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September 21, 1976

MEMORANDUM FOR: Jim Cannon

FROM: JUDITH RICHARDS HOPE

Airline noise statistics and data.

1. All carriers received a 2% fare increase, effective September 15, 1976. They have received a total increase over the last year of approximately 9-10%.

That's  
The  
Law

2. Airline fares are set on the basis of historic costs, averaged, not prospective costs. For example, increased fuel costs <sup>after the oil embargo</sup> could not be reflected in the airline rate structure immediately since, in 1973-74, they were new, not historic, costs.

Further, an across-the-board price increase could not take into account varying costs of compliance with noise standards to different carriers: TWA has a fleet of old, noisy

planned; Delta's fleet is newer, and quiet.

If there were no CAB regulation, clearly a straight fare increase to cover environmental costs <sup>and pass them on to the user</sup> would be the answer.

The <sup>current</sup> CAB rate-making structure, however, forecloses this possibility.

[NOTE: This also means that any proposed environmental surcharge should probably be done by legislation, not a CAB rate-making.]



THE WHITE HOUSE  
WASHINGTON  
September 21, 1976

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE *JRH*

SUBJECT: Aviation Noise, *Relative*  
Quotations from Secretary Coleman's  
National Transportation Policy

The following statements in Secretary Coleman's National Transportation Policy of September 17, 1975, support the proposed noise policy.

Domestic Air Policy Priorities (Pages 7 and 8):

- . Take measures to foster more efficient use of fuel, . . .
- . Strengthen the financial viability of the well-managed carriers by . . . route structure to provide reliable long-haul trunk line service . . . to enable healthy competition between efficient carriers, permitting them to earn a reasonable rate of return on capital;
- . Modernize Federal financing policies . . .
- . Define the government's responsibility for promoting financially viable and competitive air carrier, airframe and engine manufacturing industries;
- . Facilitate efforts by the U.S. airframe and engine manufacturing industry to maintain its leading role in international aviation.

"In summary, our suggestions for a Federal subsidy policy are as follows:" (Pages 19 and 20)



- . (1) Federal subsidies are necessary in certain instances to serve important national purposes. These include conservation of energy, protection of the environment, preserving the urban centers, relieving congestion in certain high-density corridors, promoting rational land use in metropolitan areas, preventing ultimate nationalization of a vital service and maintaining access to remote areas;
- . (3) Wherever possible the costs of Federal support should be recovered by user charges;
- . (5) There should be a preference for capital rather than operating subsidies; however,
  - (a) Care must be taken that capital subsidies do not induce excessive investment.

#### Environment (Page 37)

- . It is our continuing policy to seek additional methods and tools to enhance our ability to protect the human environment and to "internalize" environmental "costs." Thus we are currently . . . internalizing the environmental costs of transportation projects.
- . Noise

We will move toward the goal of confining severe aircraft noise exposure levels around U.S. airports to the areas included in the airport boundary. This policy will be advanced through regulations on aircraft engine noise, aircraft operational procedures and airport grant program requirements, including those relating to compatible land use around airports.

#### International Aviation (Pages 45 and 46):

- . A healthy, financially viable U.S. air carrier industry causes the development and continuation of a healthy aircraft manufacturing industry



The demand for new generation aircraft first by U.S. carriers ultimately creates foreign demand for such U.S. aircraft. We must adopt policies that will enable the U.S. aircraft manufacturers to retain their world preeminence since the industry yields the second largest balance of payable benefit to the U.S.



UNITED STATES

ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

THE ADMINISTRATOR

076 SEP 21

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TO: Jim Cannon

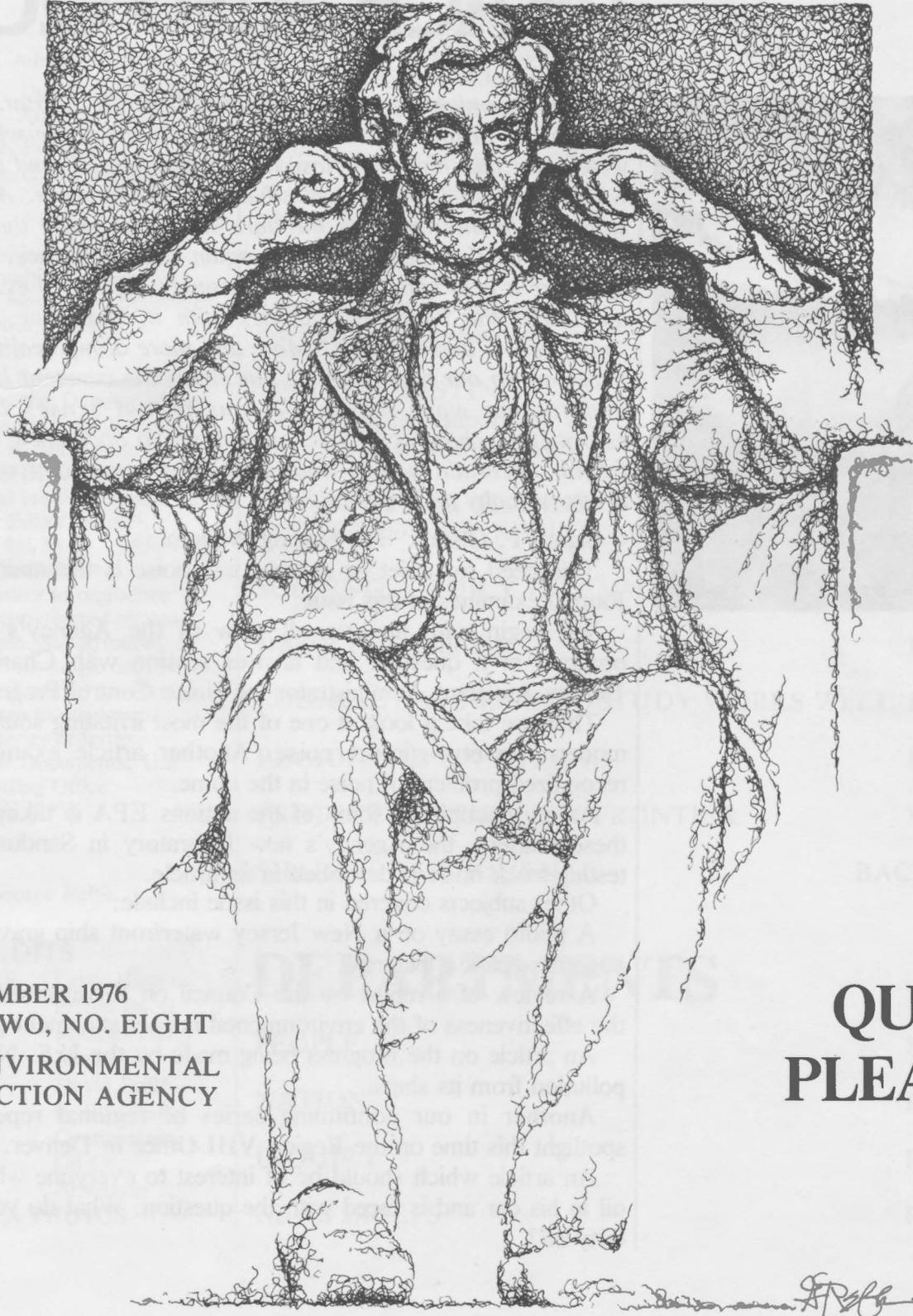
The attached is an  
in-house EPA publication  
but it gives some useful  
perspectives on the noise  
problem - see pp 3 & 4  
on aircraft -

