c) Federal funds required to match State and local sponsor funds estimated to be available	2.43
1. Air carrier-served airports, $1.72 billion.	
2. General aviation airports, 714 million.	

(d) Thus, broken down to a 5-year program, the annual need for Federal funds would be $488 million (67.4%). The annual need for State and local sponsor funds would be $236 million (32.6%). Annual combined program would be $724 million.

(e) Additional needs for currently ineligible airport development, including passenger terminals, access roads, and advance land acquisition, are estimated to total more than $4 billion over the same 5-year period.

FAAP

From 1947 through November 30, 1974, Federal funds totaling $1.191 billion were expended from 7,953 projects located at 2,313 publicly-owned U.S. civil airports, or about one-half of the total number of publicly-owned U.S. civil airports of record.

State and local sponsors invested $1,232 billion in matching funds for the same projects. Because "airside" projects alone were eligible for Federal assistance, the full cost of developing the "landside" portion of the publicly-owned airports was paid by State and local governments. In addition, State and local governments bore the full cost of operating and maintaining all publicly-owned civil airports.

Under FAAP, the formula for distributing Federal funds was 75% State apportionment—25% discretionary. State and local matching requirements were 50%.

ADAP

From 1971 through June 30, 1975, Federal funds totaling $1.151 billion were expended for 1,677 projects located at 601 certificated air carrier-served airports and reliever airports. Distribution formula was one-third State apportionment, one-third based on enplanements, and one-third discretionary. From 1971 to 1973 the matching share for State and local sponsors was 50%. From FY 1974 until now, the State and local matching share was 25% for all but the largest hub airports, whose matching share remained at 50%.

During the same period, Federal funds totaling $151.2 million were expended for 757 projects located at 624 general aviation airports. Distribution formula was 75% State and territory apportionment, 25% discretionary. State and local matching requirements were the same as for the larger airports.

Attachment C details the annual appropriation levels of Federal funds for airports from 1947 until the present. A general estimate of Federal participation in financing airport development throughout these years places the Federal share at about 23% of the total costs involved.

FEDERAL AID TO AIRPORTS: 1947–75

Fiscal year	Federal funds	For administration	State apportionment
1947	$45,000,000	$2,250,000	$30,822,750
1948	32,500,000	2,020,328	21,750,000
1949	40,000,000	3,000,000	26,375,000
1950	39,500,000	3,000,000	27,000,000
1951	24,200,000	3,000,000	15,375,000
1952	18,700,000	2,850,000	11,250,000
1953	14,321,154	4,039,600	8,306,250
1954	(1)	(1)	(1)
1955	22,000,000	1,250,000	15,000,000
1956	62,500,000		44,737,500
1957	63,000,000		45,000,000
1958	63,000,000		45,000,000
1959	63,000,000		45,000,000
1960	63,000,000		45,000,000
1961	63,000,000		45,000,000
1962	75,000,000		49,875,000
1963	75,000,000		49,875,000
1964	75,000,000		49,875,000
1965	75,000,000		49,875,000
1966	75,000,000		49,875,000
1967	71,000,000		47,215,178
1968	66,000,000		43,890,000
1969	70,000,000		46,550,000
1970	[2] 30,000,000		19,950,000
1971	280,000,000		102,884,000
1972	280,000,000		102,884,000
1973	280,000,000		102,884,000
1974	310,000,000		114,642,000
1975	[3] 310,000,000		114,642,000

[1] No funds.
[2] $50,000,000 impounded.
[3] Plus $25,000,000 supplemental.

U.S. Civil Landing Facilities

As of January 1, 1974, U.S. civil landing facilities totaled 12,700. They are classified as follows:

1. Airports	10,961
2. Heliports	1,280
3. Seaplane bases	459
4. Publicly owned facilities (includes 274 heliports and 192 seaports)	4,536
5. Privately owned facilities	8,164
(a) Closed to public use	5,210
(b) Open to public use	2,954
6. Total open to public use	7,490
7. Airports with lighted runways	3,880
8. Airports with paved runways	4,527
9. Airports included in National Airport System Plan (NASP)	3,018
(a) Air carrier-served, including commuter, air taxi	617
(b) Reliever	150
(c) General Aviation	2,251
10. General Aviation airports not in NASP	1,052
11. Total general aviation airports	3,303

AIR TRAFFIC HUBS

The air traffic hub structure was developed by the FAA to measure the concentration of civil air traffic. Air traffic hubs are not airports. They are cities and standard metropolitan statistical areas (SMSA) requiring aviation services. Each SMSA contains at least one city of 50,000 population or more or twin cities with a combined population in excess of 50,000, plus any contiguous counties which are metropolitan in character and have similar economic and social relationships.

Individual communities fall into one of four hub classifications depending upon the community's percentage of total revenue passengers enplaned in all services and operations of U.S. air carriers certificated by the Civil Aeronautics Board within the 50 States, the District of Columbia, and other areas designated by the FAA.

In FY 1974, the percentage and corresponding number of enplaned passengers in the four hub categories were:

(a) Large	1.00 percent or more	1,985,454 passengers or more.
(b) Medium	0.25 to 0.99 percent	496,363 to 1,985,453.
(c) Small	0.05 to 0.24 percent	99,273 to 496,362.
(d) Non-Hub	Under 0.05 percent	Under 99,273.

During FY 1973 there were 147 large, medium or small air traffic hubs, plus one in San Juan, Puerto Rico. These hubs—and the number of airports they include are classified below:

Large, 26 (42 airports).
Medium, 38 (39 airports).
Small, 84 (84 airports).
Non-hubs totaled 452 in FY 1973.

PASSENGER ENPLANEMENTS

Of the 198,545,371 passenger enplanements recorded on certificated U.S. air carriers during FY 1973, 95.5% (191,184,282) occurred at 165 airports included in the 147 air traffic hubs. The 452 non-hubs accounted for the remaining 4.5% passenger enplanements (7,361,089) on certificated U.S. air carriers.

The 26 large hubs accounted for 68.9% of FY 1973 hub enplanements, the 38 medium hubs had 17.5%, and the 83 small hubs had 9.0%.

TYPE AND PERCENTAGE DISTRIBUTION OF COMMERCIAL AIR SERVICE

[48 contiguous States only, as of May 1, 1973]

Service	Number of communities	Percent of total
Trunk exclusively	20	3.4
Local exclusively	177	29.9
Trunk and local	61	10.3
Trunk and commuter	14	2.4
Local and commuter	75	12.7
Trunk, local, and commuter	88	14.9
Commuter exclusively	156	26.4
Total	591	100.0

It may be seen, then, that subtracting the 156 communities which receive only commuter air carrier service, we had only 435 communities in the *48* contiguous States receiving CAB certificated scheduled air service as of May 1973.

Source: CAB Bureau of Operating Rights.

As of January 1975, the CAB listed 487 certificated points in the *50* States receiving *regular scheduled certificated air carrier service.* Of this total, 64 points were suspended, leaving only 423 points actually receiving regular service from the certificated carriers.

DOT/FAA Proposed Criteria and Safeguards for Assuring State Competence To Administer GA ADAP

[Quoted from FAA document "Airport Programs: Secondary Issues," distributed in March 1975]

"States should be expected to conform to certain basic requirements of capability before receiving grants. These requirements will be primarily performance oriented and will assure that each State is able to meet the proposed legislative intent that general aviation grants will be used for purposes of general aviation airport improvement in keeping with Federal criteria for airspace, airport design, and safety generally and that the State will be accountable for its stewardship of federally allotted funds. While these requirements will have to be worked out in keeping with the final legislative package, they will certainly include:

(1) Competence to develop and apply standards for general aviation airport design and construction. This competence implies professional civil engineering availability with specific expertise in grading, drainage, paving, and airport geometry and electrical and electronic engineering adequate to interpret runway and taxiway lighting standards and navigational aids of the types employed on general aviation airports (e.g., approach lighting systems).

(2) Competence to develop and apply a Statewide program to insure environmental compatibility of general aviation airports and their surroundings.

(3) Competence to develop a Statewide system plan including and defining general aviation airport requirements and priorities.

(4) Establishment and installation of an accounting system to insure the proper identification and application of Federal grant funds.

(5) Provision of a State audit capability to insure that sponsors' use of Federal grant funds is proper and in keeping with provisions of law.

FAA would define the requirements for uniform national application, but each State could declare its own certification that it is in compliance with the requirements is prepared to receive grants. (It is assumed that these programs will be subject to GAO reviews and to DOT/FAA audit on fiscal management, accounting, and audit performance.) It is expected that a number of States will need and seek FAA assistance in developing agencies which will meet the requirement."

Resolution—National Governors' Conference

Because aviation is a critical component of a balanced State transportation system, the Governors have a major interest in programs and policies which affect the pattern of development of airport and airway facilities.

The States are now engaged in the development of State airport system plans which form the basis for a National Airport System Plan.

Compelling evidence demonstrates that State administration of airport development programs is more cost effective and less time consuming than Federal administration.

The National Governors' Conference supports the Administration's concept of replacing Federal administration of the Airport Development Aid Program (ADAP) and the Planning Grant Program (PGP) with State and local government administration.

However, certain proposed changes in the Airport and Airway Development Act of 1970 jeopardize the concept of a balanced, integrated and well planned system of aviation facilities.

Specifically:

(a) The Administration's proposed allocation of ADAP funds should be revised in favor of the smaller air carrier-served, reliever and general aviation airports which have the greatest financial need and the least self-financing capability.

(b) All airport facilities development should continue to be guided by State and National Airport System Plans. Amendments which will permit project funding without regard to long range planning conducted by the State are unacceptable.

NATIONAL CONFERENCE OF STATE LEGISLATURES

POLICY STATEMENT ON AVIATION ADOPTED BY INTERGOVERNMENTAL RELATIONS COMMITTEE JUNE 6, 1975—WASHINGTON, DC

The Intergovernmental Relations Committee's Task Force on Commerce and Transportation recognizes the importance of aviation to the economic development and social well being of the States and their communities.

Aviation agencies in most States have been materially strengthened in recent years and are providing the public with valuable services associated with airport planning and development, improved air service, flight safety and aviation education.

The Intergovernmental Relations Committee of the National Conference of State Legislatures supports the DOT/FAA proposal to strengthen the Federal/State partnership by permitting the States to assume administrative responsibility of the general aviation portion of the Airport Development Aid Program, and urges the Congress to include this proposal in the new ADAP legislation now being drafted.

The Committee strongly believes that a balanced national transportation system can be only achieved with full State participation.

[Adoption of this Policy Statement will be considered bp the full membership of National Conference of State Legislatures at a meeting in Philadelphia, Pa., October 10, 1975.]

Mr. Gareld R. Gray, representing the Associated General Contractors of America, is our next witness.

STATEMENT OF GARELD R. GRAY, REPRESENTING THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA; ACCOMPANIED BY JOHN C. ELLIS; AND ROGER D. ALLAN

Mr. GRAY. Mr. Chairman, I have with me today Mr. John C. Ellis on my right and Roger D. Allan from the national AGC staff.

AGC appreciates this opportunity to present its views on the airport and airways development program. My name is Gareld R. Gray, a general contractor from Woodbridge, N.J. I am also cochairman of a joint cooperative committee between the Associated Contractors of America and the National Association of State Aviation Officials. I appear before you today representing AGC.

AGC represents over 8,400 general construction firms from throughout the United States which perform all types of construction, including work on our Nation's highway systems, waterways, mass transit facilities, railroads, and airports. Our members recognize the Nation's need for an overall, integrated transportation system encompassing all proven modes of transportation. We believe that air transportation, and the airports which serve it, would be no less important than any other segment of national transportation goals.

Perhaps our statement should restrict itself to matters concerning the construction phase of this program, but we would like to take this opportunity to express our thoughts regarding a balanced transportation policy and the part the airport and airways development program plays in it.

We would also like to discuss our views on the role of the Federal Government in airport development and the level of funding which we feel is indicated to support this development on a national scale. We would like to consider what modifications, if any, should be considered for the ADAP program; the role of State agencies, environmental considerations, and the prospect of land banking to support expansion and increased capacity.

The need for a continuing Federal role in aviation, including general aviation, is unquestioned and the continuation of the ADAP program is as important to a national transportation policy as is mass transit or highways. The Federal role must be of sufficient duration to permit the States and airport sponsors to make reliable plans. A 5-year extension would serve this purpose. Airports and airways are clearly a national interest, and there is little likelihood that States and localities would place much importance on them without such Federal interest.

In the matter of funding level, in its overview of the program in 1973, the Congress realized that the progression of ADAP was being impaired by a level of funding inadequate to meet the needs. It promptly raised the level of assistance with the Airport and Airways Acceleration Act of 1973. Even this increase of $310 million annually has failed to keep pace with the needs and the current backlog of project requests is now in excess of $300 million above the authorized level of $310 million.

Inflation has played its part in the amount of construction the dollar will buy. We have heard so much about inflation in the past few years that we are growing weary of the word. Yet the problem has not gone away, even with the economic indicators which show the recession is easing.

Based upon past experience, we feel the Congress should insure that any level of funding over the next 5 years will have in it a cost-increase factor. The ripple effect of material and labor costs, based on an annual rise in inflation of 15 percent, would indicate an increase of at least $50 million per year above the existing level just to stay even. Without such foresight, the program will decrease the amount of development in line with these rising costs.

We do not pretend to know, or wish to express in precise figures, what this funding level should be. The States and airport sponsors are in a better position to be able to estimate what their needs are. But based upon our estimates, and those reported by others, a program in excess of $500 million annually through 1980 would seem justified.

A figure approaching $600 million per year in Federal assistance may be even more realistic if you consider that in 1939 air passenger

traffic was projected to reach 10 million in 1975. The current figures show we have reached 225 million passengers. This a is approximately 40 times greater an increase than the 1939 estimate. Other segments of the industry estimate that our current terminal capacity is geared to handle only about 100 million passengers efficiently.

Modifications to the program to be considered. Research and development efforts in airport construction techniques should definitely be increased. Such efforts will have significant impact in long-term benefits. As an example, paving criteria developed by the Federal Highway Administration no longer meet operational requirements for the new heavier aircraft in service. Pavement depressions often result from a poorly designed subbase, which creates poor drainage.

Such depressions are dangerous from a safety point of view. Many pavement failures are a result of deficient subsurface design. We are overcoming these problems, but concentrated research would result in a more rapid improvement.

In this regard, research and development should be more closely coordinated with design specifications. Certainly, we as general contractors would opt for minimum Federal specifications which could be modified to meet local conditions.

AGC participated in the recent revision of FAA's standard specications which we feel have been revised for the better. Included among them are instructions to field personnel that the specifications are to be used as a guide only. In the past, Federal design and construction standards were must too rigid, often making construction far more expensive than what local officials and sponsors could sustain. In many cases, airports were constructed at less cost to the sponsor by rejecting Federal aid involvement.

It is our opinion that the Federal Government should continue to specify flexible construction standards as a condition for grant-in-aid and that these be considered minimum national design standards for general aviation airports constructed with Federal funds. A minimum standard specification will increase the level of safety.

Approved modifications to any of the standards that may be necessary to adapt them to meet local conditions must be on an acceptable level of economy, durability, workmanship, and safety. They should, however, be broad enough to recognize differences in geography, climate, and type of aircraft which will use the airport.

On several occasions reference has been made to funding the construction of terminal buildings with ADAP funds. It seems logical to us that the movement of the public through an air terminal would be of paramount importance to the efficiency of the system. Unless consideration is given to the total complex, both the land side and the air side, no system can be complete. All elements which are critical to the airport, such as baggage and passenger handling, and the building itself should be eligible for ADAP funds.

We do not feel such eligibility should extend to revenue-producing portions of the airport and such facilities should be on a selected basis. While we do not entirely agree with the idea of a head tax for enplanements, we think the revenue produced from such a tax would serve to assist the funding for research and development programs and construction of the selected land side projects of the facility.

As to the role of State agencies in airport development, the Administration's bill, S. 1455, has suggested a termination of Federal aid to

general aviation after 1978. We do not feel the Federal Government should relinquish this portion of the ADAP program which the Congress originally envisoned as a national priority.

By its own statistics, the Federal Aviation Administration indicates that general aviation showed an overall gain in 1974—up almost 5 percent for the 12-month period. By October 1974 it had increased 10.1 percent over the previous October.

We feel that States are competent to administer general aviation. Some States now act as agents for all airport development within their boundaries. Not only do they channel requests to the Federal Government for aid, but they disburse funds on behalf of the sponsor.

It is obvious that Congress was aware of these State restrictions when it included section 16(b) in the Airport and Airways Development Act of 1970. This section prohibits the Secretary of Transportation from approving any project application by any municipality or other public agency which is subject to the law of any State if the submission to the project application by such agencies is prohibited by the law of that State.

Under the provisions of this section, it would appear to us that local jurisdiction for the control of airport projects is a legislative problem at the State level. Of course, the Congress can legislate that no project may be approved by the Secretary for general aviation unless the State has established a responsible agency, such as a State department of transportation, to administer the program. Such language is similar to that which established the Federal-aid highway program to insure the uniformity of roads and highways. Such language would leave no doubt as to who controlled the authority for general aviation Federal-aid funds.

States enact these prohibiting laws for many reasons, and we can understand their genuine desire for coordinated efforts between the various State transportation agencies which they hope will result in a more efficient planning of airport location.

In the case of airport improvements such coordination would include environmental considerations and other related problems, including ground transportation access. The State DOT's would also be able to determine if the proposed construction would lend support to the State systems and to the national airport system plan. They probably are in a better position to determine what the immediate needs are in general aviation.

To better illustrate this coordination, we would point out that of 27 States that have adopted a DOT, nearly all of these are structured into four general categories: aviation, highways; mass transit, and transportation planning. Although all are not as smooth an operation as might be hoped for, most are working well.

Our Wisconsin chapter comments that:

> Prior to its inception, the Aeronautics Commission, Highway Commission, and Motor Vehicles Department were all separate entities. With the establishment of the DOT, these entities were put under control of the Department of Transportation, resulting in better air service throughout the state, a closer relationship with community-owned bus system encouraging mass transit and bus ridership, and overall improved services. Prior to the Department formation, many communities were unable to receive funds for their local transportation systems. The Department seems to have a well coordinated planning effort to reach most of its objectives.

There are approximately 30 States which now act as agents for airport sponsors. These agencies assist sponsors in engineering and planning, contract negotiation, bid letting, and environmental impact statement preparation. We would suggest that if the Congress is contemplating a transfer of responsibilities of general aviation to the States that the States be charged with these particulars. In addition, the States could asume additional responsibility for specifications review, audit and inspection procedures, and final audit for acceptance where Federal-aid funds have been approved for such projects.

This would serve to permit overall responsibility and authority for general aviation to be retained at the Federal level, allow those States which are prepared to accept additional responsibilities to do so, and continue FAA assistance to those States not yet equipped to assume these additional burdens.

AGC believes the general aviation program should continue to be funded as a national goal for improvement. As such, this program should not have to compete for general revenues. The mingling of resource funds places an undue burden of competition among social programs at the State level. We sincerely doubt that States will pick up the 5 cents fuel tax, as proposed in the administrations' bill after 1978, as dedicated funds for airport improvement. Such taxes that accrue to general revenues are often diverted to unrelated programs, which are often assigned a higher priority. Consequently, an airport development program is void of guaranteed, long term funding.

A look at the Federal-aid highway program reveals that only 28 States have constitutional amendments that dedicate motor vehicle and gasoline taxes to highway programs. This would indicate that 22 States would pick up the additional 5 cents for its general revenues. Of the 28 States that do have dedicated funds for highways, three of these have authorized diversion during the past 2 years. From this analysis we are led to believe that less than one-half of the States would consider legislation to dedicate funds for airport improvements.

In conclusion, we are of the opinion that States are competent to administer the general aviation portion of ADAP, but not without guaranteed funding from the national level. Airports, including general aviation types, should fall within a national plan as Congress intended, with the aid of Federal financing from a trust fund to insure a long-term continuous program.

Environmental considerations and land banking. AGC has long held that conservation of our natural resources and protection of the environment is a proper and prime concern. We also recognize that some environmental controls border on the absurd and needless lawsuits deter much needed airport development. Some environmental interests are genuine, but others serve as a shield to cover personal fears and interests.

The number of environmental impact statements for airport projects are increasing rapidly. According to FAA figures, 1974 saw an increase of 45 percent in the workload over the previous year. Whereas environmental impact statements could be processed in about 4 months, the turn-around-time has increased to 9 months.

We recommend that minor projects within the boundary of the airport be exempted from the full cycle of an environmental impact statement. A useless statement covering only a facility within the boundary

of an airport only serves to delay a needed project which all have agreed to and want. If any adverse effects on the environment could be expected from projects within these boundaries, it is too late to alleviate them because such effects exist from the original construction.

The FAA recently concluded an in-house study resulting in some 30 recommendations to streamline the ADAP administrative procedures. One of these proposes the delegation of FAA environmental review authority to its regions to eliminate an almost "full paralysis" of FAA environmental clearances on even minor projects with no local opposition. We applaud the FAA task force for a step in the right direction.

In an effort to conserve our natural resources and plan for future expansion that will not impact on the environment, we agree that land banking should not be considered as an alternate but as a necessity to the maintenance of an airport system. Compatible land use development adjacent to airports should be approved for ADAP funding as part of the overall approval of the airports master plan, especially for new airports.

These funds should be available to existing airports to insure their ability to expand capacity. The acquisition of properties adjacent to the airport boundary is a step toward land banking and insures that these properties would not be incompatible to future expansion.

Before existing air transport facilities can be brought up to date to accommodate the latest aircraft, a new generation of aircraft is already in production, making the facilities obsolete. It is difficult indeed to design any degree of longevity of an airport by attempting to predict future configuration of aircraft. In 1929, LaGuardia Field was expanded to 558 acres, which took 2 years and a cost of $45 million. Ten years later, in 1939, it was expanded once again to make it the country's largest and finest. To do so, the plan called for filling in Sheepshead Bay for the extension of runways and over 17 million cubic yards of earth were moved. This expansion was considered so adequate for air transport needs of metropolitan New York that nearby Newark Airport was abandoned.

Twenty years later, in 1960, LaGuardia was again obsolete and a new round of improvements were initiated, this time just to expand the passenger terminal and support facilities. The budget for expansion was set at $65 million.

Expansion had only begun when the jet age struck. Not only were the projected new improvements obsolete, but the entire complex itself was inadequate. Even before the 747 Jumbo Jets, the 1011–Tri-Star and DC–10's were put into service, air passenger service had steadily increased at LaGuardia. Capacity of airplanes had increased from 37 in 1940 to 350 in 1975. To show the contrast for the need in property acquisition, LaGuardia was situated on 558 acres in 1929, while today the Dallas-Fort Worth Regional Airport sits on 17,500 acres.

AGC is clearly in support of the acquisition of land with Federal aid, which may not increase immediately, but will be available for future use and will at that time be compatible with the environment of the airport. However, to insure a maintenance of effort on the part of the sponsors, such Federal funds should have a matching requirement.

While this example has dealt with a major hub, this is not to downgrade the importance of general aviation. They, too, must be located and will need to expand eventually.

That concludes our testimony, Mr. Chairman. We will be happy to answer any questions.

Thank you.

Senator CANNON. Thank you, Mr. Gray.

In your statement that Federal funds should have a matching requirement, are you referring to a 50–50 matching?

Mr. GRAY. We think that the 75–25 would be more in line, sir.

Senator CANNON. And do you have any suggestions with reference to the formula presently in use for ADAP funding?

Mr. ALLAN. Possibly uniformity throughout the legislation would be the thinking that we would have on it. In other words, the matching would be for uniformity. That is, if it goes from 90 to 75 and so forth, I think possibly a more uniform policy would be in order.

Senator CANNON. There's been quite a bit of suggestion that for the smaller airports it ought to be 90–10. Do you support that concept, or do you think that this would unduly take away funds from the larger projects?

Mr. GRAY. I think so. I would think that we ought to have the uniformity, whether it's small or large.

Senator CANNON. Well, thank you very much for your statement. We appreciate you being here with us.

Our next witness is Mr. James A. McDonough, chairman of the Airports Advisory Council, American Road Builders Association.

STATEMENT OF JAMES A. McDONOUGH, PROFESSOR OF CIVIL ENGINEERING, VIRGINIA MILITARY INSTITUTE, CHAIRMAN, AIRPORTS ADVISORY COUNCIL, AMERICAN ROAD BUILDERS ASSOCIATION; ACCOMPANIED BY LAWRENCE E. McCABE, COMMISSIONER OF AERONAUTICS, STATE OF MINNESOTA, VICE CHAIRMAN, AIRPORTS ADVISORY COUNCIL

Mr. McDONOUGH. My name is James A. McDonough. I am professor of civil engineering at Virginia Military Institute, and I am here in my capacity as chairman of the Airports Advisory Council of the American Road Builders' Association.

ARBA is a federation of many interests concerned with the development of the transportation systems in the United States. The Airport Advisory Council has the responsibility of recommending policy positions with respect to airports to the ARBA board of directors. In order to fulfill that responsibility, we meet from time to time with the appropriate officials of the FAA, and others, to compare views on the status and progress of the airports development assistance program.

The membership of ARBA includes State and local officials responsible for the management of airport development programs, professional planning and engineering firms with expertise in airport development, and airport contractors and supporting industry. Collectively, we are deeply interested in the airport program, from many aspects.

As an organization with a long history of involvement with the Federal-aid highway program, ARBA is a close observer and a strong supporter of the Highway Trust Fund. With that background, it is not surprising that ARBA was an early and steadfast advocate of a similar fund, supported by user charges, for airports and airways.

Since the establishment of the Airport and Airway Trust Fund in 1970, the programs supported by the trust fund have enjoyed sound and substantial growth. While many problems remain to be solved, progress has been significant.

In fact, the Airport and Airway Trust Fund has worked extremely well to generate the revenue needed to support the program. Trust fund income is approaching the level of $1 billion a year. Total appropriations from the trust fund for fiscal year 1975 were about $265 million. The trust fund takes in more than $3 for each $2 paid out.

At the same time, estimates of airport needs are in the range of $800 million to $900 million annually, or about 2½ times the $310 million present level of authorizations for the airport development assistance program.

Thus, two key elements of the proposed program are clearly identified. We have a demonstrated need for a national airport assistance program substantially larger that the existing one. We also have an adequate source of funding for the Federal share of that program.

The remaining issue is that of determining the best mechanism to use in making Federal funding available to help meet these demonstrated airport needs. What priorities should be established? What checks and controls should be set up to make sure that the Federal investment is wisely made?

The administration proposal embodied in S. 1455 is one approach. Some of the program revisions proposed by the administration are useful, and merit careful consideration.

We are concerned about the time factor involved.

No airport development assistance program authorizations for fiscal year 1976 have been made. The program is at a standstill. We are rapidly approaching the time when airport grants must be made if construction is to result during the 1977 construction season.

On the other hand, we see no urgency for a radical reform of the airport development assistance program. The present program is working reasonably well. Minor surgery is all that is needed.

We favor, therefore, a relatively brief extension of the present program—perhaps for two years—with ADAP authorizations increased to $650 million annually. Such an extension would permit the program to proceed while Congress deliberates the matter of program reform.

To discuss these matters in greater detail, I have with me today Lawrence E. McCabe, commissioner of aeronautics for the State of Minnesota. With your permission, Mr. McCabe will continue the presentation of our testimony.

Mr. McCabe. Mr. Chairman and members of the committee, I am Lawrence E. McCabe, commissioner of aeronautics, State of Minnesota.

As Colonel McDonough has pointed out, we believe that it is essential to get the airport development assistance program moving again, and at the earliest possible moment. Therefore, we support enactment of an interim bill, one which will maintain the momentum of the porgram while various proposed changes in the mechanism of the program are being debated and considered.

However, we wish to be responsive to the committee's request for comments on the direction a revised program should take.

We agree with many other witnesses that the present national airport system plan is not, in fact, a rational guide for the development

of the national airport system. It includes more than 4,000 airports and constitutes a "wish-book" rather than a systematic program for airport improvement.

Greater involvement by State governments is the key to the development of a true system plan for airport development. Each State should develop its own system plan, in conformance with Federal guidelines. This is the pattern which has been followed in the Federal-aid highway program.

The State system plan should be developed through a continuing planning process. In other words, it should be a loose-leaf plan. A plan that cannot be changed is worse than no plan at all.

A master plan for each airport in the State should be coordinated with the State system plan. When these State system plans are put together, with appropriate Federal coordination, we will have a true national airport system plan.

In addition to taking the lead in system planning, State government must be prepared to make a financial contribution to airport development. It is useless to think of increasing the State role in coordinating and planning if we do not at the same time recognize that the State must have a share in the cost of construction.

The cost-sharing formula can be flexible. The point is that Federal, State and local governments should all participate in the funding of airport construction and improvements.

System planning—looking 30 years ahead—and airport master planning—looking 20 years ahead—will greatly assist a rational construction program covering both air carrier and general aviation airports.

