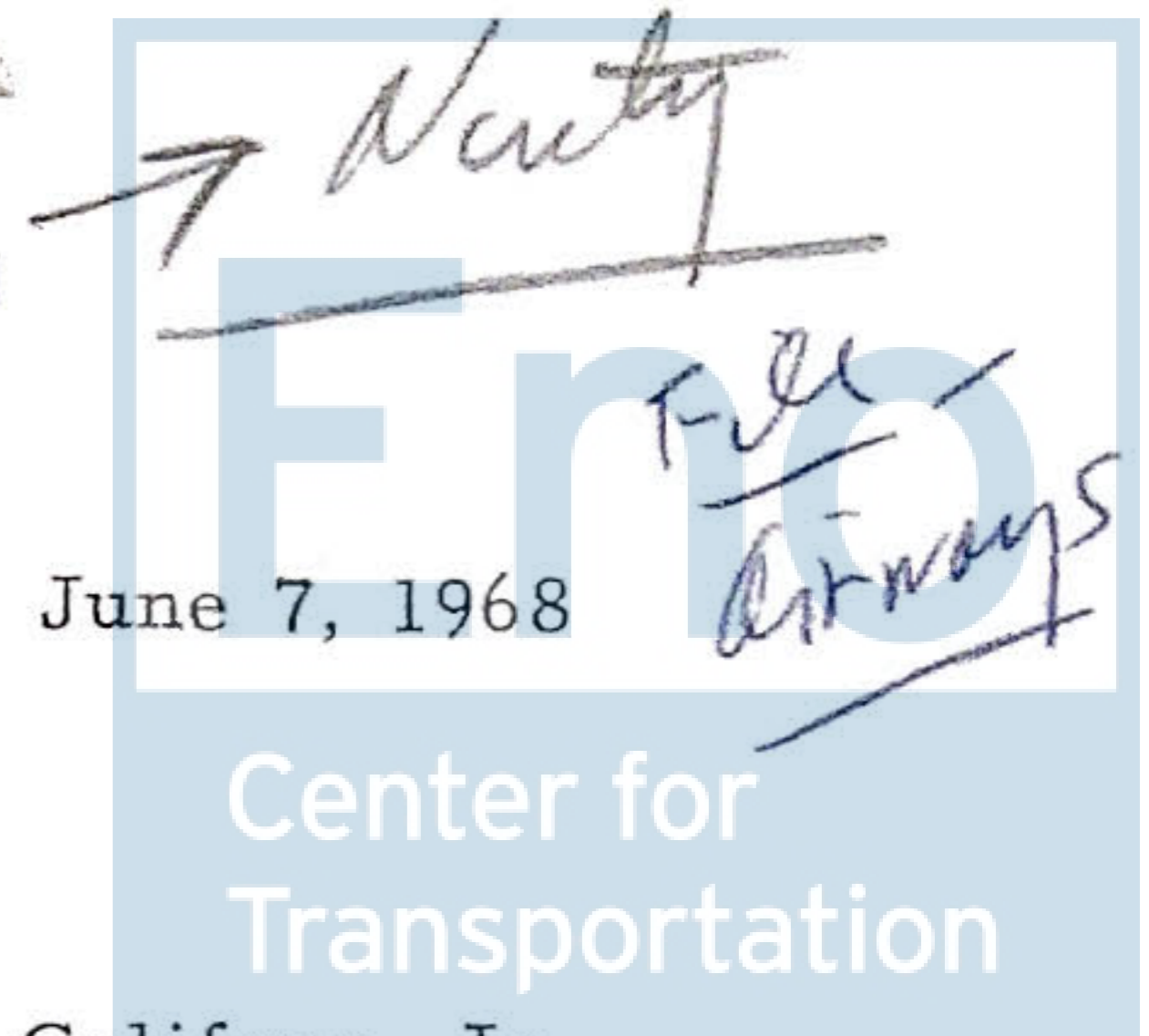




THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590



MEMORANDUM FOR

Honorable Joseph A. Califano, Jr.
Special Assistant to the President

Honorable Charles J. Zwick
Director, Bureau of the Budget

The President decided that the Department's airways user tax proposal should be sent to the Congress with an indication that upon enactment a program for airways development would be forthcoming. The tax bill is now before the Congress and conversations with Chairman Mills indicated the possibility of hearings in July. To date, there has been no indication of the detailed program which would be financed from the additional revenues and the industry has had no way of knowing what it would be letting itself in for by offering support to the tax proposal.