Rum



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# EPA JOURNAL



SEPTEMBER 1976  
VOL. TWO, NO. EIGHT  
U.S. ENVIRONMENTAL  
PROTECTION AGENCY

**QUIET,  
PLEASE!**

*ATCC*

# THE QUEST FOR PEACE AND QUIET



*"One winter night I stood and listened beneath the stars. It was cold, perhaps 20 below, and I was on a lake deep in the wilds. The stars were close that night, so close they almost blazed, and the Milky Way was a brilliant luminous splash across the heavens. An owl hooted somberly in the timber of the dark shores, a sound that accentuated the quiet on the open lake. Here again was the silence, and I thought how rare it is to know it, how increasingly difficult to ever achieve real quiet and the peace that comes with it, how true the statement 'tranquility is beyond price.' More and more do we realize that quiet is important to our happiness. In our cities, the constant beat of strange and foreign wave lengths on our primal senses beats us into neuroticism, changes us from creatures who once knew the silences to fretful, uncertain beings immersed in a cacophony of noise which destroys sanity and equilibrium."*

—Sigurd F. Olson, "The Singing Wilderness."

This need for quiet or at least less noise is the main subject EPA Journal examines in this issue.

We begin with an over-all view of the Agency's noise control program in a question and answer session with Charles L. Elkins, Deputy Assistant Administrator for Noise Control Programs.

Then we take a look at one of the most irritating sound problems in modern society—airport noise. Another article examines the little recognized problem of noise in the home.

As an example of some of the actions EPA is taking to deal with these matters, the Agency's new laboratory in Sandusky, Ohio, for testing truck noise is described in an article.

Other subjects covered in this issue include:

A photo essay on a New Jersey waterfront ship graveyard where a huge new park is planned.

A review of a report by the Council on Environmental Quality on the effectiveness of the environmental impact statement process.

An article on the progress being made by the U.S. Navy in curbing pollution from its ships.

Another in our continuing series of regional reports, with the spotlight this time on the Region VIII Office in Denver.

An article which should be of interest to everyone who changes the oil in his car and is faced with the question: What do you do with the dirty oil?

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# CONTROLLING NOISE POLLUTION

An interview with Charles L. Elkins,  
Deputy Assistant Administrator for Noise Control Programs

**Q:** What is noise and how is it distinguished from sound?

**A:** Noise is usually defined as unwanted sound. In some cases, of course, one person's noise is another person's music, but we find that there is a general public consensus about what constitutes major sources of noise requiring Federal regulation.

**Q:** In the Noise Control Act of 1972, Congress, in effect, instructed EPA to determine the level of environmental noise that would protect public health and welfare. Is this an attainable mission for the Agency?

**A:** In 1974 we published the "Levels Document" which sets out, based on our current knowledge, those levels which would protect public health and welfare with an adequate margin of safety. As new information is developed through research and studies, that document will be updated.

The question of whether this country could ever attain safe noise levels for all activities is uncertain at this time, although I would certainly suggest that it would be a long time from now before that would happen. The cost and the technical feasibility of achieving various levels of abatement are being determined. In setting the standards under the Noise Control Act we have tried to achieve the greatest protection of public health and welfare taking cost and technical feasibility into account.

**Q:** Why wasn't regulation of noise left to State and local authorities? Why did the Federal government have to get into it?

**A:** The Noise Control Act does emphasize that the primary responsibility for noise control rests with State and local authorities. On the other hand, some sources of noise are products which are manufactured in a few cities and sold all over the country, such as automobiles, trucks, and aircraft. For this reason Congress determined that noise abatement at the source would be achieved most efficiently by national uniform standards for the major sources of noise.

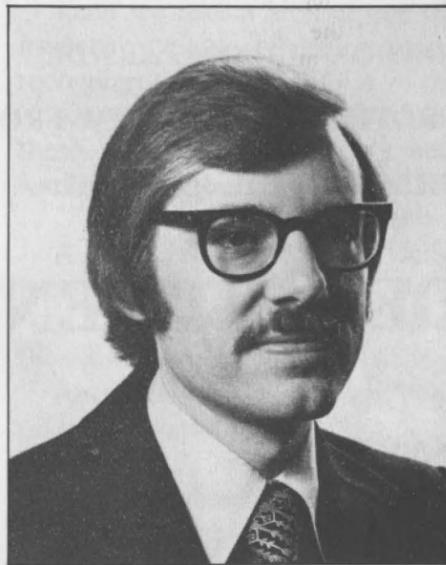
**Q:** What is EPA's role vis-a-vis the

States and municipalities generally in the control of noise?

**A:** The Noise Control Act differs from most of the acts which EPA administers. We do not have a grant program to initiate and support State and local control programs. Our function is, instead, to provide technical assistance, leaving to the State and local governments the funding of these programs.

Our job in the past has been to develop model codes, ordinances and materials which they can use to run their programs. Region VIII is developing a workbook which will take local communities, step by step, through the development of a noise control program.

I would be less than honest, however, not to indicate that to date our program of technical assistance to States and localities has been minimal, because of resource constraints and the necessity under the Noise Control Act to proceed expeditiously with the setting of national source standards. I would hope that we would be able to give this effort much more emphasis in the future and our office has developed proposals along this line which the Agency is now considering.



Charles L. Elkins

**Q:** Why was primary responsibility for regulating airplane noise given to the Federal Aviation Administration?

**A:** This was a matter of very hot debate during the passage of the 1972 Noise Control Act. The legislative history clearly indicates that the Congress was generally very disturbed with the lack of progress in noise abatement in the aviation field, and they felt that the message had to be gotten to the FAA that more and faster action was needed, so they thought very seriously of giving the entire authority to EPA.

However, Congress finally decided instead to keep the regulatory authority within the FAA since it is imperative that final decisions in the aviation area be based on a review of all the factors, including protection of health and welfare, economic feasibility and safety.

Safety is one particular factor in which FAA clearly has the expertise and there is no need for EPA to try to develop a staff with these specialized skills. However, Congress did provide us the authority to propose regulations to the FAA. These are published in the Federal Register as Notices of Proposed Rulemaking, leaving to the FAA the final decision of whether or not to promulgate a final rule. If the FAA does not promulgate our proposed rule, they must publish explanations of why they did not accept the EPA recommendations.

**Q:** Wasn't EPA's concern about noise from the Concorde exaggerated?

**A:** No. I believe our position was just not fully understood.

We agreed that one Concorde flight a day or two flights a day would be hardly noticed at Dulles Airport and even at JFK.

What we argued was that the initial flights constituted a "foot in the door" for the 25 flights a day into JFK and five flights a day into Dulles which the British and French have projected.

