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STATEMENT OF ALAN S. BOYD, SECRETARY OF TRANSPORTATION, PREPARED
FOR THE SENATE COMMERCE COMMITTEE, SUBCOMMITTEE ON AVIATION,
AUGUST 28, 1967, 10:00 A.M.

Mr. Chairman and Members of the Subcommittee:

I am Alan S. Boyd, Secretary of Transportation. The problem which brings me before you today is an important and complex one. I appreciate being asked to come to assist you in exploring it.

The serious airport problems facing us today are the direct result of a rapid surge of the growth in air transportation.

During the fiscal years 1962-1966 the number of passengers enplaned by U. S. scheduled air carriers increased from 66.6 million to 114 million, a 71 percent increase. The number of passenger miles flown by the scheduled carriers increased from 42.5 billion to 76.4 billion. During the five-year period the aircraft fleet of these carriers changed from a predominantly piston fleet to predominantly jet. By 1966, air carriers accounted for six out of every ten intercity common carrier ~~air~~ passenger miles.

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Air cargo growth was even more impressive. Revenue ton-miles carried by U. S. certificated airlines doubled, increasing from 1.6 billion to 3.5 billion.

In the same period the general aviation fleet increased from 84,000 to 104,000 aircraft, and the number of turbine-powered aircraft in the general aviation fleet increased four-fold.

Of course, significant airport development has also occurred during this period of rapid growth. A capital investment program amounting to \$1.43 billion of Federal, State and local money has been carried on. About 70 percent of the financial burden of that program has been borne by local governments, the States have absorbed approximately nine percent, and the Federal Government twenty-one percent.

However, even with this very large airport development program we have not succeeded in meeting airport requirements.

At the large air carrier airports, where growth in the movements of aircraft, people and goods has been greatest, the inadequacy of the facilities involved -- terminal buildings, parking lots, ramp space, taxiways and runways -- is most acute.

The very large capacity jumbo jets which will soon be in service will create increased need for conventional facilities at many of our airports. In addition, new kinds of facilities and new concepts of terminal design will be required to permit efficient handling of the hundreds of passengers and the greatly increased amounts of cargo that these aircraft will be capable of carrying.

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The transition of the local service airlines to jet aircraft has set in motion a new round of extensive runway improvements at several hundred airports to accommodate the larger aircraft. Many smaller, general aviation airports are in need of updated facilities to handle multi-engine piston and turboprop aircraft which are more and more being put to general business use.

In addition to the very extensive development required at our existing airports, it is clear that there is also a need for new airport facilities. A new jetport for the New York area is needed. In the next 10 to 15 years, if traffic projections are accurate, most of our major cities will need additional jetports. Los Angeles, Chicago and Miami surely will.

As a means of increasing the capacity of the large jet airport, and of increasing its efficiency for large jet operations, more reliever airports are needed to which general aviation aircraft can be diverted.

Finally, more small air carrier airports are needed. There are numerous locations where existing local service airports cannot be expanded to accommodate the jets, so entirely new airports are needed if air carrier service is to continue to the communities involved.

It is estimated that total airport development needs, if they are to be met, will require through 1972 a total expenditure by Federal, State and local governments of \$3 billion, more than double the investment made in the preceding five-year period.

Undoubtedly the most serious problem we must solve, if airport development is to meet anticipated needs, is the problem of financing. We must devise a means for producing the very large amounts of money that are needed for airport development. Unless that money is found,

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we must face the inevitable consequence of virtual strangulation in certain parts of the system and there can be no doubt that both passenger and cargo growth will be severely restricted. The optimistic projections of the past year or two are all based on the assumption that growth will not be constrained by a failure to provide all of the facilities necessary to accommodate the growth.

There are several possible approaches and combinations of approaches that could be taken. We could look toward a greatly expanded Federal airport grant-in-aid program, either on a 50-50 matching basis or on some other formula, but patterned after the present arrangement which has been running at an authorized appropriation level of \$75 million per year.

