

PROBLEMS OF AIR TRANSPORTATION IN AMERICA

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO THE PROBLEMS OF AIR TRANSPORTATION IN AMERICA

JUNE 16, 1969.—Referred to the Committee on Ways and Means and ordered to be printed

To the Congress of the United States:

PREPARING FOR THE FUTURE OF AIR TRANSPORTATION

Years of neglect have permitted the problems of air transportation in America to stack up like aircraft circling a congested airport.

The purpose of air transportation is to save time. This purpose is not served when passengers must wait interminably in terminals; when modern jet aircraft creep at five miles per hour in a long line waiting for takeoff; when it takes longer to land than it takes to travel between cities; or when it takes longer for the air traveler to get to an airport than it does to fly to his destination.

In the tenth year of the jet age, more intercity passenger miles were accounted for by air than by any other mode of common carriage. In 1968, scheduled airlines logged over 150 million passenger trips, triple that of a decade ago; at the same time, the non-airline aircraft fleet almost doubled and the use of air freight quintupled. That rate of increase is likely to continue for the next decade—but it can be accommodated only if we prepare for it now.

The growth in the next decade must be more orderly. It must be financed more fairly. It must be kept safe. And it must not permit congestion and inadequate facilities to defeat the basic purpose of air transportation: to save time.

Air travel is a convenience hundreds of thousands of people take for granted—a means of commerce that millions depend upon for their goods and services. In a nation as large as ours and in a world grown suddenly small, flight has become a powerful unifying force. The ability to transport people and products by air—safely, surely and efficiently—is a national asset of great value and an international imperative for trade and travel.

That ability is being challenged today by insufficiencies in our nation's airports and airways. The demand for aviation services is threatening to exceed the capacity of our civil aviation system. Unless relieved, this situation will further compromise the convenience of air transportation, erode its efficiency and—ultimately—require more regulation if the enviable safety record of the airplane as a means of public and private transportation is to be preserved.

The challenge confronting us is not one of quality, or even of technology. Our air traffic control system is the best in the world; our airports among the finest anywhere. But we simply do not have the capacity in our airways and airports ample to our present needs or reflective of the future.

Accordingly, the Secretary of Transportation is submitting to the Congress today legislative proposals to provide the resources necessary to the air transportation challenges facing us. These proposals are responsive to the short-term as well as the long-range opportunities for civil aviation progress.

IMPROVING OUR AIRWAYS

To provide for the expansion and improvement of the airway system, and for a high standard of safety, this Administration proposes that *the program for construction of airways facilities and equipment be increased to about \$250 million annually for the next ten years*. This is in sharp contrast to the average of \$93 million appropriated in each of the past ten years, and is responsive to the *substantial expansion in the operation and maintenance of the air traffic system in the next decade*.

While this will provide for the needs of the '70s, development for the 1980s and beyond cannot be neglected. Technology is moving rapidly and its adaptation to provide future solutions must keep pace. Consequently, this program includes a provision for a doubling of development funds.

BUILDING AND IMPROVING AIRPORTS

The proposed airport program consists of both an expanded planning effort and the provision of additional Federal aid for the construction and improvement of airports. The airport systems planning we contemplate at both the Federal and local level will begin a new era of Federal, State and local cooperation in shaping airport development to meet national and local needs.

I propose Federal aid for airport development in fiscal 1970 of \$180 million and in fiscal 1971 of \$220 million, with continued expansion leading to a total of two and one-half billion dollars in the next ten years. Together with matching grants on a 50-50 basis with State and

local governments, this strongly increased program will permit financing of *five billion dollars in new and expanded airfield facilities*.

The proposed fiscal year 1970 program of \$180 million would help finance the development of airfield facilities, the conduct of airport systems planning, and airport planning and development activities carried on by States.

Of the \$180 million,

—\$140 million would be available for grants to air carrier and general aviation airports, with a primary objective of alleviating congestion in the most heavily used air terminals.

—\$25 million in grants would be available to aid in the development of airfields used solely by general aviation.

—\$10 million would be available in grants to planning agencies to assist them in conducting airport systems planning.

—\$5 million would be available for grants to States to carry on airport planning and development activities.

Airport terminal buildings are a responsibility of local airport authorities. The Administration's legislative proposal suggests ways in which those authorities can meet that responsibility.

IMPROVING THE ENVIRONMENT OF TRANSPORTATION

In all planning for airways and airports, it will be the policy of this Administration to consider the relation of air transportation to our total economic and social structure.

For example, existing jetports are adding to the noise and air pollution in our urban areas. New airports become a nucleus for metropolitan development. These important social and conservation considerations must be taken into greater account in future air systems development.

In addition, airport planners must carefully consider the opportunity for business growth and the availability of labor supply. The presence of airport facilities is both a follower of and a harbinger of business and job development.

Most important, government at all levels, working with industry and labor, must see to it that all aviation equipment and facilities are responsive to the needs of the traveler and the shipper and not the other way around. Transportation to airports, whether by public conveyance or private vehicle, is as much a part of a traveler's journey as the time he spends in the air, and must never be viewed as a separate subject. A plane travels from airport to airport, but a person travels from door to door. I have directed the Secretary of Transportation to give special attention to all the components of a journey in new plans for airways and airports improvements.

FINANCING AIR TRANSPORTATION FACILITIES

The Federal Government must exert new leadership in the development of transportation, in the integration of the various modes, and in supporting programs of national urgency.

However, the added burden of financing future air transportation facilities should not be thrust upon the general taxpayer. The various users of the system, who will benefit from the developments should

assume the responsibility for the costs of the program. By apportioning the costs of airways and airports improvements among all the users, the progress of civil aviation should be supported on an equitable, pay-as-we-grow basis.

At present, the Treasury obtains revenues, generally regarded as airways user charges, from airline passengers who pay a five per cent tax on the tickets they buy, and from the operators of aircraft who pay a tax at the effective rate of two cents a gallon on aviation gasoline. The revenues obtained from these taxes are not applied directly to airways expenditures. They are either earmarked for other purposes or go into the general fund of the Treasury.

I propose that there be established a revised and expanded schedule of taxes as follows, the revenues from which would be placed in a Designated Account in the Treasury to be used only to defray costs incurred in the airport and airway programs:

- A tax of eight percent on airline tickets for domestic flights
- A tax of \$3 on passenger tickets for most international flights, beginning in the United States
- A tax of five percent on air freight waybills
- A tax of nine cents a gallon on all fuels used by general aviation.

This new tax schedule would generate about \$569 million in revenues in fiscal year 1970, compared with the revenues of \$295 million under existing taxes.

To sum up:

- For the airline passenger, the proposed legislation would save his time and add to his safety.
- For the air shipper, it would expedite the movement of his goods, thereby permitting him to improve his services.
- For the private aircraft owner, it would provide improved facilities and additional airports.
- For the airline, it would permit greater efficiencies and enable the carrier to expand its markets by providing greater passenger convenience.

In short, the airways and airports system which long ago came of age will come to maturity. Those who benefit most will be those who most bear its cost, and the nation as a whole will gain from aviation's proven impetus to economic growth.

The revenue and expenditure programs being proposed are mutually dependent and must be viewed together. We must act to increase revenues concurrently with any action to authorize expenditures; prudent fiscal management will not permit otherwise.

These proposals are necessary to the safety and convenience of a large portion of our mobile population, and I recommend their early enactment by the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *June 16, 1969.*

