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STATE AND LOCAL REVIEW

FEDERAL AID AIRPORT PROGRAM — POSITION OF NASAO*

THE Honorable Robert B. Murray, Jr., Undersecretary of Commerce for Transportation, recently stated that the Department of Commerce had commenced a re-evaluation of the role of the Federal Government in assisting in airport financing and that the Program for Federal aid to airports would be halted while errors in administration are corrected and the future role of the Government in municipal and state airport construction was determined.

The Association, to which I shall refer hereafter as NASAO, for many years prior to 1946, advocated the enactment of legislation by Congress which would establish a long range program for the development of a national system of airports.

The NASAO now strongly endorses a thorough study and re-evaluation of the past administration of the Program as proposed by Mr. Murray, but we do not concur in the theory that the Program should be discontinued while the re-evaluation is being conducted, any more than you would stop feeding a sick child until a determination was made as to the type of medicine required.

The 79th Congress of the United States, after a long and careful study of the needs of air commerce and general aviation, determined that a national airport plan and a system of public airports, adequate to meet the needs of civil aeronautics, should be developed; and that the public interest, the national economy, the postal service, and the defense of the United States justified Federal participation on a 50-50 basis in their development.

The Federal Airport Act subsequently adopted by the Congress became Public Law 377, May 13, 1946. This Act outlined the manner in which, and defined the extent to which the Civil Aeronautics Administration might legally participate in a Federal Aid Airport Program. As late as September 1950, the Congress again recognized the justification of Federal participation in the development of public airports when it extended, by amendment, the life of the Act from seven to twelve years, or until June 30, 1958. The Act authorized annual appropriations amounting in the aggregate to \$500,000,000 over a period of seven fiscal years, appropriations for any one year were limited to \$100,000,000.

All Airports Serve Interstate Air Travel

NASAO and other sponsors of the legislation intended that the development of airports should parallel and meet the growing requirements of civil aeronautics, while providing a standby system of airports available to the military services in time of war.

The extent to which the Federal Aid Airport Program has been implemented during the past seven years, in comparison with the expansion of flight operations from civil airports and the public use of scheduled and non-scheduled aircraft for the transportation of passengers, airmail and air freight, is indicated by the following statistics compiled by various governmental agencies.

* Statement by A. B. McMullen, Executive Secretary, National Association of State Aviation Officials before the Senate Subcommittee on Appropriations, April 16, 1953.

			% Increase
Air Carrier Operations ..	2,357,826	4,866,358	106%
Air Passengers	1,142,113	25,284,225	2200%
Airmail (ton-miles)	6,141,461	69,270,964	1100%
Air Freight (ton-miles) .	8,859,008	161,003,935	1900%
Federal Aid Airport Program Funds	<i>Authorized</i>	<i>Appropriated</i> (Fiscal 1947-53)	
	500,000,000	214,000,000	42%**

** Amount appropriated 42% of amount authorized.

The remarkable growth of the airline transportation industry, as the above statistics disclose, together with a greatly improved safety record, is attributable in no small degree to the airport facilities which have been provided. Part of the increased business of the airlines has resulted from the gradual expansion of their operations to more cities and more airports. It should be noted, however, that only about 600 places in the U. S. are accessible by scheduled air transportation, whereas there are hundreds of other communities that will be and are being integrated into the airline system by charter and air taxi operators flying from local airports to airline terminals.

Although the number of civil aircraft in use, other than air carrier, during the period 1946-1952, fluctuated considerably, the use of privately owned aircraft for fast and essential transportation by corporations, proprietary business concerns, and professional people has rapidly increased during the last five years. In 1951 corporation operated aircraft totaled more than 9,000, while with more than 7,500 additional planes were used part time for business. Executive transports flew a billion passenger miles in 1951, and the number of miles flown by this type of aircraft is steadily increasing. More multi-engine aircraft are operated by businesses than by all the domestic scheduled airlines concerned. A large percentage of the flights made by these aircraft are to small communities all over the U. S. where branch factories, suppliers, or customers are located. Every airport and landing strip serves interstate as well as intrastate air travel in the same manner that highways and waterways serve interstate transportation.