In all candor, I believe we must recognize that an expansion of the Federal-aid Airport Program in this way is not a realistic possibility! Certainly not at a level sufficient to meet anticipated needs. I certainly do not recommend it as an appropriate solution.

Airport development is only one of many pressing national problems which require expenditure of large amounts of money. Important as it is, however, it is simply not the top priority program at either the Federal, State or local level. Many of the problems requiring large expenditures at the national level also require large expenditures at the State and local level. Local capital expenditures have increased from \$2.7 billion in 1947 to \$20 billion in 1965, or 7½ times. By 1975, it is estimated that requirements for local capital expenditures will have increased to \$40 billion. Thus neither the Federal Government, nor State and local governments, can be expected to increase drastically their expenditures for an airport grant-in-aid program.

If the funds cannot reasonably be provided by Federal or local governments through grant programs, then no matter what other kind of a financing device you use--loans, guaranteed loans, bond issues--there still remains the question of where the money ultimately will come from.

I strongly believe that a much greater share of these costs for airport development should be borne by the users: the passengers, the shippers and the aircraft operators.

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As I outlined earlier, many of the increased and pressing airport requirements are the result of the transition to larger air carrier jet aircraft both by local service and trunk carriers. The carriers and their passengers and shippers, as the beneficiaries, should contribute financially to alleviate the airport capacity problems that transition to larger equipment entails. Fortunately, we are no longer in the age of meager airline profits; on the contrary, the air transport industry is a very successful one and in a good position to assume airport costs that have heretofore been borne by the taxpayer.

I have suggested imposition of a head tax on air carrier passengers to help finance airport development. We did a small study of the cost per passenger of airport improvements provided by Federal and local money under the Federal-aid Airport Program over the entire system of one of the trunk carriers in the western United States attributable to that carrier and found the cost per passenger to be about 50 cents. Of course, these airports have more construction costs than are provided by the FAAP Program. However, the results of this study help show that a head tax of \$1 per passenger would contribute tremendously in offsetting the costs of development.

In addition, landing and other airport fees should be charged which would reflect more realistically the cost of providing airport facilities. In fiscal year 1966 the domestic trunk airlines paid \$45.9 million in landing fees. This represented only 1.5 percent of their total operating costs which was \$3 billion 84 million.

Compare the amount paid for landing fees with the following amounts paid by the domestic trunks in 1965: \$236.9 million for aircraft servicing; \$116.3 million for passenger food; \$97.4 million for advertising and publicity; \$16.6 million for stationery, printing and office supplies. Then compare the importance of the airport to the airline's operation with the importance of passenger food, advertising, stationery and printing!

General aviation users should likewise be called upon to assume a much greater share of the cost of the facilities they require. The rapidly-expanding general aviation fleet of aircraft of greater and greater sophistication is imposing formidable airport development requirements. But the aggregate amount of money general aviation aircraft

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operators pay in fees does not begin to reflect the true measure of the benefits they receive. If this segment of the air transportation industry expects to have its airport needs met, it should expect to contribute more funds to help meet those needs.

Another aspect of the total airport problem is the need to alleviate congestion.

Short of construction of new facilities, we probably can develop means of more efficient utilization of facilities we now have. I do not think the possibilities of spreading out the schedules of the scheduled air carriers have been given enough attention. Perhaps we could move some of the peak-time flights to other times. I believe that it is very possible by now that the average air passenger will be quite ready to consider a flight at an odd hour if he can avoid the aggravation of trying to move during the conventional hours. There are incentives that might be offered which would help to influence his choice, cheaper fares for off-hour travel for example.

Airport operators might try offering incentives to both air carriers and general aviation to use airports less at peak hours by raising airport charges for services provided during peak hours, and lowering them during the off-hours. Or they might limit the use of the capacity of the airport at peak times to the most productive users, the large capacity commercial aircraft, by limiting general aviation aircraft activity at peak hours. These ideas are not original with me. I think they should be considered in our efforts at balancing of interests which should benefit a great number of people while disadvantaging only a relatively few.

