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If one has to have problems, it is generally considered preferable to have the problems of success rather than those of failure. It is clear that we have problems in aviation today--with even bigger problems just over the horizon. It is equally clear that these are the problems of success. In aviation we are going through the agony of affluence--suffering the by-products of our incredible growth and our unparalleled prosperity. Let me give you some indication of the scale of the problems we face.

When we talk about air transportation, we are talking first and foremost about people--how many there are, where they live and work, and what their travel patterns are. Today the U.S. has a population of more than 200 million people; about 70 percent of them live in urban areas. In the next ten years, population will increase 25 million and about 75 percent will live in cities. Gross National Product, now running at almost \$900 billion, will rise to an estimated \$1.5 trillion.

What does this mean for aviation?

Within the next ten years airline passenger traffic will nearly triple. In less than ten years, we can expect a million people a day to be boarding commercial airlines in the U.S. The air carrier fleet will increase from its present size of 2500 to 3500 in 1975 and the conversion to jets will be virtually complete. Air cargo finally seems to have reached the takeoff point that we have expected for so long. By 1975 it should account for at least six times as much volume as it does today. By 1985 it could be as much as 40 times today's volume.

But perhaps the most striking of all the aviation forecasts is the predicted growth in the number of general aviation aircraft--from approximately 114,000 today to 170,000 by 1975.

All these things will generate monumental requirements for ground handling capability and tremendous demands for capital investment in airports and the airspace system.

One government study shows that if everyone had his way and could fully satisfy his desires, by 1980 the airports located in the Nation's 22 largest metropolitan areas would require more than 50 million square feet of terminal buildings, nearly 25 million square yards of concrete for airport aprons, and 12 million square yards of asphalt for vehicle parking. Just to give you a basis for comparison, the space for parking alone is the equivalent of about 2400 football fields.

The sheer size of these figures is staggering. They should suggest to you something of air transportation's hearty appetite for land and for money. It is not too surprising that almost everyone associated with aviation was slow to recognize the full impact of the growth and expansion that have been taking place.

When the "air congestion crisis" hit last summer, it received a great deal of public attention. Delays became inordinate and many travelers suffered extreme inconvenience and discomfort. There were those who suggested, quite seriously, that the entire air transportation system in the U.S. was in danger of complete collapse. The system didn't collapse. Some of the pressures have eased, the system is working reasonably well and the atmosphere has relaxed a bit--perhaps to the status of a quiet crisis. But make no mistake, the basic problems are still very much with us. As we search for solutions, it is important that we have an accurate understanding of just what the problem is--and how we got where we are today.

First of all, we must recognize that the congestion problem exists in serious proportions at only a few of our major airports. At those airports, however, the problem is very real; it is not going to get better by itself; it demands positive action. Furthermore, if we do nothing, today's congestion at New York, Chicago, and to a lesser extent in Washington, will simply be a forerunner of what we can expect in relatively short order at Los Angeles, Atlanta and other major hubs.

But solutions to problems as big and as complex as this do not come easily, nor do they come inexpensively. And if we look at the problem realistically, it is clear that whatever the solution we arrive at not everyone is going to be completely satisfied. Anyone who is familiar with aviation knows that it is made up of a great many different interests--ones that vary widely. The stakes are high for all concerned--safety, economic livelihood, taxes, peace and quiet, individual freedom of movement--and the spokesmen for the various interests are aggressive, and articulate. Such a situation is not likely to produce easy compromise or quick consensus.

From the beginning, probably going all the way back to 1903, aviation has had the luxury of approaching some of its most important problems as though it were free from certain basic economic and political constraints that normally exist in our economy. There has been a strong tendency to act as though airspace and airport capacity could always be available on essentially an unlimited basis--to accommodate whatever volume of traffic might develop. Through the years, the aviation community grew accustomed to substantial financial assistance from Federal and local sources--for airways, for airports, for aircraft development, and, until recently, operating subsidies for most air carriers. Unfortunately, neither those who had the responsibility for planning our airways and airports, nor those who used them acted as though they were dealing with scarce resources.

Full recognition of the problems associated with aviation's growth has come at a time when the competition for funds at the Federal, State and community levels is more intense than ever before in our history. There is great demand for a broad range of new programs. There are constant demands for increased funding for established programs. These demands place heavy burdens on Government at every level. They have resulted in sharper competition for resources just at the time when aviation's needs appear the greatest.