The use of aircraft as a tool of the farmer has made rapid strides during the past ten years. In many localities the airplane is completely revolutionizing farming methods, while reducing cost and materially increasing production. The Civil Aeronautics Administration reports more than 8,000 planes now being used in connection with land management.

The Federal Government has participated in the development and improvement of an extensive farm-to-market system of roads; in fact, approximately 110,000 miles, or one quarter of the entire secondary highway system of the U. S., has been the recipient of Federal aid, in addition to the primary, rural and urban systems. It would appear that a similar policy with respect to the development of airports designed for agricultural, as well as for other civil aviation purposes, would be in the national interest.

*What the States and Municipalities Have Done to Carry Out Their
Obligations as Partners in the Program*

In the early years of the Program, progress was limited due to the time required for the CAA to promulgate its regulations for administering the Program, and establishing working contacts with the non-federal sponsors. It also required time for the states and municipalities to set up their respective enabling legislation or ordinances, appropriate or obtain funds from bond issues and tax levies.

Based upon the intent as expressed in the Federal Airport Act at the time of its adoption, and the appropriations authorized thereunder, the various states, counties, municipalities, and airport authorities throughout the U. S. and its territories, began to develop their airport improvement programs upon the assumption that within the standards established by the Civil Aeronautics Administration and the annual appropriations made available by Congress, Federal assistance would be available in meeting project costs.

After the initial time lag, the tempo of state and local implementation of their part of the joint undertaking increased annually until about 1950 when the financial readiness of the states and local municipalities exceeded Federal appropriations and contractual authority, and since that time the gap has grown steadily greater. A recently conducted survey indicates that interested sponsors have available, or could obtain during fiscal years 1953-1954, a total of approximately \$150,000,000.

Many sponsors are holding appropriations or proceeds from bond sales which were made expressly for airport development in connection with the Federal Aid Airport Program funds and which cannot be otherwise used. State funds which have been appropriated for the purpose of matching Federal Aid Airport funds will lapse unless the program is continued or tapered off at a reasonable rate. Many municipalities and airport authorities have funds which are laying dormant, but upon which taxes must be levied annually to service the specified principal and interest payments thereon.

States and municipalities, in good faith, have relied upon not only the letter, but the spirit of the Federal Airport Act, and a feeling is now being generated that there has been a breach on the part of the Federal Government of the basic elements of good faith and credit in a partnership undertaking.

Present Status of the Federal Aid Airport Program

For the past seven years Congress has made annual appropriations, although much too small, for meeting the Federal Government's share of the program. As previously stated, Congress also extended the life of the Act for another five years, beginning July 1st of this year. Therefore, the states and their political subdivisions might logically assume that the Federal Aid Program would be continued without interruption.

On this assumption many sponsors have proceeded to expend large sums for land acquisition, engineering, legal and other costs pertinent to the development of their airports. Dozens of project applications have been submitted to the CAA during the present year and many more are in the process of submission. These projects were developed in accordance with the provisions of the Federal Airport Act and the regulations of the CAA, and usually with the assistance of Federal representatives, under the assumption that the projects would be included in the fiscal 1953 or 1954 programs.

Many of the proposed projects have reached the grant agreement stage in the administrative process under which the program is administered, and are, therefore, legal contracts on which the Federal Government cannot default. There are, however, a very substantial number of project applications which have been pending in CAA and Department of Commerce offices for many weeks. In this category are many projects which lack only the administrative act of signing in order to go forward. On some of them authority to advertise for bids had been given by the CAA prior to the administrative "freeze" order in mid-February. Bids have been received on many projects, but unless accepted soon will not be binding. In many cases the opportunity to obtain slack season bids has been lost.

*Questionnaire of State Aviation Officials on Liquidation of
Federal Aid Airport Program*

The Aeronautics Commissions in the various states and territories are required by law to foster, develop and promote aviation of all types within their respective states. No group of individuals, day by day come into closer contact with all phases of aviation, or more people actively engaged in all types of aviation, than the members and staff officials of these agencies.

