

AA OF AE

AMERICAN ASSOCIATION OF AIRPORT
EXECUTIVES
Incorporated

P.O. Box 718
Waterloo, Iowa

TO: ALL MEMBERS OF THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

FROM: THE DESK OF THE EXECUTIVE SECRETARY

On the 18th of March a surprise Testimonial Luncheon was held at the Ambassador Hotel in Los Angeles for "Woody" DeSilva, Manager of Los Angeles International Airport. More than 400 people attended including 4 ex-mayors of the city of Los Angeles, many of the outstanding figures in aviation, such as Douglas, Northrup, North American, TWA, American and Western Airlines, about 15 members of the California Association of Airport Executives and an almost even number of AAAE members. Gordon Stanton of Burbank acted as master of ceremonies. Cecil Meadows presented a plaque to "Woody" properly inscribed from the California Association of Airport Executives and Don Martin presented a clock from AAAE. Those were only two of the many presents and resolutions, etc., given to "Woody"!

We are reprinting below a letter received by Don Martin from "Woody" in thanks to the Association for their part in the Testimonial Luncheon:

Mr. Don Martin
Airport Manager
Oakland International Airport
Oakland, California

March 29, 1954

Dear Don:

Will you please express to the Officers and members of the American Association of Airport Executives my heartiest thanks for the beautiful clock and appropriate inscription that you presented to me for American Association of Airport Executives at the luncheon on the 18th of March.

I assure you that I was completely caught off guard and had no conception of what was going to be undertaken, and of course I am very happy that you were there and represented Jack in his absence.

Needless to say, the affair will always be a highlight of my life.

Best personal regards,

Sincerely,

s/Woody

The following letter has been received from Frank W. Phillips, formerly Airport Manager at Quincy, Illinois. Some of you may be interested in contacting Frank at Louisville. Anyone wishing further information about Frank Phillips should contact this office:

QUINCY MUNICIPAL AIRPORT COMMISSION
Route one
Quincy, Illinois

April 18, 1954

Walter E. Betsworth, Exec. Scty. AAAE
Municipal Airport
Waterloo, Iowa

Dear Walter:

Thought I had best notify you of my resignation from the managementship of Baldwin Field, Quincy Municipal Airport. April 20 20 is the effective date.

I will try to stop by to see you about Wednesday of this week, and from thence to Des Moines, Omaha, Enid, Oklahoma, Amarillo and Tucson for a vacation and visits. Will be at AAAE meeting in Louisville May 16th.

Anyone interested in my services for an up-and coming-class four airport can contact me at Louisville.

Best regards,

s/Frank W. Phillips

I am enclosing with this bulleting the Brief which your President Jack Bolton, your Treasurer, Melvin Nuss and your Secretary presented before the Senate Committee on Interstate and Foreign Commerce on behalf of the Association setting forth the position of the American Association of Airport Executives on Senate File 2467-The McCarran Bill or the Civil Aeronautics Act of 1954.

Sincerely,



Walter E. Betsworth
Executive Secretary
AA of AE

WEB:JH
enc.

UNITED STATES DEPARTMENT
OF
COMMERCE
Sinclair Weeks, Secretary
Washington 25, D. C.

Under Secretary for Transportation

SPEECH DELIVERED BY THE HONORABLE ROBERT B. MURRAY, JR.,
UNDER SECRETARY FOR TRANSPORTATION BEFORE THE ANNUAL
DINNER OF AIRPORT OPERATORS COUNCIL, TAMPA TERRACE HOTEL,
TAMPA, FLORIDA, TUESDAY, APRIL 13, 1954.

It has been a real pleasure for me to attend your sessions these past two days, and to have the opportunity to meet again the members of your organization. Representing as you do some of the busiest air terminals in the country, your problems and your plans are of fundamental importance to the continued progress of the aviation industry.

For the progress of this industry is dependent upon the development of its airports just as surely as upon the improvement of planes, engines, navigational aids, and all of the other inter-related resources which make up our air transport system. We could not have advanced from the old mail planes to the present high-speed airliners had we not, at the same time, advanced from dirt fields to modern air terminals.

