



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 8, 1968

File - Transportation
(Airports)
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Center for
Transportation
Shurtliff

MEMORANDUM FOR: Honorable Joseph A. Califano, Jr.
The White House

Attached is a copy of a memorandum I have just sent to Charles Zwick on the airways/airports proposal which we have recently submitted to you. I believe that we are very close to having agreement within the Administration on most of the points in DOT's proposal. If we give the matter sufficiently high priority we can resolve any remaining differences very quickly and be in a position to have the White House announce at least the outline of its airways/airports proposal very soon. I consider it not only desirable but very important that we make the Administration's plans public and not allow the industry or the Hill to take the initiative away from us on this.

You have our draft of a proposed message on airways and airports. I think that we should work toward the possibility of getting such a message out within the next few days, hopefully by the end of this week.

Alan S. Boyd

Attachment



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MEMORANDUM FOR: Honorable Charles Zwick
Director, Bureau of the Budget

When we talked Friday I told you that I thought it was important that we move ahead with the airways/airports program as rapidly as possible. I have since learned that the Air Transport Association now has come to some conclusions as to the kind of program they want to push for airports and they hope to move to get legislation introduced by request possibly as early as Friday of this week. Basically their proposal would be a grant program administered by the Department of Transportation and financed by a national head tax. Money would be available on a 75-25 basis to air carrier airports to finance debt service. With an expected income from the head tax of about \$100 million a year this, in their opinion, would provide sufficient financial resources to meet the large capital requirements in the next few years.

Less important at this point than the specifics of ATA's program is their projected timetable. I feel very strongly that we should do everything possible to get an announcement by the White House of the proposed Administration program before the industry makes its proposals public. There will undoubtedly be give and take on the Hill on the details of any program but it would be unfortunate for the Administration to lose the initiative to the industry at this time.

It is my understanding that there are relatively few points which are at issue within the Administration on DOT's proposal. I urge you to do everything possible to help us reach agreement quickly so that we can get an announcement either in the form of a message to the Congress or some other appropriate way as soon as possible.

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We are prepared to devote whatever resources are necessary within the Department to working out a position which is acceptable within the Administration so that we can go forward with a proposal.

signed Alan S. Boyd

Alan S. Boyd