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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
ELIZABETH HANFORD DOLE
TO THE REGIONAL AIRLINE ASSOCIATION
WASHINGTON, D.C.
MAY 11, 1983

If one airline were not already using the slogan, the members of this Association could very honestly call themselves "the up and coming airlines" -- because the growth of your industry has been nothing short of remarkable. The fact is, this nation's regional and commuter carriers are providing a new level of air service combining convenience and efficiency -- and with an excellent safety record to boot.

Indeed, I think it is fair to say that if the regional/commuter industry hadn't existed, deregulation would have forced us to invent it. For yours is not only one of the fastest growing segments of transportation in America, it is also fast becoming one of the most essential. To the communities where you operate and to the people who depend on the short-haul and connector routes you fly, you provide an indispensable service.

While I am just rounding out my first 100 days as Secretary of Transportation, I do not consider myself to be "new" to transportation or to the subject of deregulation. I recall that in the early 1970's, when I was serving on the Federal Trade Commission, we were among the first in Washington to question the merit of continued government economic regulation over industries that had long ceased to be monopolistic and were, in fact, naturally competitive. Since then, we have come a long way in putting this deregulation philosophy to work. And, while some dissenting comments can still be heard from time to time, I think there is a broad consensus that deregulation has been good for the industry and the public alike.

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As the major carriers have made changes in their route systems, vacating some markets and expanding service to others to make more efficient and productive use of their larger equipment, the regional carriers have more than filled the vacuum. In the last 18 months alone, the major and national carriers suspended service to 66 cities in North America. Yet in every case, as Duane Ekedahl pointed out to me a few weeks ago, a regional or commuter airline has stepped in to provide replacement service.

But your industry has done even better than that. According to a Civil Aeronautics Board report of last December, in 74 communities where certificated carriers had ceased service between November 1978 and May 1981, total departures had actually increased 26 percent as a result of new or expanded service by regional carriers. What's more, the CAB also found that convenience had improved, as measured in the number of departures, times of departure and the availability of connecting flights at hub airports.

To cite just one example with which I'm familiar, passenger traffic in Burlington, Vermont, has more than doubled since deregulation. That community on the shore of Lake Champlain had been served by US Air, Delta and two commuter airlines, with total passenger departures averaging 14,000 to 16,000 a month. Today the people of Burlington can choose from four major carriers -- US Air, Air Florida, People Express and United, which just began service. In addition, there are four commuter lines. So while Delta has discontinued operations, Burlington still is served by more air carriers than before deregulation and is averaging some 29,000 passenger departures a month.

And Burlington is only one example. Today at 566 airports, 64 percent of the points served by members of the Regional Airline Association, you provide the only scheduled airline service available. You serve 95 percent of all U.S. airports. You carried nearly 19 million passengers last year, a 20 percent increase over 1981. And you do all of this with greater safety than ever before. According to what my friends at the National Transportation Safety Board tell me, your industry has chalked up four consecutive years of successively lower accident rates with "dramatically lower rates in 1982."

But there is still another aspect of the transportation you provide that makes regional airlines and the airports you serve better neighbors and better friends of the community -- and that's low noise. Next to paperwork, noise is perhaps the biggest product manufactured in this capital of ours. The President, I can assure you, is deeply committed to lowering the output of both.

So let me talk for a few minutes about our position on airport and aircraft noise, which I know is an issue of real concern to all of you.

Clearly, noise is a constraint we must deal with if we are going to achieve the greater airport capacity needed to meet the projected growth in air transportation. However, the Federal role -- as we see it -- should be supportive, not pre-emptive.

Since noise problems are localized, and differ from airport to airport, we believe local communities should take the actions necessary to contain, control or isolate them. We are prepared, through the Federal Aviation Administration, to provide technical assistance -- to work with local planning agencies or airport authorities, for example, to set noise policies. The FAA also retains its authority to protect the national interest and carry out its statutory responsibilities in the event that local noise control programs affect air safety, become discriminatory or put an undue burden on interstate or foreign commerce.

Our role is hardly that of a bureaucratic bystander. For instance, as the current Federal aircraft noise compliance rule takes effect, we will achieve a substantial reduction in airport noise at the nation's largest airports. As you know, under that rule the noisiest turbojet aircraft over 75,000 pounds gross weight must meet Federal noise standards by January 1, 1985. The statutory exemption for carriers providing service to small communities, of course, remains in effect until 1988.

I also invite you to look at our evolving policy for National Airport, where reduced noise has long been a priority. In addition to holding passenger traffic down -- and we believe a level of about 14.8 million a year should be the ceiling -- and shifting future growth in major carrier operations to Dulles and Baltimore-Washington International, we think both travelers and community residents will be better served if Washington National accommodates more short-haul flights.

On that basis we authorized two additional slots an hour for commuter air carriers using STOL-type operations, giving those airlines a total of 13 slots an hour. We believe these additional operations will serve our purposes for National by promoting the use of quieter aircraft and increasing service to smaller communities and other cities within short-haul distances of Washington. And although these additional slots are for a nine-month demonstration period, we fully expect -- barring any unforeseen adverse effects -- to make them permanent.

While I'm on this subject, I'd like to thank both the Regional Airline Association and the Airport Operators Council for assisting in our efforts to draw up a blueprint for future operation of the Metropolitan Washington Airports. Your advice and your experience have been very helpful as we refine and carry out a policy that will best satisfy the concerns of the community, meet the Capital area's air transportation needs and treat the industry fairly. Al Stephen, the RAA's vice president for operations, has been heavily involved in this and I appreciate the chance to publicly thank him for the way he has worked with us on all the issues affecting the regional carriers.