The continuing growth of air transportation will impose ever greater demands upon our airport system, not only in terms of increasing traffic volume, but also in terms of special operational problems associated with new types of equipment such as jet transports. These greater demands will, I know, be fully met. They will be met because air transportation is no longer a luxury; it is a mode of transportation which is now basic to our economy.

Because of the importance of aviation to the Nation's economy and defense, frequently there has been a tendency to concentrate upon the Federal Government's interest in airports. We should not lose sight, however, of the even greater interest which local communities have in their own particular airports.

In the air age, an airport is an essential and integral part of a progressive community's development. It is the facility which most specifically affects the adequacy or inadequacy of air transport services provided to the residents and business enterprises of any city. Alert communities, conscious of the growing importance of aviation as a basic means of transportation, will see to it that they are not denied their proper place on the air map for lack of an up-to-date, properly equipped air field. Let us not forget that cities must compete with one another, in the development of present, new and expanded industries. Increasingly, airports will be one of the basic factors which, together with such other community resources as highways and school systems, will help to determine whether a given community prospers or declines. It is the local community which has most to gain or lose from the adequacy of its own individual airport.

However, there is also of course a more general national interest in the overall system of airports. As you know, a basic policy question which has received considerable attention in recent months is whether this national interest carries with it a national responsibility for participating financially in airport development.

I have in previous statements referred generally to the conclusions which we have reached on this score in the Department of Commerce. Because of the special interest of your organization in this subject, I should like tonight to elaborate on these earlier statements, and indicate a little more fully the background thinking that has led to these conclusions.

In a field as dynamic as aviation, the Federal Government cannot have a static, unchanging policy toward its own role in airport development. Just a few short years ago, for example, it was thought that one of the primary objectives of Federal airport aid should be a tremendous expansion of small airports, to keep pace with the then-anticipated boom in private flying. We all know that this boom has not materialized; we also know that this has been due to factors other than airports.

Thus, we must always be ready to adapt our Federal airport policies to current needs, and not remain wedded to some earlier concepts that may have seemed valid in their day.

The present Federal Airport Act was passed in 1946, in a period when the character of postwar aviation development was largely a matter of speculation. We have since had seven years of major aviation growth, and are now in a much better position to appraise the character and scope of airport development most needed from a national standpoint.

Furthermore, the Federal Government is now in a far different fiscal position than in 1946. Then we looked ahead to a real postwar easing of the budgetary strain. Now we face the necessity for continued heavy expenditures for national security. In the present budgetary situation, every program needs to be critically reviewed to guarantee the maximum national benefit from every dollar of Federal expenditure.

These changed conditions, coupled with the administrations's general objective of redefining Federal responsibilities in relation to those of state and local governments, led the Department of Commerce to undertake a thorough review of the proper Federal role in airport development. To assist in this review, the Department requested the advice of its Transportation Council, an advisory group representing all major forms of transportation. A special Airport Panel was appointed to give attention to this problem. The membership of this panel consisted of representatives of various segments of the aviation industry.

At this point I should like to express publicly, as I have already expressed privately, the Department's deep appreciation for the excellent spirit of cooperation with which the membership of the Airport Panel, and of the Transportation Council, undertook this task. They have devoted considerable effort to studying this important problem, and their findings have, I assure you, been given the fullest consideration by the Department.

The recommendations of the Airport Panel are, I am sure, well known to the members of this organization. You are aware that the Panel recommended continued Federal aid for airport improvement, with the exclusion of terminal building construction.

The Transportation Council, unable to reach agreement on the Airport Panel's report, appointed a second panel to review this report. A majority of this second panel endorsed the basic recommendations of the original report, with some modifications. In particular, the revised report gave greater emphasis to the importance of basing Federal aid upon demonstrated aeronautical necessity, and recommended the immediate development of sound criteria for determining such aeronautical necessity.

The revised report was supported by a majority of the voting members of the Transportation Council. Other Council members opposed any federal participation in local airport development, except for projects specifically certified by the Department of Defense as necessary for the defense effort.

