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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
JOHN A. VOLPE BEFORE THE AERO CLUB, HOTEL WASHINGTON, LOWER
LOBBY BALLROOM, WASHINGTON, D.C., TUESDAY, JUNE 24, 1969, 12:30 P.M.

Last week, President Nixon sent to the Congress his airport/
airways legislation. The specifics of his proposal are well-known.
Certain general facts pertaining to this proposal are not so well
appreciated. The first of these is the urgency of time.

I remember back a few months ago -- when I first moved into
the Department -- the sense of awe I felt at the magnitude of some
of our transportation challenges. I have no less a sense of awe as
I see these problems increase in size with each passing day.

Over the past five years, our airline industry has been
increasing its capacity by an average of sixty-six million seat
miles per day.

Our general aviation fleet -- in the same period -- has been
increasing its flying hours by four thousand per day.

The automobiles on our highways increase by ten thousand
a day.

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And so it is with all our problems.

Now gentlemen, I have, in many years in private business and in public life, done my share of negotiating. I know that deliberate delay is sometimes considered a good tactic of hard bargaining. But I am also aware that any unnecessary delay in reaching agreement on this Airport/Airways Bill will only compound our difficulties. The cost of land needed for airport expansion and improvements is increasing. In some places needed land is being put to other uses. And there is the danger, finally, that a highly divisive, time-consuming debate with the aviation community could end in legislative inertia and stalemate. This must not happen.

There are in President Nixon's proposals two areas of special interest.

The first is our determination to what extent each segment of aviation uses our facilities and of our subsequent determination of appropriate user charges to cover these costs of this usage.

We feel the user charges we have proposed are just and equitable and we are prepared to defend them. I want to emphasize, however, they do not represent a determination designed for eternity. We are proposing in our measure that an intensive, two-year cost allocation study be made. This will tell us precisely what segments are using our services and to what extent. All branches of the industry will participate in this analysis. We shall, then, on the basis of this study recommend any appropriate adjustments of the tax level.

The second is our proposal that the funds derived from these user charges be used to operate, maintain, and expand our airways system -- our air traffic control, our "Nav Aids" and so forth.

I want to discuss this in two forms -- the practical and the philosophic.

The best way to be practical is to begin with dollars and cents. We shall need to spend -- to operate, maintain, and expand our airways system during the next ten years -- over twelve billion dollars. Better than three million dollars a day must be spent every day of the year for the next ten years.

This money will be spent for radars and towers -- for automated equipment -- for research and development and for personnel.

The expansion of our payroll is perhaps the best indication of our growing costs. Ten years ago we had a total of twelve thousand people in our centers, towers and flight service stations. Today we have twenty-four thousand. Ten years from now we shall need forty-three thousand. On the maintenance side, we now have sixty-five hundred electronic technicians. Ten years from now, we shall need a total of eleven thousand.

I have in the past few months become familiar enough with the cold, hard realities of the Federal budget. I know what's in there -- and what isn't in there. I tell you there are no funds to meet the costs of this expansion. Unless funds are available from user charges, the expansion isn't going to happen.

I do not, even in principle, support the theory that airways costs should be borne by the general taxpayer. And let me preface my comments with the fact that I spent most of my career in private industry. Business has my understanding and appreciation. The fact is, however, the aviation industry has matured and prospered. And general aviation is not under-privileged. I think the aviation community should help pay its own way.

On our proposed allocation of airport funds, we are continuing the traditional government policy of not providing assistance for terminal facilities. Airport terminals are revenue producers. Concessions, space rentals, advertising rentals, and parking lots provide income. In many of the larger hubs, this income is sufficient to keep the airport self-sustaining -- and even show a profit. We believe, consequently, this matter of terminal improvements should be left up to local authorities. They are the best judges of their own needs. They can best determine how to finance these requirements and they can often secure advantageous financing.

In some areas, income from concessions may not be sufficient to cover terminal needs. Here, we think it would be appropriate for the local airport operator to impose a small charge on the air travelers using his terminal.

