

AGENDA - AIRPORTS

Eno

Center for
Transportation

The Airport/Airways program, very basically, consists of a major increase in airways expenditures (personnel, radar, traffic control centers, automation, etc.), and a major decrease in airport assistance.

- At present the Federal Government has a large-scale grant program for airports, which are owned by local governments or private corporations.
- This was necessary at one time, but most airports are now capable of being self-sufficient if they impose modest landing fees.
- The new program, as proposed by DOT, consisted of the following as a replacement for outright grants:
 - . Government guarantees of private loans at airports where private financing is not available on reasonable terms, with \$1 billion authorization.
 - . Government loans to communities which cannot get private financing even with guarantees. Appropriation of \$100 million for revolving fund; \$1 billion in loans.
 - . Government grants-in-aid only to those airports where the only certified service is provided by lines getting operating subsidies from the CAB. The reason for this is that these airports are not profitable, and to require them to impose landing fees only means that the CAB will have to increase their subsidies. \$100 million authorization.
 - . Planning grants of \$10 million.

The problems come with the first and last of these.

- Treasury and BOB object to guaranteeing tax-free municipal bonds.

- . This is a consistent policy, and they believe the straight Federal loan program is all that is required.
- . DOT replies that this is a special case. We now have a grant-in-aid program which we are trying to abandon. In order to get acceptance of dropping the grant program, we must give localities something else, such as guarantees.

-- As for planning grants, BOB objects because this authority will overlap HUD's planning grant program. This seems to be correct and the planning program will probably be dropped.

Other Matters

Charles Murphy has a philosophical problem with the whole airports program.

- Our theme is that the Federal Government should get out of the airports business.
- He wants more Federal planning and control in this area.