This number of flights would provide a serious noise impact at JFK because the Concorde is clearly noisier than the present generation of aircraft which we and the FAA believe are too noisy and



George Rebb

should be phased out or retrofitted with noise control devices. This number of flights would also be a problem at Dulles in the future if the population around the airport continues to grow as it has in the past.

The "foot in the door" argument is especially relevant in this case because of our international treaty obligations which prohibit us from discriminating among airlines. If we give approval to the French and British airlines, there will be really no basis on which the Secretary of Transportation can deny equal treatment to Iran Airlines, which has already indicated they will purchase Concordes or to, for that matter, PanAm or TWA.

Mr. Coleman's response to that argument is that he will issue an Environmental Impact Statement at the time that any further applications are made. We of course believe that an EIS

should be written in such a case, but we feel the time to deal with the problem is at the start and not after "the horse is already out of the barn."

**Q:** Is it economically practical and feasible at this time to appreciably reduce aircraft and airport noise?

**A:** It definitely is. In fact, the history of aviation noise is quite remarkable. It is our observation that very little has been done to abate aviation noise, despite all the furor about it over the last 20 years.

As we see it, there are so many parties responsible for part of the problem that they have never been forced to act together to abate the noise. The airlines, the aircraft manufacturers, the airport proprietors, land use planners—each of these groups points a finger at the others, and says, "I cannot solve the whole problem. When you get the others to do something, come back and talk to me."

Secondly, the problem has been construed as being so technically difficult that citizens have had a hard time cutting through the technical jargon to see that, in fact, things are possible. Many of the required actions do not cost a great deal of money and we have now developed a noise abatement planning methodology which will help airport proprietors and communities assess the relative effectiveness of a number of available abatement actions which we have identified.

**Q:** It has been recommended that the airlines spend \$1 billion to help muffle jet engine noise. What is your reaction to this proposal?

**A:** The FAA's proposal is that \$1 billion be spent to retrofit their aircraft. FAA studies have shown that this amount of money would be very well spent.

Continued on page 4

# "Very little has been done to abate aviation noise, despite all the furor about it..."

Continued from page 3

For instance the 707's and the DC-8's now flying are ten to 12 decibels noisier than the 1969 standard for new aircraft, which itself is way out of date. These aircraft are contributing a great deal to the noise around our airports, and our airport proprietors today are being sued for hundreds of millions of dollars because of noise, and these suits represent only the tip of the iceberg. The \$1 billion, in our opinion, would be well spent because it will solve a substantial portion of this problem.

**Q:** Is a major reduction in aviation noise dependent upon the development of the new, superquiet jets?

**A:** Definitely not. We believe the FAA can promulgate standards today to require the production of quieter aircraft with technology which is already known.

Secondly, there are steps which the airport proprietors can take to reduce noise very effectively. Let me give you an example:

The Oakland Airport is one of the pilot projects for our airport planning program. We went out to speak to them about their doing a plan and looking at various noise abatement options.

We suggested to them the very simple idea of moving their noisy aircraft from the north runway to their south runway, so that the noisiest aircraft would be taking off across the bay instead of over a residential neighborhood.

As simple as that may sound, the airport proprietor had not considered doing that in the past, partly, I believe, because the FAA had told him that he did not have authority to do anything about noise. Without even waiting for the development of an airport plan, the Oakland Airport authority held a press conference, and announced they were moving all their noisy traffic to the south runway and thereby substantially abated the noise over the residential area. We feel that this experience would be duplicated all over the country if airports were to develop the systematic abatement plans recommended by EPA.

**Q:** Can you comment on the magnitude of the hazard that noise poses to the general public? Is it true that

approximately 15 million people in the United States are exposed to noise levels in the workplace which could result in hearing loss for example?

**A:** Yes, hearing loss resulting from exposure to noise is a very widespread problem; it is an important basis for claims under Workmen's Compensation in this country, and we find that people are not as aware of this problem as you might expect. Hearing loss has one similarity to another health problem with which EPA is grappling—cancer. Both have long latency periods, which means that the adverse health effect often becomes apparent only after a long period of time. Often, by the time someone realizes that he is losing his hearing it may well be too late to do anything about it.

**Q:** It has been said that by defining noise levels on the intensity of sound only, EPA has ignored other scientific findings about hearing loss—that the intermittency of sound and the purity of tone influence human response as well.

**A:** These factors were considered in the levels established in the "Levels Document" and a very thorough analysis of the scientific data was done in writing that document.

Of course, we have a great deal yet to learn about intermittency, and the influence of tones, and as this information is developed we will be revising our "Levels Document" to incorporate such new data.

**Q:** Will the passion of teenagers and other young people for hi-fi and amplified rock music, motorcycles, snowmobiles, and other gadgets with high noise potential contribute to an early onset of hearing loss?

**A:** Yes, definitely.

Almost no meeting I speak to goes by without someone in the audience asking me to do something about discotheque music and stereo headphones. This is a very unusual kind of problem for EPA to have to deal with, and we have not determined whether and how it would be appropriate for the Federal government to intervene. However, one possibility would be providing more information to people through an educational program.

**Q:** What appreciable progress has been made in controlling noise levels from heavy equipment?

**A:** Specifically, we have established standards for in-use interstate motor carriers and railroads. We have also established standards for new heavy and medium trucks and portable air compressors, with standards on six additional new products, including buses and motorcycles, coming out in proposed form early next year.

The difficulty we face of course is that these standards on new products will not begin to pay off in terms of making the country quieter until the new quieter products begin to replace the older noisier products in larger numbers.

For this reason, State and local programs which control the use and operation of older and noisier products are essential.

**Q:** How effective has new jet engine technology been in reducing noise?

**A:** The wide-bodied jets such as the 747 are significantly quieter for their weight class than the older 707's and DC-8's. Unfortunately the economic downturn in the airline business has slowed the introduction of these quieter planes into the commercial fleet.

Remarkably, these noise reductions are accompanied by improvements in fuel efficiency for these aircraft. This is understandable since noise is, in many cases, an indication of inefficiency.

The new truck regulation which we promulgated in March of this year will save the country half a billion dollars a year because of the fuel efficiencies brought about by the use of quieter components.

**Q:** In lowering industrial noise, which way should we go? Emphasize engineering controls or individual hearing protection, requiring workers to use earplugs?

**A:** Well, generally, we have taken the position that one should utilize engineering changes and not depend on individual hearing protectors.

Many people do not like to wear hearing protectors because they may become uncomfortable when worn for long periods of time. In addition, it is sometimes difficult to get them to fit correctly. Depending on the job, hearing protectors may interfere with some peoples' work, because they may not be able to hear instructions as well.

The engineering changes, of course,

# "New truck regulations...will save the country half a billion dollars a year..."

provide for abatement independently of any actions by the workers. However, these changes are more expensive than hearing protectors, and there is obviously a desire on the part of industry to substitute individual hearing protectors for engineering controls.

Despite the drawbacks of hearing protectors, they can be used as an interim measure until engineering changes are made. There is no need to keep exposing workers to hazardous levels simply because it may take several years to get the engineering changes made.

In the long term, however, we believe that engineering changes are the most appropriate way to proceed.