We have grave doubts as to the wisdom of an apportionment of funds based essentially on aircraft emplanements, as proposed in S. 1455. The weakness of this system is made clear immediately if we think of two airports with an equal number of emplanements, one airport being obsolete and in great need of improvement and the other being brand new. Each would be apportioned the same amount of money, although the needs of one would be far greater than the needs of the other.

S. 1455 would provide a minimum apportionment of $100,000 to each airport serving air carriers. In order to implement a major improvement at such an airport, it would be necessary to stockpile apportionments for several years. Thus money would be stored in a large number of small pockets while urgent needs went unmet. This approach encourages piecemeal improvements which, in the long run, are the most expensive. Furthermore, it is possible that work of marginal value would be undertaken, simply to use the apportionments before they lapse.

The present apportionment system—one-third on the basis of passenger emplanements, one-third on an area-population formula, and one-third at the discretion of the Secretary of Transportation—works reasonably well. The system should not be changed without clear indication that the change will be an improvement.

The new airport and airways bill should avoid building artificial obstacles in the flow of Federal assistance. There are more than enough such obstacles already. The merits of our national environmental protection programs and our programs to insure the health and safety of workers are somewhat beclouded by the bureaucratic paperwork they entail. Construction costs are escalated by the Davis-

Bacon Act and the profusion of Federal guidelines and edicts covering every kind of activity.

We commend the efforts of the FAA to identify and root out unnecessary redtape in its program. Internal task force groups within FAA have conducted a very intense study of the administrative machinery and have made a large number of useful suggestions. These efforts to simplify the program should be continued and intensified. It would be useful, we believe, for Congress to make a statement of intent, in the airports and airways act, that the program procedures should be simplified wherever possible without loss of efficiency.

A survey of airport development needs covering the 5-year period 1976–80, conducted by the National Association of State Aviation Officials, established a need for $4.7 billion for airport projects currently eligible for Federal assistance. This does not include needs for land acquisition, terminal development, and other so-called landside needs. TheNASAO estimate of needs is supported by estimates made by other organizations. We are convinced that between $800 million and $900 million should be spent annually on airport improvements. With Federal assistance available on a 75–25 matching basis, Federal funding in the magnitude of $650 million per year is fully justified.

The remainder of the needed funding is available from State and local sources.

State government should become more deeply involved in developing a system approach to airport improvement.

The Federal-aid program should be simplified.

These are the points which, we believe, should be emphasized. Congressional action is needed now to prevent a serious interruption and loss of momentum.

We appreciate this opportunity to present the views of the American Road Builders' Association.

I'd like to also say, Mr. Chairman, the airport owners of this country need money. We have several airports with distressed paved areas and from the safety standpoint time is important. Mr. Chairman, I think that you will find that with the increase in funding that the program will flow more smoothly and with greater ease.

I will be happy to answer any questions, Mr. Chairman.

Senator CANNON. Why do you think an increase in funding would make it flow more smoothly and with greater ease?

Mr. MCCABE. Mr. Chairman, it's been my experience over the several years that I have been connected with the Federal program that when there is more money in the program to meet the demands that there is less nit-picking. Therefore, things flow a lot smoother. When the money becomes tight you will find the administrators of the program looking for reasons to slow down the input of programs and slow down the whole program because they know there isn't enough money to satisfy their needs.

Senator CANNON. On your other point, you suggest that the funding be continued as soon as possible. We remind you that the Senate did vote a continuation of the program. The House did not concur. Therefore, an immediate continuation now is not possible until we can produce a new bill that both Houses can agree on.

Mr. MCCABE. Mr. Chairman, my point was that if we don't do it within the next couple months, that if you did pass a bill some time

after the first of the year, it would take the FAA several months to draw guidelines under the new act and by that time it would be too late for the northern tier States to get our projects underway.

Senator CANNON. I recognize that is a very valid contention, because we would probably lose all of next year's construction and opportunity if that should occur.

Mr. MCCABE. I know I have two airports, Mr. Chairman, in my State that are large airports served by several air carriers that have pavement that is going to pot. They have project requests in and there's no money, of course, because they are pretty expensive projects when you start rehabilitating those runways.

Senator CANNON. Thank you very much, gentleman. We appreciate your being here.

The next witness is Mr. Charles Price, manager of research engineering, Ultrasystems, Inc.

STATEMENT OF F. CHARLES PRICE, ULTRASYSTEMS, INC.

Mr. PRICE. Senator Cannon and other members of the committee and staff, I have a more comprehensive written statement submitted to you than this shorter 14-minute version.

Senator CANNON. All right.

Mr. PRICE. It is a pleasure to present a fresh subject, fog dispersal, to you who are——

Senator CANNON. I may say we can use that kind of approach after the last few days and all the different theories. We need a little fog dispersal.

Mr. PRICE. Right.

Our main point today is that the FAA should conduct a full-scale demonstration of fog dispersal at an airport. Available technology can thus be used to save lives, energy, and money. Los Angeles Airport is cited here, but at least 11 other large airports have severe fog problems.

For the sake of the traveling public, the airline companies, the pilots, and American commerce, we hope that each of you has experienced the impact of fog on your travels: the frustration of delayed travel, the crush of massive crowds at shutdown air terminals, the worry of riding a holding pattern, the worry of riding an approach to landing when only the pilot can finally determine, at the last second, whether he will land or not.

THE NEED FOR WARM FOG DISPERSAL

You know of the great strides in air travel that have been made since 1951. That was the last time warm fog dispersal using heat was attempted. Just bring to mind in commercial aviation the concepts of computerized reservations, radar control, 10,000-foot runways, jets, wide-body jets, baggage transfer belts, category III instrument approaches, and double runways. Think of the instrumentation onboard and on the ground which guides aircraft. Think of Los Angeles Airport which pumps $10 million daily into the southland economy and employs directly or secondarily 100,000 people. At times it funnels 10,000 people in and out of the airport in 1 hour. Fog has the power to

nullify all of the technological advances of airline travel, and yet, very little is being done about it.

There are over 100 commercial aircraft winging toward LAX during a ½-hour period in the early evening. A fog tie-up at LAX can create a vast paralysis of these flights throughout the world. Those 100 aircraft can consume large amounts of extra fuel in holding patterns and flights to alternate airports. We estimate fog-induced fuel consumption for LAX to be about 17 million gallons per year.

Just one incident at Los Angeles last December must have caused losses more than equal to the cost of a fog dispersal installation. Apparently, no complete study has been made of that 2-day jamup. However, it is known that it cost $54,000 for one airline to divert two 747's to San Francisco and bring them in the next day. Two years ago, Jerry Jerome, of the Flight Safety Foundation, cited for a 5-year period, 7 accidents caused by fog, plus 22 when fog contributed, with 398 people killed, and $81 million in aircraft lost.

Airline management has been looking forward for years to the advent of blind landings. These were demonstrated in 1932; they were routine for one Air Force project in 1952; but for the foreseeable future, no responsible person will commit a $25 million aircraft, and 350 passengers and crew to the reliability of an automated machine working beyond the final control of a pilot. However, instrument guidance does minimize the size of the fog clearing required in the final touchdown region.

TECHNOLOGY

Warm fog occurs at temperatures above freezing and it is by far a greater nuisance than cold fog. Actually, it takes as little as a 1° to 3° C. rise in the air temperature to clear fog. This allows the air to accept the liquid water of the fog droplets as vapor. To warm effectively the airmass above the runway with a minimum expenditure of energy is the key engineering problem associated with fog dispersal. In order to achieve low-energy consumption two conditions must be met. First, the airmass must be uniformly heated in such a manner as to minimize unnecessarily hot zones which do nothing to further enhance visibility. Second, steps must be taken to minimize the replacement rate of the warmed air above the runway associated with prevailing crosswinds. Now, the Air Force in cooperation with Ultrasystems, as a contractor, has studied the problem of heat control. The new knowledge allows designs of blowers and burners which can reliably disperse warm fog with fuel and power usage far below that previously required.

Just to give you an idea of what we mean by control, let us explain the heat load implications for a runway. In a crosswind of 3 miles per hour there are approximately 30,000 tons of air moving onto the runway region every 5 minutes. Heating that amount of air to assure evaporation of the fog can take enormous amounts of heat. However, if the heat is injected by blowers in such a way to stagnate or trap the warm air over the runway, the heat requirements can be drastically reduced. We now have sufficient information to enable a system to be built which will do precisely this. Over the last 3 years a great deal has been learned about how to achieve efficient fog dispersal. This work has been carried out by the Air Force under contract to Ultrasystems and by internal R. & D. efforts at Ultrasystems.

NASA

During the 1960's and into approximately 1971, NASA sponsored research on warm fog dispersal by the use of dust sprayed from airplanes. The Air Force had done considerable work in this area during this same period. The combination of budget cuts and impractical results led to the end of such work. Over the past few years to our knowledge NASA has done nothing on the subject.

NASA now has a mission to improve fuel economy for aircraft. They will find upon investigation that the application of fog dispersal using natural gas, propane, kerosene, or fuel oil will result in significant savings in jet fuel and in overall energy consumption.

WARM FOG DISPERSAL TECHNIQUES

The British in World War II saved 2,300 bombers from ditching after fog had tried to thwart their landing. They employed a crude heating system. The only commercial application of heat to disperse fog in the United States was at Los Angeles in 1951. Enormous fires were created without adequate control and the project failed. The dusting of fog with fine particles from aircraft which fly blind at low altitude will dry the air sufficiently to clear the fog, but the clearing does not last and often it occurs away from the runway. There are very few proponents of fog dusting.

The Air Force, working with Ultrasystems as a contractor has studied the problem of heat control for fog dipersal. The new knowledge allows designs of blowers and burners which can reliably disperse warm fog with fuel and power usage far below that previously thought to be required.

The French do have an operational fog dispersal process called Turboclair. Heat is supplied by jet engines installed underground along the runway. This process has been under review by the FAA for the past 6 years. Several companies in the United States have rejected offers to be the licensee for Turboclair.

FAA INVOLVEMENT

Ultrasystems has had discussions with the DOT since 1969 concerning fog dispersal for airports. Presentations have been made to the NTSB and to James Beggs, who was at that time the Undersecretary of the DOT. Although we have always experienced consideration and interest on the part of FAA it seems to us that they have lacked incentive in promoting fog dispersal development. As is often the case, the lack of funds appears to have been a dominant factor. But they also say that fog dispersal is not part of the system of landing aids.

During 1969 and 1970 we hoped that a small fraction of ADAP funds might be devoted to fog dispersal. However, the FAA claimed that funds were not available. They were only interested in proven concepts. They said if fog dispersal were needed, the airlines would provide it themselves. The position of FAA has been one of moitoring the efforts of others.

In 1972 the FAA report on their evaluation of fog dusting stated that heat is the more effective method for the dissipation of fog. Cur-

rently, we understand that they believe that the feasibility of dispersing warm fog has been adequately tested. FAA has no plans of demonstrating a system, atlhough they believe that a demonstration is needed to assure further implementation. Can you imagine an airport attempting to install an uncertified ILS? Los Angeles Airport management has said that it prefers to purchase only fog dispersal systems which have been approved by the FAA. The initiative for demonstration and certification must come from the FAA.

The Air Force has been proceeding since 1970 toward operational warm fog dispersal using heat. The years 1970 and 1971 were devoted to planning. Full-scale field tests were run in 1972 and subscale field tests were run in 1974. This research work was devoted to the determination of the characteristics of warm plumes, driven by a long line of blowers. Using the results of this work one can design a superior fog dispersal system.

The Air Force is currently in a planning phase. We believe that they will have operational fog dispersal at an airbase by 1981. The Air Force program has been designed to their needs and priorities. Naturally, it has not been directed toward the needs of commercial aviation. An FAA program is needed to prove fog dispersal systems which can then become standard items of airport improvement. Such a program would use all possible knowledge available from the continuing Air Force program.

The airlines had supported demonstrations of new fog dispersal techniques until 1970. After a disappointing experience at LAX in 1950 using heat, they supported only fog dusting. This was considered an interim approach to use until a ground-based system would be developed. But dusting too, became a disappointment, and was not continued, except at one or two airports.

The airlines have been preoccupied by their investments in improved aircraft guidance which could some day lead to blind landings, thus bypassing fog dispersal. However, the costs of equipping just for Cat II and Cat III landings, not blind landings, have proven to have poor payout. The cost of adding equipment to thousands of aircraft, can be far more expensive, than installing fog dispersal systems at a few runways.

The airlines' position on fog dispersal is the same as on new aircraft: they do not sponsor demonstrations of new aircraft nor of fog dispersal systems. Nevertheless, they can profitably use both.

SUMMARY AND PLAN FOR FAA INVOLVEMENT

(1) The technology is at hand to clear warm fog at airports.

(2) Fog dispersal will save energy.

(3) Fog dispersal will increase safety. The chief pilots of the airlines see this. Fog dispersal will always enhance the safety of instrument landings.

(4) There are large potential financial benefits from using fog dispersal.

(5) The application of only a small fraction of the money spent on airport improvements across the country in the past 6 years would bring fog dispersal to the key airports.

(6) Fog dispersal benefits such a diverse group of people and organizations that it is an ideal operation to be inaugurated using Federal

funds. Operational fog dispersal will become a reality only if the FAA does something about it.

(7) FAA, with its control of flight operations, should be involved in fog dispersal.

(8) Ultrasystems suggests that the FAA sponsor the demonstration aspects of a first full-scale fog dispersal system at an airport. Only a partial system would first be installed and operated to prove the system. The airport would buy all demonstration hardware which would be used in the final operational installation. The FAA would pay for costs associated with the demonstration aspects. These costs would be between $\$1/2$ and $\$1\frac{1}{2}$ million, depending upon what the authorities require of the demonstration phase.

(9) One alternative to demonstrating a U.S. process for fog dispersal is to install the French Turboclair system. But this could lead to great disappointment from the noise, air pollution, and cost.

Finally, must we wait for tragedy to spur on fog dispersal as it has accelerated work in wind shear? Should not the FAA help with adoption of fog dispersal into its system of landing aids?

Will the FAA continue to move slowly and ineffectively on fog dispersal? Since we have high regard for the professionalism of the FAA groups we have dealt with, we conclude that we should get to where the priorities are set. Your incentives for promoting fog dispersal should be safety, energy, and economy.

I'd be glad to answer questions.

Senator CANNON. Well, thank you for a very interesting presentation.

Where is the Air Force going to install an operational fog dispersal?

Mr. PRICE. They have four airports that they are studying right now to make up their minds. Three are Air Force bases in California and one is outside the country.

Senator CANNON. Is that Ramstein Air Force Base?

Mr. PRICE. Yes.

Senator CANNON. One of our staff members was formerly the commander at Ramstein, so he's familiar with the fog conditions that exist there.

Thank you very much. We appreciate your testimony.

Mr. PRICE. Thank you.

Senator CANNON. The next witness is the Honorable William B. Rudell, mayor of the city of Burbank, Calif. Is that from downtown Burbank?

Mr. RUDELL. That's right.

STATEMENT OF HON. WILLIAM B. RUDELL, MAYOR, BURBANK, CALIF.; ACCOMPANIED BY JOSEPH BAKER, CITY MANAGER

Mr. RUDELL. Thank you, Mr. Chairman.

My name is William B. Rudell, the mayor of the city of Burbank, Calif., and I have with me Mr. Joseph N. Baker, who is the city manager of the city of Burbank.

We welcome this opportunity to present to the Aviation Subcommittee some facts and circumstances relating to the proposed acquisition by the city of Burbank, or another public entity, of the Hollywood-Burbank Airport from Lockheed Air Terminal, Inc., which is a subsidiary of Lockheed Aircraft Corp.

In the interest of time, Mr. Chairman, and with your consent, I would like to submit the written statement which has been prepared and dispense with the reading of this statement.

I would mention, however, that attached to the written statement is a letter to the chairman of the Aviation Subcommittee from James Hayes, who is president of the Southern California Association of Governments. This contains, among other things, a recommendation that all airports of regional significance ultimately be in public ownership in order to assure their permanent availability as part of the regional airport system.

It also mentions that public acquisition of the Hollywood-Burbank Airport is encouraged and supported by SCAG to assure that the airport will continue to fulfill its important role in the system.

Also attached is a copy of a letter dated August 15, 1975, from James E. Dow, the Acting Administrator of the Federal Aviation Administration, to the Honorable Carlos J. Moorhead, who is the Congressman for the district in which the Hollywood-Burbank Airport is located. This contains a reference to a recommendation in the national airport system plan that a public agency acquire the Hollywood-Burbank Airport, based on a preliminary examination of the existing facility and the current and forecasted activity.

The city of Burbank for the past 2 years has been sponsoring a comprehensive master plan study of the Hollywood-Burbank Airport which is a major air carrier airport servicing the Los Angeles metropolitan region.

An important element of the master plan to date has been to determine the financial feasibility of the public acquisition of this facility from Lockheed Aircraft Corp. and the financial feasibility of implementing the first phase of a staged capital improvement program designed to meet forecasts of aviation demand in the region over a period of 20 years. Public acquisition of a major air carrier airport is an event without precedent in the recent history of civil aviation in the United States. This situation is particularly unique since the Hollywood-Burbank Airport is a vital link in the air travel corridors of the Western United States and an impotrant element in national, State, and regional airport systems plans.

What I'd like to do, Mr. Chairman, is to briefly go through some of the charts that we brought with us today, and we will be happy to submit photographs of these charts for attachment as exhibits to the written testimony. My purpose is to merely highlight some of the important facts which are set forth in the written statements which has been submitted.

Senator CANNON. What is the green area on that first chart?

Mr. RUDELL. The green area, Mr. Chairman, is the service area which is served by the Hollywood-Burbank Airport which is located at the eastern end of the San Fernando Valley. The service area covers the entire San Fernando Valley, part of the southern end of Ventura County, the central business district of Los Angeles, the Glendale-Pasadena area, and the eastern San Gabriel Valley.

Two and one-half to 3 million people reside within the service area which comprises approximately 22 percent of the Los Angeles metropolitan area. The other major airports servicing the Los Angeles metropolitan region would be, of course, the Los Angeles International

Airport, Long Beach Municipal Airport, Orange County Airport, Ontario International Airport, and, ultimately, the proposed Palmdale International Airport.

Within the last 2 months preliminary discussions have been undertaken relating to the Southern California Rapid Transit District mass transit corridor which is tentatively proposed to run roughly from Canoga Park, at the west end of the San Fernando Valley, across the San Fernando Valley, coming within a very short distance of the Hollywood-Burbank Airport.

Senator CANNON. How far?

Mr. RUDELL. Well, approximately one-half mile. The exact line has not been determined. It is proposed to use existing lines of rail that belong to the Southern Pacific Railroad. The line will then turn south and go down through the Los Angeles central business district and on to Long Beach. This would be the starter line, or the proposed starter line, for the mass transit system in southern California.

[Chart.]

Mr. RUDELL. Just to briefly compare Hollywood-Burbank Airport with other major Los Angeles airports, this chart indicates the population served, the number of passengers handled, the estimates as to future air passenger traffic, and the types of service. I think this is an important consideration here. The Hollywood-Burbank Airport has historically been, and is anticipated to remain, basically a short-haul reliever airport focusing primarily on intrastate trips. The limitation, of course, with Los Angeles International is ground access. The major limitation with regard to Hollywood-Burbank Airport has been the lack of available funds for capital improvements. Ontario is restricted in some respects by the fact that it has only a single runway. Even though between $14 and $15 million has been generated by the Hollywood-Burbank Airport for the ADAP trust fund over the last 5 years, none of that money has been returned for improvements at Hollywood-Burbank Airport because of the fact that it's a privately owned air carrier airport. So none of those funds has been available for additional improvements and development.

This is merely a history of the Hollywood-Burbank Airport. It came into existence in 1930, so it has been in our community for 45 years. It was later purchased by Lockheed in 1940 and renamed Hollywood-Burbank Airport in 1967. An interesting fact here is that it ranks 50th out of 521 U.S. airports open to air carrier traffic, outranking such airports as Nashville, Tulsa, Richmond, Spokane, Omaha, Anchorage, et cetera. So the airport ranks within the top 10 percent of all air carrier airports within the United States.

In size, the airport facility is part of a complex owned by Lockheed consisting of roughly 630 acres, so it surpasses in size LaGuardia, which has 580 acres, Washington National, which has 750 acres, and San Diego, which has 480 acres.

In terms of passenger volume, it ranks second to LAX in the Metropolitan Los Angeles area, and it ranks third in the entire southern California area behind Los Angeles International and San Diego.

I have already indicated the service area which encompasses roughly 22 percent of the area of Metropolitan Los Angeles, and approximately 30 percent of its population.

[Chart.]

This chart indicates the relationship which the Hollywood-Burbank Airport bears to an emerging intermodal transportation network in the San Fernando Valley area. One of the conclusions of the master plan is that through carefully controlled development the airport can continue to function as an economically viable facility providing essential transportation service to the Los Angeles region.

Senator CANNON. Was that plan completed before or after Burbank attempted to close the operations at night?

Mr. RUDELL. The entire master plan study was instituted subsequent to a 5 to 4 decision in the U.S. Supreme Court which struck down Burbank's ordinance imposing a curfew on the air carriers at the airport. It was subsequent to the U.S. Supreme Court decision that the city was informed by Lockheed that it intended to divest itself of the airport facility. Because of the airport's relationship to the community, and because of the availability of FAA planning grant funds for two-thirds of the cost of the study, the city council embarked upon this master plan study.

Senator CANNON. If Burbank should acquire the airport with Federal assistance, would we have some assurance that there wouldn't be an attempt to close it down on the part of the sponsoring agency at that time or some other time?

Mr. RUDELL. I'm sure adeqaute arrangements could be worked out. The balancing act that has to be done here—it boggles the mind—to appease the residents who live adjacent to the airport, to satisfy the demand that exists for air cargo flights and for passenger flights. There would be, I'm sure, adequate assurances that the airport would not be acquired and then shut down in order to alleviate the noise and pollution problems which obviously are generated by this facility.

Senator CANNON. How would you propose to get from the mass transit line over to the airport? Do you plan to install a walkway for that half mile for people to go along and carry their baggage?

Mr. RUDELL. Well, I don't think that the mass transit plan is imminent, and I think we're going to have adequate time to study a number of different methods of moving people from any terminus adjacent to the airport to the airport itself. I think we are probably further ahead on our feasibility study here than is the Southern California Rapid Transit District on the starter corridor of the mass transit line.

[Chart.]

The main point to be made here is that the Hollywood-Burbank Airport has been recognized in various studies at all government levels as an integral part of the southern California transportation network. These studies would include the national airport system plan; the aviation planning process done by the State of California, and the regional transportation plan done by the Southern California Association of Governments—I think I indicated that a letter had been submitted by Los Angeles County Supervisor Hayes who is now serving as president of SCAG.

[Chart.]

There is substantial activity at the Hollywood-Burbank Airport in connection with general aviation. It ranks 17th in the FAA western region with 112,000 operations in 1974, and some later data indicates there may have been as many as 180,000 operations during the 1-year period that has been studied. It ranks 23d in total aircraft operations

in the FAA western region. That would include both general and air carrier operations.

[Chart.]

The question is often asked why the city of Burbank is interested in acquiring the airport? As I indicated, Lockheed has stated its ultimate intentions to divest itself of this facility. We believe—and we have carried the message to as many people and as many governmental entities as possible—that because of its location and the number of operations that currently emanate to and from Hollywood-Burbank Airport, it is essential to the regional transportation network. The access is good. The service area, as I indicated, contains between 2.5 and 3 million people, and there is some element of control that would be available to the sponsor or to the owner of that airport.

[Chart.]

The green line on this chart shows the proposed "take," that is, the minimum usable unit that has been recommended by our consultants following conferences with the FAA as to what the optimum boundaries of this airport facility should be. This take would require the acquisition of approximately 552 acres out of the total 630 acres that are owned by Lockheed. All of the property owned by Lockheed in this area would not be purchased. We are currently discussing with the FAA the necessity of acquiring certain clear zones that might be required at the ends of the runways. It has not been determined yet whether this additional property, outlined by the red lines, would have to be acquired.

[Chart.]

These are the noise footprints. This is the problem that all of us on the Burbank City Council are confronted with, as are all of the Los Angeles city councilmen, the State legislators, and the U.S. Congressmen and Senators—the noise generated by the airport and its impact on the surrounding population. These are the existing noise contours, and the second footprint indicates what reduction might be anticipated as a consequence of implementation of FAR 36 and the refan of aircraft by the year 1980.

This briefly is the status of our feasibility study and our master plan study to date. It is clear that without a substantial infusion of Federal funds no acquisition could be consummated by the city of Burbank. We are asking for an amendment to the pending ADAP legislation so as to earmark up to $66,500,000 for the acquisition and the subsequent improvement under phase 1 of the Hollywood-Burbank Airport.

The financial feasibility study conducted by Peat, Marwick, Mitchell & Co. indicates that sufficient revenues would be generated from the operations of this airport under public ownership to service between $12 million and $19 million in revenue bonds which would constitute the city's 20-percent share of the acquisition price.

Senator CANNON. How much is the total acquisition price?

Mr. RUDELL. Well, the problem right now is that we are trying to get the appraisers to reconcile their differing appraisals. The appraisal that has been done for the city of Burbank indicates a value of $52 million. The appraisal done by Lockheed Aircraft Corp. indicates a value of $77 million. So we are a distance apart and the differing

appraisals and the different bases upon which these appraisals have been conducted are in the process of being reconciled.

Senator CANNON. Are you proposing that the Federal Government's share would be a straightout grant? What would be the local share?

Mr. RUDELL. The local share would be 20 percent of the acquisition price, and that would be anywhere between $12 million and $19 million. The Federal share would be the other 80 percent.

Senator CANNON. Has Los Angeles given any consideration to acquisition of the airport? They might be in a little better financial shape.

Mr. RUDELL. I'm sure it's under consideration, but no overtures have been made to the city of Burbank as of this moment.

Senator CANNON. Thank you very much. We appreciate your presentation.

Mr. RUDELL. Thank you.

[The statement follows:]

STATEMENT OF WILLIAM B. RUDELL, MAYOR, CITY OF BURBANK, CALIF.

STATUS OF HOLLYWOOD-BURBANK AIRPORT AND CITY OF BURBANK PROPOSAL

The City of Burbank, California, is currently sponsoring a comprehensive Master Plan Study of the Hollywood-Burbank Airport, a major air carrier airport servicing the Los Angeles metropolitan region. An important element of the Master Plan is to determine the financial feasibility of:

1. The public acquisition of Hollywood-Burbank Airport from Lockheed Aircraft Corporation.

2. The subsequent implementation of the first phase of a staged capital improvement program designed to meet forecasts of aviation demand in the region over a period of 20 years.

The public acquisition of a major air carrier airport is an event without precedent in the recent history of civil aviation in the United States. This situation is particularly unique since the Hollywood-Burbank Airport is a vital link in the air travel corridors of the western United States and an important element in national, state and regional airport systems plans.

The following data support the contention that Hollywood-Burbank Airport is a unique facility, and compel recognition of the fact that its continued existence within recognized transportation system plans cannot be assured beyond 1980 without Federal financial assistance:

Nature.—The only privately-owned air carrier airport in the United States: also, provides general aviation facilities. *As a privately-owned airport, Hollywood-Burbank Airport has not been eligible for ADAP funds.*

Location.—The eastern end of the San Fernando Valley in the City of Burbank, Los Angeles County, California, and approximately 12 miles northwest of downtown Los Angeles.

Population and area served.—2.5 to 3 million people. Service area represents approximately 22% of Los Angeles metropolitan area, covering the San Fernando Valley, Glendale, Pasadena, Los Angeles Central Business District, San Gabriel Valley, and eastern Ventura County.

Status.—The Hollywood-Burbank Airport has been designated as a major short-hault facility in the Southern California regional airport system, the California State Transportation System Plan, and the National Airport System Plan.

Comparable U.S. airports.—Hollywood-Burbank ranks within the top 10% of all air carrier airports within the United States. The airport compares in size with such major airports as Washington National (650 acres), La Guardia (580 acres) and San Diego (480 acres); it is second only to Los Angeles International in volume of passenger air service in the Los Angeles area, and third in the Southern California region. The Hollywood-Burbank Airport ranks 50 out of 521 U.S. airports open to air carrier aircraft and exceeds the following airports in passenger traffic: Nashville, Tulsa, Richmond, Spokane, Omaha, Oklahoma City, El Paso, Anchorage, Albuquerque, Midway (Chicago).

Size.—The airport operation as proposed in the Master Plan Study requires 553 acres of the total 630 acre Lockheed complex.

Capacity.—The existing F.A.A. certified airport can handle up to 3 million passengers annually.

Air carrier service.—The airlines currently in operation handle intrastate and interstate service. During inclement weather, the airport serves as an alternate facility to Los Angeles International Airport (LAX).