A second issue I want to touch on this morning pertains to the FAA's budget for Facilities and Equipment (F and E) funding and for airports.

Much has been made of this Administration's preference for tight budgets and spending freezes. Yet with respect to Federal airport improvement funds, our fiscal 1984 budget request is for obligations of \$700 million. When this is combined with the \$750 million for the current fiscal year, the total exceeds the authorization contained in the original Airport and Airway Improvement Act for those two years. It exceeds that total, in fact, by \$56½ million. So at a time when spending on other domestic programs is being kept at existing levels or reduced, we are -- in effect -- increasing Federal grant assistance for airport projects. We are confident that the amounts requested will fund all safety-related projects and essential security items. We feel equally confident that they are sufficient to resolve critical capacity problems. We are committed to a strong and effective airports improvement and expansion program. I can hardly emphasize that strongly enough. And we will not short-change the user of the system whose fees represent an investment in aviation's future. It is his system as much or more than it is ours.

As for the F and E funding, the \$1 billion in the President's budget represents all the projects the FAA believes it can begin contracting for in 1984. To help reduce the deficit, the Senate Budget Committee has proposed cutting that by about \$400 million. We'd like to reduce the deficit, too, but not by resorting to penny-wise, pound-foolish methods. We intend to press for the full amount requested. We hope to have the \$400

million restored during the budget resolution and appropriations process. We will also continue to defend the \$286 million requested for research and development. These R and D funds are critical to the modernization program and represent, it seems to me, a small enough investment to make in the future of air travel and safety. As Secretary of Transportation, after all, my concern is to see that all the nation's various aviation needs are met. Which leads me to the third subject on my agenda this morning -- the modernization of our air traffic control and navigation system.

This project has been described as the biggest national undertaking since the Apollo man-on-the-moon program. It has also been compared to our great national highway program of the '50's in the sense that it will do for our airways what the Interstate system did for highway transportation -- greatly increase capacity, substantially reduce operational costs and improve the overall safety of travel. There are still other benefits that directly concern you. It will give system users and airport operators a virtually "weather-proof" system. Installation of microwave landing systems (MLS), a major component of the modernization program, will make a wider range of approach paths available to inbound flights. Regional carriers with MLS-equipped aircraft will be able to fly their own patterns.

We are now proceeding with the procurement of the MLS as called for in the National Airspace System Plan. The FAA recently issued a request for proposals covering the first 172 systems, to be acquired over a five-year period. We expect to award a production contract in September. So a modernized system is on its way, and it will be here sooner than we think.

In the meantime, we are greatly encouraged by the steady, on schedule progress the FAA is making in rebuilding the system. The recovery schedule established in August 1981 estimated that we would be able to handle 100 percent of pre-strike traffic by May or June of 1983. And we have more than achieved that -- we were at 100 percent last month. Restrictions have been lifted at Kansas City, Boston, Las Vegas and Minneapolis. By September 1st, they will be lifted at six other airports. We fully expect to see restrictions ended at all the affected airports by the end of this year or early in 1984. And supervisory controllers will all be back to their normal duties by June 1984.

In traveling around the country, I have had occasion to stop in many of our nation's airports, both large and small. I've been able to visit towers, centers, flight service stations. I've had the chance to meet with people in all facets of the industry. I am greatly impressed, not only by the competence and the dedication of those I meet, but by the extent to which aviation is interwoven into the fabric of our economy and the lives of our people. Aviation has given wings to our commerce and broadened the horizons of our leisure. It has made the one day business trip and overnight package delivery not only possible but routine. And the airport itself has become an invaluable community asset.

All of this we take for granted. And even though we celebrate this year the 200th anniversary of manned flight, can we help but marvel at the fact that commercial air transportation, as we know it, is a product of this century -- and the jet age, the second half of the 20th century. Historically, aviation is barely out of its infancy -- and yet its richest growth years, I am convinced, still lie ahead in a future we can as yet barely fathom.

The omens are clear and encouraging. Passenger traffic in your industry grew by 20 percent last year; revenue passenger miles by 26 percent; air cargo, 11 percent --

even during a period of depressed business conditions. This year, hopefully, the regional airline industry will enjoy continued growth -- along with the returns to which you are entitled and which are needed to finance further development and improve the services you provide.

With the inflation rate now at its lowest point in nearly 20 years, with fuel prices relatively stable, with the stock market at record levels, and with the nation's economic indicators all on the up side, the air transportation industry is well positioned to enjoy the benefits of economic recovery and a new prosperity that outlasts a single season or even a single administration. That is the heart of the President's economic program -- and that is the good news being reflected in every batch of current statistics and future forecasts churned out by the private think tanks and public policy centers of this Capital City. More than a recovery is at hand; revival is underway. And no industry stands to benefit more from enduring prosperity than your own.

Now and in the months to come, I look forward to a strengthening of the good working relationships that have long existed between us. The wise counsel and prudent suggestions from the leaders and members of RAA and the AOCI have always been welcome in the Department of Transportation and that, I assure you, will not change during my "watch."

The renowned historian Arnold Toynbee told us that "civilization is a movement and not a condition, a voyage and not a harbor." No professional segment of the transportation industry better exemplifies that definition than aviation, for over the years aviation in America has been a continuous voyage of discovery, of refinement, of technological breakthroughs and -- above all -- of human commitment to progress and to excellence in all of its forms. It is a voyage we take together, and I am grateful to have such traveling companions as you.

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