There is an urgent need for action by the Congress this session on the airways proposal. If we are to get the industry support which will be necessary for action, we must give them a general outline of the program they can expect once the new taxes become effective. General McKee and I both believe that it will be sufficient to give the industry an indication of how the FAA's FY 69 budget and its airways program would be revised to reflect the new airway user charges. The attached paper does this. The paper does not go into detail as to specific location nor does it associate costs with individual facilities. It does give a general breakdown by type of facility. I believe that this preserves the flexibility we need while at the same time giving the industry sufficient information to justify their support of the tax proposal.

I plan to use this paper as a basis for briefings of the air carrier and general aviation segments of the industry next week, unless I hear from you to the contrary.

*The Secretary asked
that I get this to you
as soon as possible.*
CM

Attachment

M. Cecil Mackey
Alan S. Boyd *jr*

Background Information on the
Federal Aviation Administration
Proposed Amendment to 1969 Budget Request



1. In accordance with the President's letter of September 20, 1967, the Department of Transportation has developed a long range plan for the facilities, equipment, and personnel required for expansion and improvement of the nation's air traffic control system to accommodate the rapid growth of commercial and private flying. Accordingly, the Department is proposing an amendment to the fiscal year 1969 budget estimate which would provide an increase of \$176 million primarily to accelerate current efforts on improvement and modernization of the air traffic control system and to provide the trained manpower required for operation and maintenance of the expanded system.
2. The proposed amendment reflects a careful consideration of priorities and provides for investments in those facilities and services which will serve the greatest number of air transportation users and which are needed to maintain safety and efficiency in the movement of air traffic at acceptable levels. The estimates also reflect a distribution of new investments generally in relation to the revenues which would be obtained from the various classes of users under a proposed system of airway user charges.
3. Details of the proposed amendment by appropriation are contained in the following pages.

Facilities and Equipment Appropriation\$121.5 million

1. En Route Facilities and Services, \$22.4 million

- a. The en route radar system will be expanded and improved through establishment of new radars at eight locations and modification of existing radars at 21 locations. This expansion and modification is required to provide the radar coverage required by the air traffic control system and to permit the extension of automation capability in the national airspace en route system - \$15.5 million.
- b. Existing center facilities will be expanded and modernized to meet present operational needs. This program includes

expansion and improvement of the ARTCC structure, improvement of electrical power systems, relocation and expansion of air/ground communications, and provision of radar video recording - \$6.9 million.

2. Terminal Area Facilities and Services, \$77.2 million
 - a. Airport surveillance radars, including an air traffic control radar beacon system with direct altitude and identity readout, would be established at 36 locations having an approach control tower with 50,000 or more annual itinerant operations and 10,000 or more annual air carrier operations. This program is designed to bring radar service to more air traffic hub locations and selected non-hub locations having comparable air carrier traffic activity - \$27.4 million.
 - b. Automated radar traffic control capability will be installed at 76 locations to expedite handling of traffic in busy terminal areas. Of this number, 20 high density terminal areas would be provided with the capability of displaying alpha-numeric identification and calculated ground speed of beacon equipped aircraft plus altitude readouts from aircraft with mode C transponders. Fifty-six lower activity airports would be provided with direct altitude and identity readout on radar displays of all beacon equipped aircraft - \$18.2 million.
 - c. Air traffic control towers would be constructed at 30 publicly owned airports with 24,000 or more annual itinerant operations including air carrier operations and at eight general aviation airports recording 50,000 annual itinerant operations. This program will provide tower service at those high activity locations where passenger safety requires the separation of aircraft - \$10.2 million.
 - d. Existing terminal area radar services will be improved primarily through provision of radar bright displays in tower cabs, establishment of full time vectoring and sequencing of all terminal radar facilities, modification of the ATC beacon system, and provision of radar video recording equipment - \$12.5 million.