Taking account of the Council's views, and of our own review of the subject, the Department of Commerce has concluded that Federal assistance in airport development is desirable at the present time.

We feel very strongly, however, that financial participation is justified only where airport locations and types of construction represent the highest degree of national interest and essentiality. We cannot justify spending Federal funds on projects, however desirable, which are primarily of local rather than of national importance. Our aim is to carry out a truly national airport program rather than attempting to meet a variety of local objectives. In so doing, we believe that we shall be fulfilling the needs which are most urgent from the standpoint of an adequate air transport system.

In connection with this general objective of concentrating Federal aid upon projects of clear national importance, I have found of special interest the Airport Panel's reference to the Airport Survey of 1939, prepared by the Civil Aeronautics Authority in direct response to a Congressional directive. At the time that survey was prepared, previous Federal participation in airport development had come about mainly in connection with work relief programs of the depression years. In commenting upon the appropriate role of the Federal Government during more normal periods, that original survey concluded that, except for work relief purposes, Federal aid should be limited "to projects of exceptional national interest."

I find this early recommendation of considerable significance, especially in view of the position of air transportation at the time it was made. If, with air transportation in its infancy, it was appropriate to concentrate Federal assistance upon projects of exceptional national importance, consider how much more appropriate such an approach is at present, with the much greater maturity of air transportation and its much greater ability to meet its own needs through its own efforts.

I think it is also pertinent to note that the changed emphasis which we are proposing is essentially consistent with the views of the Congressional Aviation Policy Board, which studied the entire range of air policy issues in 1948. That Board recommended then that "first consideration must be given to larger, rather than smaller landing fields."

There is one general point I should like to emphasize most strongly. At the time we started our re-evaluation of this program, we frankly were not sure whether there should be any program of Federal airport aid, and one of the alternatives we considered was that of recommending its total repeal. However, having now undertaken this review, and having concluded that a program of continued participation is justified, we are determined in the Department of Commerce to do everything within our power to follow through vigorously on this decision, and to make the program a really effective one. We early concluded that if there was going to be a program, it needed to be set up in such a way that it would have sufficient impact to make real accomplishments in our airport deficiency.

First, it must be of sufficient size to be worthwhile. A small program is worse than no program, and might, in fact, even serve as a deterrent to airport construction. You can't tease airport improvements into existence. The expense of administering a small program is, in itself, prohibitive. But most important, the apportionments to the states are so small they can not be significant.

The wheezing one cylinder program of fiscal 1953, the last year for which funds were appropriated, by the last administration, and which we of course must conclude was at a satisfactory level for those in charge of our government machinery, at that time totalled \$11 million for the entire United States. This amount is considerably less than the cost of constructing one modern terminal type airport. Moreover, no state was able to receive a sum of any significance. Thirty-nine states each received an apportionment of less than \$200,000. Nine states were each apportioned less than \$100,000. Including grants under the discretionary fund, 33 states each received in total less than \$250,000. New York's apportionment--for all communities in that state, mind you--was \$510,000; Illinois, \$337,000; New Jersey \$153,000; Ohio, \$296,000; Connecticut, \$66,000; Kansas, \$172,000; Colorado, \$187,000. I could run through the entire list of the 48 states but this would merely belabor the point which is sufficiently clear with these few examples.

To place these amounts in perspective, I have found it useful to keep in mind that the amounts going into many states would about equal the sum one of its large cities might have to spend for the removal of an unexpected April snow. No one can reasonably maintain that a Federal airport program of that scope could make a significant impact, upon the Nation's airport development, and surely not those who know better.

Second, administratively there needed to be sufficient flexibility to concentrate funds appropriated on areas of most urgent need. The requirement to apportion 75 percent of the available funds among the states on the basis of a rigid statutory formula made that impossible.