These are suggestions -- offered for an area that has been characterized by too much dogma and too little imagination and experimentation. And if some of the promising solutions, or even partial solutions require legislation or changes in regulations, we must be prepared to move ahead with such changes.

The current Civil Aeronautics Board investigation of congestion at Washington area airports should prove helpful. It is the kind of effort that could profitably be undertaken at other locations. The Department of Transportation has offered its full cooperation in the conduct of such an investigation and has taken the position that an in-depth study of all aspects of the problem is essential. Often, I think, an in-depth look at the local airport use situation will disclose

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a variety of ways in which congestion can be alleviated. Ticketing practices, baggage handling, and passenger handling are all areas that can be improved. But we must also look at airport access problems, airport management philosophy and land-use planning as well.

Another of the major airport problems is noise. Since the introduction of jet aircraft into commercial service, aircraft noise has been a source of increasing annoyance to airport neighbors. The problem affects airport and runway locations, flight patterns into and out of airports, and airport development cost.

Something can be done now about aircraft noise. The way in which the noise problem will be handled in each community will depend largely on local circumstances and what alternatives are available at the airport location. Obviously, where an airport is in an area as yet not built up, the avoidance of the noise problem, with proper planning, will be easier. On the other hand, noise problems at airports in high density areas will be much more costly to deal with and may never be completely solvable.

What we can do now at the national level, however, is to enact legislation which will permit us to set maximum noise standards and to enforce those standards through regulation. We also need the legal authority to include noise consideration in the government certification of aircraft. The legislation to do these things was sponsored by the Department of Transportation and is now before the Congress. It will not provide a complete solution to the noise problem. It will, however, permit us to provide assurances to the communities suffering from the noise impact that noise emissions will at least not get worse, and will assure that as technology can accomplish it, noise levels will be lowered. The legislation will permit us to set maximum noise levels at various distances out from the airport so that the communities can develop land-use plans and zoning standards around known noise levels. Without enforceable noise limits, local communities have no assurance that plans that they develop and implement, looking to compatibility of land-use with the airport, will in fact be compatible with a new generation of aircraft.

I would like to go now to some of the prospects for alleviating the airport problem by other means than development of strictly airport facilities.

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We are currently conducting a high-speed ground transportation program which we believe will demonstrate the feasibility of moving large numbers of people quickly, conveniently, safely and cheaply between cities relatively close together. This will provide an attractive alternative to air travel between such urban centers. This, of course, will not mean that airport demand will decrease or even remain static. On the contrary, airport capacity to serve these areas will continue to increase. But a good high-speed ground transportation capability will alleviate that considerable increase in airport demand that would result if a reasonable alternative to air travel were not provided.

The high-speed ground transportation project should also make a significant contribution to a solution of another very important aspect of the airport problem, that of airport access. Ground travel to and from airports is in many instances tedious and consumes a disproportionate share of the total trip time. While aircraft are flying faster, ground travel has not kept pace.

At the same time, new airports, particularly the large jet ports, are being located greater distances out from the cities they serve. Development of a system of high-speed access to such airports is essential and, I believe, attainable.

We are also working to assure that airport access is included in the urban transportation planning process. This planning coordination is underway at 72 of the large and medium air hubs and planning will be coordinated at the remaining three.

According to helicopter manufacturers, improved helicopters with improved engines with faster speed and lower maintenance capabilities are available. A new generation of larger helicopters capable of carrying 65 to 90 passengers will be available in the near future. They will have all-weather capability. These will provide short haul city-center-city-center air service which can be coordinated with the movements of larger fixed-wing jet aircraft.

Other types of vertical take-off and landing aircraft are under development as are short take-off and landing aircraft. While their potential is still somewhat unknown, largely because operating costs will apparently be high, their development will allow a greater efficiency in airport land use. We do not look to VSTOL and STOL aircraft as providing any immediate relief, as it is not anticipated

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that they will be a significant factor before 1975, but I think their potential is promising and that development should proceed for the great benefits that can ultimately be had from them.

That concludes my prepared statement. I will be glad to answer your questions.

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