Optimum operation.—To utilize the full capacity of the facility and to assure its continuance within the U.S. Airport system, the National, State, and Regional Airport System Plans recommend public ownership and operation of the airport. The Southern California Association of Governments estimate that from 38.5 to 51.5 million passengers will be accommodated at the five Los Angeles Metropolitan area airports between 1980–1985. This leaves a deficit of 11.5 to 24.5 million passengers to be distributed between Hollywood-Burbank, Ontario, Orange County, and Long Beach Airports in the next 10 years if LAX is confined to a 27 MAP capacity. It will, therefore, become a necessity to look to secondary airports to relieve the overburden on LAX. In this context, the role of Hollywood-Burbank Airport will become even more significant.

Historically, Hollywood-Burbank Airport has been a part of the Los Angeles aviation scene for over forty-five years. The airport was officially dedicated as United Airport on Memorial Day, 1930, by the predecessor of today's United Airlines. By 1933 the airport has become the major air terminal for metropolitan Los Angeles.

The Hollywood-Burbank Airport has been owned and operated by Lockheed Airport Corporation since 1941. During this period, it has served two primary purposes:

1. As an air carrier airport, initially as the primary airport for the Los Angeles region and now as a secondary regional air carrier airport.
2. As a flight test and fly away facility for Lockheed's aircraft manufacturing operations.

Today, the passenger activity at the airport is 1.69 million passengers annually. The entire Lockheed complex encompasses approximately 630 acres of airport operations and contiguous support facilities. The airport serves a highly populated area and is conveniently located and easily accessible to air passengers within metropolitan Los Angeles.

ONE OF ITS KIND

The Hollywood-Burbank Airport is the only privately-owned air carrier airport in the United States. Its significance as an air carrier airport is demonstrated by:

1. Its inclusion by the Department of Transportation (F.A.A.) in the National Airport System.
2. Its recognition as a critical regional transportation facility in the Southern California Regional Airport System and the California State Transportation System.

In addition to its scheduled commercial airline operations, the airport serves as an alternate to the Los Angeles International Airport in inclement weather. Within the boundaries and capabilities of its existing facilities, this airport can accommodate double the current passenger activity. The technological advances in noise abatement and the increased carrying capacity of the new generation of wide-body aircraft provide unique capability to this airport—capability to handle the expected growth in demand without increase in airport size or further damage to the environment.

PUBLIC ACQUISITION

A preliminary review of the data accumulated to date indicates that the long-range interests of Burbank's residents, and residents of neighboring communities, would best be served through public acquisition and operation of the airport. Public ownership would be consistent with existing recommendations in both state and regional aviation system plans, and the results of studies conducted by the City of Burbank, to wit:

1. The City Administration recognizes the importance of the Hollywood-Burbank Airport to the region and its significance within the National Airport Plan. The City desires to promote and to achieve orderly development of the airport wtihin the context of acceptable economic and environmental constraints.

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2. The Master Plan Study indicates that the future growth requirements of the airport can be accommodated through controlled development consistent with the City's environmental and economic objectives.

3. Orderly and selective development in conformance with a master plan will enhance the value of properties adjacent to the airport, thereby improving the City's economic base.

4. Industrial/commercial uses of the airport property would result in a negative environmental impact to the overall region that could be much more severe than the impact stemming from existing or projected airport operations.

a. The closure of Hollywood-Burbank Airport would result in cessation of aircraft noise over areas immediately adjacent to the airport. However, the transfer of up to 29,000 annual air carrier operations to LAX and Ontario would add significantly to their existing problems of traffic congestion, noise and air pollution.

b. Over 180,000 general aviation flights annually would have to be shifted to other facilities in the San Fernando Valley, such as Van Nuys, Whiteman and San Fernando, thus creating serious problems for the communities that are impacted by operations from these airports.

c. Increased levels of highway and freeway traffic from the Hollywood-Burbank service area of LAX and Ontario would result in a significant increase in total vehicle miles traveled. Air travelers would experience delays, inconvenience and unnecessary aggravation, and additional air pollution would be generated as a result of the greater distances to be driven from the Hollywood-Burbank Airport service area to alternate aircraft arrival and departure points.

d. The sudden conversion of the 630 acre Hollywood-Burbank Airport to industrial/commercial usage would cause a severe dislocation of industrial land values in the entire region and could result in the bankruptcy of industrial park projects already under development.

e. Peak hour automobile traffic generated by industrial or commercial use at the airport site would greatly outweigh that now generated by the airport.

COST OF ACQUISITION

The Board of Directors of Lockheed Aircraft Corporation has expressed its intention to sell the Hollywood-Burbank Airport properties and certain contiguous properties for an amount equal to the fair market appraised value at the time of sale.

As of this date, no final determination has been made as to which properties would be included in the initial acqusition of the Hollywood-Burbank Airport. The City of Burbank, Lockheed Aircraft Corporation and the Federal Aviation Administration are expected to identify within the next several months the specific properties involved. Currently under consideration are approximately 553 acres with improvements.

Two independent appraisals have been made of the Lockheed-owned airport properties. Both the City of Burbank's and Lockheed's appraisals determined values as of December 31, 1974. These appraisals are now under review, and discussions are being held between Lockheed and the City of Burbank to reconcile differences.

Pending final agreement on the acquisition price of Lockheed-owned airport properties, it is urged by the City of Burbank that provisions be included in the Airport and Airways Development Act for future purchase of these properties at a price of approximately $75 million. It is understood that 80.59% of this amount would be eligible for a grant under this Act. To give consideration for inflation and contingencies, a factor of approximately 5% per annum should be added. Maximum grant for the acquisition of these properties at 80.59% of agreed upon price would be $66,500,000. The extent to which these funds would be required is, of course, contingent upon the final determination of properties to be acquired, and the ultimate decision of the Burbank City Council to consummate the transaction.

Statutory language to the effect that $66,500,000 be earmarked for future public acquisition of the Hollywood-Burbank Airport, as set forth in any revision or extension of the Airport and Airways Development Act, would neither mandate nor guarantee an immediate sale and transfer of this airport to a public entity. It would, however, facilitate such acquisition and transfer at the appropriate point in the future. The possibility of Lockheed divesting itself of the facility is very real, and it is extremely doubtful that the Hollywood-Burbank Airport can be maintained in the system under its present structure for an

additional five years. Therefore, in the interest of maintaining the viability of the airport systems concept in the Southern California region, it is imperative that funds be earmarked to facilitate the acquisition and transfer of this airport by and to a public entity.

DIVESTMENT BY LOCKHEED AIRCRAFT CORPORATION

Lockheed Aircraft Corporation's position on this matter is clear. Lockheed is desirous of selling the Hollywood-Burbank Airport and airport support properties for several reasons:

1. As a prviate entity, Lockheed cannot deal effectively with the public sector concerning environmental problems.
2. The airport is not an element of the corporation's long term plan for development and growth. Its significance as a support facility for aircraft manufacture has diminished with the development of Lockheed's new final assembly and flight test facility located at Palmdale, California. Based upon its current appreciated value and the cost of money to Lockheed Aircraft Corporation, the airport does not provide a reasonable rate of return on its investment.
3. Lockheed's outstanding bank debt is substantial and is currently guaranteed in part by the U.S. Government. Divestment of assets which do not fit into the corporation's long term development plan is desirable. Proceeds from the sale of the airport could be used to reduce U.S. Government guaranteed bank loans.
4. Although the rate of return on investment is low, the airport has nevertheless been a consistently profitable operation for Lockheed. Over the past five-year period, income before depreciation, interest and taxes has averaged $1.1 million annually. However, based on its current state of development, the airport does not yield a sufficient return to provide the amount of capital required for further airport improvements and development.
5. As a privately-owned air carrier airport, Hollywood-Burbank Airport is not eligible for government funds to finance further development of the airport. Grants are not available from the federal airport development program. Additionally, state and local governmental entities cannot provide funds to a private entity for airport development. Finally, revenues from the head tax generated by the airport's scheduled air carrier operations, estimated at $14 million over the five-year period ending in 1974, cannot, under existing law, be made available to Lockheed for airport development.
6. Lockheed's financial projections for the next five to ten year period do not indicate availability of or access to the capital funds necessary to develop the airport in a manner consistent with the best interests of the public served by this facility.

FEASIBILITY OF PUBLIC ACQUISITION

The financial analysis undertaken as part of the Hollywood-Burbank Airport Master Plan Study indicates that the revenue financing capability of the airport is sufficient to support only a relatively small portion of the total acquisition cost of the airport. The feasibility of the proposed public acquisition and first-phase development of the airport by the City of Burbank is dependent upon substantial Airport Development Aid Program ('ADAP) funding. ADAP funds required by the City to consummate the acquisition of the airport would have to be appropriated in full at the time of acquisition, or in annual increments over a period of time not to exceed five years.

Based on the Hollywood-Burbank Airport Master Plan Study, we anticipate our total requirement for ADAP funds will be in excess of $66 million. This amount would provide for public acquisition of the airport and development of airport facilities during the period from 1976 to 1980. However, the annual apportionment formula set out in the ADAP proposal submitted to Congress by the Administration places a $5 million ceiling on direct funding to any one carrier airport. The ADAP proposal also includes a $63 million Discretionary Fund to be distributed among all qualified airports at the discretion of the Secretary of the Department of Transportation. As proposed, the Administration's ADAP legislation would not provide the City of Burbank or any sponsoring public agency with ADAP funding sufficient to finance the acquisition of this important element in the national airport system.

Because the proposed public acquisition of the Hollywood-Burbank Airport is a truly unique situation, it is imperative that the ADAP legislation be structured with the necessary flexibility to accommodate this transaction in the foreseeable future.

To ensure this flexibility, the following modifications to the Administration's ADAP proposal are respectfully urged:

1. Increase the Discretionary Fund from the level of $63 million to a level on the order of $150–$165 million, as proposed in the Milford Bill (HR 4312), the Anderson Bill (HR 4830), and by the Airport Operators Council International (AOCI), the American Association of Airport Executives (AAAE), and the Air Transport Association (ATA).

2. Eliminate, or waive, at the discretion of the Secretary of Transportation, provisions establishing annual ceilings on ADAP funds allocable to individual airports.

It is only through increased flexibility resulting from the above-suggested modifications that any sponsoring public agency can ensure the continuance of the Hollywood-Burbank Airport as a vital link in the western U.S. air travel system.

The City of Burbank is grateful for your consideration of the facts and circumstances relating to the proposed public acquisition of the Hollywood-Burbank Airport, and your careful review of the proposed modifications to legislation concerning the Airport Development Aid Program.

Senator CANNON. We have one more witness to go, Mr. Miles. How long is your statement, sir? The Senate is voting and I must leave for the Senate.

Mr. MILES. About 1 minute, Senator Cannon.

Senator CANNON. Very good. Will you proceed?

STATEMENT OF THOMAS S. MILES, PRESIDENT, NATIONAL AIR TRANSPORTATION ASSOCIATIONS

Mr. MILES. I just wanted to say that in preparing NATA's statement we anticipated certain questions. We asked ourselves such questions. We provided the answers to such questions in the statement.

I would now like to submit the statement for the record and that's it, and if you have any additional questions, fine.

Senator CANNON. The statement will be made a part of the record. I will go through it to summarize it to find out what your position is.

You're certainly aware of the issues that we have been discussing here and about which we are concerned.

Mr. MILES. Yes, sir.

Senator CANNON. And I appreciate it. I'm sorry that we're right in the middle of a vote because I'd like to have you bring out some of those things right now.

[The statement follows:]

STATEMENT* OF THOMAS S. MILES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL AIR TRANSPORTATION ASSOCIATIONS

* Except where indicated, the same written statement was presented to the House Aviation Subcommittee on April 9, 1975. ▶ indicates additional comments during the witness's oral presentation before the House subcommittee.

Mr. Chairman and Members of the Subcommittee:

I am Thomas S. Miles, President and Chief Executive Officer, National Air Transportation Associations, Inc., commonly referred to as NATA.

NATA is an umbrella organization composed of two separate and distinct divisions, with membership scattered throughout the United States as illustrated in the four preceding pages.

FBO DIVISION

One division represents the interests of thousands of ***small businessmen*** who are engaged in one or more of the following activities with a permanent office and facilities at an airport:

- *Aircraft distributor/dealer*
- *Aircraft rental*
- *Flight training school*
- *Mechanic schools*
- *Aircraft Maintenance*
- *Avionics sales and maintenance*
- *Fueling, servicing, parking, tie-down and hangar storage, etc., for local and transient aircraft*
- *Aviation school (college or jr. college accredited by a recognized accrediting authority and granting a full degree or associate degree in aviation.)*

Such small business firms throughout the U.S.A. are supporting the operations of more than 714,000 certificated pilots and 153,000 civil aircraft, as well as serving the away-from-home needs of many air carriers (CAB-certificated carriers, commuter airlines and air taxis).

AIR CARRIER DIVISION

The other division represents CAB Part 298 air carriers[1/] (commuter airlines and air taxis) who: (1) are registered with the Civil Aeronautics Board under Part 298 of its Economic Regulations; (2) hold a valid operating certificate issued by the Federal Aviation Administration; and (3) operate aircraft under all applicable Federal Air Regulations.

NATA member air carriers serve thousands of communities off the jet stream of travel. They hop all over. To major cities. To small/medium communities. To isolated points. And they do it with the

1/ The CAB restricts Part 298 air carriers to the operation of aircraft seating no more than 30 passengers with a payload capacity of no more than 7,500 pounds unless it authorizes the operation of larger aircraft under an exemption to satisfy the needs of specific markets.

right sized aircraft: light single engine, small twins, medium turboprops, small jets and helicopters; the fuel efficient equipment they need to provide efficiently and economically the air transport services their communities want and need.

OPERATE SCHEDULED, CHARTER AND CONTRACT SERVICES

Many NATA members operate timely scheduled air service and charter services as commuter airlines.[2/] Many more specialize in aircraft charters ready to go anywhere, any time. Still others provide contract services in the response to the particular needs of business firms, banks, governmental agencies and the U.S. Postal Service. And so throughout the United States there are NATA member air carriers ready, willing and able to meet the air transport needs of the public, whether it be for passenger travel, air freight, priority packages or mail.

It can be said that because the business of our members is at the airport, ***we know a great deal about the airports and their needs;*** therefore, we are most anxious at this time to let our voice be heard in this important hearing to extend, amend, or replace the Airport and Airway Development Act of 1970.

NATA POLLED ITS MEMBERS FOR THEIR REACTION TO THE ADMINISTRATION'S BILL, H.R. 5017, THE "Airport and Airway Development Act of 1975"

On March 21st we sent our members a ten-page questionnaire covering the statement by William T. Coleman, Jr., Secretary of Transportation, before the House Public Works and Transportation Committee regarding the Airport and Airway Development Program, Tuesday, March 18, 1975.

In that questionnaire, ***each part*** of the Administration's proposal was followed with a question calling for our members to advise whether they did or did not favor that part of the proposal. In addition, we asked our members the following questions which were based on some of the key issues set forth in the Administration's bill, H.R. 5017 as well as H.R. 4312 (introduced by subcommittee member Dale Milford) and H.R. 4830 (introduced by subcommittee Chairman, Glenn M. Anderson):

2/ Commuter airlines operate under exemption granted by the Civil Aeronautics Board from Section 401(a) of the Federal Aviation Act of 1958. In operating aircraft restricted in size by the CAB (See 1/), and without any form of financial assistance from the Federal government, such carriers have the right to enter or exit any market at any time. They are normally found in communities where the population and/or business activity is not sufficient to support adequate service by the CAB-certificated carriers. They are known as the pioneers in providing safe, reliable, economical and timely frequent service (passenger, cargo and mail) in response to public and community needs. Some states have adopted intrastate regulations governing the operations of commuter airlines. Such regulations are imposed on the commuters even though the majority of their business falls under the classification of "interstate commerce".

Q1. Do you share concern over that section of the Administration's bill that would (a) turn over the congressionally mandated "Federal airport system plan" to the individual states; (b) relinquish Federal coordination and planning on a national system basis in preference to individual State control; (c) abandon any effective Federal direction over "air carrier" and "reliever" airports so vital to interstate commerce?

65.1% responded "YES".

Q2. Would you favor amending the existing legislation so as to require that Federal standards be followed for all air carrier and reliever airports, but permit expeditious approval by FAA field representatives of deviations necessary to adapt to local conditions?

76.1% responded "YES".

Q3. Would you favor amending the existing legislation so as to permit each state to decide for itself whether given general aviation projects should be required to conform to FAA or state aviation standards?

65.6% responded "YES".

Q4. Would you favor amending the existing legislation so as to require that environmental procedures be substantially streamlined to allow the FAA to concentrate on those airport projects with significant environmental problems in urban areas, or involving use of public parks, wildlife refuges, or recreational areas?

86.6% responded "YES".

Q5. Would you be willing to support those who favor keeping the aviation fuel tax for general aviation at seven cents per gallon on the premise that it produces revenues in excess of general aviation's fair share of system costs under a formula which would assign an appropriate amount of such costs to "public services" performed by the Federal Aviation Administration?

88% responded "YES".

Q6. Would you be willing to support those who favor gearing the ticket tax (now at 8%) to the needs of the nation's air transport system in lieu of a lesser tax coupled with a head tax as proposed by the Administration?

77.3% responded "YES".

Q7. Would you favor amending the existing legislation so as to make land buffers needed to offset adverse environmental effects eligible for Federal funding similar to that proposed in the Administration's bill?

76.5% responded "YES".

Q8. Would you favor making public use areas of terminals eligible for Federal funding similar to that proposed in the Administration's bill, with the understanding that those passengers paying the 8% ticket tax are currently contributing over 90% of the funds now going into the Aviation Trust Fund?

79.7% responded "YES".

Q9. Do you support the position that communities served by commuter airlines should be eligible for airport funding under the same criteria as that established for the CAB-certificated carriers, with the understanding that commuter airlines are out-boarding CAB-certificated carriers at some airports because of their timely, frequent service; therefore, their needs for instrument landing systems, towers and radar are equally important in response to public need for safe, reliable and convenient air transportation?

92.4% responded "YES".

PREAMBLE

NATA is a member of the General Aviation Family as well as the Air Carrier Family; therefore, in reviewing this statement it should be clearly understood by all that:

- *when NATA supports an appropriate level of funding for "air carrier airports" and "commuter service airports", including terminals . . .*
- *when NATA supports additional funds for F&E . . .*
- *when NATA supports additional funds for R&D . . .*

. . . it does not want, nor does it expect, general aviation to contribute one single dollar to help cover the costs of such expenditures which are being proposed primarily to satisfy the needs of the passengers and shippers who are paying the 8% ticket tax and 5% cargo tax when utilizing the services of the scheduled airlines and air taxi charter operators. Such taxes are being paid willingly by travelers and shippers with the promise that the Federal government will use their financial contributions to help build the safest possible and dependable air transport system in the public interest.

It should furthermore be understood that when the government takes the total costs for the nation's airport and airway system and allocates an appropriate amount to "Public Service & Public Benefit", it is the consensus of NATA members that the existing 7 cents per gallon tax on general aviation flying produces revenues far in excess of general aviation's fair share of the system's costs; therefore, NATA prays that citizens from the general aviation community will not be

required to pay any more than 7 cents per gallon tax under the legislation now under consideration to amend or replace the Airport and Airway Development and Revenue Acts of 1970.

It should also be understood that as an important part of the Air Carrier Family, NATA is urging the airlines and others to continue their cooperative attitude in support of the philosophy that services and facilities at "air carrier airports" made possible through federal funding, and the Aviation Trust Fund, should rightfully be made available to all citizens, including those from the general aviation community.

MORE QUESTIONS

Because a "question and answer" session can be so effective, I will now continue my statement as though the questions were coming from you, Mr. Chairman, or a member of your subcommittee.

Q. What level of funding does NATA support for ADAP?

Although the vast majority of NATA members supported the Administration's proposal to increase ADAP from the current $310 million annually to $350 million (with $50 million going to general aviation), they were not aware at the time of H.R. 4312 which would increase it to $500 million (with $75 million going to general aviation), or H. R. 4830 which would increase it to $570 million (with $75 million going to general aviation). Perhaps, if they had been aware of such proposals, they would have favored such higher levels for airport funding.

Q. What is NATA's position on the development of airports served by commuter airlines?

In recommending that the level of funding for general aviation airports be increased about 43 percent (from $35 million to $50 million), Secretary Coleman said that a substantial portion of the $50 million would be used for the development of airports served by commuters. That is a good beginning, but it doesn't go far enough. For a long time, NATA has taken the position before DOT/FAA that inasmuch as commuter airlines are providing scheduled passenger services to hundreds of communities as "air carriers",[3/] and inasmuch as commuter airlines collect the 8% ticket tax and 5% cargo tax, the communities served by commuter airlines should be eligible for airport funding out of the "air carrier" pot.

3/ See Exhibit A – Commuter Airlines are air carriers operating under the jurisdiction of the Civil Aeronautics Board, and Exhibit B – Commuter Airlines are "air carriers" operating in accordance with the Federal Aviation Act of 1958.

Q. How many airports are served by commuter airlines in the carriage of passengers?

In making preparation for the publication of the 1975 Report of the Commuter Airline Industry, we analyzed the October 1, 1974 edition of the Official Airlines Guide [4/] featuring the schedules of all U.S. domestic airlines including 131 commuter airlines.[5/] This is what we found:

- *There are 665 airports† in the 50 states, the Commonwealth of Puerto Rico and the territories and possession of the United States served by the scheduled domestic airlines including trunk, local service, helicopter, commuter and intrastate carriers:*

  210 (31.6%) are served exclusively by the commuter airlines.

  256 (38.5%) are served exclusively by the certificated carriers.

  199 (29.9%) are served jointly by the certificated and commuter carriers.

  665

- *In serving a total of 409 airports, the commuter airlines serve 1,530 city-pairs on a single-plane basis and thousands of additional city-pairs by connecting with the major airlines.*

  (If the commuter airlines operated an average of 3.5 flights per business day in these 1,530 markets, it would mean that they operated 5,350 daily flights. An NATA study is now underway to determine the exact number of flights scheduled per day between small communities and hub airports for the convenience of connecting passengers and shipments. A comparative analysis will also be made of the frequency of service of the local service carriers who receive "Public Service Revenues" as well as the services of the unsubsidized commuter airlines. The commuters have the reputation of providing timely frequent service in response to community needs.)

4/ See Exhibit C for listing of 665 airports by state.

5/ A "commuter air carrier" as defined by the CAB is "an air taxi operator which performs at least five round trips per week between two or more points and publishes flight schedules which specify the times, day of the week and places between which such flights are performed, or (2) transports mail by air pursuant to a current contract with the U.S. Postal Service".

† This study did not include small community airports in Alaska served by Kodiak-Western Alaska; Reeve Aleutian and Wien Air Alaska

- *Out of the 665 airports† served on a scheduled basis:*
  - 365 (54.9%) are served by a single carrier. 193 (52.9%) of these rely on commuter airlines, while 172 (47.1%) are served by the certificated carriers.
  - 131 (19.7%) are served by two carriers.
  - 61 (9.2%) are served by three carriers.
  - 27 (4.1%) are served by four carriers.
  - 11 (1.6%) are served by five carriers.
  - 21 (3.2%) are served by six carriers.
  - 4 (0.6%) are served by seven carriers.
  - 11 (1.6%) are served by eight carriers.
  - 4 (0.6%) are served by nine carriers.
  - 30 (4.5%) are served by ten or more carriers.

    665

- *Only three states are without the convenience of timely, frequent commuter airline service: Alabama, Montana, and North Dakota. Out of the 47 states enjoying commuter airline service, 21 are dominated by commuter airlines from the point of view of the number of airports served in each state.*

- *The airlines maintain a total of 1,671 stations at the 665 airports served on a scheduled basis. 1,048 (62.7%) are operated by the certificated airlines while 623 (37.3%) are operated by the commuter airlines.*

▶ *Q.* ***Your survey of the OAG covered airports served on a scheduled basis by air carriers engaged in the carriage of passengers, or combination of passengers and cargo. Are there any airports served exclusively by all-cargo commuter air carriers and air taxi mail contractors?***

YES. A recent report from the CAB shows that there are over 134 airports served exclusively by such carriers. By adding this figure to the 665 airports enjoying scheduled passenger service, we come up with a total of 799 airports, 543 (68%) of which are served by commuter airlines. Out of these 543 airports, 344 (63.3%) are served exclusively by commuter airlines engaged in the carriage of passengers, cargo and/or mail.

▶ Q. *How many commuter airlines operate as "all-cargo" carriers or hold air taxi mail contracts?*

Approximately 20-25 commuters operate as all-cargo carriers while 62-64 air taxi operators hold air taxi mail contracts and thus fall under the definition of a commuter air carrier.

Q. *How much traffic did the commuter airlines carry in 1974?*

As commuter airline traffic statistics are maintained by the Civil Aeronautics Board on a confidential basis for 12 months, the latest figures we have are for the year ended December 31, 1973. Using their figures as a foundation, one could estimate traffic as follows:

	1973	1974
Passengers	5,687,614	6,200,000
Passenger Miles	575,809,567	633,400,000
Cargo (Pounds)	92,963,189	110,500,000
Mail (Pounds)	147,795,590	168,800,000

For the actual figures, perhaps the CAB would release same to the Subcommittee on a confidential basis.

Q. *How much money do you estimate commuter airline passengers and shippers contributed to the Aviation Trust Fund in 1974 through payment of the 8% ticket tax and 5% cargo tax?*

In anticipation of this question, we checked with DOT on the premise they would have obtained such information in working on the Cost Allocation Study. On March 28, Mr. Gene Mercer of DOT estimated that the contribution from such users was $7.8 million.

Q. *Under existing legislation, funds are made available for "air carrier and reliever airports" as well as "general aviation airports". What would NATA's reaction be to a proposal for the ADAP legislation to include a new classification of airports to be known as "Commuter Service Airports"?*[6/]

Mr. Chairman, the commuter airline industry would be most grateful for such recognition.

▶ In our OAG survey of the airports served on a scheduled basis by the air carriers engaged in the carriage of passengers, we found that 455 (68.4%) are served by the certificated carriers and 409 (61.5%) by the commuter airlines.* But in spite of such an impressive performance

6/ "Commuter Service Airport" means a general aviation airport served by an air carrier operating under exemption granted by the CAB from Section 401(a) of the Federal Aviation Act of 1958.

* Sum of figures exceeds 665 airports as 199 airports are served jointly by both classes of carriers.

by commuter airlines, we find no funds allocated to "commuter service airports" under any of the existing proposals. This is very frustrating when one realizes that under one legislative proposal, an airport served by one flight a day by a certificated carrier would be eligible for $100,000 annually, while an airport served many times a day by a commuter airline would not be eligible to a similar level of funding.

Some say the "commuter service airports" should also get a minimum of $100,000 on an annual basis. Perhaps a better way would be to create a two-part formula whereby each "commuter service airport" would get a minimum of $50,000 plus "X" number of dollars for each enplanement or departure for the previous year. Under such a formula, it might be advisable to allocate a minimum of $20 million dollars to "commuter service airports" with additional funds available, as needed for special projects, from the general aviation and discretionary air carrier accounts.

Mr. Chairman, the availability of funds as suggested by NATA to improve the small community airports served by commuter airlines could be one more reason why more communities throughout America would want to give their support and encouragement to this fledgling industry which is doing such a great job — a job many people felt could never be done without a great deal of federal subsidy.

Q. Is it true that some airport authorities are failing to recognize the need for commuter airlines to enjoy easy and convenient access to airport and terminal facilities served by the certificated carriers?

Absolutely. Many airport authorities are failing to realize that the majority of commuter airlines are primarily in business for one reason: to exchange traffic (passenger and cargo) with the major airlines. All too often, commuter airlines, and the air taxis who likewise specialize in exchanging traffic with the major airlines, are lumped in with the entire group of general aviation and no particular consideration is given to their needs or the needs of their passengers who are paying appropriate user taxes. This isn't right. Something has got to be done to correct the problem in the public interest. Perhaps that portion of proposed legislation which would permit the use of funds for the construction or improvement of portions of terminal areas open to public use and directly related to the movement of passengers, baggage, and cargo should be amended to require airport authorities to make adequate terminal facilities and gate positions available to commuter airlines and air taxis.

Q. Based on your preceding statement, can we assume that NATA supports the proposal to make ADAP funds available for the construction or improvement of terminal areas open to the public?

Yes, Mr. Chairman. And it should also be pointed out that what with the FAA's security regulations, it is becoming increasingly difficult

and costly for commuter airlines and air taxis to exchange traffic with the certificated carriers at the major terminals. For a variety of reasons, certain airport authorities have had great difficulty trying to establish one or more convenient gates through which "unsterile" enroute passengers by air may flow to the sterile areas, or vice versa. Perhaps the planning, building, and maintenance of such facilities should be a part of ADAP funding, otherwise the public interest is not being adequately protected.

Q. The Administration is proposing $250 million for facilities and equipment which is a continuation of the level that has been in effect for the past five years. Does NATA consider this amount to be sufficient?