Third, funds available must not be diluted by expending them in small amounts over many projects. The program in the past has been characterized by a lack of selectivity in the projects eligible for airport aid. The program included airports of primarily local interest as well as those of significant national interest. By the time the relatively small amounts available to the various states was distributed among the many airports eligible for assistance, the funds actually provided for any single project were generally little more than token contributions. With these weaknesses, the past program did not, in our judgment, represent sound investment of federal funds. We believe that a reactivated program to be effective must overcome these past defects. It must be of a sufficient size to assure that it will have a significant effect in encouraging needed airport improvement. It must have flexibility to permit a distribution of funds among the states, in reasonable relationship to the actual needs as they exist at any given time. Most important, it must be administered on a selective basis, permitting the federal government to concentrate expenditures upon airport projects of the clearest national importance.

The Department has developed a program which would be consistent with these objectives. To carry it out, we have submitted to the Bureau of the Budget an appropriation request for the coming fiscal year sufficient to provide a real opportunity to accomplish worth while results. We have likewise proposed the following specific changes in the administration of airport aid:

First, we believe that the present legislation should be amended by increasing from 25 to 50 percent the size of the discretionary fund that can be spent without fixed geographic apportionment. In any given year specific projects that carry top priority from a national standpoint do not follow any rigid geographical pattern. Thus an increase in the discretionary fund would make possible a much better adjustment of Federal outlays in relation to points of greatest need. Moreover, such added flexibility would permit concentration of sufficient money on important projects to assure their completion within a reasonable period. And something else about this 50 percent taken together with a larger program. There

have been many rumors that our request was for a \$33 million appropriation. Without commenting on the sum, let's see how a \$30 million program with a 50 percent discretionary fund benefits the various states in comparison with the last 1953 \$11 million program with the 75 percent discretionary fund. In the first place, the states would be apportioned immediately \$15 million compared with the \$8,815,000 in the 1953 fiscal year. But how would they make out individually, and mind you this is the non-discretionary fund of which I am now speaking. Kentucky would be apportioned \$244,000 as against \$143,000 in 1953. Ohio's share would be \$503,000 as against \$296,000; Iowa, \$266,000 as against \$157,000, and Nevada's share would be \$275,000 against \$162,000. And remember this still would leave \$15 million to be placed where it will be used to do the most good. We have prepared and forwarded legislation to accomplish this result.

Second, in line with the recommendation of the revised panel report, we believe that sound criteria should be developed immediately for determining the eligibility of individual airport projects. Until 1952, incredible as it may seem, no objective criterial was established for determining airport eligibility for Federal aid. Interim planning standards developed in 1952 by the CAA were a step in the right direction, but need further tightening. As you know, these planning standards established two basic factors for determining eligibility: the annual volume of enplaned airline passenger traffic, and the number of based aircraft. Upon review, we find that these two factors are still the key elements to be considered, but that the specific levels of activity required for Federal aid eligibility must be raised significantly. We have prepared and forwarded legislation to accomplish this.

Third, we believe that terminal building construction should be excluded from Federal participation, as recommended by members of the Transportation Council. Because they are inherently revenue-producing, such buildings have the best prospect for independent financing without Federal aid.

By excluding terminal buildings, the Federal Government will be able to concentrate its program upon those aspects of airport development which involve the safety of air operations and also have the greatest defense potential--for example, runways, lighting, and related facilities. Legislation to assure this result has been prepared and forwarded.

These revisions will little change the Federal Airport Act, but will assure administration in such a way to accomplish substantial and observable benefit to the Nation's airports.

A reactivated program in this field can be more than a mere pipeline for transmitting Federal funds to state and local governments. It can be an effective program, with a clear national interest objective, and a real hope for achieving this objective.

These legislative proposals will be before the Congress very soon. I know that they will have the full support of all who are interested in achieving the best overall development of our airport system, in accordance with requirements of the broad national interest. I also hope that the Congress will soon be started on a stronger, more effective basis.

We in the Department of Commerce have the highest appreciation of what you and others have done in a few short years in the development of our nation's airports. Your progress may not have been as dramatic as that of our designers and engineers, but you have had to be ready for their products and you have been. You have aided materially in bringing aviation to its present state. By what you have done you have shown you have the ability and experience which will assure necessary future development. We in the Federal government must realize this and plan to depend upon your counsels to a much greater extent than heretofore. With adequate funds, sufficient flexibility, higher criteria and a greater reliance on you, the managers of our nation's airports, we cannot miss.

E N D