- e. Existing terminal facilities will be improved through relocation and modernization of towers, communication facilities, and provision of digital weather displays for controllers - \$8.9 million.

3. Flight Service Stations, \$3.0 million

This program will provide for rehabilitation of the busier operating facilities, including relocation of quarters where required, replacement of obsolete equipment, and improvements to communication facilities.

4. Air Navigation Facilities, \$14.6 million

- a. Instrument landing systems with approach lights and runway alignment indicator lights will be installed at 70 locations. This number includes those airports presently served by air carrier turbojet aircraft or forecast to have jet services by the end of 1968 which do not presently have an ILS. In addition, ILS facilities will be provided at the higher activity airports with an existing ILS - \$10.7 million.
- b. At 15 locations, ILS systems will be improved to provide Category II approach capability - \$1.7 million.
- c. Provision is made for installation of terminal navigational aids and visual approach slope indicators, and improvements to existing facilities which are required to maintain an adequate and up-to-date domestic airway structure - \$2.2 million.

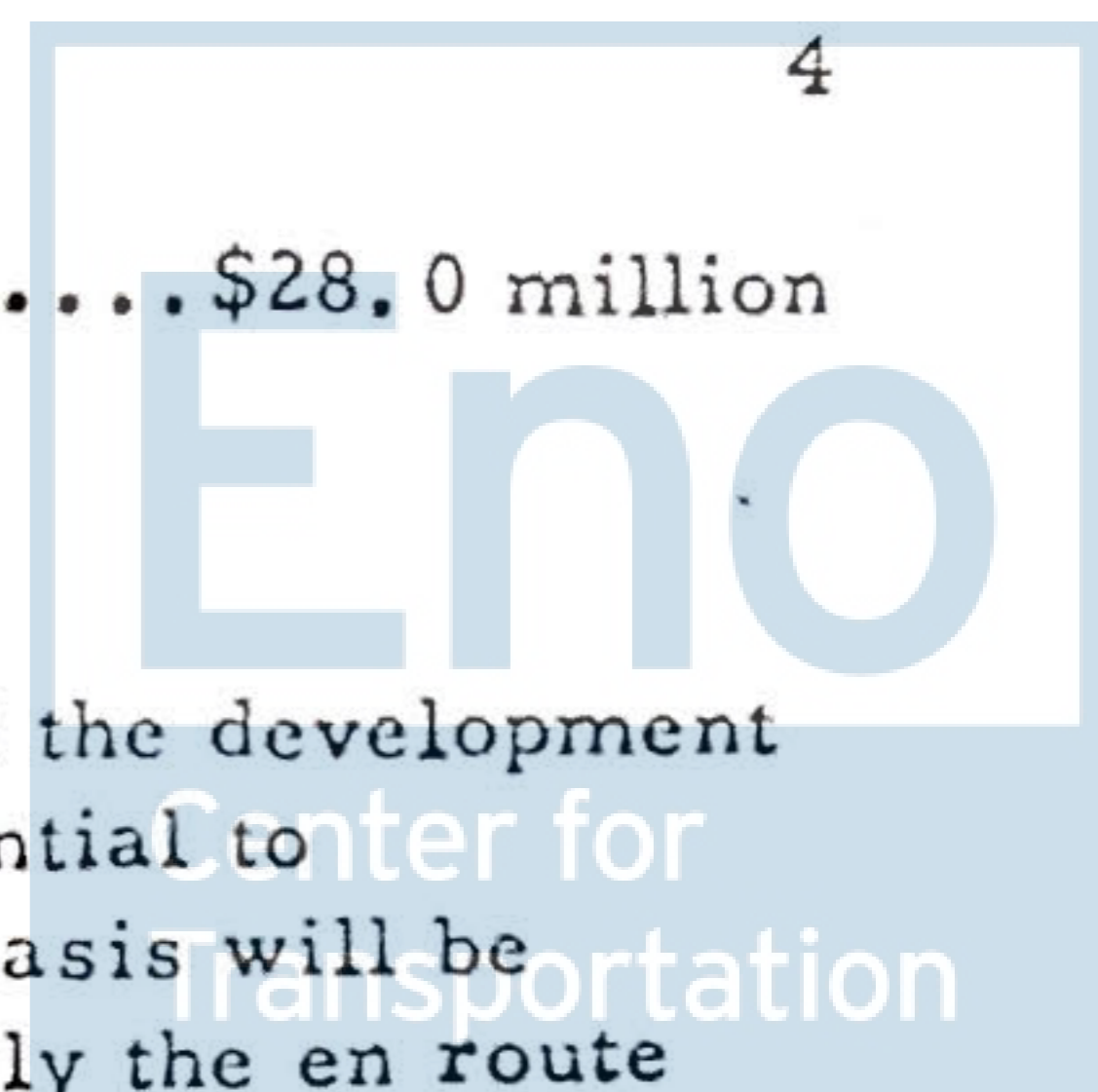
5. Training Facilities, \$4.3 million

This program will provide for the purchase of one light twin-engine turbojet transport aircraft and one B-727/DC-9 type flight simulator which are required to meet requirements for training of flight standards inspectors. Provision is also made for modification of one aircraft to permit Category II training.

Research and Development Appropriation.....\$28.0 million

1. Air Traffic Control, \$15.2 million

Under this program, funds will be utilized to speed the development of control facilities, devices, and procedures essential to improvement of air traffic control. Primary emphasis will be placed on systems modernization needs, particularly the en route and terminal area automation programs, and development of advanced concepts, procedures, and techniques applicable to National Airspace System needs in the post-1975 period.



2. Navigation, \$5.9 million

This program will speed up efforts leading to modernization of the approach, short-distance navigation, and flight inspection systems.

3. Aviation Weather, \$1.6 million

This program will permit the expansion of efforts to complete the engineering, development, and testing of equipment and techniques for acquisition, processing, forecasting, transfer and display of weather information.