What with the ever-growing problem of inflation, Mr. Chairman, it appears that the Administration is planning to buy less safety over the next five years than it has bought since 1970. We question if this is being honest with the travelers by air who are paying "user taxes" on the basis that such contributions will permit the FAA, as authorized by Congress, to expend an appropriate amount of money annually on airway and airport developments including the installation of instrument landing systems, towers and radar for the purpose of maximizing the safety, dependability and convenience of air transportation in the public interest. As $250 million for F&E does not appear to be sufficient, it is suggested that the FAA be asked by the Subcommittee to prepare a report indicating the facilities and equipment that are wanted and needed by the "air commerce airports" including those served by commuter airlines. The report should include the cost for such facilities and equipment as well as the FAA's timetable for fulfillment. It could be that such information will sound the alarm for increasing the funding for F&E in response to public need.

Q. Are small community airports served by established commuter airlines getting their fair share of F&E funds?

We think not. And for the following reasons: In establishing priorities on the use of FAA funds for control towers, electronic navigation aids, etc., AIR COMMERCE AIRPORTS (those served by "scheduled air carriers") take precedence over GENERAL AVIATION AIRPORTS (those without "scheduled air carrier service"). For example, it requires more than twice as many annual itinerant operations to qualify for an FAA Control Tower at a general aviation airport as it does at an air commerce airport. Although the word "certificated" does not usually appear in FAA's criteria when the phrase "scheduled air carrier" service is used, FAA interpretation of the phrase seems to include it. What this means is that a community served on a scheduled basis only by a commuter airline with 10 flights a day does not receive the same consideration for airport facilities as does a commun-

ity served with two flights a day by a certificated carrier.[7/] This violates the principle of investing money to maximize safety for the greatest number when there is a limit on what can be spent for airport facilities in any given period. The only answer received from the FAA in response to a request for clarification of this policy is that the commuters are undependable and are "here today and gone tomorrow". We believe quite strongly that a statistical review of the last five to ten years would show a significantly higher number of communities which have lost all air service because of a pullout by a certificated carrier, than have lost service by the disappearance of an established commuter airline.[8/] We are strongly urging the FAA to recognize the simple fact of life that service by a commuter airline does constitute scheduled air carrier service and does mean that the airport served is an "air commerce airport". Commuter airlines are in the CAB's "game plan", but apparently they are not in the FAA's. The lack of knowledge within the FAA of the commuter airline industry; the lack of awareness of its mission, potentialities, and problems is truly discouraging when one realizes that the industry carried over 6.2 million passengers in 1974. The potential for growth in service to the nation and the public is tremendous. Fulfillment is dependent upon the help and understanding of the Federal Aviation Administration at all levels and in all regions.

In support of our complaint against the FAA representatives who are failing to see the "big picture", it is interesting to note that in a speech on March 31st before the Commonwealth Club in San Francisco, outgoing FAA Administrator Alexander Butterfield said that the FAA has been "lethargic" in reconsidering the tower needs for smaller airports. (The inclusion of this comment should not be interpreted to mean that NATA supports towers at all small airports. Towers should only be built where the traffic will support and justify the expense of such a facility. And "commuter service airports" should be given the *same* consideration as airports served by CAB-certificated carriers.)

Q. Does NATA have a position on the use of ADAP for privately owned airports open to the public?

Although we have never polled our members on this issue, I believe they would support such a proposal under an arrangement similar to the one now in effect in the State of Virginia. As I recall, during NASAO's testimony on March 19th, Colonel Willard Plentl, Virginia's Director of Aeronautics, said that up to $100,000 from the state's

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7/ See Exhibit D which illustrates the problems facing the small community airports served by established commuter airlines.

8/ Because of the CAB's laissez faire policy permitting commuter airlines to enter and leave markets at will, communities should be required to demonstrate that they have an "established commuter airline" in support of their request for F&E funds for needed facilities.

special fund for aviation could go into a single privately owned public use airport provided the owner signed an agreement to keep the airport as a public-use facility for a minimum of 20 years with the understanding that if at any time the airport were turned into some other use, the entire amount of the grant would have to be refunded to the state. Col. Plentl said the state had nothing to lose but the interest on the funding and had everything to gain from the state's investment in such a privately owned facility that was open to the public. In the questioning that followed Col. Plentl's comment, Congressman Barry M. Goldwater, Jr. made an interesting comment in response to the statement that many general aviation airports which could have been useful to the State of Virginia as reliever airports have disappeared because of real estate pressures. Mr. Goldwater said that such a problem is of growing concern in large metropolitan areas "and by the time commuter type operations become economically feasible and acceptable, those properties that could have been very useful in providing an inner city network are sold off because of the increase in value as reflected by the taxes that are paid."

Q. *The Administration's bill provides for the financing from the Aviation Trust Fund of the annual maintenance costs of airway facilities procured from the fund. The annual funding would be approximately $431 million. What is NATA's position on this proposal?*

What with so many things remaining to be done, we cannot support such a proposal. Perhaps at some point in time, after the desired system has been built, the "users" will be in a position to carry part of the load. But now is not that time. If the Administration, supported by OMB, feels there will be an "extra" $431 million in the Trust Fund each year, why not invest it where it belongs? Why not invest it in ADAP and F&E? Isn't that what the "users" of the nation's airports and airway system were told would be done with their tax dollars?

Q. *The Administration has proposed resurrecting the head tax on the premise it would enhance the ability of the State and local governments to provide matching funds for essential airport development projects. What is NATA's position on this proposal?*

We included this question in our questionnaire to the membership. 90.5% of the respondents said they could not support such a proposal.

As you know, Mr. Chairman, commuter airlines specialize in short-haul air transportation in service to the nation and the public on a non-subsidized basis. If they are to remain on the American scene, a climate must be created that will make it possible for small communities to afford the airport facilities and services that make it economically

feasible for commuter airlines to serve them; therefore, it should be made crystal clear that the creation of such a climate is not through the adoption of airport head taxes — taxes that could be excessive.

For example, a round trip ticket, Allentown-Philadelphia would cost as follows if both points assessed a $2.00 head tax:

FARE (RT)		$33.34
TAXES		
8% Federal tax	2.66	
Head Tax, Allentown	2.00	
Head Tax, Philadelphia	2.00	
		6.66
SECURITY CHARGE		.73
TOTAL		$40.73

Under this example, the tax plus the airport security charge is $7.39, or 22.2% of the fare. Is that fair? Is it reasonable? NATA thinks not! It is this kind of taxation that could destroy short-haul air transportation. And that would be contrary to the public interest.

In serving major airports as well as thousands of small airports scattered throughout the U.S.A., commuter airlines and air taxi charter operators are sympathetic to the problems which prompt some cities, counties and states to look to a local head tax as a much needed source of revenue for funding their airport needs. But like so many others seeking the best possible solution to the problem, it is the consensus of our members to oppose any federal policy which would permit any airport to establish and impose a head tax to cover its own revenue needs for airport development and improvement.

Inasmuch as a system for collecting appropriate "user taxes" has already been established by the Congress, we ask: *"Why change it? Why complicate things by placing a tax on a tax? Does it make sense? It certainly will not make sense to the air traveling public. And it could be costly to administer by having different taxes collected at different times and places."*

Q. You say your members are sympathetic to the problems which prompt some airport authorities to look to a head tax as a much needed source of revenue for funding their airport needs, but that they are opposed to such taxation. What is the alternative?

In the desire to make the nation's air transport system what we all want it to be — the best and safest in the world — at a price the "users" of the system and the public can afford in their own self-interests, NATA recommends adoption of legislation which would:

1. Prohibit a state (or political subdivision thereof) from levying or collecting a tax, fee, head charge, or other charge, directly or indirectly, on persons traveling in air commerce or on the carriage of persons traveling in air commerce or on the sale of air transportation or on the gross receipts derived therefrom;

2. Increase annual ADAP and F&E authorizations to a level that will enhance the growth and development of airports throughout the nation with the focus on the need to maximize safety in the air and on the ground in the public interest;

3. Change the federal funding for airport grants from the present ratios to a more appropriate system which would be acceptable to, and workable for, the cities, counties and states that are so dependent on air commerce;

4. Make public areas of terminal buildings eligible for Trust Fund assistance with separate accounts established for major hubs, medium hubs, small hubs, "commuter service airports" and all other airports so as to preclude a few major terminals from eating up the available funds, with the condition that the airport authorities at the hub airports be required to make adequate terminal facilities and gate positions available to commuter airlines, air taxis, and business aviation in order to help facilitate the exchange of traffic with the certificated carriers;

5. Gear the ticket tax (now at 8%) to the needs of the nation's air transport system in lieu of a lesser tax coupled with a head tax as proposed by the Administration.

Q. With the understanding the prohibition of a "head tax" will continue, would NATA members favor reducing the 8% ticket tax and the 5% cargo tax to lesser amounts as proposed by others?

Again, Mr. Chairman, it appears that the consensus of NATA members is that such taxes should be geared to the need for developing the nation's airport and airway system in a timely and orderly manner without jeopardizing the opportunity to maximize safety at a justifiable cost. That is our primary concern at this time.

▶ In NATA's questionnaire of March 21, 1975 to its membership, the following question was included:

If air travelers now paying the 8% ticket tax were given the opportunity to participate in a referendum which would provide the following two options, which one do you feel the majority would support:

Option A — Pay a ticket tax no more than 5% with the understanding the resulting funds would ***not*** *permit the government to do all that could possibly be done on airway and airport developments* ***for the convenience and safety of the air traveling public;***

Option B — Pay a ticket tax of no more than 10% with the understanding the resulting funds would (1) preclude the need for any airport authority or municipality to impose a "head tax" on enplaning passengers as proposed by the Administration; and (2) permit the FAA as authorized by Congress to expend more money annually on airway and airport developments including the installation of instrument landing systems, towers and radar for the purpose of maximizing the safety, dependability and convenience of air transportation in the public interest.

▶ As the vast majority of NATA members are sensitive to the needs of the air traveling public, they selected ***Option B.***

▶ It should be recognized, Mr. Chairman, that if the cause of a given fatal air carrier accident were traced to the lack of instrument landing system and/or visual approach slope indicator, and if the passengers on board had been given a choice between death/injury or an appropriate ticket tax, it's obvious what their choice would have been.

Q. ***With respect to general aviation airport projects, the Administration's bill looks toward the assumption by the States at the end of fiscal year 1978 of all the responsibility, fiscal and otherwise, for the operation of the airport development aid program. Do NATA members support this provision of the Administration's bill?***

79.8% of the respondents said they supported the Administration's proposal. However, NATA has received some very strong comments in opposition to such a take-over by the states. Perhaps other associations or individuals who have far more knowledge than NATA should be consulted on this issue to help ensure the right decision.

CONCLUDING STATEMENTS

From time to time, Mr. Chairman, we have heard statements from the Administration and the Congress on the need to create a new rural environment which will reverse the migration to urban centers. The proponents of this philosophy point to the fact that for the past thirty years, our population has been growing and shifting, with

the result that vast areas of rural America are emptying out of people and promise. As we see it, one of the best and most effective ways of creating this "new rural environment" is to provide more communities throughout America with their own full service local airports — airports which receive appropriate financial support from the Federal government for both sides of the fence. NATA member air carriers are prepared to help serve such airports in response to the socio-economic and cultural needs of citizens residing and doing business in such communities.

▶ A CHALLENGE FOR BOOSTING THE SAGGING ECONOMY

by fulfilling a Federal promise
to the users of the nation's Air Transport System

If it is true that the current balance in the Trust Fund is over $800 million; ***if it is true*** that the Congress told the American people in establishing the 8% ticket tax and 5% cargo tax that such taxes would be used to develop the airport and airway system for the purpose of maximizing their safety and convenience, ***and if it is true*** that the Congress may have under consideration the establishment of "make-work" projects in order to get more people working during the current recession, it would appear to make sense at this particular time for the Congress to authorize a level of funding for airport and airway development that would not only meet the needs of travelers and shippers by air, but get more Americans involved in meaningful and gainful employment.

Thank you for listening to our views. Should you have any additional questions which we might have overlooked, please feel free to ask.

EXHIBIT A

COMMUTER AIRLINES ARE *"AIR CARRIERS"* OPERATING UNDER THE JURISDICTION OF THE CIVIL AERONAUTICS BOARD

Selected excerpts from CAB statements:

- **CAB General Counsel, Richard Littell, said on September 12, 1973:**

  "... the Board considers that operations conducted in accordance with Part 298 are no less Board authorized than are operations conducted pursuant to a certificate of public convenience and necessity by the Board. Whether conducted under Part 298 exemption or under a certificate, operations authorized by the Board, i.e., "air transportation" as defined by the Federal Aviation Act, are, in its view, subject to its exclusive jurisdiction."

- **Extract from brief which the CAB filed as an amicus curia in a Texas court:**

  "The issuance of Part 298 and the grant of exemptions contained therein was an affirmative exercise of regulatory authority by the Board. Indeed, in one respect it is an exercise of the most fundamental regulatory power conferred by the Act. The basic exemption conferred by Part 298 — that from the Section 401 certificate requirement — is a positive award of authority to engage in the operation covered by the Federal Aviation Act.[15/]

  "The reality of this is underscored by two simple and irrefutable considerations. The first is that, as previously explained, authority from the Board is essential to lawful interstate operations, ... the second is that operations conducted pursuant to exemption authority are 'as legal and proper as' those conducted pursuant to exemption to 401 certificate of public convenience and necessity." *Seaboard and Western Airlines, v. CAB, supra, 181 F.2d. 518.*

15/ Such an exemption is also a license within the meaning of the Administrative Procedure Act. See 5 U.S.C. 551 (9).

EXHIBIT B

COMMUTER AIRLINES ARE *"AIR CARRIERS"* OPERATING PURSUANT TO THE FEDERAL AVIATION ACT OF 1958

Selected excerpts from ACT:

Sec. 101 - Definitions

(3) "Air carrier" means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation: *Provided*, That the Board may by order relieve air carriers who are not directly engaged in the operation of aircraft in air transportation from the provisions of this Act to the extent and for such periods as may be in the public interest.

(10) "Air transportation" means interstate, overseas, or foreign air transportation or the transportation of mail by aircraft.

SEC. 401. [*72 Stat. 754, as amended by 76 Stat. 143, 82 Stat. 867, 49 U.S.C. 1371*] (a) No air carrier shall engage in any air transportation unless there is in force a certificate issued by the Board authorizing such air carrier to engage in such transportation.

SEC. 416. [*72 Stat. 771, 49 U.S.C. 1386*] (a) The Board may from time to time establish such just and reasonable classifications or groups of air carriers for the purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules and regulations, pursuant to and consistent with the provisions of this title, to be observed by each such class or group, as the Board finds necessary in the public interest.

Exemptions

(b) (1) The Board, from time to time and to the extent necessary, may (except as provided in paragraph (2) of this subsection) exempt from the requirements of this title or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder, any air carrier or class of air carriers, if it finds that the enforcement of this title or such provision, or such rule, regulation, term, condition, or limitation is or would be an undue burden on such air carrier or class of air carriers by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier or class of air carriers and is not in the public interest.

(2) The Board shall not exempt any air carrier from any provision of subsection (k) of section 401 of this title, except that (A) any air carrier not engaged in scheduled air transportation, and (B), to the extent that the operations of such air carrier are conducted during daylight hours, any air carrier engaged in scheduled air transportation, may be exempted from the provisions of paragraphs (1) and (2) of such subsection if the Board finds, after notice and hearing, that, by reason of the limited extent of, or unusual circumstances affecting, the operations of any such air carrier, the enforcement of such paragraphs is or would be such an undue burden on such air carrier as to obstruct its development and prevent it from beginning or continuing operations, and that the exemption of such air carrier from such paragraphs would not adversely affect the public interest: *Provided*, That nothing in this subsection shall be deemed to authorize the Board to exempt any air carrier from any requirement of this title, or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder which provides for maximum flying hours for pilots or copilots.

EXHIBIT C
Page 1 of 3

AIRPORTS IN U.S.A. SERVED BY U.S. SCHEDULED DOMESTIC AIRLINES
October - 1974 1/

ALABAMA (9)	(A)	(B)
Anniston	1	-
Birmingham	4	-
Dothan	1	-
Gadsden	1	-
Huntsville/Decatur	3	-
Mobile	3	-
Montgomery	3	-
Muscle Shoals	1	-
Tuscaloosa	1	-

ALASKA + (24)		
Anchorage	5	2
Angoon	1	1
Cape Yakataga	1	-
Chisana	1	-
Chitina	1	-
Cordova	1	1
Excursion Inlet	1	-
Fairbanks	2	1
Gulkana	1	1
Juneau	2	-
Ketchikan	1	-
Kotzebue	2	-
Mc Carthy	1	-
Nome	2	-
Northway	1	1
Pelican	1	1
Petersburg	1	-
Seward	1	-
Sitka	1	1
Tenakee	1	1
Unalakleet	2	1
Valdez	1	2
Wrangel	1	-
Yakutat	1	-

ARIZONA (13)		
*Douglas	-	1
Flagstaff	1	1
*Ft. Huachuca	-	1
Grand Canyon	1	2
Kingman	1	1
*Lake Havasu City	-	2
Page	1	2
Phoenix	7	1
*Prescott	-	1
*Show Low	-	1
Tucson	5	1
Winslow	1	-
Yuma	1	1

ARKANSAS (9)		
El Dorado	1	-
Fayetteville	1	1
Ft. Smith	2	-
Harrison	1	-
Hot Springs	2	-
Jonesboro	1	1
Little Rock	5	1
Pine Bluff	1	-
Texarkana	1	-

CALIFORNIA (50)		
Bakersfield	2	2
Blythe	1	-
*Borrego Springs	-	1
Burbank	4	2
*Catalina Island	-	2
Chico	1	2
*Commerce/Montebello	-	1
*Concord	-	1
Crescent City	1	-
El Centro	1	1
*Emeryville	-	1
Eureka/Arcata	1	1
Fresno	3	3
*Fullerton	-	1

CALIFORNIA (cont'd)		
*Inyokern	-	1
Lake Tahoe	1	1
Long Beach	1	2
Los Angeles	15	5
*Mammoth Lakes	-	1
Marin County Heli.	1	-
*Marysville	-	1
Merced	1	-
Modesto	1	-
*Mojave	-	1
Monterey	2	1
*Napa	-	1
Oakland	8	3
*Oceanside	-	1
Ontario	7	1
*Oxnard	-	1
Palmdale	1	-
Palm Springs	4	2
*Paso Robles	-	1
*Red Bluff	-	2
Redding	1	1
*Riverside	-	1
Sacramento	5	3
San Diego	9	3
San Francisco	12	7
San Jose	6	3
*San Luis Obispo	-	1
*San Pedro	-	1
*San Rafael	-	1
Santa Ana	2	1
Santa Barbara	2	2
Santa Maria	1	1
Santa Rosa	1	1
Stockton	3	-
*Tahechapi	-	1
Visalia	1	1

COLORADO (15)		
Alamosa	1	-
Aspen	1	2
Colorado Springs	3	-
Cortez	1	-
Denver	10	4
Durango	1	-
*Granby	-	1
Grand Junction	2	2
Gunnison	1	-
Lamar	1	-
*Leadville	-	1
Montrose	1	-
Pueblo	1	-
Steamboat Springs	1	2
*Vail/Eagle	-	2

CONNECTICUT (4)		
Bridgeport	1	2
Hartford	6	2
New Haven	1	1
*New London	-	2

DELAWARE (3)		
*Dover	-	1
*Georgetown	-	1
Wilmington	2	2

FLORIDA (24)		
Daytona Beach	2	-
Elgin A.F. Base	1	-
Ft. Lauderdale	6	3
Ft. Meyers	1	2
Gainesville	1	1
Jacksonville	5	1
*Key West	-	2
*Lakeland	-	1
*Marathon	-	2
*Marco Island	-	1
Melbourne	2	1
Miami	10	8
*Naples	-	1

FLORIDA (cont'd)		
*Ocala	-	1
Orlando	5	2
Panama City	2	-
Pensacola	2	-
*Punda Gorda	-	1
St. Petersburg	1	1
Sarasota	2	2
Tallahassee	4	2
Tampa	8	5
*Vero Beach	-	1
West Palm Beach	4	2

GEORGIA (14)		
Albany	1	-
Athens	1	-
Atlanta	8	1
Augusta	3	-
Columbus	3	-
*Dublin	-	1
Macon	2	-
Moultrie	1	-
*St. Simons	-	1
Savannah	2	-
*Thomasville	-	1
*Tifton	-	1
Valdosta	1	-
*Waycross	-	1

HAWAII (13)		
*Hana, Maui	-	1
Hilo, Hawaii	6	1
Honolulu, Oahu	9	2
*Kaanapoli, Maui	-	1
Kahului, Maui	2	2
*Kalaupapa, Mol.	-	2
Kamuela, Hawaii	1	1
Kaunakakai, Mol.	2	2
*Kaupulehu, Hawaii	-	1
Kona, Hawaii	2	1
Lanai City, Lanai	1	2
Lihue, Kauai	2	-
*Upolu Pt., Hawaii	-	1

IDAHO (6)		
Boise	2	1
Idaho Falls	2	-
Lewiston	1	-
Pocatello	2	-
*Sun Valley	-	1
*Twin Falls	-	1

ILLINOIS (21)		
Bloomington	1	-
Carbondale	1	1
*Centralia	-	1
Champaign	1	-
Chicago		
Meigs Field	1	3
Midway	5	-
O'Hare	12	8
*Danville	-	1
Decatur	1	-
Galesburg	1	-
*Jacksonville	-	1
*Macomb	-	1
Marion	1	-
Mattoon	1	-
Moline	2	-
Mt. Vernon	1	-
Peoria	1	-
Quincy	1	1
Rockford	1	-
Springfield	2	1
Sterling/Rock Falls	1	-

INDIANA (13)		
*Bloomington	-	1
*Elkhart	-	1
Evansville	3	-
Ft. Wayne	2	1
Indianapolis	6	2
*Kokomo	-	1
Lafayette	1	1
*Michigan City	-	1
*Muncie	-	1
*Plymouth	-	1
South Bend	2	2
*Terre Haute	-	1
*Valparaiso	-	1

IOWA (15)		
Burlington	1	-
Cedar Rapids	2	-
Clinton	1	-
*Davenport	-	1
Des Moines	3	3
Dubuque	1	1
Ft. Dodge	1	-
*Ft. Madison	-	1
*Keokuk	-	1
*Marshalltown	-	1
Mason City	1	-
Ottumwa	1	1
Sioux City	2	1
*Spencer	-	1
Waterloo	1	-

KANSAS (16)		
*Dodge City	-	1
*Emporia	-	1
Garden City	1	1
Goodland	1	-
*Great Bend	-	1
Hays	1	1
*Hutchinson	-	1
*Junction City	-	1
*Lawrence	-	1
Liberal	1	-
Manhattan	1	1
*Olathe	-	1
Parsons	1	-
Salina	1	1
Topeka	1	2
Wichita	4	1

KENTUCKY (6)		
*Bowling Green	-	1
Lexington	4	-
London	1	-
Louisville	7	2
Owensboro	1	1
Paducah	2	-

LOUISIANA (9)		
Alexandria	2	-
Baton Rouge	3	1
*Ft. Polk	-	1
*Houma	-	1
Lafayette	1	1
Lake Charles	1	1
Monroe	3	-
New Orleans	8	2
Shreveport	3	1

MAINE (8)		
*Augusta	-	1
Bangor	1	1
*Bar Harbor	-	1
*Lewiston	-	1
Portland	1	2
Presque Isle	1	1
*Rockland	-	1
*Waterville	-	1

EXHIBIT C
Page 2 of 3

AIRPORTS IN U.S.A. SERVED BY U.S. SCHEDULED DOMESTIC AIRLINES

MARYLAND (7)	(A)	(B)
Baltimore	8	5
*Cumberland	-	1
*Easton	-	1
*Hagerstown	-	1
*Oakland	-	1
*Ocean City	-	1
*Salisbury	-	1

MASSACHUSETTS (9)		
*Bedford	-	1
Boston	8	8
*Hyannis	-	1
*Martha's Vineyard	-	1
*Nantucket	-	1
*New Bedford	-	1
*Pittsfield	-	1
*Provincetown	-	1
Worcester	2	1

MICHIGAN (23)		
Alpena	1	-
*Battle Creek	-	2
Benton Harbor	1	-
Detroit		
Detroit City	1	-
Metro	9	3
Escanaba	1	-
Flint	2	-
Grand Rapids	2	-
Hancock	1	1
Iron Mountain	1	-
Ironwood	1	-
Jackson	1	-
Kalamazoo	1	-
Lansing	2	1
*Mackinac Island	-	1
Manistee	1	-
Marquette	1	1
Menominee	1	-
Muskegon	2	-
Pellston	1	1
Saginaw	2	-
Saulte St. Marie	1	1
Traverse City	1	1

MINNESOTA (16)		
Bemidji	1	-
Brainerd	1	-
Duluth	1	-
*Eveleth	-	1
Fairmont	1	-
*Grand Rapids	-	1
Hibbing	1	-
International Falls	1	-
Mankato	1	-
Minneapolis/St. Paul	8	6
*New Ulm	-	1
Rochester	3	-
Thief River Falls	1	-
*Willmar	-	1
*Winona	-	1
Worthington	1	-

MISSISSIPPI (11)		
Columbus	1	-
Greenville	1	-
Greenwood	1	-
Gulfport/Biloxi	1	1
Jackson/Vicksburg	3	-
Laurel/Hattiesburg	1	-
Meridian	2	-
Natchez	1	-
*Pasagoula	-	1
Tupelo	1	-
University	1	-

MISSOURI (15)		
Cape Girardeau	1	2
Columbia	1	1
Ft. Leonard Wood	2	1
Jefferson City	1	2
Joplin	2	-

MISSOURI (cont'd)		
Kansas City	8	8
*Kennett	-	1
Kirksville	1	1
Lake of the Ozarks	1	2
*Malden	-	1
*Popular Bluff	-	1
*Rolla	-	1
St. Louis	9	5
*Sedalia	-	1
Springfield	2	-

MONTANA (14)		
Billings	3	-
Bozeman	2	-
Butte	2	-
Glascow	1	-
Glendive	1	-
Great Falls	4	-
Havre	1	-
Helena	2	-
Kalispell	1	-
Lewiston	1	-
Miles City	1	-
Missoula	2	-
Sidney	1	-
Wolf Point	1	-

NEBRASKA (12)		
Alliance	1	-
Chadron	1	-
Columbus	1	-
Grand Island	1	-
Hastings	1	-
Kearney	1	-
Lincoln	2	-
McCook	1	-
North Platte	1	-
Omaha	6	2
Scottsbluff	1	-
Sidney	1	-

NEVADA (5)		
*Carson City	-	1
Elko	1	1
Ely	1	1
Las Vegas	7	3
Reno	3	1

NEW HAMPSHIRE (5)		
*Berlin	-	1
Keene	2	-
*Laconia	-	1
Lebanon	1	1
Manchester	1	-

NEW JERSEY (7)		
*Asbury	-	1
*Atlantic City	-	1
*Cape May/Wildwood	-	1
Morristown	1	-
Newark	11	4
Teterboro	1	-
*Trenton	-	1

NEW MEXICO (12)		
Alamogordo	1	-
Albuquerque	4	2
Carlsbad	1	-
Clovis	1	-
Farmington	1	-
Gallup	1	-
Hobbs	1	-
*Las Cruces	-	1
Roswell	1	-
*Santa Fe	-	3
Silver City	1	-
*Taos	-	2

NEW YORK (23)		
Albany	2	2
Binghamton	1	5

NEW YORK (cont'd)		
Buffalo	4	1
Elmira	1	2
Glens Falls	1	-
Islip	2	1
Ithaca	1	-
*Jamestown	-	1
*Massena	-	1
New York		
La Guardia	14	2
Kennedy	10	5
* Sea Base	-	1
Wall Street	1	-
*Ogdensburg	-	1
*Oneonta	-	1
*Plattsburgh	-	1
*Poughkeepsie	-	2
Rochester	3	1
*Saranac Lake	-	1
Syracuse	3	1
Utica	1	-
*Watertown	-	1
White Plains	1	3

NORTH CAROLINA (18)		
Ashville	3	-
Charlotte	5	2
*Elizabeth City	-	1
Fayetteville	1	-
Goldsboro	1	-
Greensboro/High Pt.	4	-
*Greenville	-	1
*Hatteras	-	1
Hickory	1	1
Jacksonville	1	-
Kinston	1	-
*Manteo	-	1
*Morehead City	-	1
New Bern	1	-
Raleigh/Durham	4	2
Rocky Mount/Wilson	1	-
Wilmington	1	-
Winston Salem	1	-

NORTH DAKOTA (7)		
Bismark	3	-
Devils Lake	1	-
Fargo	2	-
Grand Forks	2	-
Jamestown	1	-
Minot	2	-
Williston	1	-