**Q:** With present and foreseeable technology, how much quieter can industrial equipment be made in the next ten years?

**A:** We do not have a good fix on that. We do know that it is technically feasible for most industries to bring the levels of noise down to at least the 85-decibel level which we have recommended to the Department of Labor. Hearing damage will still occur to a percentage of the population even at those levels, and so we must continue to look at the feasibility of reducing these levels even further in the future.

**Q:** The 1972 Noise Act gives EPA the authority to require manufacturers to label products as to their noise generating characteristics. Does your office plan to require such labeling?

**A:** Yes, we do. We see this potentially as a very effective tool to enable consumers themselves to make the decision about how noisy the products they buy should be. There are many products where the noise created affects primarily the purchaser of the product, and those products seem particularly suitable for labeling.

**Q:** How about heavy trucks? Is it possible to make a significant reduction in the amount of noise from these vehicles?

**A:** Yes. The standards which we set in March will bring about dramatic improvement in these trucks.

The trucks being manufactured today are producing about 86 decibels and our standard calls for a reduction to 83 decibels in 1978, and to 80 decibels in 1982.

We believe that it will be possible to bring these trucks down to about 75 decibels sometime around 1985, although we have not established that lower level as yet. Should these changes in levels seem small to you, keep in mind that decibels are calculated on a logarithmic basis and three decibels represents a doubling of the actual noise energy.

**Q:** Have these new standards been fairly well received by industry?

**A:** We have been sued by 5 members of the truck industry concerning these standards. Only one of the companies, however, is challenging the actual levels. The rest are concerned about the testing and enforcement provisions of the regulation or about certain technical details.

**Q:** How does EPA plan to enforce these truck standards and regulations?

**A:** The manufacturer of these products must test a representative number of his products, and EPA has the authority to require further testing if we have reason to believe that his products are not meeting the standards. The Noise Enforcement Division has recently established a testing facility at Sandusky, Ohio, which will be a site at which we can bring these products for testing if we want to verify that the testing going on at the manufacturer's facility is accurate.

**Q:** Will EPA eventually regulate noise from motorcycles and recreational vehicles?

**A:** We have under way now a standard-setting process on motorcycles and we hope to have a proposal in the Federal Register sometime in the early spring of 1977.

We are considering setting standards on snowmobiles and motorboats. The snowmobile case is interesting, however, because a number of States have already established levels for snowmobiles, and the industry has reduced the noise levels of their product substantially. Whether these levels are low enough or not is a subject we are now investigating.

**Q:** There has been some controversy about the limit for maximum noise exposure necessary to protect health and welfare in the workplace. Can you comment on this?

**A:** We have the statutory mandate

under the Noise Control Act to review regulations of other Federal agencies and to provide them our comments and recommendations where we feel that they are not sufficiently protective of public health and welfare.

This is what we did in the case of the Occupational Safety and Health Administration standard and as a result EPA testified extensively at the OSHA public hearings. These hearings produced a great deal of new data for OSHA about the inadequacy of the 90-decibel standard. Essentially, the 85-decibel standard which we proposed would be about twice as protective of public health as the 90-decibel one. In this case, the 85-decibel standard costs more money, and economic studies are being done now to see how much more industry would have to pay.

**Q:** I understand that all Federally-aided highway projects must provide for noise abatement measures. What are they, and what role is EPA playing in this area?

**A:** Major highway projects do have to have environmental impact statements written and the Department of Transportation has noise criteria by which they judge whether the noise produced by a highway is acceptable or not. The major noise abatement technique used by the Department is the building of barriers along the sides of highways in order to try to keep the noise away from surrounding developments.

Of course, noise abatement is often most effectively accomplished by planning for the location of highways in areas where the noise impact will be minimal, and we hope to work closely with the Department of Transportation to improve this aspect of the noise abatement program.

**Q:** Who are the beneficiaries of noise regulation?

**A:** The beneficiaries come from all walks of life. They include the 15 million people exposed to levels which endanger their hearing in their job; the 13 million people exposed to similar levels outside of their occupation, such as snowmobile and motorcycle operations; the 97 million people potentially affected by traffic noise; over 30 million people living in areas impacted by construction, rail, and industrial noise. ■

# THE ROAR FROM ABOVE

"For some 25 years now, communities around the major airports of this country have experienced an ever increasing exposure to noise. Day in and day out, millions of people in this country are deluged by the din of airplanes landing and taking off over their homes. Many of these people are subjected to noise levels so high that according to the best scientific evidence now available they run a very real risk of actually having their hearing affected. Opening a window to enjoy a warm, spring breeze, using the patio in comfort for a barbecue, relaxing in front of a TV set without being disturbed, or carrying on an uninterrupted conversation with a friend in the comfort of our homes: these ordinary, everyday activities which the rest of us take for granted, they cannot enjoy. We can, with some assurance, estimate the physical effects on those people of prolonged exposure to airport noise levels. There is no way we can measure the profound mental and emotional distress they must endure.

"The problem is compounded by the sense of utter hopelessness and helplessness that overwhelms them. They have often given up hope that they can do anything themselves to avoid this misery except to move. They doubt that any governmental agency or private group will do anything about it. When they have tried to get things done, they have experienced only a most dizzying and disheartening round of 'buck-passing.' No one seems to have the authority, or the power, or the will to give them any real help. No one seems to be in charge. At least no one will admit to it."

—Administrator Russell E. Train in remarks to the Inter-Noise '76 Conference, Shoreham Hotel, Washington, D.C., April 5, 1976.



The Concorde supersonic transport lands at Dulles Airport.

Damage suits totalling hundreds of millions of dollars have been filed in courts around the country against airports because of the noise disturbances caused by airplanes.

In addition to threatening airport proprietors with huge financial burdens, the suits, along with other concerns, have nearly halted the construction of new airports and the expansion and modernization of existing airports.

Commercial air travel has been available to the public since the 1920's, and complaints about airplane noise have been around for just about as long. It was not until the postwar boom in civil aviation, though, that the problem of aircraft noise reached major proportions.

In 1959 commercial jet travel was introduced, and air transportation was never to be the same. The American public flocked to the skies in record numbers. As airports and airlines grew, the noise became louder and louder.

The growth of air travel demanded more airports and runways, meaning more of the take-offs and landings which cause noise problems. Boeing 707's have been measured at 120 decibels on take-off, roughly the equivalent of the sound heard when one stands in front of a stereo turned up to near top volume. Currently there are more than 2000 commercial jet aircraft operating in the United States, serving nearly 500 major terminals. And every day this overpowering noise assaults the ears of millions of Americans.

Why aren't airports and their noisy planes moved away from people? Well, that has been tried many times. For instance, the Seattle/Tacoma Airport was built several years ago in a remote, undeveloped site. But today, new housing development in the vicinity of the airport has attracted many who apparently did not understand initially the magnitude of the noise at this location.

Problems similar to Seattle's have occurred at major airports around the Nation because for many people, and especially for land speculators and developers, modern airports are exciting and attractive places.

## Land Values

Land values usually increase rapidly near an airport, and the transportation links with the urban area the airport serves make it an inviting location for housing, and other kinds of development.

There are also many cases where

Flight paths at many airports are close to residential areas.



older airports have long since been surrounded by urban growth. Airports like Chicago's Midway, Washington's National, and La Guardia in New York were designed to handle the noise and air traffic of an earlier day.

