



# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

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REMARKS ON THE SST PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE TO THE AMERICAN BUSINESS PRESS, DEPARTMENT OF COMMERCE AUDITORIUM, WASHINGTON, D. C., MONDAY, DECEMBER 7, 1970.

I am sure you are aware, the Senate last week voted to terminate Federal financial involvement in the development of a commercial supersonic transport.

The vote came despite Senate approval in previous years. And despite approval by the House earlier this year.

The House voted \$290 million -- the Senate voted zero dollars -- and now a compromise will have to be hammered out in committee.

I would like to outline briefly for you today -- because you are influential citizens, willing to look at all sides of every issue responsibly and without bias -- our reasons for persuing this vital project.

As I see it, there are four basic justifications for the SST, all of which make good sense.

First -- economics. The SST represents an investment of only 1.3 billion dollars, yet it will exert a positive effect on the balance of trade of not less than 22 billion dollars and possibly 45 billion dollars over a 12-year period.

Moreover, the taxpayer stands to get a 2.3 billion dollar payback in royalties as the plane goes on line. This surplus can be plowed back into social services vital to our people: housing, education, medicine, and so on.

Second, the SST project will be a major employer, generating 150,000 jobs directly and indirectly over the next few years -- in an industry where unemployment is already acute.

Third, there is the matter of our leadership in civil aviation throughout the world. We have built up this leadership painstakingly over a 25-year period of technological innovation. Are we to surrender now to a consortium of British and French, or to the Soviets themselves? They would like nothing better. Selling planes means exercising influence, a fact we should face up to.

Fourth, the SST will be a vital factor in improving airline productivity in the 1980s. That may not look important in this day of surplus capacity, but that surplus is temporary. By 1980 the airlines will be crying for more capacity to meet a projected 300% increase in air travel (air passenger miles).

Fifth, and finally, I think the concern about environmental effects, though it stems from the best motivation in the world, has been exaggerated. Consistent with this Administration's position all along, the Senate last week passed unanimously a bill to require that SSTs be quieter than present day jets in every phase of their operation -- including take-off and landing. We have stated repeatedly that we will do nothing to aggravate the noise problem adjacent to airports which is a serious matter to hundreds of communities. The Senate bill, moreover, specifically prohibits SST flights over land -- and again that is fully consistent with our stated policy.

In short, although DOT is in its infancy, we are rapidly evolving a balanced transportation policy for this country. The SST is a vital part of that policy. Should it not be built, the repercussions will be felt far and wide. I don't think we will deliberately export jobs to Europe or the Soviet Union. I don't believe we will choose to play a subordinate role in the drama of international transportation in this last third of the 20th century.