In order to accurately determine their views regarding the recently proposed "liquidation" or summary curtailment of the Federal Aid Airport Program, a questionnaire was addressed to the 45 states and territories who are active members of NASAO. When the questionnaire was circulated, it was suggested that the individual State Aeronautics Directors or Commissioners to whom it was addressed, consult with their Aeronautics Commission members and their State Governors before replying to the questions in order that an official state position pertaining to Federal aid for airport development could be determined.

Forty of the forty-five states and territories to whom the questionnaire was addressed replied. Of the 40 states replying, 3 reported that an official state position had not yet been determined. The questionnaire was limited to the following four specific questions:

Question 1: Assuming CAA's Federal Aid Airport Program practices, administrative policies, and regulations, and the Federal Aid Airport Act were satisfactorily revised, would you vote in favor of program continuation?

The answers from 34 states were Yes — from 3 No, a ratio of 11 to 1. However, the 3 states indicating they were not in favor of continuing the program, even though administration of the program was improved, qualified their answers by stating that projects which have been started should be completed.

Question 2: Irrespective of such changes being made (Question 1) would you vote in favor of the continuation of the Federal Aid Airport Program; i.e., would you vote in support of the principle of Federal grants-in-aid for development of airport and air navigational facilities?

24 states answered Yes — 13 answered No. From these figures it is evident that one-third of the states are not in favor of continuing the program unless many of the costly and time-consuming policies, restrictions and red tape, under which the program is now administered, are eliminated.

Question 3: Assuming that the Federal grants-in-aid program for airports and air navigational aids were to be wholly discontinued, would your state and its municipalities and political subdivisions be able to complete necessary airport development?

Only three states of the forty-five included in the survey indicated that the state or its political subdivisions would be able to complete needed airport development without Federal assistance. 34 answered No.

During the past 2 or 3 years, especially since the beginning of the Korean War, it has been the policy of the Federal Government to limit the inclusion of projects in the Federal Aid Airport Program to those considered essential to national defense, which in nearly all cases, meant that Federal aid was only available to large airline terminals. Therefore, Question 4 was worded as follows in order to determine the views of the various states as to whether Federal aid should now be limited to any particular class of airports.

Question 4: If you would vote in favor of the principle of Federal grants-in-aid for development of airports and air naviga-

tional aids, would you favor restriction of its application to airports of a certain classification and larger? If answer is "Yes," indicate minimum class of airport. (Secondary, Feeder, Trunk, Express, Continental Express, Intercontinental Express.)

Only 3 states voted in favor of the principle of restricting Federal aid to certain types of airports. 2 of these states recommended that such aid be limited to Feeder type or larger airports and the third to those projects which were required for defense or where flying was determined to be predominantly interstate.

Briefly, the above survey indicates that the various state aviation agencies are overwhelmingly in favor of continuing the Federal Aid Airport Program provided policies and regulations are revised or eliminated which, during the past seven years, have been found to be unnecessarily costly and time-consuming.

One-third of the states do not favor a continuation of the program as it is presently administered. However, the officials of only 3 states are of the opinion that the state and its political subdivisions could effectively carry out the type of airport program considered necessary for the safety of flight and for the full development of the airplane as a means of both intra-state and interstate transportation.

The National Association of State Aviation Officials highly commends the present Administration and the various Federal agencies that are attempting to reduce Federal expenditures with a view of a reduction in Federal taxes. Taxes are, however, paid by the people living and doing business in all states and in all communities, and little, if anything, is gained by the Federal Government arbitrarily, and almost without notice, revising or eliminating programs which may save Federal expenditures on the one hand, but which on the other increases expenditures or results in financial losses at state and local levels.

It is a well known fact that in order to make money, particularly in a new enterprise, it is necessary to spend money. This policy was and is still being followed by Government in the support of highway and waterway transportation systems. These forms of transportation received substantial Federal assistance long before the vehicles and ships that made use of the facilities constructed were large in number. No one would question, I believe, the wisdom of the appropriations that have been made or the indirect aid provided by the Congress for the development of railroads, highways, and the docks, terminal facilities, harbors, and inland waterways that our land and water transportation systems now enjoy. Therefore, it would appear logical that a national system of airports, carefully planned to foster and develop the use of air vehicles as a means of transportation would be in the national interest and that the Federal Government should bear its proportionate and just share of the cost.