Each airport's noise problem is unique. And every airport's noise impact will depend on a multiplicity of factors other than just land-use: the airport's size and location, flight operations (international and cargo flights may cause nighttime noise problems,) operating hours, types of aircraft, airport ownership and government involvement.

The solution may be as complex as the problem itself. The parties who have a stake in any aviation noise issue are as varied as the characters in a play. They include the Federal and State governments, airport proprietors, homeowners near the airport, airline

pilots, aircraft manufacturers, local planning and zoning bodies, city councils of communities which both benefit from the airport and suffer because of it, air carriers, owners of private aircraft, and land developers. Because of this diversity and the ensuing legal and jurisdictional conflicts, there is no single private or governmental entity with sufficient legal clout or technical expertise to remedy the matter alone. Historically, each faction has blamed the other, or has claimed an inability to act alone.

Since air transportation comes under the heading of interstate commerce, most regulatory action affecting the industry arises at the Federal level. Congress has vested this authority in the Department of Transportation, specifically in the Federal Aviation Administration (FAA). Recognizing the growing problem of aviation noise, the FAA set national noise standards in 1969 for new type aircraft designs. A new generation of quieter, more efficient commercial jet aircraft has evolved from these standards. Not only are the L-1011, DC-10, and Boeing 747 quieter than the jets of the sixties, but they carry greater payloads as well.

## Noise Act

To further protect the environment from the adverse effects of noise pollution, Congress passed the Noise Control Act of 1972 which requires EPA to study the aviation noise problem and propose appropriate regulations to the FAA. Using this authority, EPA has proposed a number of regulations and will soon propose an airport noise abatement and planning process. The most promising aspects of this process are participation of the affected parties in the development of any noise abatement plan, and, for the first time, a methodology for comparing the benefits of alternative abatement actions that can be comprehended and effectively used by planners and the general public.

Surprisingly, there are many reasonable cost measures which can be taken by airport proprietors, and some local governments to effectively reduce the impact of aviation noise. Some airports such as Washington's National Airport have imposed curfews which ban flights during certain night hours. The airport in Minneapolis/St. Paul has substantially reduced its noise complaints through such steps as the use of different take off and landing procedures. ■

# HOME NOISES

Due to an often unrecognized form of pollution, more and more Americans are being deprived of a time-honored amenity—the peace and quiet of their homes.

This pollutant is the drone of kitchen appliances, the racket of an over-amplified stereo, the sound of street noise through poorly-constructed walls and windows and the roar of overhead aircraft.

Noise in the home is reaching levels that can cause more than irritation and emotional disquiet. In extreme cases, it can begin to rob us of our precious ability to hear the sounds of the world.

Home-grown noise can be grouped under two general headings—that which is emitted from appliances and that which comes from flimsy building materials and home-siting problems. With regard to the first category, a 1972 EPA report to Congress specifically examined noise levels produced by a number of household appliances. According to the study, those appliances which fall into the below-60-decibel range, a relatively low level of noise, include refrigerators, floor fans and clothes dryers. Still, these modern conveniences produce enough noise to interfere with both communication and sleep.

Noise-producers registering in the 65-75 decibel range include sewing machines, dishwashers, and food mixers. Since exposure time to these sources tends to be brief and infrequent, the risk of hearing damage is negligible. But the level of the noise produced can cause annoyance.



*This youth is not deaf; he's left the power mower running.*

Decibel levels between 75 and 85 were recorded for such appliances as vacuum cleaners, electric razors and food grinders. The risk of hearing damage associated with the use of these noise sources is small but increases with continuous or cumulative use.

The last class of noisy household items involved is those with a level of above 85 decibels. Some scientific opinion has it that continuous exposure for eight hours per day over an extended period of time to noise levels of about 85 decibels can cause permanent hearing loss, although the degree of such damage will vary among individuals. The appliances which fall into this group are woodwork and shop tools, gasoline-powered lawn mowers and hedgers, snowmobiles, chainsaws, and blaring stereo equipment.

Under the Noise Control Act of 1972, EPA has the authority to require

labels on products that may generate noise capable of adversely affecting public health or welfare. By 1977 EPA will be implementing this program to ensure that consumers are provided with such information. The new policy should also encourage product manufacturers to produce quieter gadgets and appliances.

There is much that homeowners themselves can presently do to help. For instance, by placing foam pads under blenders and mixers, the noise level of the machines can be appreciably reduced. Power mowers should be checked to see if they are equipped with good mufflers and sharp blades. They should also be run at low speeds. Vibration mounts and proper insulation should be used when installing dishwashers. Noise can also be reduced by keeping washing machines in an enclosed place.

Such efforts to quiet appliances are essential, but they are not the total answer. Household noise created by the construction and siting of the home itself is becoming an increasing national problem. New types of thinner building materials tend to transmit noise vibration and in some cases may even amplify them. Houses built in airport flight paths or along superhighways are also subjected to high levels of unwanted sound, which, in addition to creating a health hazard, may vibrate walls and pipes until they crack.

EPA is currently preparing a model building code for various types of structures. The code, which can be adopted by communities, spells out extensive acoustical requirements. Cities and towns will be able to regulate construction in a comprehensive manner to produce quieter local environments in the future.

Moreover, the U.S. Department of Housing and Urban Development has developed "Noise Assessment Guidelines" to help evaluate the availability of their funds for aiding community planning. Likewise, the Veterans Administration requires information regarding the exposure of V.A.-financed houses to noise from nearby airports. The V.A. also has directed its offices to take noise considerations into account regarding development of property acceptable for G.I. loans.

Through zoning, land use planning, and building regulations, many control agencies are working to abate noise pollution created by poor construction and siting problems. The homeowners' opportunity for battling noise can be more than just insistence on quieter appliances. Noise-absorbing materials should be used wherever possible. Thick carpeting, heavy drapes, padded furniture, and acoustical ceiling tile are all means to this end. When choosing a new house or apartment, one should look for sturdy walls, non-hollow doors, wall-to-wall carpeting, and insulated heating and air conditioning ducts. Time should be invested in learning the noise sources in any neighborhood where one might be planning to reside.

A current EPA public service announcement for television includes a view of the Washington Monument, over which a solemn voice intones, "Two centuries of freedom of speech." Interrupted by the roar of jet aircraft, the narrator is forced to conclude in a near scream, "So don't we have a legal right to hear one another?" ■

# TESTING, TESTING



*Noise meter measures truck sound*

A new EPA facility for testing the noise made by vehicles and machinery will open this month at Sandusky, Ohio.

Called the Noise Enforcement Facility, it consists of a building and test pads completed last month and two van-mounted mobile testing units. William Heglund is director of the 11-person staff of engineers, technicians, and supporting personnel. The facility's capital cost is about \$750,000. It reports to Dr. Norman D. Shutler, Deputy Assistant Administrator for Mobile Source and Noise Enforcement.

The Sandusky center serves as an EPA checkpoint for assuring that newly manufactured medium- and heavy-duty trucks and portable air compressors conform to the noise limits promulgated last March.