OHIO (10)		
Akron/Canton	3	-
Cincinnati	6	-
Cleveland		
Lakefront	1	-
Hopkins	8	-
Columbus	8	-
Dayton	6	-
*Galion	-	1
*Mansfield	-	1
Toledo	4	-
Youngstown	2	-

OKLAHOMA (9)		
*Altus	-	1
Enid	1	-
Lawton	2	1
*McAlester	-	1
Muskogee	1	1
Oklahoma City	5	-
Ponca	1	-
Stillwater	1	-
Tulsa	6	2

OREGON (9)		
*Astoria	-	1
Eugene	2	-
Klamath Falls	1	-
Medford	2	-
North Bend	1	-

OREGON (cont'd)		
Pendleton	1	-
Portland	7	4
Redmond	1	-
Salem	1	-

PENNSYLVANIA (19)		
Allentown	3	3
*Altoona	-	1
Bradford	1	-
*Du Bois	-	1
Erie	1	-
*Franklin	-	1
Harrisburg	2	4
*Hazleton	-	1
*Johnstown	-	1
*Lancaster	-	2
Philadelphia		
International	8	4
* Northeast	-	1
* Seabase	-	1
*Philipsburg	-	1
Pittsburgh	6	-
*Reading	-	2
State College	-	1
Wilkes Barre/Scranton	2	3
Williamsport	1	2

RHODE ISLAND (4)		
*Block Island	-	1
*Newport	-	1
Providence	5	1
*Westerly	-	1

SOUTH CAROLINA (7)		
*Beaufort	-	1
Charleston	5	-
Columbia	4	-
Florence	1	1
Greenville/Spartanbg.	3	-
*Hilton Head Island	-	1
Myrtle Beach	1	-

SOUTH DAKOTA (9)		
Aberdeen	1	-
Brookings	1	1
Huron	1	-
Mitchell	1	-
Pierre	2	-
Rapid City	3	-
Sioux Falls	3	-
Watertown	1	-
Yankton	1	-

TENNESSEE (7)		
Chatanooga	4	1
Clarksville	1	1
Jackson	1	-
Knoxville	5	1
Memphis	9	1
Nashville	8	2
Tri-City	3	1

TEXAS (35)		
Abilene	1	-
Amarillo	5	-
Austin	3	-
Beaumont/Pt. Arthur	2	1
Big Springs	1	-
Brownsville	1	-
Brownwood	1	-
*Clear Lake City	-	1
*College Station	-	1
Corpus Christi	3	-
Dallas (Love Field)	2	-
Dallas/Ft. Worth	8	5
*Del Rio	-	1
*Eagle Pass	-	1
El Paso	4	1
*Galveston	-	1

AIRPORTS IN U.S.A. SERVED BY U.S. SCHEDULED DOMESTIC AIRLINES

TEXAS (cont'd)	(A)	(B)
Harlingen	1	-
Houston		
Hobby	2	-
Intercontinental	8	3
*Killeen	-	1
*Lake Jackson	-	1
Laredo	1	-
Longview	1	1
Lubbock	3	-
Lufkin	1	-
McAllen	1	-
Midland/Odessa	2	-
Paris	1	1
San Angelo	1	1
San Antonio	6	2
Temple	1	1
*Tyler	-	1
*Victoria	-	1
Waco	1	-
Wichita Falls	2	1

UTAH (10)		
*Brigham City	-	1
Cedar City	1	1
*Logan	-	1
Moab	1	2
*Ogden	-	1
*Price	-	1
*Provo	-	2
*St. George	-	1
Salt Lake City	6	4
Vernal	1	-

VERMONT (4)		
Burlington	2	3
*Montpelier	-	1
*Newport	-	1
*Rutland	-	1

VIRGINIA (13)		
Charlottesville	1	-
Danville	1	-
Dulles	9	2
Hot Springs	1	-
Lynchburg	1	-
*Manassas	-	1
Newport News	2	2
Norfolk	4	2
*Pulaski	-	1
Richmond	3	1
Roanoke	2	1
Staunton	1	-
Washington National	10	8

WASHINGTON (22)		
*Bellingham	-	1
*Bremerton	-	1
*Chehalis	-	1
*Eastsound	-	1
*Ephrata	-	1
*Friday Harbor	-	1
*Hoquiam	-	2
*Lopez Island	-	1
*Oak Harbor	-	1
*Ocean Shores	-	1
*Olympia	-	1
Pasco	1	1
*Port Angeles	-	1

WASHINGTON (cont'd)		
Pullman	1	1
*Richland	-	1
Seattle	8	7
*Shelton	-	1
Spokane	3	1
*Tacoma	-	1
Walla Walla	1	1
*Wenatchee	-	1
Yakima	1	1

WEST VIRGINIA (10)		
Beckley	1	-
Bluefield	1	-
Charleston	4	-
Clarksburg	1	1
*Elkins	-	1
Greenbrier	1	-
Huntington	2	-
*Martinsburg	-	1
Morgantown	1	1
Parkersburg	2	-

WISCONSIN (18)		
*Appleton	-	1
*Ashland	-	1
Beloit/Janesville	1	-
Eau Claire	1	1
Green Bay	1	-
*Hayward	-	1
*La Crosse	-	1
Madison	3	-
Manitowoc	1	-
*Marshfield	-	1
Milwaukee	5	1
Oshkosh	1	-

WISCONSIN (cont'd)		
Rhinelander	1	-
*Sheybogan	-	1
Stevens Point	1	2
*Sturgeon Bay	-	1
Wausau (Cen. Wis.Ar.)	1	1
*Wisconsin Rapids	-	1

WYOMING (13)		
Casper	2	-
Cheyenne	2	-
Cody	1	-
*Douglas	-	1
*Gillette	-	2
Jackson	1	-
Laramie	1	1
*Rawlins	-	1
Riverton	1	-
Rock Springs	1	1
*Saratoga	-	1
Sheridan	1	-
Worland	1	-

PUERTO RICO (6)		
*Culebra	-	2
*Fajardo	-	1
*Humacao	-	1
Ponce	1	2
San Juan	3	7
*Vieques	-	2

VIRGIN ISLANDS (4)		
St. Croix	2	3
*St. John	-	1
St. Thomas	2	6
*Tortola	-	3

1/ In making preparation for the publication of the 1975 Report of the COMMUTER AIRLINE INDUSTRY, NATA analyzed the October 1974 edition of the Official Airline Guide featuring the schedules of all U.S. domestic airlines including 131 commuter airlines. For findings, see page 6.

(A) The figures in this column indicate the number of certificated carriers serving the airports specified.

(B) The figures in this column indicate the number of commuter airlines serving the airports specified.

* Airports served exclusively by commuter airlines.

\+ This study did not include the small community airports/airstrips in Alaska served by Kodiak-Western Alaska, Reeve Aleutian and Wien Air Alaska.

( ) The figures within the parentheses indicate the number of airports in each state served on a scheduled basis by all classes of carriers.

EXHIBIT D

EXAMPLES OF FAA DISCRIMINATORY PRACTICES CONCERNING AIRPORTS SERVED ON A SCHEDULED BASIS BY *CERTIFICATED CARRIERS v. COMMUTER AIRLINES*

From the FAA Handbook - 7031.2A

1. AIRPORT SURVEILLANCE RADAR WITH RADAR BEACON SYSTEM AND BRIGHT TUBE DISPLAY (Part 4)

A. Establishment. An FAA approach control tower which records 50,000 or more annual itinerant operations, of which 10,000 or more are scheduled ***air carrier*** operations, is a candidate for ASR/RBS/BTD.

COMMENTARY: If the 10,000 or more scheduled operations were performed by a commuter airline, the tower would not be eligible for the radar equipment. *Why the discrimination?*

2. FAA AIRPORT TRAFFIC CONTROL TOWER (Part 5)

A. Establishment.

(1) Air Commerce. An airport having scheduled ***air carrier*** service with 24,000 or more annual itinerant operations is a candidate for a control tower.

(2) General Aviation. An airport without scheduled air service with 50,000 or more annual itinerant operations is a candidate for a control tower.

COMMENTARY: A community airport served with two flights a day by a certificated carrier and 24,000 or more annual itinerant operations would be a candidate for a control tower. But if the scheduled service were performed by a commuter airline, the airport would not be a candidate regardless of the number of flights scheduled per day. *Why the discrimination?*

3. INSTRUMENT LANDING SYSTEM (ILS) WITH APPROACH LIGHTS

A. Establishment. An airport where scheduled air carrier turbojet operations are conducted on a sustained basis, or any other airport which records 700 or more instrument approaches, is a candidate for an ILS with an approach light system provided that: . . . . . .

COMMENTARY: In some cases, an airport served exclusively by a commuter airline could have more justification for an instrument landing system than an airport meeting the conditions described above; however, such an airport would not be a candidate for ILS. *Why the discrimination?*

Senator CANNON. With that, the committee will stand adjourned subject to the call of the Chair.

[Whereupon, at 12:30 p.m., the hearing was adjourned.]

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

STATEMENT OF HON. ROBERT C. BYRD, U.S. SENATOR FROM WEST VIRGINIA

Mr. Chairman, I am strongly opposed to the provisions of S. 1455 which would shift the responsibility for airport planning and development from the Federal Government to the States and local airport authorities, with this shift scheduled to take place within three years for general aviation airports and within five years for airports served by certificated carriers.

Under that proposal, the Federal funding for development of general aviation airports is established at a level of only $50 million annually for each of three years—1976, 1977, and 1978—prior to the shift to total State-local responsibility, and would include planning funds. Also, there is no compensating provision for a Secretary's discretionary fund which would permit a State without large hub-airports, or even several small or medium hub-airports, to have a compensating opportunity for transfer of FAA carrier airport development funds into its general aviation development.

Specifically, the formula proposed for allocation of the three-transitional-years of general aviation development funds is entirely prejudicial to the needs of my State of West Virginia.

Under that formula proposed for allocation of the annual $50 million for 1976, 1977, and 1978, one-half of one percent—or a total of $250,000—would go to Puerto Rico and the Territories, leaving $49,750,000 for allocation to general aviation airports in the 50 States.

Of that remainder of $49,750,000, one-quarter—or $12,437,000—is apportioned directly to the States, based on the percentage of active general aviation airplanes in the State as related to the national total of registered general aviation airplanes. I am told that West Virginia is recorded as having 856 active general aviation airplanes for 1974, whereas the National total was 161,502. This would work out as an entitlement to West Virginia of one-half of one percent—or $66,000—annually for each of the three transitional years, under that particular entitlement category.

Of the balance of the $49,750,000 scheduled to go to the 50 States for general aviation development (after the direct allocation of one-quarter, or $12,437,000) the remaining three-quarters totals $37,312,500. That total of $37,312,500 is proposed for allocation based on area and population.

Using the most recent census figures, West Virginia's percentage entitlement, as related to the national population total, works out to be .758 percent, or three-quarters of one percent. That would entitle West Virginia to only $283,000 annually out of the national availability of $37,312,500.

Thus, for planning, construction, and administration of general aviation development for West Virginia, for each of the three years before Federal aid is proposed to be phased out completely, West Virginia could expect to receive a maximum of approximately $350,000 annually. At today's costs—and it is a matter of public record that construction costs are generally higher in the Appalachian Region—this would hardly provide for expansion of one runway on an already existing general aviation airport in West Virginia.

By way of contrast, it is to be noted that the proposed total availability over the three phase-out years of approximately $1 million relates poorly to the more than $10 million effectively utilized for aviation development in West Virginia for each of the last two years under funds secured through the Federal Aviation Administration's Airport and Airway Development Plan.

More important, however, there is already known to be a tremendous need for improvement and development of general aviation airports in West Virginia. For example, at Buckhannon in Upshur County, the current general aviation airport was developed entirely without Federal funds, and there is a pressing need for $1.5 million for significant improvement to make it a first-class facility operating at an approved safety level. At Summersville, in Nicholas County, there is already identified a requirement for a 1,000-foot expansion of

the existing 3,000-foot runway, to bring the facility in conformance with the 4,000-foot runways at other West Virginia general aviation airports. The Nicholas County runway expansion is estimated to cost $1 million.

Over in Tucker County, a general aviation airport is needed to serve air commerce to and from Blackwater Falls and the Canaan Valley, where a year-round recreation and tourism complex was developed from combined Federal and State moneys, for economic advancement. That estimated cost is $1.5 million.

Putnam County, West Virginia, is desperate for $1.2 million for general aviation airport development, to serve 75 aircraft utilized by industrial and chemical plant interests in connection with transportation in and out of the carrier airport in the Charleston area, more than 30 minutes away. For the record, I wish to point out that the Charleston airport, in Kanawha County, is West Virginia's only hub-airport and can be categorized as a small sub-airport.

Other areas of the State are in bad situations, needing general aviation development. These include Logan County, which has an immediate requirement for general aviation service due in major part to the resurgence of coal mining in southern West Virginia, to help meet the burgeoning national energy needs. The cost of the Logan County airport development, already given a priority for funding under any future Federal general aviation availabilities in 1976, is now estimated at $2-to-$3-million.

The proposed Roane County Airport is estimated to cost $2.5 million and is a project also indicated for early priority development in the State. As yet another priority item, for FY 1976, the Summers County Airport, proposed to serve the recreation area of Pipestem, has a $1.75 million construction price tag.

From review of the foregoing, it is apparent that the passage of any Federal law establishing a general aviation development program limiting West Virginia to a final $1 million in Federal funds over the next three years—and no more thereafter—represents passage of a Federal law virtually abandoning West Virginia's general aviation development.

I believe there are other States which would be in a similar situation. Certainly one major group of States—those in the Appalachian Region—has only recently begun to make significant progress in the improved safety and expanded development of general aviation airports, utilizing basic grant funds from the Federal Government—through FAA's past Airway and Airport Development Plan—supplemented by grants related to that plan under the provisions of the Appalachian Regional Development Act. Indeed, without the FAA Airway and Airport Development grants, $2,356,086 in Section 214, Appalachian Regional Development Act, supplemental funds received by West Virginia for airport safety improvement, could not have been disbursed.

The Appalachian States, including my State of West Virginia, have already taken on a tremendous financial load for improvement of all transportation modes within their areas, in an effort to advance economic development through increased industrialization, expanded tourism and recreation, and development of institutions and public facilities which will enable the 13-state Region to participate more fully in the growth of the American economy. There are no State or local funds available to meet the heavy costs of airport development and safety improvement beyond those hard-to-come-by matching funds dredged from State and local treasuries to match the basic Federal grants.

Through the combined efforts at Federal, State, and local levels, solid achievements have been made in West Virginia in recent years in advancing its aviation facilities, including improved safety. These would never have been possible without significant Federal aid. They could not have occurred under the funding formula embodied in S. 1455.

I, therefore, urge extension of the Federal Aviation Administration's Airport and Airway Development Act, and more effective funding of the provisions relating to airport development for both air carrier airports and general aviation airports.

In West Virginia, for air carrier airport development, I am advised that there is a waiting requirement for a minimum of $2.5 million in construction funds during FY 1976, as follows:

Morgantown, $1 million for overlays of two runways.
Elkins, $600,000 for lighting system.
Bluefield, $300,000 to extend parallel taxiway.
Parkersburg, $375,000 for lighting and security fence.
Huntington, $50,000 for apron expansion.
Beckley, $75,000 for crash-fire rescue building.

Charleston, $225,000 for rehabilitation of lights and expansion of general aviation apron.

Not later than FY 1977, and in FY 1976 if possible, there is a further need for approximately $2 million for runway extension in Lewisburg and $4.5 million for runway extension at Clarksburg, a total minimum requirement of $6.5 million.

The significant partnership of State and Federal participation in continued aviation development and improved aviation safety in West Virginia is the only hope for realization of the goal of safe, adequate, State-wide air transportation.

Realistic, effective Federal funding of recognized, priority, aviation development and safety needs in West Virginia, both under the category of air carrier airports and general aviation airports, is the only way in which those needs can be met.

State and local units alone do not have the resources to accomplish the task.

STATEMENT OF HON. JOHN BRADEMAS, U.S. REPRESENTATIVE FROM INDIANA

Mr. Chairman, I am pleased to be able to express my strong support for the Intermodal Airport Demonstration Project amendment offered by my colleague from Indiana, Senator Vance Hartke, to the Airport and Airways Development Act. Senator Hartke's interest in and contributions to transportation in this country are well documented and I consider this amendment to be a particularly fine example of his knowledge and foresight in this field.

Let me also take this opportunity, Mr. Chairman, to congratulate you and your subcommittee for the important role that you have played in upgrading both the quality and safety of air transportation. I am confident that your present consideration of the Airport and Airways Development Act will result in still greater improvements in air safety in this nation.

Senator Hartke's amendment would place a major metropolitan area's air carrier airport within easy access of intrastate and interstate highway and rail routes and provide terminal and other facilities for the interconnection of air, rail and highway transportation.

In my opinion, conducting a demonstration project of this nature would be of substantial benefit to the nation for the following reasons:

1. It would provide valuable information for the development of a national transportation plan.
2. It would provide an example for encouraging the development of more sophisticated intermodal transportation linkages than exist today.
3. It would provide for a first-hand examination of the energy-saving potential of multi-modal approaches to transportation.
4. It would demonstrate the cost-saving economies in constructing common transportation facilities.
5. It would provide an opportunity to develop a major transportation facility while avoiding environmental damage.

1. National transportation plan

As the need for national transportation planning reaches epidemic proportions, different forms of intermodal operations must be explored.

For years our transportation policy has been made on a mode-by-mode basis, with little attention to either overall transportation needs or the relative efficiencies of different modes.

Many members of Congress—any many of the members of this subcommittee have been in the forefront of this effort—have called for national transportation planning to address these difficulties. For we have seen, as my House colleague Brock Adams told the Association of Local Transport Airlines a few years ago, "the growing need for an overall transportation policy for the United States that deals effectively with trying to create an intermodal system that meets the needs of modern America."

An intermodal airport demonstration poject would provide extremely useful information in developing such a program.

2. Intermodal transportation links

There has been a growing realization in recent years of the complimentary nature of different modes of transportation.

In recent years we have seen an explosion of systems linking two different modes of transportation.

Here in Washington one can drive to a fringe parking area and then take a commuter bus to work.

In cities with rapid-rail commuter transportation, one can frequently take a commuter bus from outlying areas to the terminal point on the rail line and then take the train into town.

Many cities, such as Cleveland and Chicago, have rapid rail terminals at their airports.

In my own Congressional District, which has one of the largest rail freight classification yards in the country, a local entrepreneur is making great strides in developing a freight container that would be interchangeable between trucks and rail cars, permitting economical transfer of freight from rail to truck.

And I know the members of this subcommittee have seen the rapid growth of the air freight business, linking trucking and air transportation.

This demonstration project would consolidate in one place a substantial number of different forms of transportation, encouraging the development of even more sophisticated intermodal transportation linkages than exist today.

3. Energy

With the ever-growing need to make more efficient use of our energy resources, the multi-modal terminal offers an attractive energy-saving possibility.

Energy consumption continues to rise in this country and transportation figures prominently in that rise. In fact, an estimated twenty-five percent of all energy consumed in this country is consumed in the transportation sector.

The largest use of energy in the transportation sector is, of course, by the automobile. A major reason for this is (a) that autos are extremely inefficient compared to other transportation modes but (b) it is clearly the most convenient transportation mode, both in cost and availability.

I believe that a multi-modal terminal could enhance the convenience of fuel-efficient transportation, thereby reducing gasoline consumption. In addition, with the proximity of the different modal terminals, the energy needed for transferring passengers and cargo between terminals would be reduced.

4. Cost

With rising costs for fuel and major building materials, a multi-modal terminal offers attractive cost-saving factors.

Because most modes of transportation have similar terminal requirements—passenger or cargo assembling areas, ticketing or waybill issuing areas, vehicle parking areas—construction of common facilities in a multi-modal terminal would be substantially less expensive than constructing individual terminal facilities for air, bus, rail, etc.

5. Environment

Few sectors of the American economy take such a substantial environmental toll as does transportation. Noise, air pollution, water pollution and various kinds of blight are common around airports, bus terminals, highways and train stations.

In some parts of the country, for example, the center of urban blight in a city is often the bus or train system.

Part of this is the result of many of these facilities being constructed before our nation's environmental consciousness was heightened. But much is also due to the architectural and engineering costs involved in developing an aesthetically pleasing transportation depot. Many communities and private enterprises have simply been unwilling or unable to make that additional investment, decisions which have resulted in wholesale migration of residents from transportation terminal areas.

A multi-modal demonstration project would allow various environmental factors to be taken into account in its design in an effort not only to preserve the quality of the air and landscape around the facility but also to make the terminal an attractive place for people to come and to use.

AN INTERMODAL TERMINAL; NOT SIMPLY A FEEDER SYSTEM

There are a few additional comments which I feel are important to make. The first is to stress that the Hartke amendment is *not* designed simply as a feeder

system for air transportation. That is, the project would be designed to treat all modes of transportation equally: passengers would come to the terminal to take a train or a bus as well as a plane; they would not necessarily use a bus only to get to the airport.

This is such an important feature of this proposal that I would like to illustrate it, using a city in my Congressional District, South Bend, Indiana, as an example.

South Bend is a medium-sized industrial city located about 90 miles east of Chicago and, perhaps, 110 miles east of O'Hare Airport. Despite our proximity to Chicago, South Bend and the surrounding area enjoys a great deal of economic independence from that metropolitan area. We ship north to Detroit, east to Toledo and Cleveland and south to Indianapolis.

Virtually all forms of transportation serve our community. Three scheduled airlines operate out of our Michiana Regional Airport. The Chicago-South Bend & South Shore Railroad provides rail passenger service between South Bend and Chicago, with intermediate stops in Michigan City, Gary and Hammond, Indiana. Amtrak is due to provide additional passenger service to the community when it inaugurates its new Chicago, New York and Boston line next month.

The city is located on Interstate 80–90, the main highway link between Chicago and the East Coast; it is very close to Interstate 94, the Detroit-Chicago-Milwaukee-Minneapolis route.

We have a well-managed public bus company with modern equipment and good community support. A major interstate bus company serves our community and, as might be expected by our location and our good highway access, a number of major midwestern trucking firms headquarter in South Bend.

Our city is on the main freight routes between Chicago and the East Coast of the Penn Central with the large, modern Robert Young Freight Yards only twenty miles east in Elkhard, Indiana.

A multi-modal facility in our community, then, would not simply feed passengers to the airport but serve as a terminal in its own right for east and west bound rail passengers and a major terminal facility for air, highway and possibly rail freight.

COMMUNITY COMMITMENT REQUIREMENT

Let me conclude by mentioning what I find to be a particularly attractive and important part of the Hartke amendment. This is the requirement that a demonstration grant will not be made unless economic, social and environmental impact studies have been completed.

I find this provision attractive for three reasons:

First, the completion of these studies permits the demonstration project to get underway quickly, avoiding planning delays which will lessen the value of the project to the nation.

Second, the completion of these studies is ipso facto evidence of the local community's commitment to the goals and purposes of an intermodal terminal. This requirement demands a large degree of local participation in planning and paying for the project prior to the federal government making its commitment.

Third, the completion of these studies maximizes the return for the federal government since many of the problems of cost and environmental damage will have already been resolved or corrected before the federal commitment is made.

Mr. Chairman, I appreciate the opportunity to present this statement and I hope that you and your subcommittee will give the most serious consideration to incorporating Senator Hartke's amendment into the Airport and Airway Development Act of 1975.

STATEMENT OF THE EXPERIMENTAL AIRCRAFT ASSOCIATION

Mr. Chairman, my name is David H. Scott and I appear here as the representative of the Experimental Aircraft Association of Hales Corners, Wisconsin. EAA is an organization of some 45,000 members. It was formed by a small group of pilots in 1953 in Milwaukee, Wisconsin, who were interested in developing new concepts of light aircraft design through individual initiative and inventiveness. In the past 23 years, it has grown to an organization that operates the world's largest privately owned aviation museum, holds the largest aviation event in the world at Oshkosh, Wisconsin each year, and has a "grass roots" organization of 440 local chapters in all 50 of the United States and in 9 countries throughout the world.

Although originally formed to encourage the development of general aviation aircraft, the Association has expanded its interests over the years to include all forms of recreational flying, personal transportation, proficiency flying, competition flying, the restoring of antique and classic aicraft, and preservation of World War II military aircraft.

We therefore appear before you as spokesmen for those who are primarily interested in aircraft as a recreational vehicle—the majority of the general aviation fleet—in contrast to those who will be speaking for aircraft operated primarily for business or utility transportation.

The Aircraft Development Aid Program is of interest to us because we have been required to contribute to the Airport and Airways Trust Fund through registration fees and fuel taxes. We therefore are concerned as to how our monetary contributions are spent.

Before discussing specific points of the legislation that your distinguished committee is considering, may we make a few observations about the type of flying performed by a large majority of EAA members.

For the most part, we do not have a requirement for the elaborate navigation and commnuication system established and maintained by the federal government for those who use airplanes primarily for transportation purposes. Many of our aircraft are based on privately owned and small community airfields with sod runways and we have no essential requirement for paved runways, control towers, radar service, or even the basic VOR navigation aids provided by the federal government. It is true that some do use the basic VOR airways system as a convenience. But we do so because it is there and available but not essential to our needs.

May we now comment on specific legislation that has been introduced in the House, namely H.R. 4312, H.R. 4380, and the Administration bill H.R. 5017. We assume similar legislation will be introduced in the Senate and referred to the Senate Commerce Committee.

H.R. 4312 and H.R. 4830 provide for $75 million a year for general aviation airports, whereas H.R. 5017 proposes a figure of $50 million a year for general aviation airports. It would be expected that as a partial user of publicly owned general aviation airports, we would support the higher figure of $75 million a year. But our position must be tempered by the taxes or fees that we would be required to contribute to support a program of this financial magnitude.

The Administration bill provides that 75% of the funding for air carrier and reliever airports should be contributed by the federal government with the individual states taking over the eventual funding and administration of all financial and administrative assistance to general aviation airports. It is our considered opinion that the funding and administrative handling of aid to general aviation airports should remain the province of the federal government. It is true that many state airport programs have been successful in building airports at less cost and in less time than airports constructed under the federal programs. We believe that the federal government's management of the ADAP program could be improved by the streamlining of procedures and the revision of airport engineering standards. We are pleased to note that the FAA has now in progress a study of how the Federal Airport Aid Program could be improved. From what we have seen of the report so far encourages us to believe that this is a better solution than turning the general aviation airport aid program over to the states. Under the federal government there would be more uniformity in procedures and standards and we believe that with an overhauling of the federal ADAP program, there could be better efficiency than with each individual state setting up their own program, training people to run it, and then setting fees for paying the costs of the program.

We note that all three bills provide for trust fund monies to be used for land acquisition for environmental and terminal area purposes. Speaking solely as a general aviation group we have no interest in this part of the program but if certificated air carriers and commuter lines are interested in this part of the program, we assume that they would be willing to contribute to its financing through the Trust Fund.

We do oppose the use of the Trust Fund for maintenance and operating expenses of the FAA. The Trust Fund was designed to pay for capital improvements in the nation's airway system and we believe Congress was wise in previous years in maintaining that condition.

It is noted that the Administration bill proposes to reduce the domestic air fare tax but increase the tax on general aviation fuel from 7 cents per gallon to 15 cents per gallon. We feel there is an inequity here. As pointed out in our opening

paragraphs, a great deal of recreational flying is done independently of federally financed airport and navigation aid facilities and yet such recreational aircraft are being asked to pay the same rates as aircraft that depend on federal aviation facilities. To put it another way, there is no distinction in taxes between aircraft that are used for recreational purposes and that do not use the system from aircraft that are used for business and commercial purposes and therefore generate income for their owners and operators. We would recommend at a minimum a system for refund of taxes for aviation gasoline used for recreational purposes, similar to the refund system for agricultural operations.

While on this subject of fuel taxes, we are concerned over possible high taxes on aviation fuel as an energy conservation measure. If the latter taxes were added to the ADAP taxes, the financial burden to recreational flying would be intolerable and therefore disastrous.

We are also very concerned about the effect that additional costs of flying will have on safety. Pilot proficiency can only be maintained by regular flying activity and aircraft owners and operators have expressed sincere concern that additional costs will hamper their ability to continue flying.

It is our recommendation that the present federal tax of 7 cents per gallon on aviation gasoline be maintained at this level.

Mr. Chairman, we sincerely appreciate this opportunity to express our views before your distinguished committee and we hope you will find this information helpful in drafting up the final legislation.

STATEMENT OF ROBERT A. GEORGINE, PRESIDENT, BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AFL–CIO

Mr. Chairman and Members of the Committee, my name is Robert Georgine. I am President of the Building and Construction Trades Department, AFL–CIO, which represents 17 International Unions with over 3½ million members.

At the outset, I want to express the appreciation of our affiliated unions, as well as my own, for the opportunity to testify before you today.