Because of the central role the Federal Government plays in aviation--perhaps more pervasive than in any other form of transportation--it is important for the underlying principles which guide Federal action and shape Federal policy to be understood.

The Department of Transportation, from the day of its establishment, has taken the view that those who are affected by its actions are entitled to know the basis on which these actions are taken and, more importantly, to participate in the decision-making process. Consistent with this philosophy, the Department has tried to spell out in as much detail as possible, the policies on which the programs and legislation it has proposed are based. It has also set about establishing the procedures to allow full and meaningful participation by those who will be affected by its programs. This approach in itself is perhaps something of a novelty in Government.

The Challenge before Us

It has been more than a year now since President Johnson directed the Secretary of Transportation to develop a comprehensive long-range plan to meet the future demands of aviation, together with a proposal to finance the plan. We developed a program and sent the necessary legislation to Congress. Unfortunately there was no consensus within the aviation community and no program was enacted last year. This has only served to intensify the need for action and has left us even farther behind in modernizing the airways and improving our airports system.

No one questions the need for an expanded airways program. Nor does anyone question the need for more airport capacity. It is very clear, however, that we can never solve our problems simply by adding "MORE"--more runways, more radars, more air traffic controllers.

- We need expanded programs to speed the introduction of V/STOL aircraft to improve service and help relieve pressures on the airways and airports.
- We need expanded programs to develop the full potential of high-speed surface transportation. Here there is real promise for reducing the demands on aviation and at the same time providing travelers and shippers with an attractive and efficient alternative. We simply can not afford to impose unnecessary burdens on our airways and airports by using air transportation where another mode could be more effective.

- We need more widespread use of differential pricing in aviation, particularly at congested airports.
- We need thorough review of the effectiveness of economic regulation to help find new ways to improve the overall quality of air transportation. It appears likely that a complete overhaul of the regulatory system will be necessary.

In the meantime, we need to face squarely the fact that at certain congested areas demand is running ahead of capacity. We are confronted with three major policy questions from which there is no escape.

1. Who is going to pay -- for the airways and for the airports?
2. Where capacity is limited, who gets priority?
3. What is the proper Federal role and what is the proper local role in planning and decision-making where community interests are at stake?

On the first issue--who is going to pay--we must recognize that aviation has reached a high level of maturity. Both the airlines and private aviation have demonstrated beyond doubt that they are capable of operating with economic self-sufficiency. We have reached a point where the general taxpayer should not be asked to support civil aviation. Federal expenditures for civil aviation should be matched by user charges and limited to that amount. Air service that can not operate without subsidy should be phased out rapidly.

For the airways, the financing questions are relatively straightforward. The research and development necessary to produce the kind of air traffic control system which the Nation needs and the capital expenditures necessary to implement it should be financed by user charges. We should move rapidly to develop and implement the system--but the rate will depend on the willingness of the users to pay for it. The Government, of course, has the responsibility for making sure that the system is operated safely and efficiently--and to the extent that funds are not forthcoming to develop a system that can accommodate all users on an unrestricted basis, regulation will have to be used as an alternative to provide safety and efficiency.

The case of airport development is more complex. Here the conflict between the local community's interest in determining its own affairs and the national interest in having an efficient air transportation system is the most acute. While the Federal Government owns and operates the airways, provision of airport facilities and services has been regarded, until now, as almost exclusively the responsibility of local units of government. True, there is a Federal responsibility for overall airport planning, but decisions as to location, capacity, use and management of airports are, and should remain, matters for local decision-making.

With airports as with airways, there is no reason, from a transportation standpoint, why the users should not pay the costs of airport development. This applies to the airlines and to private aviation.

In some cases there are limitations on airport development that are not financial in character. These are largely environmental considerations--noise, pollution, traffic and other undesirable features that go with large airports. A location for the fourth jetport for New York is perhaps the most obvious example. Here money is certainly not the problem. The problem has been largely one of finding a place to put the airport--finding people who are willing to accept it as a neighbor. So far, the obstacles have been formidable enough to overshadow the many direct economic benefits that a major commercial airport provides for a community. This is likely to be an increasing problem in other major metropolitan areas. To the extent that it is, it will push us more rapidly to the point of having to make decisions on priorities.