Later it will also serve to back up the enforcement of noise regulations for other types of noisy vehicles and machines—motorcycles, buses, bulldozers, loaders, compactors, and truck-mounted refrigeration units—as rules are adopted for them.

Under the Noise Abatement Act,

EPA will require manufacturers to test their products' noise outputs and see that they conform to regulations, Dr. Shutler said. The Sandusky facility is designed to assure by periodic checkups that the manufacturers' tests are effective. This will be done in a variety of ways: by requiring manufacturers to ship sample products to Sandusky for testing, by conducting EPA tests at the manufacturer's plant using the mobile testing units, and by simply monitoring a manufacturer's testing through EPA personnel at the manufacturer's test facility.

If a manufacturer cannot afford his own noise testing and no private acoustical test laboratory is available to him, he may, for a fee, use the Sandusky facility for his production testing. The facility will also be available for the training of Regional, State, and local noise enforcement personnel. The site in northwestern Ohio was chosen because of its proximity to truck and machinery makers, its "reasonable weather conditions" for outdoor testing, and its low ambient noise levels. ■

## Noise Around the Home

Noise Source	Sound Level for Operator of Equipment (in decibels)
Refrigerator	40
Floor Fan	51
Clothes Dryer	55
Washing Machine	60
Dishwasher	64
Vacuum Cleaner	67
Electric Shaver	75
Food Disposal	76
Electric Lawn Edger	81
Home Shop Tools	85
Gasoline Power Mower	87 to 92
Gasoline Riding Mower	90 to 95
Chain Saw	110
Snowmobile	112
Stereo	Up to 136

## LIBERTY PARK PLANNED FOR JERSEY SHORELINE



Statue of Liberty seen through weather-worn piers of the New Jersey waterfront.

Work has started on a massive project to remove the derelict vessels and rotting piers along the Jersey City, N.J., waterfront across New York Bay from the Statue of Liberty so the area can be developed as Liberty Park. Plans for this program to turn a marine graveyard into a superb park attracting millions of people annually have been developed by the State of New Jersey. The State, with the assistance of the Federal Government, hopes to provide exhibition halls, museums, theaters, and restaurants as well as several different types of park facilities. An Environmental Park, where visitors can study tidal marshes, is included in the plans. Also proposed are pedestrian passageways to both Liberty and Ellis Islands.



Old tug boats and scows moldering in Black Tom Channel.



In the foreground are several hundred acres of a Jersey City, N.J., wasteland which has been used as a dumping ground for derelict boats. The Statue of Liberty is at the right and the towers of Manhattan loom at left.

## SOLVING AN OILY DILEMMA

With more and more car owners changing their own engine oil for economy reasons, a valuable and non-renewable energy resource is being wasted through the indiscriminate disposal of the used crankcase oil.

Although there is no accurate data on how much used crankcase oil is poured down the drain, the toilet, the storm sewer or out into the backyard, an EPA official estimated that approximately 100 million gallons of waste oil are disposed of annually by car owners. Larry McEwen, an analyst in the Resource Recovery Division of EPA's Office of Solid Waste Management Programs, said this oil contains a number of contaminants among which lead is the most prevalent and potentially harmful. Automobile oil drainings contain approximately one percent lead particulates which originate from the lead additives in gasoline.

The problem of how to control the disposal of waste lubricating oil is not a new one. In the past, service stations gave large quantities of the used oil they drained from cars to collectors who either sold it to various industries for re-use or dumped it anywhere they could. Today, however, with the rise of the do-it-yourself oil changer the source of the control problem has shifted.

Now in addition to the service station owner trying to decide how to get rid of large quantities of used oil, the car owner, standing in his driveway holding a gallon tub of dirty crankcase oil, must also decide what to do with it.

Where should you dump your used oil? According to Mr. McEwen, "ideally, our solution is to recommend to the car owner that he take his waste crankcase oil to an approved collection site or designated service station. From there the waste oil could be picked up in large quantities and either re-refined, used as a dust suppressant or in asphalt production, or burned by utilities or institutions which use oil as fuel and are equipped with controls capable of keeping lead particulates out of the atmosphere.

### Collection

"We are currently attempting to get together with the service station associations and the Federal Energy Administration to designate suitable collection



points for used oil. Right now, our best recommendation is for citizens to encourage their local governments to make such collection sites available.

"For example, the Continental Oil Company has been experimenting in the Midwest with a system to collect used oil in these service station holding tanks for recycling. We enthusiastically support this type of action."

The Federal Energy Administration has followed up this initiative and is developing a national waste oil recovery program. FEA's current efforts include a model law for State legislatures outlining an approach to used oil recycling as well as a Citizens' Group Community Kit with instructions to the local community on how to organize and conduct a local oil recycling program.

Barring any success at these efforts in the local community, Mr. McEwen says that the least hazardous disposal around the home is probably to pour the used oil into a container and place it in a garbage can. "Although this option is wasteful of the resource, the possibility of groundwater contamination is hopefully small in a municipal landfill. The storm sewer is the worst option because from there the oil might run directly into waterways where it can be toxic to water organisms. To pour it down your drain or toilet can cause problems with waste treatment," he said.

The question of how to dispose of

used crankcase oil is a complex one and there are currently several approaches by which EPA is attacking it. First of all, since lead is the major toxic material involved, if it could be removed from gasoline, and therefore from the lubricating oil which collects it, a large part of the health problem would be eliminated. EPA regulations to reduce the lead content of gasoline have been enacted and are now in the process of re-promulgation after being upheld in the courts following a challenge by the gasoline additive manufacturers. In addition, by requiring the availability of lead-free gasoline for cars equipped with catalytic converters, EPA has further reduced the amount of lead in waste oil.

### Market

However, regardless of these actions the problem of disposing of used oil will still remain. In this area the major thrust of EPA's efforts has been toward stimulating the reestablishment of an active market for used oil in the refining industry.

It is hoped an increased demand for waste oil by re-refiners will stimulate natural market forces enough to enable citizens to return used oil to designated collection points. These forces should help reduce the dumping of oil in the larger metropolitan areas where a market exists. However, the economical recycling of used oil in the more remote areas remains a problem. ■

## NAVY CLEANS UP

The largest single organization to be affected by ship sewage regulations recently promulgated by EPA is the United States Navy.

The Navy has had a program underway for several years to convert its ships so that wastes can be properly controlled. The new rules ban the discharge of untreated or inadequately treated sewage in coastal and inland waters or require on-board treatment and disinfection before discharge. Approximately 400 ships of the Fleet and about 200 smaller ships and service craft have been or are being converted.

To help stimulate the Navy's conversion program, Secretary of the Navy J. William Middenorf II offers annual Environmental Protection Awards. At a recent presentation, Mr. Middenorf said: "I wanted to personally present the awards to this year's winners in my office to demonstrate my interest and continued support of this important program to enhance and protect our environment."

Total cost of the waste control conversions through fiscal 1975 has been about \$106 million. The cost of completing the conversions is expected to be \$205 million. The Navy is confident it will meet the 1981 deadline.

Shipboard toilets constitute only part of the Navy's environmental program. Pier sewer lines must be installed at the Navy's shore bases to handle the sewage pumped from ships' holding tanks. A total of \$77 million has already been provided for the necessary pier sewers. An additional \$28 million is recommended to complete the pier equipment.