The field of aviation, generally, and airport development in particular is somewhat new to the Building Trades Department. However, due to the substantial impact the legislation before this Committee will have on construction activity, and given the present plight of the industry, the Building and Construction Trades Department thought it more than necessary to present our views here today.

This country's construction industry is in a deep depression. Ravaged by the twin effects of inflation and recession, the building industry has borne the brunt of our economic crisis. The rising costs of materials, land and money have forced the postponement or cancellation of vast amounts of badly needed construction. Moreover, deliberate administration policies of impoundments, cutbacks, and tight money have made the construction industry their principal victim.

Unemployment has reached scandalous levels in construction. It presently stands at 20.8 percent, more than double the national average. In fact, the construction industry has been laboring under double-digit unemployment for 15 consecutive months.

939,000 construction workers are unemployed. This figure includes some of this country's most skilled and productive workers—workers who have helped to build America. Now many of them are quitting the industry for lack of work.

Construction activity has plummeted. Expenditures for construction put-in-place during the month of June were over 11 percent below a year ago. When adjusted for inflation, this figure rises to over 20%. Even more alarming are the figures for future work. Building plans now being considered and contracts already awarded in the first six months of this year are down sharply. Even the most optimistic predictions view 1975 as a no-growth year over last year, which, as we know, was one of the worst in recent memory.

The construction industry is fighting for its breath. Contractors and workers alike are struggling, with no relief in sight.

The Airport and Airway Development Act of 1975 is vitally concerned with construction—construction of facilities designed to maintain and improve the quality of air transportation in this country.

In 1970, landmark legislation in the field of aviation was enacted. The program was initiated to meet the very critical national need for improving the airport and airway system. This system was over-burdened, rapidly deteriorat-

ing and unable to accomodate the millions of persons who directly depend on the airways for transportation and cargo.

Large population segments were not being properly served by air transportation because of the lack of adequate facilities in a convenient location. Runways and other facilities, essential to the entire system, were in bad need of repair and improvement. Finally, the growth in air traffic had far outstripped the growth in airport capacity. It was estimated at the time that ground and air delays were costing the airlines over 100 million dollars a year. The cost to travellers and shippers, while impossible to estimate precisely was enormous. A program was needed to rapidly increase the capacity of our air transportation system.

In recognition of the vital economic role of air transportation, the Airport and Airway Development Act of 1970 was passed. A healthy air transport system not only creates large numbers of jobs, but also stimulates economic growth and generates tax revenues for the local communities where airports are located. Airport construction programs can also create, directly and indirectly, large numbers of jobs. This is particularly important in light of my previous remarks.

For the first time, the 1970 Act set in law a Federal commitment to a long-term funding program for the development of airports and airway facilities. Annual authorizations were increased significantly above former levels.

S. 1455, the bill presently before this Committee, seeks to extend and revise this crucial program.

In reviewing this legislation, what must be kept foremost in our minds is the capital needs of this industry and how they can best be met.

During the first five years of the 1970 program, over 1.2 billion dollars in grants involving over 2,000 projects were made. Eighty-two new airports and 166 new runways have been built.

The accomplishments achieved under this program are long and impressive. However, a survey of airport development needs covering the five-year period 1976–1980 reveals the necessity for continued and expanded aid. The National Association of State Aviation Officials has identified a total of 4.7 billion dollars of needed, currently eligible projects. This figure does not include dollar figures for land acquisition, terminal development, and other such needs. Land acquisition alone accounted for 18.4 percent of the grant money allocated in the past five years.

A second survey conducted by the Airport Operators Council International and the American Association of Airport Executives on public airport capital development requirements for the next five years placed the figure at 10.6 billion. The survey included 340 airports which represent nearly 92 percent of all airline passengers.

It is therefore clear that the need has not diminished for airport aid. If anything, it has increased.

When Congress amended the 1970 program in 1973, the annual funding level authorized was increased to approximately 325 million dollars. The administration's proposal would establish a five year 1.7 billion dollar airport development program with annual funding of approximately 350 million dollars. This small increase can hardly be expected to even keep pace with inflation.

A careful review and estimate of the *minimum* funding level has been made by the airlines. To meet additional capacity requirements and to offset recent cost increases, they pegged the annual figure at 545 million dollars. This is a conservative estimate, but the point is that the administration's plan will prove over the next five years to be insufficient.

A second problem exists with the funding procedures as set forth in the administration bill. The bill seeks to establish a uniform matching share ratio of 75/25. Formerly, the sponsor's matching share had fluctuated anywhere between 18 and 50 percent. A large degree of consistency and predictability in federal airport aid is badly needed. However, the Building Trades Department has serious reservations over the 25 percent figure.

It has been our recent experience that much construction nationwideis now at a standstill for lack of matching funds. This has been particularly true in the case of highways where the non-interstate matching ratio is 70/30. Because of the combined effects of recession and inflation, many states and localities have simply not been able to come up with the required funding. Within the past year, 36 of 67 major U.S. cities postponed or cancelled capital improvement projects.

The matching ratio has also created difficulties for the already financially troubled airlines. Because much airport construction is financed by revenue bonds

which are in turn guaranted by the airlines, the level of existing guarantees and annual debt service has reached dangerous levels.

Even should the matching ratio be raised and adequate funding levels be authorized, this wouldn't end the funding problem of airport construction. The red tape, bureaucratic bungling and procedural complications involved in securing federal grants can only be liked to the theatre of the absurd. It has been estimated that anywhere between 80 and 105 steps are required to win final federal approval of a grant application.

This only results in time-consuming, costly delays as congestion increases, and facilities further deteriorate. Immediate steps must be taken to insure that the intent of this legislation is not sidetracked by its ineffective implementation.

Another problem involved in the distribution of federal funds is that in the past, actual airport needs have been omitted as a factor in the apportionment formula. The administration bill increases the proportion of discretionary funds available to the Secretary. It also allocates specific sums annually to sponsors of airports served by certificated route air carriers, based on the number of air carrier departures at each airport. Both of these measures are two steps in the right direction. However, neither is completely satisfactory and the Committee might wish to take a harder look at this problem.

Several difficulties arise with respect to the Airport Trust Fund. This fund has played an instrumental role in funding the airport development program. Because of our close involvement with the highway trust fund, the Building Trades Department is aware of the importance and usefulness of its counterpart, the Airport Trust Fund.

Two actions on the part of the administration might tend to weaken the usefulness of the fund. The first is a proposal to divert trust fund monies to cover maintenance costs for the FAA. While the pressing capital needs I previously mentioned remain, it seems unwise to channel trust funds into other purposes. In keeping with the National League of Cities and U.S. Conference of Mayors, it would be much more preferable to use any surplus monies for landbanking purposes thereby paving the way for future growth and development while at the same time saving on increased future land prices.

The second administration action directed at the trust fund is a move to lower taxes and therefore, revenue coming into the fund. The rationale behind this move is that the fund for several years has been accumulating a surplus. However, this has been due to the low level of past authorizations. If authorization levels were increased to meet present airport facility needs, much of this surplus would disappear. The Building Trades Department has no quarrel with any attempt to lower airport taxes and, therefore, the cost of flying to the consumer. Rather, we are concerned that important needs will be compromised in the process.

The role of transportation, air transport in particular, has been crucial to the economic development of this country. Because of the tremendous externalities of air transportation, the Federal Government's role and involvement in this area have been more than justified. Continuance and improvement of these activities should be the guiding principle behind the Airport and Airway Development Act of 1975.

STATEMENT OF HENRY E. BOYD, JR., A.A.E., ON BEHALF OF THE SOUTHEASTERN AIRPORT MANAGERS' ASSOCIATION

Mr. Chairman, I am Henry E. Boyd, Jr. The Southeastern Airport Managers' Association has authorized and requested me to make this presentation. A letter so stating is attached.

The Southeastern Airport Managers' Association presents for your consideration a Resolution strongly urging the extension of the present Airport Development Aid Program for a period of five years and make all trust fund monies for airport available each year on a matching basis.

This Resolution, copy attached, was adopted by the Southeastern Airport Managers' Association in a meeting of its membership, at Auburn University in Alabama March 6, 1975, at which sixth-five (65) members of SMSA were in attendance.

The Southeastern Airport Managers' Association has representatives from ninety-one (91) airports in eleven (11) Southern States. The total membership is two hundred seven (207), with one hundred thirty-two (132) of these members being Executive Members, holding positions in Management activities

on the several airports. The States representated by these members include Alamaba, Florida, Georgia, Kentucky, Louisiana, North Carolina, South Carolina, Tennessee, Virginia and West Virginia. The Association was organized in 1947 and its members have closely followed the various Federal Aid to Airports Programs over a period of many years.

The Resolution quite simply addresses itself to the urgency of extending the Airport Development Aid Program and the urgent need of substantial financial assistance to Airport Sponsors in the construction of badly needed air field improvements that will provide a system of adequate and safe airports. The Resolution leaves entirely up to your Committee and the Congress the specifics that may or may not be included in final Legislation.

SOUTHEASTERN AIRPORT MANAGERS' ASSOCIATION,
March 19, 1975.

Mr. HENRY E. BOYD,
Executive Director, Raleigh-Durham Airport Authority,
Raleigh, N.C.

DEAR HENRY: As discussed with you this date, I am enclosing herewith copies of SAMA Resolution #1 adopted in open session at the Tenth Annual Southeastern Airport Management Seminar in Auburn, Alabama, on March 6, 1975.

It is hereby requested that you officially represent the Southeastern Airport Managers' Association in presenting the Associations' position before the appropriate Congressional Committees.

Thank you for your continued efforts on behalf of SAMA and I am hopeful that meaningful legislation will be forthcoming in the near future that will benefit *all* airports in the Southeast, be they large or small.

Sincerely,

SHAIROD N. ROBINSON.

Enclosure.

SOUTHEASTERN AIRPORT MANAGERS' ASSOCIATION RESOLUTION No. 1

Whereas, the Southeastern Airport Managers' Association has long understood the need for and has constantly worked for the improvement of aviation in the southeastern United States, and

Whereas, this Association has recognized and fully approved the concept of funding for aviation through the ADAP program, feeling that without such funding the facilities for air carrier and general aviation would in most cases be non-existent, and

Whereas, the lack of contract authority of ADAP funds from the aviation trust fund beyond June 30, 1975, will soon have serious and unsafe consequences in the development of airport facilities, and

Whereas, the pending termination date for the existing ADAP program is less than four months away,

Now Therefore, be it Resolved, the Southeastern Airport Managers in open session at the 10th Annual Southeastern Airport Management Seminar at Auburn, Alabama, strongly urges the Congress to extend the present ADAP program for a period of five years from July 1, 1975, to make all trust fund monies for airports available each year on a matching basis within the program and cause such minor modifications to the program as might reduce red tape and might otherwise make the program more workable.

And Be It Further Resolved, that copies of this Resolution be sent to the appropriate Congressional Committees, the Congressional Representatives from the southeast, the Secretary of Transportation, and to the Executive members of the Southeastern Airport Managers' Association.

Adopted this the 6th day of March, 1975.

SHAIROD N. ROBINSON,
President.
LOGAN G. GRAY, Jr.,
Secretary,
Southeastern Airport Managers' Association.

STATEMENT OF HENRY E. BOYD, JR., AIRPORT DIRECTOR, ON BEHALF OF THE RALEIGH-DURHAM AIRPORT AUTHORITY

Mr. Chairman, I am Henry E. Boyd, Jr., Airport Director, at the Raleigh-Durham Airport in North Carolina. The Raleigh-Durham Airport Authority appreciates the opportunity to present its views encouraging the extension of the Airport Development Aid Program and has adopted the following Resolution:

". . . the position of the Airport Authority with respect to the Airport Development Aid Program is generally favorable to the existing Airport Development Aid Program and that the Congress should allow the full exepnditure of Trust Fund monies available for airport improvements."

The exhibits prepared and submitted for your consideration contain information regarding the operations of the Raleigh-Durham Airport, the scope of its service area and the implications that the action you take will have on the timely development of the airport. Our data is designed to show the area of our responsibility, the economic, population and its other basic characteristics, the type of plant and equipment the Authority operates on carrying out its service obligations, information on airport income and expenses, a projection of necessary facilities which must be required and/or constructed by the Authority in the immediate future, and the manner in which these financial obligations will be met both on short-term and a long-term basis. ADAP monies are a very important part of the undertaking.

The airport operation is an essential requirement so that the travelling public and our local users in the Raleigh-Durham area can get to and from air carrier facilities, the seats which provide them with their air transportation needs. The Authority is locally run, it serves not only an area of local responsibility, but the Eastern half of North Carolina, it is locally owned and the cost of operation requires very substantial amounts of local money.

In the view of the Airport Authority which is composed of experienced and competent business and professional men, leaders in the Cities of Raleigh and Durham and in the Counties of Durham and Wake, the airport users have the logical and reasonable requirement to provide locally required funds directly to the airport. In this connection, the people of Wake and Durham Counties cannot independently tax or otherwise obtain local money support from the people outside their political jurisdiction in counties directly in the airport's service trade area to pay for necessary airport expansion and development. Therefore, the Airport Development Aid Program provides an even means of spreading the high cost burden to the many users of this airport and the airport system of the nation.

The application of Airport Development Aid Program monies to various airports should contemplate the primary need to improve airport paved surfaces and approaches to the airport runways. This can only be accomplished by expending the money for that purpose and that purpose alone.

New runway construction requires large sums of money for a relatively short period of time, two to three years. The Raleigh-Durham Airport's need for a second air carrier runway can be accomplished in this manner, with local matching monies coming from airport revenues. However, after paving, runway improvements and land acquisition reimbursements have been accomplished, the Raleigh-Durham Airport Authority would have very little need for ADAP money for many years. Large ADAP participation of rtwo or three years is the essential problem, not acquiring and squirreling away monies that might be used in years to come.

Therefore, the Senate is respectively requested to be attentive to the problem associated with expanding airport acreage and constructing new and safe runways. The fact is that the respective sponsors of small, small-hub and medium-hub airports are so burdened already that most of them have simply been unable to articulate their local money problems to the Congress. This group of airports, however, comprises about 90% of the nations air transportation system, but as in the case of Raleigh-Durham, provides a means of air commerce to large surrounding areas and, of course, to incoming passengers from all over the nation. A fair adjustment and assistance to local sponsors in the serious financial obligations may be accomplished by extending the Airport Development Aid

Program and making available all of the monies in the Trust Fund that may be used for this purpose on a first come, first served basis and until the total job of providing totally safe operational pavements and approaches to all of our airports throughout the nation has been accomplished.

The Senate is also requested to be attentive to the correct and sensible requirement that any adjacent federally funded projects be carefully coordinated with nearby airport planning. This requires *expertise in many disciplines* to achieve.

Raleigh-Durham, for example, has coordinated in the Master Planning of Umstead State Park which shares several miles of common boundary with the airport; the design and planning of Federal Highway Interstate 40 that passes through the airport; the design and planning of three structures and four flood ponds of the Crabtree Creek Watershed Flood Control Program that involves the airport and area sewage lines, to mention a few.

In addition, expert attention has to be accorded the entire socio-economic justification of airport development projections as related to Regional Planning, Land Use Zoning, Tall Structure Zoning, and the impact on the local road system. This requires intelligent and skillful evaluation of input from all airport users and total coordination of this with everything presently involved or that may become involved in the future development of the entire region. It isn't easy. The competence of expert consultants, with broad expertise and qualifications in many disciplines of planning is required. This combined with the Planning Grant Program of the Airport Development Aid Program has made a significant contribution to the development of good and solid plans to provide safe and adequate airports on a long term basis. The Planning Grant Program should be continued in order to guarantee viable, but well coordinated system of airports to serve our nation for many years into the future.

People, Taxes and Airports require your very careful attention.

Taxes supporting the Trust Fund are paid by people this Senate represents—not by the air carriers using the airports and collecting transportation taxes in the conduct of business or other airport users.

Airports that may be constructed or improved by the Trust Fund monies are indeed owned by these same People through their respective local governmental units—not owned by the airlines or other businesses making use of the airports.

People convenience and accommodation must be the purpose of our combined total effort.

Your honorable Committee is respectfully requested to address its efforts to provide for each respective airport sponsor to develop and conduct consultive process on a broad and expert basis—including input from all users of the facility, coordinated with total community and area and State planning, not dominated by any particular user. In all fairness, the prerogative for final decision on any Master Plan or Project should be solely that of the sponsor, the local representative of the People Paying Air Transportation Taxes to support the Trust Fund—and not a decision dictated directly or indirectly, by any collector of Trust Fund Taxes.

A five-years extension of the Airport/Airways Act, combined with the release of sufficient monies from the "Trust Fund" and a positive "get it done now" philosophy by the Federal Aviation Administration in managing the Airport Development Aid Program and Planning Grant Program could indeed upgrade the airport system of our nation to safely meet the requirements of all segments of modern air transportation to provide for the public convenience.

RALEIGH-DURHAM

The Raleigh-Durham Airport, April 7, 1975

Location

The Cities of Raleigh and Durham are 23 miles apart and the airport is equidistant from the two cities. The airport is one mile off four-lane U.S. 70 and adjacent to Interstate 40, a four-lane expressway and a part of the Federal Interstate Highway System connecting U.S. Interstate 85 at Durham, through the Research Triangle Park, past the airport to the Raleigh Beltline and on to U.S. Interstate 95 at Smithfield. Chapel Hill is 18 miles from the airport and connected by Rt. 54 at the Research Triangle Park. A new terminal area in the Raleigh-Durham Airport, as well as an executive and corporate terminal will be serviced, each by two interchanges connecting a

cross service highway with this expressway. This arrangement provides excellent ground transportation ingress and egress to the entire airport from not only the Cities of Raleigh and Durham, but the entire 52-County Airport Trade Area.

Facilities

Raleigh-Durham is equipped with navigational aids including VOR–VHF Omni Directional Radio Range; Tacan–UHF Tactical Air Navigational Aid; Beacon—(Homer) Non-directional Radio Beacon; Radar—ASR–7/ARTS III; DF–VHF/UHF Direction Finder; ILS—Instrument Landing System (with all components); RVR—Runway Visual Range; High Intensity Runway Lighting; High Intensity Approach Lights and Sequence Flashers; and Airport Rotating Beacon, VASI, Landing and Take-off Minimums are 200 feet ceiling and half mile visibility.

Weather is generally good in the Raleigh-Durham area as shown by the high percentage of flight schedule fulfillments. According to the Raleigh-Durham Federal Aviation Administration Approach Control, actual instrument approaches at Raleigh-Durham constitute about 3.5%. There is no undue air traffic congestion at Raleigh-Durham and additional schedules by the air carriers can be handled expeditiously and effectively provided terminal and runway improvements are constructed. The length of the main runway is 7,500 feet and property has been acquired that will accommodate the construction of an additional 10,000 foot runway, which will be perpendicular to the existing instrument runway and be sufficiently removed therefrom to accommodate simultaneous instrument traffic. The design strength of the new runway will contemplate extremely heavy and large aircraft operations in the near future. A crosswind runway will be rebuilt, strengthened and extended to 6,500 feet and a new taxiway system will connect the new runway system and also provide ingress taxiways to the urgently needed new air carrier terminal apron.

Raleigh-Durham is one of the few airports in the country complying completely with the Doolittle Zone requirements. The airport not only owns the necessary land—one half mile from the end of each runway, but has cleared these areas on both ends of the instrument runway, and on one end of the supplemental or crosswind runway. All clearing is to instrument runway standards, providing glide ratios of 50:1 or better. These standards will be maintained in new construction. Raleigh-Durham is located on one of the highest plateaus in the Raleigh-Durham area and its adjoined on the east and southeast by Umstead State Park in which the Department of Interior has a substantial interest. There are no obstructions to air navigation in the airport area. The Raleigh-Durham Airport Authority Approach Zoning Ordinance was adopted on September 3, 1957, under authority of the North Carolina Model Airport Zoning Act of 1941. This Act protects airport approaches in all directions within ten miles. Wake County adopted a Land Use Zoning Ordinance containing provisions for Airport Districts for Noise Abatement in 1962, and has amended this Ordinance in 1972 to protect new and extended runways. This has made for better community-airport compatibility and has already considerably influenced development of the use of adjacent properties, particularly with respect to expansion of jet operations at the airport.

Expansion

The Raleigh-Durham Airport contemplates the construction of an instrument runway 10,000 feet in length and perpendicular to a projection of the centerline of the existing 7,500 foot runway, rebuild and extend an existing runway 4,500 feet in length to 6,500 feet, strengthen and upgrade a 7,500 foot runway, a taxiway system to facilitate use of runways and aprons, a completely new air passenger terminal area, including air carrier parking apron, water and waste disposal systems, new service roads for ingress and egress to the new terminal and has purchased 2,000 acres of additional land, all for a total anticipated expenditure in excess of seventy million dollars.[1]

Financing

It is anticipated that the proposed necessary improvements will be financed as follows:

(1) Revenue Bonds supported by

[1] See attached cost summary.

(a) Airport Use Fees.
(b) Aircraft Landing Fees.
(c) Fixed Base Operation Revenues.
To be used for:
(a) Land acquisition.
(b) Runway requirements.
(c) Taxiway requirements.
(d) Aircraft Parking Apron requirements.
(2) Revenue Bonds supported by:
(a) Terminal Building.
1. Fixed Rentals.
2. Percentage Rentals.
(b) Terminal Area.
1. Fixed and guaranteed Minimum Rentals.
2. Percentage Rentals.
(c) Warehouse and other Building Rentals.

A successful Referendum that would pledge the faith and credit of Durham and Wake Counties to support the Revenue Bonds would be required.

Alternate means of financing might be increased participation in air field costs under the Airport Development Aid Program. Inasmuch as air carrier airports in particular are unquestionably definite parts of an Interstate Transportation System, it does seem reasonable that the treatment accorded respective air carrier airports by the Federal Allocation of Funds would be no less than that long established for the Interstate Highway System. Even so, a high degree of local airport sponsor prerogatives and ingenuity would have to be guaranteed *by the Congress.*

The Airport Authority

The Raleigh-Durham Airport is a facility jointly owned by the Cities of Raleigh and Durham and the Counties of Wake and Durham, and is operated under the direction of a Board designated "Raleigh-Durham Airport Authority," and under the provisions of Chapter 168, Public-Local Laws, 1939 Session of the General Assembly in Acts amendatory thereof. The Authority consists of eight members, each local government being represented by two members appointed biannually by this governing board. The Authority is clothed with practically all of the powers essential to establishment and function of the airport, including management, regulation, contracting, constructing, controlling, maintaining, improving and leasing property. It has the power to acquire new property, but does not have the power to convey title to real property of the airport. The personnel of the Authority has been consistently made up of able and experienced business and professional men dedicated to the development of adequate and efficient air transport service for the surrounding area. There has been only the most conservative turnover in personnel and the present Authority membership has in excess of a century of service and experience.

The Airport Authority's administrative staff consists of experienced and competent personnel selected for professional capability and competence. For the past several years, it has conducted an airport management intern program, placing professionally qualified managers in several other communities.

Raleigh-Durham Airport Geographic Service Areas

The total Airport Trade Area encompasses *some 52 countries* of Eastern, Piedmont and the Coastal Plains area of North Carolina, as well as fringe patronage

from southern Virginia and northern South Carolina, with a total population of over 2.5 million, more than 1.4 million of whom live in immediate and primary trade countries surrounding the airport.

Research Triangle Area

This service area consists of Durham, Wake and Orange Counties. Durham and Wake Counties are both standard metropolitan statistical areas (U.S. Bureau of Census Definition), and Orange County would undoubtedly feel more and more the spread of metropolitan characteristics. The Research Triangle Area has experienced a constant growth in population. The Research Triangle Regional Planning Commission estimates that the population of the three-county area may increase to 521,000 by 1980, or an increase of 26.2% over 1970 population of 411,700. There is a strong probability and increasing conviction that these figures are low.

Primary Trade Area

The Primary Trade Area consisting of three counties, Durham, Wake and Orange has a population of some 425,000, with a projected increase to 510,000 by 1980, and in excess of 600,000 by 1990.

Secondary Trade Area

The Secondary Trade Area consists of twenty-four Counties, largely rural. This area has accelerated its growth rate recently, largely attributable to the emphasis on industrial development in North Carolina. Approximately two hundred new manufacturing firms have been established in this area since 1965. This area has a population of 1,340,000 with projected increases to 1,482,000 by 1980, and 1,637,000 by 1990.

Outer Trade Area

The Outer Trade Area consists of twenty-five Counties mostly to the east and south of the Raleigh-Durham Airport. This area accounts for less than 2% of airport passenger patronage. There is no other truck-line service available in North Carolina east of Raleigh-Durham. However, an excellent highway system makes it feasible for the people and businesses of these communities to take advantage of the air carrier service offered at Raleigh-Durham Airport.

SUMMARY

Durham and Wake Counties and their respective principal cities of Durham and Raleigh, North Carolina, provide an airport that substantially serves nearly half of the State of North Carolina. The Constitution of the State precludes the legal use of advalorem tax monies on airports and general obligation bond referendums have failed.

Airport revenue per passenger throughout reflects sound management, and is sufficient to underwrite Revenue Bonds to provide for local matching funds in Airport Development Aid Program eligible items.

The critical need is sufficient Airport Development Aid Project money for immediately needed new runway construction.

STATEMENT OF REVENUE AND EXPENSE—RALEIGH-DURHAM AIRPORT AUTHORITY

	Actual from audited financial statements—Fiscal year ended March 31								Unaudited
	1967	1968	1969	1970	1971	1972	1973	1974	1975
Passenger movements	701,138	867,495	944,101	963,987	983,638	1,069,201	1,210,853	1,261,501	1,300,000
Operating revenue:									
Landing field:									
Landing fees	$86,270	$121,684	$175,647	$185,400	$227,589	$244,164	$227,027	$411,553	$578,475
Service agreements	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Fixed base area:									
Sales and service—Net	147,168	165,535	207,365	221,999	209,931	203,689	224,665	279,387	410,300
Fixed base rentals	21,134	25,273	27,978	27,972	40,235	54,531	67,235	79,170	87,800
Buildings and grounds:									
Present terminal	45,119	43,915	51,792	69,956	76,645	79,614	107,374	153,181	146,000
New terminal									
Other than terminal	25,914	31,893	32,468	39,627	43,723	56,419	115,577	129,956	135,611
Percentage rentals	227,241	315,263	405,054	539,875	569,222	636,841	765,857	890,884	975,650
Miscellaneous services	11,533	13,445	18,563	22,952	11,647	9,490	10,191	12,953	31,000
Passenger boarding charges [1]							545,658	244,852	
Total	569,179	721,808	923,667	1,112,581	1,183,792	1,289,548	2,068,384	2,206,736	2,369,636
Interest earned	25,084	11,386	31,843	37,497	48,825	32,224	103,419	327,533	231,850
Total revenue	594,263	733,194	955,510	1,150,078	1,232,617	1,321,772	2,171,803	2,534,269	2,601,486
Operating expenses	238,320	289,246	313,299	331,047	386,769	417,137	540,409	718,681	943,706
Net revenue before depreciation and interest	355,943	443,948	642,211	819,031	845,848	904,635	1,631,394	1,815,588	1,657,780
Per passenger movement	.51	.51	.58	.85	.86	.85	1.35	.92	1.28

[1] Passenger boarding charges began Sept. 1, 1972, and discontinued June 18, 1973.

RALEIGH-DURHAM AIRPORT—COST PROJECTIONS OF NECESSARY AIRPORT DEVELOPMENT (COMPLETION BY 1980)

	Total
Runway 14R–32L:	
Runway	$15,146,800
Taxiway	9,130,200
Service roads	202,600
	24,479,600
Land	3,875,000
	28,354,600
Runway 14L–32R:	
Runway	5,717,200
Taxiway	2,722,400
Service roads	126,300
	8,565,900
Land	125,000
	8,690,000
Runway 5–23:	
Runway	671,400
Taxiway	2,684,400
Service roads	138,800
	3,494,600
Runway totals:	
Runway	21,535,400
Taxiway	14,537,000
Service roads	467,700
	36,540,100
Land	4,000,000
	40,540,100
Terminal area:	
Apron	3,749,600
Taxiways	810,800
Service roads	261,800
	4,822,200
Terminal building	22,198,600
Air cargo building	2,258,100
Total buildings	24,456,700
Grand total	69,819,000

STATEMENT OF RAYMOND T. SCHULER, COMMISSIONER, NEW YORK STATE DEPARTMENT OF TRANSPORTATION, REPRESENTING COUNCIL OF STATE DEPARTMENTS OF TRANSPORTATION

As Commissioner of Transportation for the State of New York, I am a member of the Council of State Departments of Transportation and have been actively involved in the Council's formation. The Council is somewhat of an umbrella organization, concerned primarily with issues of transportation policy and not particularly with the technical aspects of one transport mode or another. We rely for technical expertise generally on the special modal organizations such as the National Association of State Aviation Officials. It is in that light that I appear before you today. NASAO is fully competent to deal with the technical aspects of aviation; I am here to present the Council's views on two of the broad

policy aspects in aviation that must be addressed in any new aviation legislation. Briefly, the two policy items which most concern the Council are:

The role of the states in airport planning and development.