For general aviation airports environmental factors are not likely to assume the proportions they do for air carrier airports. There are other problems, however, particularly those related to land use. Increasing values of airport property for other uses will generate more and more pressure on general aviation airports in or near metropolitan centers. Here the issue should be viewed in straightforward economic terms of whether there is any justification for financial support of private flying by continued operation of such airports. If private flying can't or won't pay its way and the local community is not willing to underwrite its operation, why shouldn't the airport site become a shopping center or a housing subdivision?

On the second issue--that of priority--I believe there can be no question about the appropriate national policy. The highest priority must be accorded to the certificated scheduled air carriers to insure that a safe, reliable, convenient and economical system of air transportation serves

the entire country. This type of service is publicly available to everyone on equal terms and is necessarily the basic element of air transportation.

The third issue is by far the most difficult--who makes the decisions when values are in conflict. Here I believe we have to start from the proposition that Federal dictation of what are properly local matters should be permanently discarded as an ingredient of public policy. We can not allow Federal officials and Federal programs to be insulated from changing social and political realities.

There has been a great deal of talk in recent months about establishing a vastly expanded Federal program for airport financing--with Federal matching grants to cover all aspects of airport development (the landing area, terminals, parking and other facilities) and a higher matching ratio, probably 75 percent Federal and 25 percent local. There have also been a number of proposals to establish a trust fund for airport development. The issue will undoubtedly be put before Congress this year with assertions that Federal grants and strong central planning are the only road to aviation's salvation--the only way to avert disaster. Such an assertion is patently untrue.

The Department of Transportation has consistently opposed an expanded Federal grant program for airport development. There are essentially three reasons for this position:

1. Federal programs for financial aid, especially grant programs, should not be used except in those areas where there is a demonstrated need--where State and local agencies, together with private sources, are clearly unable to meet financing requirements.
2. Federal programs should not make money available on inflexible terms that distort comprehensive planning at the local level or unduly influence local decision-making.
3. Federal programs for financial assistance should not be used, under the guise of central planning, as a lever to force acceptance of alleged national interests over community values.

There has certainly been no demonstration of the proposition that the airport development which is needed in this country will not take place without a major Federal aid program. The facts tend to indicate quite

the contrary. It may well be the case that action has been unduly delayed in the hope that Federal grants would relieve local governments and the aviation community of their proper responsibilities.

One need only look at the highway problem in any of our major cities to see the impact of the Federal-aid Highway Program and the way it makes large grants rigidly available for only one segment of the transportation system. The availability of money through the interstate program on a 90-10 basis has severely distorted planning for balanced transportation systems in virtually every metropolitan area in the U.S. It would be a tragic mistake for us to repeat the same kind of error with regard to airports.

The struggle to insure full opportunity for all legitimate interests to participate in decision-making at the local level has been a long and difficult one. It is far from over. In such fields as urban highway development and water and air pollution, we have made some real progress. But we can not relax for a minute or take a single backward step. Environmental considerations are far too important to maintaining the quality of life for us to create any mechanisms in the name of progress which will only make it easier to subvert these values in the name of national planning. Local attitudes toward the development of new airports and the expansion of existing ones must be given full consideration. It is quite improper for the Federal Government to assume an omniscience and then, using Federal dollars, proceed to cram unwanted projects down the throats of communities all across the country. There are unfortunately too many people within the Government itself and within the aviation industry who see in an airport grant development program the tool for doing just that. The dangers are great and the implications far-reaching. It is far too easy to yield to the would-be central planners who advance the modern day philosophy of technological determinism and who assert that national aviation needs are supreme.

Aviation, almost since the day of its birth, has enjoyed preferred status-- but it can no longer lay claim to a right of special treatment or subsidy. It must pay its own way. In planning for the growth and development that are a part of its future, aviation must accommodate to the totality of needs in our complex modern life. There will clearly be points of conflict, with strong contestants on each side, but in the ultimate resolution of these conflicts the public interest must govern. Public policy decisions must be made in such a way that aviation, with all its great benefits, is made to act in a way that is fully consistent with our democratic desires and harmonized with the rest of the economy and with the whole range of social needs.

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