Extensive ship modifications and shore facilities are also needed to properly handle waste oil and oily bilgewater that used to be routinely pumped overboard. The Navy has been working on these shipboard pollution abatement measures since October, 1970, when the Chief of Naval Operations established an Environmental Protection Division to direct and coordinate the work.

The Navy's total environmental program now covers water pollution, air pollution, noise abatement, and solid waste management. The total cost through 1981 is estimated at \$1.7 billion.

From the traditional ship designer's



This destroyer, the USS Spruance, is one of 30 ships that are being fitted with collection and incineration systems for sewage.

point of view, prior to national pollution standards, there was no requirement for sewage holding tanks or treatment devices. But design requirements have changed, and space is now being found in existing ships and designed into new construction.

All large ships of the Fleet will have holding tanks installed and pump their sewage to shore-based treatment systems when they come to port. As of mid-1976, 122 ships and 53 submarines should be equipped with holding and pump-out systems, with 205 ships and 64 submarines remaining to be so equipped. The work is being done in conjunction with regularly scheduled ship overhaul periods which occur about every four years.

The Naval Station in Mayport, Florida, has complete pier sewer line installations. Comparable installations at San Diego, Calif., and Norfolk, Va., are to be completed soon. All Navy-owned ports will be equipped with pier sewer and waste handling facilities by 1980 or 1981. In most cases sewage treatment will be done by a nearby municipal plant.

Many small ships, gunboats, minesweepers, and small service craft are to be fitted with marine sanitation devices.

These will be systems which either incinerate the sewage to a sterile ash or evaporate it to a sterile residue. Very small craft may have airplane-type toilets installed.

Navy ships on the high seas, beyond territorial waters, will continue to pump sewage overboard as they have in the past. There are advantages to this, marine scientists have pointed out: "The sea requires basic plant nutrients, and residues from man, shrimp, fish, or whales constitute such fertilizer; or even a direct source of food."

Although the Navy is moving steadily to equip its ships and ports with better sewage handling systems, much remains to be done by others, especially in providing shore pump-out facilities in commercial and foreign ports where Navy ships may call.

The Intergovernmental Maritime Consultative Organization, of which the United States is a member, has proposed regulations that are very similar to the measures now being taken by the U.S. Navy, although the United States and most other members have not yet ratified them.

In summary, a major effort is being made to control discharge of human wastes from naval vessels. ■



### time saving

The Connecticut Department of Environmental Protection and Region I have entered into a coordination agreement for the processing of applications for Federal funding of municipal wastewater treatment facilities. The agreement is expected to reduce processing time and to accelerate the flow of funds for Connecticut's sewage treatment construction program.

### treatment award

Region I has selected a water pollution control facility in Sturbridge, Mass., as the recipient of its "Wastewater Treatment Plant Award." Operators at this secondary treatment plant have achieved outstanding success in the removal of pollutants. The award is designed to recognize the important role properly operated and maintained treatment plants are playing in the effort to eliminate water pollution in New England.



### dumping deadline

Sewage sludge dumping in the Atlantic Ocean off New York and New Jersey must end by December, 1981, under the terms of dumping permits recently issued by Region II Administrator Gerald M. Hansler.

Other disposal methods can be put into practice by that date, Mr. Hansler said, and the new interim permits require the applicants to develop specific schedules for changing over to meet the deadline. Among the methods that can be used, he

said, are pyrolysis (heat treatment) and composting (mixing the sludge with organic materials and allowing it to decompose into a harmless soil improver.) The permits cover New York City, Yonkers, four municipalities in Nassau County, Long Island, and six major sewage authorities and 35 smaller municipalities in New Jersey.

Dumping permits covering 93 New Jersey communities were denied, because, Mr. Hansler said, alternate disposal facilities are now available or the applicant failed to provide information to justify ocean dumping.

### nuclear study

EPA has announced funding of the second phase of a four-year \$425,000 in-depth study of the low level nuclear waste disposal site at West Valley, New York. Leakages have been detected at the site, which is now closed. The goal of the over-all study is twofold. In addition to assisting New York State in determining the health implications of the West Valley burial site both as it now exists and for the future, EPA hopes to use information gathered by this study to develop environmentally acceptable criteria and standards for future burial sites.



### dumping slashed

Region III has issued a new one-year Interim Ocean Dumping Permit to the City of Philadelphia requiring a substantial reduction in the amount of sewage sludge to be dumped during the next year. The permit reduces the amount of sludge the city can dispose of in the ocean from 141 million pounds to 116 million pounds per year. Further reductions are required in succeeding years until 1981 when all dumping is to end. The city is also being required to meet a rigorous time schedule for developing alternate means of sludge disposal.

### pesticide fines

Fines totaling over \$16,000 were recently collected from five pesticide manufacturing firms for violating the Federal Insecticide, Fungicide and Rodenticide Act. The companies are: N. Jonas Co., Inc., Philadelphia;

Alcatraz Co., Inc., Richmond, Va.; Emge Aviation Marine Products, Inc., Langhorne, Penn.; Lincoln Industrial Chemical Co., Reading, Penn., and the Laco Corp., Baltimore, Md.



### air plans

Six of the eight States in Region IV have been asked by the Regional Office to revise portions of their air pollution control plans to assure the attainment and maintenance of national air quality standards. The States were asked to develop specific additional control measures. Metropolitan areas which will be affected by these changes are: Birmingham, Ala.; Atlanta, Ga.; Louisville, Ky.; Charlotte, N.C.; Charleston, S.C.; and Nashville, Tenn.

### lead content

The lead content of gasoline supplies in the capitals of Region IV's eight States is now being tested. Regional Administrator Jack Ravan said that technicians will collect and analyze nearly 1,000 samples of low-lead gasoline to insure that lead content does not exceed Federally established limits. On Oct. 1, the Regional Office will resume enforcement of its previously promulgated regulations for reducing lead in gasoline as a public health protection measure. This regulation, issued in 1973 but tied up in court challenges until recently, limits the average amount of lead in gasoline to a maximum 1.4 grams per gallon in 1976. The level will be gradually dropped in succeeding years until a low of .5 grams is reached by January 1, 1979.



### steel plea denied

A motion by U.S. Steel asking for postponement of the effective date of an EPA permit requiring the company to reduce chemical discharges from its Gary, Ind., plant by July 1, 1977, has been denied. The permit, issued June

25 under the 1972 Amendments to the Federal Water Pollution Control Act, calls for U.S. Steel to cut discharges of ammonia, cyanide, and phenols to levels necessary for the improvement and protection of water quality. The primary sources of these pollutants are the blast furnaces and the coke plant. The Gary Works discharges about 750 million gallons of polluted water each day to the Grand Calumet River and Lake Michigan. Regional Administrator George Alexander said the cleanup order was the result of a long administrative proceeding which began in September, 1974. Efforts to require U.S. Steel to control its water pollution at the Gary Works go back to enforcement conferences held in the late 1960's.