Our proposed user charges are not new. The fact is aviation user charges already exist. Airline passengers have been paying them for years. So have most general aviation pilots. For one type of general aviation traveler, however, these user charges will be new. This general aviation pilot operates an executive jet costing about three quarters of a million dollars. He pays about \$420 an hour to fly this aircraft and he utilizes most of the services of our billion dollar airways system.

Should he fly IFR from New York to Boston, we estimate the total cost of the government services he receives is about \$57. We estimate his IFR Chicago to Miami flight costs the government \$117. But at present he pays not one penny to help defray these costs -- not one penny. We are now suggesting that he help pay part of this expense. We propose that he pay a new nine cents a gallon on his fuel.

Some may say most general aviation pilots don't use our facilities. But the facts prove otherwise.

Taking last year as an example, we find the total of air carrier aircraft contacted by our FAA Flight Service Stations was about seven hundred thousand. Total for general aviation -- nearly eight million.

Total air carrier itinerant operations at airports with FAA towers last year -- ten million. For general aviation -- twenty-two million.

These FAA towers also recorded an additional 19 million local operations for general aviation. And our FAA center handled some 3 million general aviation aircraft.

General aviation aircraft are using our facilities and they are using them every day. We think it only just that they help bear a fair share of the cost.

There seems to be general agreement that some form of user charges will be adopted. There is also some thinking, however, that the final numbers that emerge might be less than we are asking. I pray they won't.

We cannot in air traffic control fall back on compromise. We can no longer put on a patch here and another patch there. We cannot make do with baling wire and chewing gum. The iron dictates of safety rule against this. A failure to provide sufficient funds to expand our system would mean only trouble -- more regulations -- more restrictions -- more delays -- now I don't want them. Aviation doesn't want them. I say let's work together then to get rid of them. Let's pass this bill!

I would also warn against the assumption that once our airport/airways proposal are passed, the battle is over. We shall still be far from the land of milk and honey. There are other obstacles to be overcome and they are of no small proportions.

The first is aircraft noise. I am aware of the hard work the manufacturers are putting in to resolve this problem. But everybody must join in -- the local authorities and their planning commissions, the airport owner and the airline operators. Aircraft noise is taking on a new significance. Objections to airplane noises are preventing and delaying airport improvement and expansion. Noise is hindering the growth of aviation. This matter demands the attention of all.

Another potential obstacle to the growth of aviation may not be so apparent. A friend of mine who is quite knowledgeable in aviation made a remark the other day which intrigued me. "The biggest thing in aviation, these days" he said, "is the Cleveland rapid transit." Exaggerated, it might be; but pertinent -- it certainly is.

Two recent simultaneous transportation trends account for the substance behind his comment. Air carriers have become vehicles of mass transportation.

At the same time, downtown surface congestion has now mushroomed out till it reaches and includes the airport.

These trends may seem obvious and understandable to us here today. But the rapidity of their development is phenomenal. Just five years ago, one of our major cities was planning a new transit system with a spur going past its airport. The plan include no airport station. The reasoning was -- just five years ago -- that airline travelers were not the type to ride subways.

Today, the Air Transport Association advised the air passenger to travel in non-peak hours -- and to go to the airport in public transit. The fact is, gentlemen, there is not much public transit available today. And unless present tendencies are reversed, there will be even less tomorrow.

We shall soon be proposing a new bill to establish greater financing for our mass transit systems throughout the nation. I hope the airline industry interests itself in this legislation. This suggestion may sound far fetched to members of the Aero Club now. But five years from now there will be a very definite connection between the growth and profitability of public transit and the growth and profitability of the air carrier industry. Aviation is no longer independent. It too now depends on the rest of the system.

But aviation will resolve these challenges. Any industry that has made as much progress as aviation has cannot be stopped. It can only move ahead. And that's what I want to see. My job is to promote and encourage aviation. But I have more than a professional interest. I am, by trade, a builder. I still like to build -- to see things get bigger and better -- to see improvement. And that's my approach to our government-industry partnership in aviation. If there's any way we in government can strengthen that partnership, I want to know. I am at your service.

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