The role of the states in general aviation program.

We approach both issues from the precept that air transportation is basically an interstate function and as such falls under Federal jurisdiction. Over all system planning, regulation, control and safety of aircraft operations are Federal responsibilities. It is our position, however, that state and local government have a legitimate concern and responsibility beyond the precincts of Federal responsibility.

When we look at the development of the major airports in the nation, we see the Federal role in air traffic control and a host of related operations on the one hand and the demonstrated capability of airport management to maintain and improve the safety and efficiency of aircraft operations at their airfields on the other. It is when these airport improvements move beyond the normal maintenance of safety and operational efficiency to the area of increasing airport capacity that we become particularly concerned. Capacity improvements on the field almost always have substantial effects on the surface transportation system supporting the airport. State and/or local government are called upon to invest their limited resources in the repair of ground transport systems required as a result of uncoordinated changes in airport capacity. Considerable cooperation is required between the ground systems and the air systems for planning, construction and operation. Unfortunately, cooperation and coordination are not remarkably evident today.

I cite, for example, the air-ground development right here in Washington. Just outside the national airport terminal a beautiful new rapid transit system is being built. I have noticed, however, that the transit station is being built a good half mile away from the terminal. This affords the luggage-burdened traveler the opportunity to stretch his legs a bit between the station and the terminal in all sorts of weather. I am not familiar with what the final design or resolution might be. I am alert, however, to the fact that if the traveler is to be served, someone will have to make a significant investment to move the terminal, relocate the station or provide a means of transport between the two.

All too often, capacity increase at an airport may appear to have great benefit-cost advantages, when viewed within the airport itself. That same capacity increase, however, may force a disproportionate expenditure in the ground transport system. Over all, the capacity increase which might benefit the airport may indeed disbenefit the total transportation system when viewed as a whole. Limited transportation funds urgently needed for high priority public transportation or highway projects elsewhere may have to be diverted to increasing the capacity of the ground system which is required to support the airport expansion.

We need to view all transport programs and projects as parts of a total system, not merely as pieces of airports, transit systems, highways or what-have-you. In the several state departments of transportation we have a means to exericse this viewpoint. I would submit that the states should be given the responsibility to review any proposed airport project which would affect the capacity of the airport. Their object would not be blind opposition to such projects—no more than they should be made to correct the results of the blind expansion of an airport. It is not conflict we seek, but cooperation and coordination. With review responsibilities, the states would be able to test proposed projects for systemwide cost/benefits, to develop a coordinated schedule of both airport and ground support projects within the realities of time and resources and to get at implementing the balanced transportation planning and development we all have been hearing about for such a long time.

You will note that I have called for state review of projects. While the departments of transportation might logically act as the central state reviewing agency, the review would also have to encompass land use, economic development and environmental protection. Other specialties would have to be brought into the process, along with local jurisdictions which would be directly affected by the project and the reviewing process. We dont want to saddle airport development with onerous reviews and clearances. But we also don't want to have airport development crippled by ill-advised projects which arouse substantial and effective local opposition. No longer can airport development be a bull in a china shop—the shopkeepers are arming themselves like matadores. It is in the airport's interest as much as it is in the ground support system's interest to have capacity improvement projects reviewed by a responsible state agency.

As I have pointed out, air system planning involves two separate and distinct major program areas. One is the preservation and improvement of the safety and efficiency of the existing airport system at its present capacity. The other area is providing additional capacity to meet anticipated future growth or existing shortfalls. The State should have a different role in each of these areas.

Based on a review of airport construction projects in New York State, our preservation project costs and additional capacity project costs have been about equal. Based on our experience, I recommend that 50% of the available funds be given in direct assistance to the air carrier airports in this country for their use in improving the safety and efficiency of airport operations and replacing existing airport facilities as they become worn out. Enplanements are an indicator of activity for terminal areas, and departures are an indicator for the operational part of the airport. Since both are equally important, I recommend that both enplanements and departures be used on an equal basis to determine the distribution of our recommended primary airport preservation allocation to each airport.

The balance of the available funds should then be made available directly to the states on a block grant basis. These funds would be used to provide additional capacity for the air carrier airports, and to preserve and provide additional capacity for the general aviation airports. Because our transportation system is constantly evolving, it is imperative that additional capacity at any airport be constructed only when it is coordinated and balanced with the rest of our transportation system. This portion of my proposed program, then, specifically addresses the need I have been stressing: the coordination of airport growth with the ground portion of the traveler's trip. It permits me and the State Transportation Department to carry out our mandate to develop a coordinated balanced transportation system.

The distribution to the states should be on a system and minimal threshold program needs basis. Every two years each state should be required to update its needs estimate to complete its airport system plan. This is similar to the interstate highway program, which the states have successfully managed over the years. I stress again: because airport master plans are an integral part of system planning, master planning must stay current. The Federal government should establish the guidelines and requirements for both aviation systems and airport master planning to ensure consistency from state to state. One of the basic problems of any development program is to make sure that the distribution formula provides a minimum funding threshold for program needs. Historically, the indicator for this has been an area/population formula, which is fairly good at setting minimum threshold amounts for many programs.

In reviewing project costs in the smaller states, I recommend that one-third of the state block grant amount should be on an area/population basis, with the other two-thirds on a needs estimate basis. This distribution would ensure that each state would receive sufficient funding to provide adequate financing for both major and minor airport construction projects. Because construction is not consistent at every airport from year to year, the states' programming of airport construction would balance out over the long term and ensure that the total aviation system is developed. This remedies a major defect in the administration's proposal for a departure formula. The formula wold not meet the financing needs for major improvements of the secondary and feeder airports, but could encourage the over-development of the primary airports in this country.

In summary, the distribution formula for airport funding should be divided so as to provide funds for preservation and routine improvement of the primary airport system, and to allow the states to program for all other airport development needs. Primray airports should receive direct assistance from the Federal government on an enplanement and departure basis, and the states should receive the remaining funds on a one-third area/population and two-thirds needs estimate basis. Generaly it should be as follows:

A. Planning Funds—$10 million of *System* Planning.

B. Direct Assistance to Air Carrier Airports—50% of available development funds. To be distributed to each airport for preservation and routine safety and operational improvements on basis of: one-half on percentage of enplanements, one-half on percentage of departures.

C. State Block Grants—50% of available development funds. To be distributed to each state for all other airports and for capacity improvements for primary

airports, on basis of: one-third on area/population, two-thirds on percentage of each state's needs estimate. This includes funds for master plans.

Project eligibility should be changed to allow direct assistance funding up to 100% to preserve and maintain the primary airport system. State block grant projects should be based on 80% trust funds with matching 20% local and/or state funding. The requirement for state and local funding places an economic constraint in the identification of facility requirement needs.

Opponents to a state's role in airport development are quick to point out that the states are not qualified nor have adequately trained staffs to carry out any new responsibilities in airport development. I agree that not all states could immediately handle any new responsibilities. However, many states—New York and other large states in the Country—do have such qualified staffs. The Howe amendment to the House bill is the kind of transition that is necessary to bring all the states up to a qualified level. The basic question however is not whether the states do or do not have the staffs but what relationships and responsibilities should be delegated to the states for the efficient overall development of transportation.

In todays' complex society and high level of government spending, we can no longer indulge ourselves with an inefficient transportation system. New York State—I am sure that I speak for many other states—stands ready to take on the task of developing a safe and efficient air transportation system which is responsive to the present and future needs of our citizens. I ask that Congress give us this opportunity.

STATEMENT OF AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

On behalf of the nation's major manufacturers of aircraft, aircraft engines, components, and the highly complex avionics equipment operating in the air transport system, the Aerospace Industries Association of America, Inc., appreciates this opportunity to comment for the record on the extention of the Airport and Airway Development Act and revision of the Airport Development Aid Program (ADAP).

Our aviation system is the finest in the world, but in some areas its growth is outstripping the development of needed facilities. All too often jet transports built for the 1970s are operating in airports built for the 1950s. By 1980, U.S. airlines will be flying an estimated 299 million passengers and 257 billion revenue passenger miles in scheduled domestic and international service annually. The air carrier fleet is expected to exceed 3,000 aircraft by that time.

Our air transportation system cannot be considered a luxury. It is the basis of safe, convenient and timely travel. The air routes which connect this nation's large, medium and small population centers affect the mobility and convenience of all American citizens, whether by transporting their mail, their armed forces, their daily goods or themselves from place to place. The air transportation system of the United States is a national resource.

To protect and develop this vital system, the Airport and Airway Development Act and the Airport and Airway Trust Fund were enacted in 1970. Such legislation took a fairly realistic view, theretofore lacking, of the long range needs of the system and took a major step toward fulfilling some of these needs by providing the continuity and security of a Trust Fund to finance them.

Now, after five years of operation under this legislation, the aerospace manufacturing sector of the air transportation industry continues to favor this legislative approach as the means of further increasing the safety and capacity of the aviation system. While we respectfully suggest certain modifications and additions concerning the yearly funding level, Trust Fund surpluses, desirable and undesirable uses of the Trust Fund, transfer of authority to the states, and development of new airport and heliport sites, we strongly support a five-year extension of the Airport Development Aid Program (ADAP) and the Airport and Airway Trust Fund.

We endorse an annual level of ADAP funding sufficient to support a vigorous program, on the order of $550 to $600 million. The Department of Transportation's recommendation of $350 million a year is only about nine percent over the current figure, an amount inadequate to cope with inflation, and is certainly not adequate to support new programs and innovative approaches to the problems of congestion and diminished services which exist in many areas. As we enter the last half of the 1970s we are planning and building for the 1980s. More funding is needed than has been available in the past.

While we would not consider it within the purview of the aerospace manufacturers to suggest how the monies in the Trust Fund should be collected from the users, we would recommend that those more directly involved attempt to arrive at a minimum level of taxation commensurate with the energetic solution of the system's legitimate problems. Procurement and construction related to airways facilities and equipment and outlays for research and development should be included at a level compatible with realistic improvement of the Air Traffic Control system, including provison for inflation.

However, it would be undesirable for the taxation levels to result in additional large Trust Fund surpluses which might invite diversion of these specifically earmarked monies to functions which have always, rightfully, been funded from general revenues. Foremost among unintended uses of the Trust Fund would be expenditures for FAA operating and maintenance costs. Funding of such costs from general revenues has traditionally reflected their importance to the safety and economic well being of the nation as a whole, rather than categorizing them as a special service to the users of the air transport system. We feel that the responsibilities of the FAA in operating and maintaining the Air Traffic Control and navigation system continue to be an appropriate federal function and should be financed accordingly.

In truth, there is no shortage of legitimate uses for Trust Fund monies. In our re-evaluation of the Trust Fund system we should recognize that money from *all* sources is tight. To assist airport sponsors in competing with other needs for scarce financing for necessary airport development and modernization, we recommend raising the federal share of such projects to 80–90 percent for all airports. While we feel that some local sharing is appropriate, requiring airport authorities and localities to raise even 10 to 20 percent of necessary funds will represent a challenge in present and foreseeable money markets. Revision of the Act to the aforementioned ratios to reflect these difficulties is appropriate.

Even as the system now operates, airport sponsors do not have discretion as to which projects will be eligible for funding and which will not. This was spelled out in the original legislation. Over the past five years, however, it has become clear that failure to keep pace in development of the non-exclusive public-use (as opposed to revenue-producing) portion of terminals constitutes a barrier to the smooth and economical operation of the entire air transport system. While we understand the reasons for omitting such projects at the time the legislation was enacted, we suggest that such public-use terminal projects be included as eligible for Trust Fund money.

Experience also prompts us to recommend that use of the Trust Fund be extended to finance buffer zones to enhance the compatibility of airports and heliports with surrounding neighborhoods and the environment. In visualizing and modernizing the air transport system, we must continue to view it as part of the social, economic and everyday life of the nation's citizens, not as an airplane in the sky or an isolated landing strip. All parts of the system must be integrated with one another and with the environment in which they operate. Buffer zones are an essential part of the development of many airports and should be eligible for Trust Fund money.

Toward the same end of making the system work in a coherent and timely manner, another, more procedural point is in order. While no one associated with the system would dispute the desirability of giving greater attention to the effects of technology and development on the environment, we feel that the repetitious preparation of Environmental Impact Statesments (EIS) for every phase of on-going and anticipated airport/airway development, and the administrative processes associated with EIS, have created serious delays in vital projects (sometimes measured in years). Such analyses should be limited to a reasonable study period and should include only essential information. Moreover, they should encompass the impact of large scale planning and should not be required for each and every construction project. We support the Administration's efforts to limit Environmental Impact Statements to more meaningful uses.

The Subcommittee may also wish to consider incorporating into the legislation the recommendation of the Aviation Advisory Commission pertaining to the appointment of special masters in the federal courts to review federal decisions affecting interstate commerce. Such special masters would review certain federal projects, including airport development proposals, and submit their findings to the courts, thereby achieving a one-step decision on the merit of such cases. Such a system would provide a *timely* and *final* decision by a federal court.

In closing, we would like to raise a question concerning growth of the air transport system's capacity. Sec. 3(a)(2) of the Administration's proposed Airport and Airway Development Act of 1975 allows for "the examination of potential locations in the United States for major new airports and the identification of various options for financing land acquisition and development costs." However, we find no further provision for entrance of new airports into the system. Given the present and anticipated growth of smaller population centers in particular, more airports and heliports will be needed, whether they be modified secondary airports or completely new facilities such as Dallas-Fort Worth. In operating the Trust Fund, the government must guard against ignoring or discouraging new development. A detailed mechanism for entry of new facilities into the system should be provided. Development of new sites should be in the forefront of systems planning and should not be an afterthought.

The safety, convenience and general well being of a nation depend in no small part on the development and maintenance of a dynamic, modern air transport system. In studying and modifying this important legislation, we must learn from experience while looking to the future. We trust that everyone concerned will do just that. Thank you for the opportunity to offer our views.

POSITION STATEMENT OF WEST ESSEX CITIZENS OPPOSING RECKLESS AIRPORT DEVELOPMENT (RAID), RICHARD DIAMOND, CHAIRMAN

PRESS CONFERENCE DECEMBER 7, 1975 AT ROBERT TREAT HOTEL, NEWARK, N. J.

It is hard to conceive that a potential national scandal is in the making in your own community and county; somehow that kind of thing only happens somewhere else.

Yet, the flagrant abuse of power, the reckless use and mis-use of public funds, the total disregard of public responsibility, and the drive for empire-building in the attempted takeover and development of the Caldwell-Wright Airport, is an almost incredible story of arrogance, doubletalk, and deception, leading to a potential national scandal—a story in fact that involves four government agencies that have been cozy *and* irresponsible:

The Essex County Improvement Authority (ECIA), which has trampled over virtually all its obligations and public responsibilities in a drive to take over the Airport and, in the words of its own former chairman, "become another Port Authority."

The Essex County Board of Chosen Freeholders, which has overlooked its basic public responsibilities.

The Federal Aviation Administration (FAA), which has ignored the very obligations written into its charter, and

The New Jersey Department of Transportation beginning with the Cahill Administration.

It is the contention of the West Essex Citizens Committee Opposing Reckless Airport Development that the ECIA is on an all-consuming drive to build an empire in Essex County; that the airport is one more step in this drive; that the airport development project is being undertaken regardless of feasibility, acceptability, or environmental impact; and that without a halt to the unbridled drive for power by the Authority, Essex County will be saddled with a fiscal mess rivaling New York City, and the citizens of West Essex will be subject to major airport and commercial development that will wreck the environment in their communities.

Consider these highlights:

ECIA presented two contradictory versions of the same Airport project in order to get separate Federal and County approval.

FAA carelessly bypassed the need for an Environmental Impact statement on grounds it was simply funding the purchase of an existing airport; in fact, the ECIA's plans call for using FAA funds in order to develop the airport in a way that will seriously affect the environment.

There was no appraisal of the property until *after* the FAA approved it.

FAA used *airport project funds* to finance land acquisition which includes land for *non-airport usage*; namely, 99 acres of the 278 total area.

FAA violated federal regulations by illegally dividing a single project into two separate grants, arbitrarily valuing 114 acres at $4.6 million and later, 163 acres at $1.8 million, just to get the project going. Only 122 acres are presently being used for the airport operation by Atlas Aircraft Enterprises, Inc.

Essex County Freeholders approved the ECIA's plans for a major financial undertaking without an economic feasibility study and without even an appraisal of value.

Thomas Coyle of the N.J. Dept. of Transportation during the Cahill Administration refused to answer Fairchild's 21 questions about the feasibility of the airport for six months; during that same period he encouraged ECIA to go ahead with the project.

The development project will save 150 small, private airplanes at a cost of about $100,000 a plane.

Now let's go back and tell you the story in brief for your own perspective—because, and make no mistake about it—this story is complicated, and its complicated nature is one reason why the ECIA has gotten so far. Nobody can understand what's going on.

In the beginning even before ECIA showed any definite interest in taking over the airport, both the Boro of Fairfield and ECIA agreed there should be a calm, logical evaluation of the airport. Was it feasible to continue it or not? There were going to be feasibility reports and community involvement in the study. Fine.

The story then changed. While Fairfield was honestly weighing the possibility of taking over the airport itself, suddenly Fairfield couldn't get any information and was left in the dark.

Meanwhile, ECIA was driving ahead as fast as possible so that it would be in a position where nobody could prevent the takeover.

They were helped along by the Freeholders, DOT, and FAA.

The Freeholders went along with the project without making ECIA prove it would work; the FAA looked the other way in its haste to get more aviation for aviation's sake; and DOT helped block out Fairfield.

Meanwhile, ECIA was playing a clever game. To the FAA they said, "this is just a request to buy an existing airport." That way they didn't have to have an environmental impact statement. To the Freeholders they painted a rosy picture of an economic bonanza, with whirring helicopters, a 200 percent increase in air traffic, jets, air cargo, and a $7 million construction project. In other words, a different hoax for different folks.

To Fairfield's Town Council, they gave little or no real information all during a time when they were supposed to be in community cooperation. The State went along; Mayor John Francavilla sent DOT's Thomas Coyle 21 questions about important matters not covered in a Porter and Ripa report that was finally released on the project.

Mr. Coyle's typewriter was out of order for Fairfield; he didn't answer the letter for six months, and only then because a new Commissioner—Alan Sagner—was appointed who told Coyle to answer the letter.

For the ECIA and the FAA, however, Coyle's typewriter was a speed demon; so apparently was the U.S. Post Office. During an incredible three-day scenario, three letters were exchanged between Trenton, Long Island, and Belleville to give the go-ahead to the project—involving DOT, FAA, and ECIA. While Mayor Francavilla's 21 questions were in his desk, Mr. Coyle wrote to Mr. Bray, "it is understood that this activity would receive the cooperation of Fairfield."

To protect itself, Fairfield hired Booz, Allen, and Hamilton, and the answer from that firm was that there was so little information, they couldn't see spending one cent of public money on the project.

The project is still murky. Let me show you an example of how open and informative the ECIA is. The Arthur Young Report is supposed to be *the* feasibility report. Fine. But when Fairfield finally got the report from ECIA, whole sections and pages were deleted. Is that the way ECIA satisfies the public's right to know?

Another interesting little twist is that FAA's money is supposed to be for airport purposes. Fine. But the 277 acres for the Caldwell-Wright property actually takes in industrial buildings and many acres of non-airport property. In fact, the present airport only takes up 122 acres of the whole tract.

So public funds for airport purposes are now involved in non-airport usage.

Meanwhile, the very persuasive ECIA had received the Freeholders' blessing for a major financial undertaking without proper study . . . a project in fact that threatens the senseless destruction of the West Essex environment.

It is time for the people of West Essex to rise up against this threat to the peace and quiet of their homes and the safety of their children. We have clear evidence the ECIA plans to make West Essex the center of a monstrous transportation hub while the ECIA becomes another Port Authority.

The Federal Courts have just squashed Morristown's ability to control jets on weekends, so we have no chance but now to control our own future.

The Committee's position is that assuming feasibility, the Caldwell-Wright Airport should be continued, but not developed to a grandiose scale with 30-passenger helicopters, a 200 percent increase in air traffic, air cargo, jets, and other development plans of the ECIA.

The airport should be operated by the Borough of Fairfield and the surrounding communities. It is an admitted fact that the airport requires a subsidy for its continued existence; therefore, those who use the airport should pay for the airport with governmental support.

Under such an operation, the Caldwell-Wright Airport could also include existing non-airport acreage for recreational facilities, or a combination of commercial and recreational facilities for use by citizens of the surrounding communities.

Thank you for your attention.

DOCUMENTATION

1. HOW THE ECIA PRESENTED TWO CONTRADICTORY VERSIONS OF THE SAME AIRPORT PROJECT IN ORDER TO GET SEPARATE FEDERAL AND COUNTY APPROVAL

A. In its pre-application for Federal Assistance in early 1974 and signed by Arthur John Bray, Jr., Executive Director, the ECIA describes the "project" to the Federal Aviation Administration as "Land Acquisition of the Caldwell-Wright Airport. The project site encompasses approximately 277.5 acres and includes all buildings, structures, appurtenances, roads, runways, aprons, tie down pads, sewerage system, and sewage treatment plant. Water, power, gas, and telephone lines to buildings are owned by respective utility companies." Its application further states: "In addition, the Authority stipulates that this project will not alter the existing character of airport usage . . . "that the purchase of Caldwell-Wright Airport will in no way alter the airport's impact upon its surrounding environment beyond the existing level." It must be noted that the current Airport operation by Atlas Aircraft Enterprises, Inc. entails only 122 acres of land whereas the ECIA is requesting 277.5 acres.

The FAA apparently knew, however, that the ECIA had other plans. In an interdepartment memo, May 5, 1974, Joseph Aberasturi said: "After acquiring the Airport, the sponsor (ECIA) proposes to submit an application for a PGP project to develop a Master Plan for the future development of the Airport."

The official application dated Saturady, June 8, 1974, was approved eight working days later on June 19. Nowhere in the application did the ECIA list anticipated construction or construction costs.

B. The ECIA, however, had a different version for the Board of Chosen Freeholders in July. Eugene F. Golding, Chairman of the ECIA, addresses a detailed report to Director Thomas H. Cooke, Jr., Board of Chosen Freeholders dated July 16, 1974—one month *after* the FAA's Grant Agreement. In the detailed report the ECIA states: "The ECIA will acquire the 278.3 acres of Airport property from the Curtiss-Wright Corporation and undertake the *expansion program* required to develop a modern and efficient County Airport." This *construction* program, as recommended by Porter and Ripa for the State of New Jersey—Department of Transportation in 1973, "called for the following construction program to accommodate 357,000 annual aircraft movements and 389 based aircraft by 1990." Among the ECIA's airport expansion program are "to build taxiways running parallel to each runway. 2. Construction of new buildings, as listed below:

a. Combination terminal and administration building.
b. Emergency medical building.
c. Crash-fire rescue building.
d. Maintenance building.
e. Control tower.
f. Vehicle parking facilities.
g. A west side access road and bridge over Deepavall Brook.
h. A new apron and aircraft parking area.

The ECIA's expansion program of the Caldwell-Wright Airport also includes according to its own report: Commuter service by New York Airways (30 passenger helicopters) and expanded Air Freight services by *large cargo* planes.

2. HOW THE FAA VIOLATED FEDERAL REGULATIONS IN ITS HASTE TO GRANT ECIA THE REST OF FAA'S FUNDS BEFORE THE CLOSE OF THE FISCAL YEAR

The FAA violated federal regulations by failing to require an Environmental Impact Statement.

In addition to the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C., Paragraph 4332, states that every grant application for any major federal action significantly affecting the environment requires a careful and detail inquiry into environmental considerations. Even if there is a doubt, an enviromental statement is to be prepared—not by the project sponsor but by the Federal Aviation Administration. What DOT 5610.1B states: (1) General. Where the environmental consequences of a proposed action are unclear but *potentially significant*, a statement should be prepared . . . an environment statement should be prepared if it is reasonable to anticipate a cumulatively significant impact on the environment from Federal action."

In addition, the FAA violated the statutes 49, U.S.C. Section 1716, by not investigating the financial capabilities of the ECIA to carry out the project The Law requires "1) all airport development projects shall be subject to the approval of the secretary . . . only if he is satisfied that . . . B sufficient funds are available for that portion of the project costs which are not to be paid by the United States . . ."

In addition, Regulation 152.43 requires as a condition of eligibility to apply for funds that "a sponsor must be legally, financially, and otherwise able, individually in a case of a single sponsor to meet the non-Federal share . . ." In a letter dated February 7, 1974, Mr. Joseph Aberasturi, FAA's office chief, acknowledges "prior to the issuance of any grant offer, a determination will have to be made with respect as to whether or not the authority can met its financial obligations for a project and for the upkeep of the airport." This letter asks for information on the $60,000 lent to the ECIA by the County, inquiring whether this money was related to the Airport. No response appears to have been forwarded to the FAA.

The FAA violated the NASP regarding clearance rights and landing devices which are minimum standards required by the FAA before an airport can become operative. The 49 U.S.C.A., Section 1718 states *as a condition precedent to his approval* of an airport development project . . . the secretary shall receive *assurances in writing* sent to him that . . . (3) the aerial approaches to the airport will be adequately cleared and protected by removing, lowering, relocating, marking or lighting . . . existing airport hazards . . ." No commitment appears anywhere in the records that the ECIA is ever to do any of these things. Mr. Aberasturi's Project Evaluation Report of May 24, 1974, found that according to the FAA Airport Master Record for the Caldwell-Wright Airport that "all approaches are considered inadequate by FAA standards." The FAA and ECIA simply state that if, as and when there is any future development project, the FAA will require its inclusion. No attempt has ever been made to reconcile this statement with the clear mandate of regulation.

In addition, there is nothing in either the law or regulations which exempts "a pre-existing facility from the operation of these laws."

The filing regulations (which are under the jurisdiction of the FAA) by the ECA were not in conformity with the FAA's regulations.

Missing were:

1. Submission of a detailed report to the Freeholders and the public as required under New Jersey law was presented one month after the actual grant by the FAA.
2. Any appraisals or data to substantiate the value of the lands and buildings to be acquired.
3. Computations for non-eligible items.
4. Information on the ECIA's ability to raise its share.
5. Any estimated total cost of the Airport
6. Feasibiltiy projections which were current.
7. Fairfield's stated objections.
8. Requisite information costs and assurances as to how and when the required steps to meet Federal Standards on landing devices, clearances and approaches are to be met.

3. HOW A PROJECT OF MAJOR ENVIRONMENTAL IMPACT HAS BLATANTLY IGNORED THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT WITH THE FAA'S ACQUIESCENCE

The National Environmental Policy Act (DEPA) of 1969 clearly states that every grant application for any major federal action significantly affecting the environment requires a careful and detailed inquiry into environmental considerations.

Furthermore, the environmental determination is to be made by the FAA, not by a project sponsor. "Regardless of the nature of the applicant's participation, the administration must make its own evaluation of the environmental issues because it is responsible for the scope and content of the draft and final environmental statement."

The ECIA sough to avoid the stautory provisions on the grounds that they were merely acquiring an existing airport. They have circumvented the need for an impact study by relying upon a letter from the ECIA's treasurer to the FAA which contains conclusionary language stating that the proposed project "will in no way alter the airport's impact upon its surrounding environment beyond the existing level."

However, the projected intensification of use of the airport as shown in the FAA's own National Airport System Plan (NASP) clearly shows that more than acquisition of land is involved. Clear zone acquisition is contemplated, along with extensions of an existing runway as well as other improvements.

NASP indicates a sizable growth pattern planned for Caldwell-Wright that within five years it would move from a medium density to a high density airport. Within ten years both the number of aircraft operations (232,000 to 442,000) and passengers (134,000 to 261,000) are expected to double.

Certainly, if we use the FAA's own standards we must draw only one conclusion: If the FAA and the ECIA contend that no improvements or changes are contemplated for the operation of the airport, then both have failed to satisfy the requirements of the Airport Development Project which by definition contemplates upgrading of the Caldwell-Wright Airport facility and meeting Federal Standards for landing aids and runways.

4. HOW ESSEX COUNTY WILL BE SUPPORTING A MAJOR FINANCIAL BURDEN THAT WILL SAVE ONLY 150 SMALL, PRIVATE AIRPLANES AT A COST OF $100,000 A PLANE

The estimated cost to the land (although not released by the ECIA) is estimated at $8 million. The Porter and Ripa Report had projected that approximately $8 million of improvements would be required. The New Jersey Department of Transportation has predicted "The closing of CWA would effectively and immediately cause the abandonment of 150 general aviation aircraft." In short, the acquisition and outdated projected improvement costs totalling $16 million to save 150 aircraft will cost over $100,000 a plane.