4. Aviation Medicine, \$.3 million

Under this program, research efforts will be designed to provide early detection of significant diseases in airmen.

Operations Appropriation \$31.5 million

1. Operation of Traffic Control System, \$20.4 million

Under this activity, funds would be utilized to finance a staffing increase of about 3,000 positions which are required primarily to meet added workload due to the substantial increases in air traffic beyond that contemplated in the original 1969 estimate. This position increase includes 1,723 positions which would be allocated to the air route traffic control centers, 607 positions to terminal facilities, and 557 positions to flight service stations.

This position increase would restore a reasonable balance between traffic control manpower and workload. The revised position levels provide for an average annual output per employee in 1969 well above 1967/1968 levels. The estimate further provides for expansion of traffic control services at high activity terminals, transcribed weather broadcasts and pilot briefing services, and assumption of military traffic control services which were funded in fiscal year 1968 on a reimbursable basis. Also included are requirements for expansion of related training programs and administrative functions to support the program growth.

2. Maintenance of Traffic Control System, \$8.8 million

Additional funds under this activity are requested primarily to finance an increase of about 700 positions required for maintenance of new facilities, advance recruitment of personnel in order to meet the present schedule for implementation of an automated air traffic control system, maintenance of radar facilities no longer required by the Department of Defense but which are required for present and future air traffic control, and maintenance of facilities and services funded by the military on a reimbursable basis during fiscal year 1968. Also included are requirements for expansion of basic and journeymen training for maintenance personnel, modifications and improvements to operating facilities, and procurement of test equipment.

3. Administration of Flight Standards Program, \$2.3 million

Under this activity, funds requested will permit a staffing increase of 264 positions which are required to provide minimum levels of safety inspection and surveillance commensurate with the increases in overall activity. Related training programs would also be expanded to provide initial training for newly employed operations and maintenance personnel.