In order to best understand the unanswered question of feasibility of the Caldwell-Wright Airport operations, one must refer to the Porter and Ripa Report, the Young Report, the "detailed report" submitted to the Board of Chosen Freeholders and the current marketability of bonds.

Originally, the Porter & Ripa Report (PAR) was designed as a "feasibility study" agreed upon by the ECIA and the various governmental agencies including the Borough of Fairfield. The mere title of the final report submitted to the ECIA by PAR—"Overview and ownership alternatives report with the suggested airport master plan for Caldwell-Wright Airport" indicates the content was not a feasibility study. The financial data presented in the report was obsolete the day it was published and should have been updated prior to its release.

The PAR depicts marginal operations at low money rates and no reimbursement to Fairfield for its loss of ratables. If these taxes were applied to the airport's revenues and expenses, the operation would run in the red.

The PAR also depicts the sale of 99 acres which it considers surplus for the operation of the Airport which were to provide additional revenues for Airport operations.

As a result of the unanswered 21 questions in the PAR report, Fairfield hired a firm with aviation experience, Booz, Allen and Hamilton, management consultants. In its report, Booz, Allen and Hamilton stated among its conclusions:

1. "In summary it does not appear that the importance of the airport to local commerce and development has been substantiated."

2. "The ultimate decision regarding airport disposition should be developed in the context of a rigorous evaluation of the costs and benefits of each option as

they affect both the Borough of Fairfield, and as important, the other affected communities. To date, this analysis has not been accomplished."

3. "On balance the inflation and shortage of energy will lead to a significant increase in the cost of aircraft ownership and use. In addition, the availability of fuel to accommodate significant growth in general aviation is by no means certain. The impact of these variables on future demand should be specifically evaluated in assessing the future based aircraft and traffic situation at the Caldwell-Wright Airport."

4. "Prudence would appear to indicate that the financial feasibility analysis be recast in light of some 'worst case' assumptions regarding the following cost/revenue variables: (1) Airport usage, (2) Continued near-term rapid increases in land acquisition and capital improvement costs, and (3) Increased long-term borrowing costs."

In order to protect itself, the ECIA retained its own accountants (Arthur Young) to develop a further "feasibility study." Unfortunately to this date the Borough of Fairfield as well as the Board of Chosen Freeholders have not seen this report. What was sent to Fairfield was an expurgated report omitting all the financial data necessary to make a valued judgment on the feasibility of the Airport.

5. HOW THE ECIA PLANS TO MAKE ITSELF ANOTHER PORT AUTHORITY, USING PUBLIC FUNDS TO BUY AN UNSAFE, ECONOMICALLY UNFEASIBLE AIRPORT

In April, 1974, the then chairman of the Essex County Improvement Authority Eugene Golding at a meeting with Fairfield's Airport committee that he intended to employ the acreage of Caldwell-Wright Airport on Passaic Avenue to erect and lease buildings. This property is not required for airport use. The income from these buildings would be used to sustain in the airport operation. It was at this meeting that the Airport Committee learned that the ECIA intended to lengthen the present 4,700-foot runway to 5,000 feet and that the rear property of the airport would be retained for possible airport use. Originally this land was to be sold.

In April of 1973 Mr. Golding indicated that he had visions of the Caldwell Airport operation becoming another *Port Authority*. Mr. Bray concurred, in his own words he sees it as a "Multi-modal transportation hub" and a 'fly-in" industrial park.

If the ECIA contends as it has over the past two years and in contractual agreements with the FAA that it is involved in land acquisition only, then it has acquired an unsafe airport. In addition, the FAA has entered an agreement for an unsafe airport since there are no clear zones nor adequate landing lights.

6. HOW THE PUBLIC HAS BEEN DENIED ACCESS TO INFORMATION AND THE SIX-MONTH REFUSAL TO ANSWER 21 PERTINENT QUESTIONS ABOUT THE PROPOSED AIRPORT TAKE-OVER

The Arthur Young Report on which the ECIA based in part their feasibility judgments on the airport operations has never been released to Fairfield nor the residents of Essex County. This report was not part of the documents given to the Board of Chosen Freeholders in the ECIA "detailed report." The Borough of Fairfield obtained a copy by way of the courts. However, this expurgated version lacked so much financial data that it was useless to anyone. Review of the document gives one the feeling recently associated with the review of an edited transcript of a tape recording released by the White House staff under former President Nixon due to large blanked-out portions.

In April 1973 the Borough of Fairfield and the ECIA issued a joint statement under which the ECIA would withhold itself from any further exploration regarding the airport until the Porter and Ripa Report was completed and further discussions were held with Borough officials. The report was not given to the Borough of Fairfield until August 21, 1974, and it was then given 9 days to review the report; however, it asked for more time. After studying its copy the Borough directed twenty-one critical questions to the Department of Transportation which was responsible for the report. Such questions included data on tax subsidies, projections on feasibility, alternative methods of financing, completeness and accuracy of projections on income and expenses; and the importance to the feasibility of the project of rentals from industrial buildings unrelated to the airport but located on the tract.

The questions received no response for close to six months. However, while overlooking the Borough's request, in the interim the Department of Transportation at the behest of the ECIA endorsed the ECIA's acquisition of the airport stating that "It is understood that this activity would receive the cooperation of the Borough of Fairfield. (ECIA letter Coyle to Bray 11/30/1973.)

AIRPORT COMMITTEE,
Bemidji, Minn., September 3, 1975.

U.S. SENATE,
Committee on Commerce,
Aviation Subcommittee,
Washington, D.C.

GENTLEMEN: Bemidji Municipal Airport is an Air Carrier Airport served by three flights a day by North Central Airlines with flights to Minneapolis, MN, Thief River Falls, MN., and Grand Forks, North Dakota. Bemidji is located in North Central Minnesota and serves a radius of about 100 miles with a population of about 150,000 people. The city of Bemidji is just over 11,000 population. In 1974 North Central Airlines boarded about 13,500 passengers in Bemidji and we have had a steady growth of about 1500 passengers a year. Air Travel is about our total public transportation as we are about 225 miles from any major city. With fuel cost rising we need this airport more than ever. The Bemidji Airport also also does a brisk amount of small aircraft business. Our nation must look to more public transportation if we are to meet our energy needs.

We are in favor of Federal Airport Certification for Air Carrier Airports because for the first time we will have a much safer operation. However this Certification places a financial burden upon our city because of our size. Some of our costs are new airport lighting, Crash Fire Rescue vehicle and building, security, airport maintenance and many more people. Project funding a 75% and 80% has been a blessing to our airport but even our share of projects is a burden to a small city.

Our urgent needs are:

1. A new ADAP Prgram for a five year perid so we can use over 20 year Master plan to the best and most economical advantage.
2. Formula Block Grants to Air Carrier Airports with a minimum of $150,000 a year so we can fund needs because of Federal Certification.
3. We favor 80% Federal Share in grants to Air Carrier Airports.
4. Urgently needed is 80% Federal funding for terminal building and area.
5. We favor 80% funding for land aquisition.
6. We need 100% funding for ILS or MLS and navigation equipment and personnel.
7. We do need immediate action on this program as winter comes early in the North.

Truly yours,

L. W. MALTAIS.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS,
REGIONAL COOPERATION FOR REGIONAL PROBLEMS,
Los Angeles, Calif., September 4, 1975.

Hon. HOWARD CANNON,
U.S. Senator,
Las Vegas, Nev.

DEAR SENATOR CANNON: Hollywood-Burbank Airport is classified as a regionally significant airport in the six-county SCAG region. The airport handled some 1.6 million passengers (in and out), or 5.7% of the region's total during calendar year 1974. Because of this volume of traffic, the airport is considered an integral part of the region's air transportation system.

SCAG policies relating in general to the region's airport system and specifically to Hollywood-Burbank Airport are set forth in two SCAG publications: "Southern California Regional Airport System Plan," and "1975 Regional Transportation Plan." Our findings indicate that the overall capacity of the existing airport system is expected to be adequate to handle forecast demand through 1985, however, by 1995 capacity will be a problem unless additional facilities are developed.

In light of the forecast capacity constraint, an adopted SCAG policy is that existing major airline airports in the region, including Hollywood-Burbank Airport, be expanded. (At the time this policy was adopted, expansion plans coupled with higher aircraft load factors at the airport were expected to increase its annual passenger capacity to some 2 to 3 million). Our adopted policies state that the greatest emphasis on expansion should be at Los Angeles International and Ontario International, while at the other four major airline airports, Hollywood-Burbank, Long Beach, Orange County and Palm Springs, primary emphasis should be placed on achieving better utilization of present flight schedules. The policy for these four airports reflects public concern with increased aircraft noise exposure levels likely to result from increases in airline operations.

We have recommended that all airports of regional significance should ultimately be in public ownership to assure their permanent availability as part of the regional airport system. Public aquisition of Hollywood-Burbank Airport is encouraged and supportedby SCAG to assure that the airport will continue to fill its important role in the system.

Additional SCAG airport policies relative to the possible expansion of Hollywood-Burbank Airport include:

Any airport development proposal shall demonstrate that it is cost-effective with respect to regional or local air transportation needs, and such analysis shall consider indirect social costs or adverse impacts of aviation activity or airport construction.

Airport construction as well as airline and general aviation operations shall be required to comply with state and federal environmental criteria regarding noise pollution, air quality, water quality, and the protection of open space and cultural facilities.

If you have any questions regarding these policies or other matters, please contact me.

Sincerely,

JAMES HAYES,
President.

OFFICE OF THE GOVERNOR,
Des Moines, Iowa, September 10, 1975.

Hon. DICK CLARK,
U.S. Senator,
Washington, D.C.

DEAR DICK: In connection with the pending Airport Development Aid Program (ADAP) legislation, the critical details of which are soon to be debated in the Congress, the National Governors' Conference, State DOT Secretaries and National Association of State Aviation Officials have carefully reviewed the Administration's proposed ADAP legislation.

The states, and particularly Iowa, agree with the proposed 5-year extension of ADAP, and support the philosophy of strengthening the state and local government role in program administration, with a concomitant reduction of federal review and development requirements. Compelling evidence demonstrates that state administration of airport development programs is more cost effective and less time consuming than federal administration.

The states and the State of Iowa believe that the annual funding level of $350 million is inadequate to meet the needs, and a minimum of $500–$600 million is recommended to at least maintain the present level of construction and to meet the known development needs. Adequate funds are now available in the Aviation Trust Fund with a balance of approximately $900 million, and the user charges presently levied generating approximately $1 billion per year.

The Administration's proposed allocation of ADAP funds should be revised in favor of the smaller air carrier served, reliever and general aviation airports which have the greatest financial need and the least self-financing capability.

All airport facilities development should continue to be guided by State and National Airport System Plans. Amendments which will permit project funding without regard to long-range planning conducted by the state are unacceptable. Iowa has an Airport System Plan and it is presently being revised and updated with a completion date of March 1, 1976.

We recommend a federal match of at least 75% with a minimum match of 10% by all airports and 20% by large and medium hub airports.

We agree with the Administration's proposal to provide a discretionary fund to be used for airport development and to make an annual $10 million grant available to planning agencies for airport system planning. However, the recommended funding level should be substantially increased, since historically the Discretionary Fund has been ⅓ of the total national apportionment for Air Carrier/Reliever Airports.

We would appreciate it if our views and recommendations are transmitted to the appropriate committees.

Sincerely,

ROBERT D. RAY,
Governor.

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT,
Boston, Mass., September 22, 1975.

Hon. HOWARD W. CANNON,
Chairman, Aviation Subcommittee,
Senate Commerce Committee,
Washington, D.C.

DEAR SENATOR CANNON: I would appreciate your permission to have the following position of the Commonwealth included in the record of the current hearings on extension of the airport development aid program.

While we generally support the joint statement of the Conference of State Departments of Transportation, the National Association of State Aviation Officials, and the National Governors' Conference which was presented to the committee on September 9th, we would like to emphasize the following specific points which are of greatest interest to Massachusetts:

The program should be extended for at least five years to permit effective planning and efficient operation.

Project eligibility should be expanded to include the purchase of land and easements to improve airport environmental comparability. This would, for example, allow federal aid for the purchase of easements in noise impacted locations around Boston-Logan, our major terminal airport, the proceeds of which could then be used by the recipients for such worthwhile purposes as school soundproofing and the like.

The Secretary of Transportation should be authorized and directed to use the present trust fund surplus to cover the costs of retrofit of airline jets not meeting FAR 36. I am enclosing my recommended legislative language to accomplish this.

The Secretary of Transportation should be authorized to delegate to qualifying state agencies the administration of any portion of the program which the evidence indicates can more efficiently and more cost-effectively be handled at the state level. Such delegation should be subject to compliance with a comprehensive national transportation plan which has been coordinated with comparable state plans, and with uniform minimum national design standards.

Additionally we support the strengthening of the state role in aviation, specifically the requirement that all layout plans and projects be certified by the Governor as consistent with state transportation plans. We do not condone deletion of the National Airport System Plan; we believe its preparation and updating, based heavily on state plans, should be a continued requirement of FAA.

We are opposed to any weakening of the environment provisions of the current Act or any exemptions from NEPA. Similarly, proposals to have only state environmental standards apply in certain instances would be an unacceptable weakening.

Sincerely,

THOMAS P. O'NEILL, III,
Lieutenant Governor.

[The following information was referred to on p. 103:]

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

(Civil Action No. 75–0679)

CITY OF LOS ANGELES, PLAINTIFF,

v.

HON. WILLIAM T. COLEMAN, JR., Secretary of Transportation of the United States, *et al.*, DEFENDANTS

FINDINGS OF FACTS, CONCLUSIONS OF LAW AND ORDER

On May 10, 1975, this matter came on for hearing on application of the plaintiff, City of Los Angeles, for a preliminary injunction enjoining the Federal Defendants, their agents and others acting in concert with them, pending the final hearing and determination of this action, from *obligating* to anyone other than the plaintiff any and all funds to which the City of Los Angeles is entitled under the Airport and Airway Development Act of 1970, 49 U.S.C. § 1701 *et seq.* This Court on May 2, 1975 granted relief by a Temporary Restraining Order which expired on May 12, 1975 and was continued until May 15, 1975. A modification was made in the original provisions of the Order of May 2, 1975, as reflected in the hearing transcript of May 10, 1975, at 56–59.

The Court has reviewed and considered the points and authorities in support and in opposition to the relief sought by the plaintiff, the various affidavits submitted by the parties and the oral presentations of their counsel, and as reflected in the following Findings of Fact and Conclusions of Law, is of the opinion that the present relief sought by the plaintiff should be granted.

FINDINGS OF FACTS

1. Plaintiff City of Los Angeles is a municipal corporation of the State of California, which through its Board of Airport Commissioners owns and operates the Los Angeles International Airport, located in the City of Los Angeles.

2. Los Angeles International Airport is served by air carriers certificated by the Civil Aeronautics Board.

3. The Airport and Airway Development Act of 1970, Pub. L. No. 91–258, 84 Stat. 219 as amended, 49 U.S.C. § 1701 *et seq.* ("Act"), provides a total obligational authority of $2,500,000,000 for airport assistance [49 U.S.C. § 1701], for the period July 1, 1970 through June 30, 1980. Of this amount $1,460,000,000 is authorized for obligation for airport development through June 30, 1975 [49 U.S.C. § 1714(b)]. No obligation for airport development is to be incurred after June 30, 1975 [49 U.S.C. § 1714(b)].

4. The Act establishes in the Treasury of the United States a trust fund known as the Airport and Airway Trust Fund for the purpose of meeting the obligations of the United States incurred under the Act [49 U.S.C. § 1742].

5. Pursuant to the Act, amounts equal to the minimum amounts authorized to be obligated in each fiscal year for airport development remain in the Airport and Airway Trust Fund until appropriated for liquidation of contract authorizations. [49 U.S.C. § 1714(e)(2).]

6. Defendant Coleman is the Secretary of Transportation of the United States, charged by 49 U.S.C. § 1702 with the recommendation and implementation of national transportation policy and charged by 49 U.S.C. § 1712 with the preparation of a national airport system plan for the development of public airports of the United States.

7. Defendant Dow is the Acting Administrator of the Federal Aviation Administration, charged by 14 C.F.R. § 152.3 with the publication of a national airport system plan. Defendant Dow administers the Airport Development Aid Program. [14 C.F.R. § 152.23(b).]

8. Defendant Simon is the Secretary of the Treasury of the United States, who controls the Airport and Airway Trust Fund. [49 U.S.C. §1742.]

9. Defendant Lynn is the Director of the Office of Management and Budget of the United States, and in this capacity, has overall responsibility for the operation of the Office of Management and Budget, and is specifically responsible for establishing quarterly apportionment and/or obligation amounts to be administered by the Department of Transportation and the Federal Aviation Administration pursuant to the Act.

10. The Act authorizes Defendant Coleman to enter into grant agreements with airport sponsors in amounts "*not less than*" $250,000,000 for each of the fiscal years 1971 through 1973, and $275,000,000 for each of the fiscal years 1974 and 1975 for development of airports served by air carriers certificated by the Civil Aeronautics Board. [49 U.S.C. § 1714(a)(1).] The addition of authority to enter into grant agreements of not less than $30,000,000 for fiscal years 1971 through 1973, and $35,000,000 for fiscal years 1974 and 1975 for development of other (general aviation) airports, brings the total authority of defendant Coleman to enter into development grants to $280,000,000 per year for fiscal years 1971 through 1973, and $310,000,000 per year for fiscal years 1974 and 1975.

11. The amounts so authorized by the Act to be obligated are minimums not maximums. [H.R. Rep. No. 459, 92d Cong., 1st Sess. 3.]

12. The Act requires defendant Coleman to apportion ⅓ of these annual authorizations to airports served by air carriers certificated by the Civil Aeronautics Board, to each such airport in the ratio that the number of passengers enplaned at such airport bears to the total number of passengers enplaned at all such airports. (Enplanement formula.) [49 U.S.C. § 1715(a)(1)(B).]

13. The amounts apportioned according to the enplanement formula are to remain available only to airport sponsors in the ratio set by the formula for the fiscal year in which apportioned and the next two fiscal years. After that time, defendant Coleman is given discretion to distbribute these funds as he sees fit. [49 U.S.C. § 1715(a)(3).]

14. Plaintiff City of Los Angeles has committed itself to projects involving land acquisition in 1974 and 1975 in reliance on plaintiff's statutory entitlement as provided by the Act's enplanement formula. One of the purposes of such land acquisition projects was the reduction of noise impact in noncompatible areas surrounding Los Angeles International Airport. (Supplemental Affairs of Moore at ¶¶ 5–6, and Davidson at ¶¶ 6–7.)

15. Plaintiff City of Los Angeles timely and properly applied for a grant under the Act, and has taken the following actions to fulfill the requirements under the Act:

(a) *April 2, 1974.*—Plaintiff received letter from Chief, Airport District Office FAA, that Plaintiff's project would be eligible for Federal participation under the Act. (Supplemental Affidavit of Yee, ¶ 3 and Exhibit A thereto.)

(b) *October 10, 1974.*—Plaintiff submitted its Pre-Application Form for its project entitled "REIMBURSEMENT OF FUNDS EXPENDED FOR THE PURCHASE OF PROPERTY WITHIN THE TRANSITION ZONE IN NORTH BOUNDARY AT LAX" (Affidavit of Yee at ¶ 4 and Exhibit B to Complaint at 1).

(c) *November 7, 1974.*—Defendants notified Plaintiff that its proposal was "eligible for funding by this agency and can compete with similar applications from other grantees." (Affidavit of Yee at ¶5). The notice also contained the caveat that:

> the demand for participation in the ADAP program far exceeds the Federal funds available for the Fiscal Year 1975 program. Therefore, we may not be able to program your request in this Fiscal Year. However, your request will be retained in the system for consideration within funds that may become available in the future. Accordingly, we suggest you continue its processing.

(Attachment B to Defendants' Reply to Application for Preliminary Injunction and Prayer for Dissolution of Temporary Restraining Order).

(d) *January 27, 1975.*—Plaintiff submitted additional documentation and material as requested by the FAA (Affidavit of Yee at ¶6).

(e) *February 21, 1975.*—Plaintiff's representative was advised by Defendants' representative that there were problems associated with the project application (problems *other than* the fact that the project was not eligible) (Affidavit of Yee, ¶ 7; Affidavit of Dallas ¶ 9).

(f) *February 25, 1975.*—Plaintiff's and Defendants' representatives met to discuss alleged inadequacies in Environmental Impact Statement (Affidavit of Yee at ¶ 8).

(g) *March 19, 1975.*—In a meeting with representatives of Defendants, Plaintiff's representatives were advised of funding problems (Affidavit of Davidson, ¶ 6).

(h) *March 25, 1975.*—In a meeting with representatives of Defendants, including the Deputy General Counsel of the Department of Transportation, Plaintiff's representatives were again advised of funding problems (Affidavit of Moore, ¶ 7).

(i) *March 26, 1975.*—Plaintiff submitted a letter to the Deputy General Counsel of the Department of Transportation memorializing the March 25, 1975 meeting (Exhibit B to Affidavit of Moore). In that letter it was stated:

> In that meeting we informed you that although the City of Los Angeles has an otherwise acceptable project and application under ADAP, we have been advised that there are no available ADAP funds for our project (Exhibit B to Moore Affidavit, page 1).

Plaintiff received a reply letter dated April 18, 1975 from the Deputy General Counsel of the Department of Transportaiton affirming that no funds were available (Affidavit of Moore, ¶ 9 and Exhibit D to Affidavit of Moore). *No mention* was made in defendants' reply (Exhibit D) relative to any alleged uncertainty concerning the acceptability of plaintiff's project.

(j) *March 28, 1975.*—At request of defendants, plaintiff submitted its formal project application, which was and is in full compliance with the Act and regulations (Affidavit of Yee at ¶ 9).

(k) Plaintiff's project substantially meets the requirements of project eligibility as required by FAA regulations. 14 C.F.R. § § 152.43, 152.45.

16. Los Angeles total estimated project cost is $21,436,690.00. The total Federal grant requested by Los Angeles is $11,515,790.00.

17. Plaintiff was informed by representatives of defendants on March 25, 1975, that the sole operative reason for defendants' failure to obligate funds to plaintiff is that plaintiff's project is of an insufficiently high "priority" and consequently that there are no funds available for obligation. (Affidavit of Moore at ¶ 7).

18. The "priority" system used by Defendants is not a mathematical computation, but "the exercise of judgemental discretion. . . ." [FAA, *Fifth Annual Report of Operations Under the Airport and Airway Development Act* at 9, 10.]

19. Defendants have no statutory authority to exercise any "judgemental discretion" or to establish any priority system as to mandatory enplanement entitlement funds under the Act.

20. A goal of the Act is the facilitation of long-term planning by airport sponsors. This is accomplished by two means: (1) by requiring apportioned funds to remain available for the airport sponsor for the year of apportionment plus two years [49 U.S.C. § 1715(a)(3)]; and (2) by authorizing the Secretary of Transportation to incur obligations to enter into grant agreements to be liquidated within 3 years. [49 U.S.C. § 1714(b).]

21. Under the type of funding mechanism employed by the Act, the Federal Defendants are given "contract authority" which permits them to make contracts and incur obligations payable at a later time. As these obligations fall due, Congress routinely "appropriates" funds for their liquidation. [49 U.S.C. § 1714; H.R. Rep. No. 1111, 93d Cong., 2d Sess. 17 (1974); H.R. Rep. No. 285, 93d Cong., 1st Sess. 19 (1973); H.R. Rep. No. 1082, 92d Cong., 2d Sess. 16 (1972); H.R. Rep. No. 341, 92d Cong., 1st Sess. 13 (1971).]

22. In keeping with the scheme of long-term planning, the annual Department of Transportation Appropriations Acts establish two figures for airport development grants in accordance with the Act:

(a) the figure for "appropriation liquidate contract authorization" [e.g., 120 Cong. Rec. S 15017, daily ed. Aug. 15, 1974] represents an appropriation for the Secretary's liquidation of obligations previously incurred.

(b) the figure "Grants-in-aid for airport development (limitation on obligations)" [e.g., 120 Cong. Rec. S15020, daily ed. Aug. 15, 1974] represents the Act's authorization to the Secretary to incur new obligations to be liquidated in later years.

23. In the fiscal year 1975 Appropriation Act [P.L. 93-391 at § 302], "Grants-in-aid for airport development [limitation on obligations]" is $310,000,000, the

same figure as that computed from the Airport and Airway Development Act. [49 U.S.C. §§ 1714(a)(1) and (2).]

24. Since the Airport and Airway Development Act went into effect in 1970, defendants have failed to obligate a total of 193.7 million dollars of the aggregate of authorized sums for fiscal years 1971 through 1974.

25. During fiscal years 1974 and 1975, plaintiff was apportioned certain amounts under the enplanement formula of the Act. Planitiff has been obligated only a small part of these enplanement funds. The parties agree that the sum of approximately $9,585,000 represents that portion of plaintiff's 1974 and 1975 enplanement funds which have not been obligated to it.

26. No funds can be obligated under the Act after June 30, 1975. [49 U.S.C. § 1714(b)]. There are, however, remaining funds of 119.9 million dollars [Affidavit of Rich] and since the filing of the complaint the defendants have announced approval of awards of approximately 2.5 million dollars for airport projects other than plaintiff's. Thus, the $9,585,000 claimed by plaintiff may be obligated to others unless defendants are restrained by this Court *pendente lite*.

27. The Plaintiff will be irreparably harmed by the loss of the $9,585,000 to which it is entitled under the enplanement formula, as Plaintiff City of Los Angeles has planned, and continues to plan airport development projects in reliance on its entitlement under the Act's enplanement formula as a mandatory allocation of funds for eligible projects. (Supplemental Affidavit of Moore at ¶¶5–6.) Los Angeles has been given no indication, prior to the pleadings in this case, that any of Defendants or their agents would oppose the eligibility of Los Angeles for a grant of $9,585,000 on any grounds other than the unavailability to Defendants of funds from the Airport and Airway Development Trust Fund.

CONCLUSIONS OF LAW

1. This Court has jurisdiction over this cause under 28 U.S.C. §§ 1331, 1337 (1970) and the cause arises under 49 U.S.C. § 1701 *et seq.* (1970.)

2. This cause presents an actual controversy, ripe for determination by this Court.

3. Plaintiff shows a substantial likelihood of success on the merits.

(a) Plaintiff City of Los Angeles has substantially fulfilled all the requirements of the Act to receive $9,585,000, the amount requested from Defendants Dow and Coleman.

(b) The Act does not authorize the Secretary to establish a priority system by which he may reduce or wipe out a sponsor's apportioned share of enplanement formula funds.

(c) The obligation of authorized and apportioned funds under the statutory scheme may not be refused because of priorities which are not established by Congress. Plaintiff should not have been required to compete with other airport sponsors for its authorized and apportioned enplanement funds.

(d) The Defendants are without discretion as to amounts of mandatory enplanement entitlement funds that they must apportion and therefore obligate to qualified projects.

(e) Defendants Coleman and Dow have no discretion to obligate to anyone other than Plaintiff City of Los Angeles the $9,585,000 required by the Act to be apportioned for obligation to Los Angeles and which has not been obligated to Los Angeles.

4. The public interest favors preliminary injunctive relief.

(a) Public policy favors the issuance of a preliminary injunction to prevent continued application of a standard which contravenes Congressional intent.

(b) The relief encompassed by this preliminary injunction does not require the expenditure of any Treasury funds, but only maintains the status quo and preserves the jurisdiction of this Court by requiring that defendants do not irrevocably dispose of the $9,585,000 to which plaintiff may become entitled as a result of these proceedings.

(c) The withholding of $9,585,000 will not irreparably harm the government or others who have applied for these funds because this Court will proceed to a final judgment in this case on an expedited basis so that the matter may be resolved before the Act expires on June 30, 1975.

(d) Defendants have unobligated funds sufficient to carry out the mandatory provisions of the Act under which Plaintiffs claim.

5. Plaintiff's legal remedy is inadequate.

(a) Irreparable harm will occur without preliminary injunctive relief. After June 30, 1975, Defendants will be unable, under the Act, to obligate to Plaintiff funds to which Plaintiff is entitled under the Act.

(d) Defendants' current actions in obligating funds to which Plaintiff is entitled to airport sponsors other than Plaintiff, frustrates the goal of the Act of assisting local airport development planning.

Now therefore it is ordered by the Court that a preliminary injunction be entered enjoining and prohibiting the Defendants, their agents and others acting in concert with them from obligating the sum of $9,585,000 to which plaintiff may become entitled pursuant to these proceedings, or from taking any action which will impair their capacity to carry out an Order by this Court to obligate to Plaintiff prior to June 30, 1975, the $9,585,000 which plaintiff claims under the Airport and Airway Development Act; and it is further

Ordered that counsel shall appear before this Court on May 19th, 1975 at 9:30 A.M. for purposes of scheduling an expedited disposition of this matter.

Entered: May 14, 1975.

BARRINGTON D. PARKER,
U.S. District Judge.

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