### deepwater ports

Regional officials have been reviewing Coast Guard draft environmental impact statements on the requests for licenses for two deepwater ports, one off the shore of Texas and the other in waters off the Louisiana coast. EPA is expected to make a recommendation soon to the Secretary of Transportation on whether the licenses should be granted and, if so, under what conditions. The questions being considered by EPA are whether the proposed deepwater ports will comply with the requirements of the Federal Water Pollution Control Act, the Clean Air Act, the Marine Protection, Research and Sanctuaries Act and other major environmental laws. The proposed ports would be used to receive large imports of crude oil from supertankers. The Texas Seadock port would be located 26 miles south of Freeport, Tex., in about 100 feet of water and would be connected by pipelines to a shoreside storage facility. Louisiana's Loop deepwater terminal would be located approximately 18 miles off the coast in international waters, from 105 to 115 feet deep. Despite conservation efforts and search for alternate fuels, the United States' dependency on foreign oil is expected to increase substantially by 1980, thus requiring improved transportation and distribution systems to handle the mounting volume of imported oil.



### quiet in sioux city

A noise control ordinance adopted by Sioux City, Iowa, approximately one year ago has proved effective, city officials report. Following consultation with representatives of Englewood, Colo., Sioux City adopted the first local noise abatement regulation in Iowa. After the ordinance was adopted, the police department began an educational program which included talks to civic groups, newspaper articles and radio and TV appearances. The department also conducted a one-week course to train its officers in the use of sound metering equipment. Three District Court judges were given demonstrations of how the sound metering equipment worked. Before the use of scientific equipment, many of the officer's noise offense citations were thrown out of court because judges complained that the actions were not based upon concrete regulation. Recently all persons arrested for noise violations have paid fines rather than go to court and the number of violations has dropped drastically. Education has been the key factor in the decrease, Sioux City officials report. Police officials anticipate passage of a statewide noise pollution law in Iowa.



### steel company sued

CFI Steel Corporation of Pueblo, Colo., has been charged in U.S. District Court in Denver with violation of the Federal Clean Air Act. The suit alleges the corporation's basic oxygen furnace and coke plants have violated Federal particulate emission regulations since late 1974. The suit notes that Regional Administrator John Green issued abatement orders to the company in 1974. Company officials have said that their firm is engaged in an air-quality control program. The U.S. Attorney's office has asked the

Federal court to enjoin CFI from violating or refusing to comply with the Clean Air Act and to require the corporation to adhere to a schedule for achieving compliance with emission regulations or to "cease all operations not in compliance."



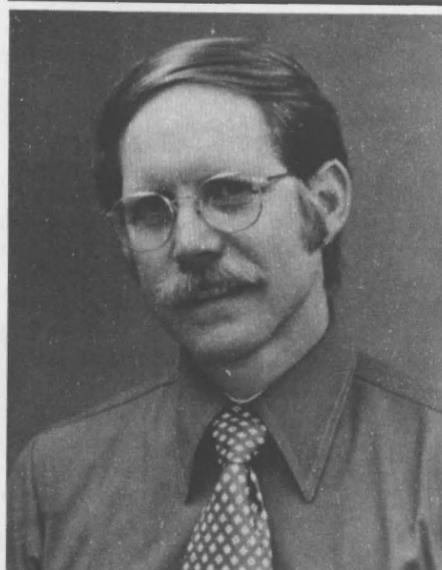
### citizen forums

Region IX has contracted with the California League of Women Voters to hold Citizen Forums on varying environmental topics throughout the State. The forums which begin this month will deal with local issues involving EPA and other Federal, State or local officials. Proposed topics include such issues as offshore oil and its onshore impacts, preservation of agricultural land, air pollution and transportation and long term effects of ground water pumping. The Region hopes these forums will help EPA and other agencies understand what citizens think are the most important issues and will help citizens understand what the agencies can and can't do about these problems.



### halt ordered

Regional Administrator Donald P. Dubois has ordered the City of Twin Falls, Idaho, to stop discharging municipal and industrial sewage into Rock Creek, a tributary of the Snake River. The order followed a report by the Idaho Department of Health and Welfare that Twin Falls was discharging untreated wastes into the creek at the rate of a half-million gallons a day. EPA said the discharge was from a bypass around a pumping station that had broken down. This order emphasized the city's responsibility for prompt and effective action to stop polluting Rock Creek and set the stage for possible further action by the Government to enforce the Federal Water Pollution Control Act, Mr. Dubois said. ■



# PEOPLE

**William T. Wisniewski** was recently appointed Director of the Personnel Division in EPA's Region III. Before his EPA appointment, Mr. Wisniewski served as personnel officer for the Philadelphia District Office of the U.S. Internal Revenue Service. Mr. Wisniewski had spent eight years at the Mid-Atlantic Regional Office of the Internal Revenue Service in a variety of capacities ranging from management intern to personnel officer. A native of Philadelphia, Mr. Wisniewski received a B.S. in Management from Temple University in 1965.

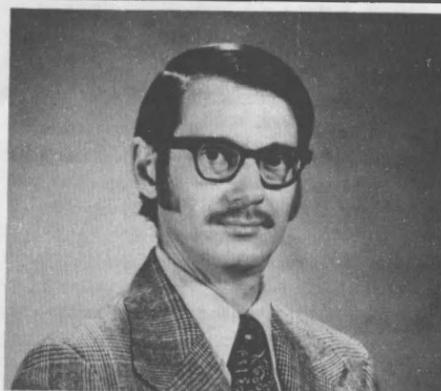


**John Bonine**, an EPA Deputy Associate General Counsel, has been named Associate General Counsel in charge of the Air Quality and Noise Control Division. Before serving as Deputy Associate for the Pesticides, Toxic Substances and Solid Waste Division, Mr. Bonine was a senior staff attorney in the Air Division of the General Counsel's office for three years. During those years, he helped develop EPA's transportation control plans and later helped defend them in the courts. Mr. Bonine is a graduate of the Yale Law School and a member of the California Bar.

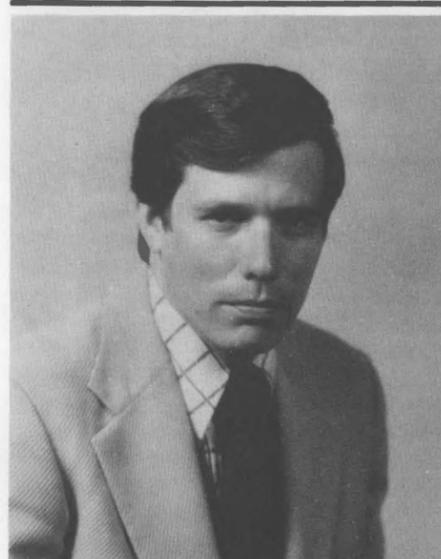
**William D. Dickerson** has been appointed Assistant Director for Resource Development Liaison in the Office of Federal Activities. The Resource Development staff is responsible for liaison with those Federal agencies which are principally engaged in natural resource and energy development such as the Departments of Interior and Agriculture, the Corps of Engineers, and the energy agencies. Mr. Dickerson is a graduate of Kansas State University and holds an M.S. degree in Aeronautics and Astronautics from the University of Washington. He has been employed in the Office of Federal Activities since 1972 as technical coordinator for the development of environmental impact statement review guidelines.



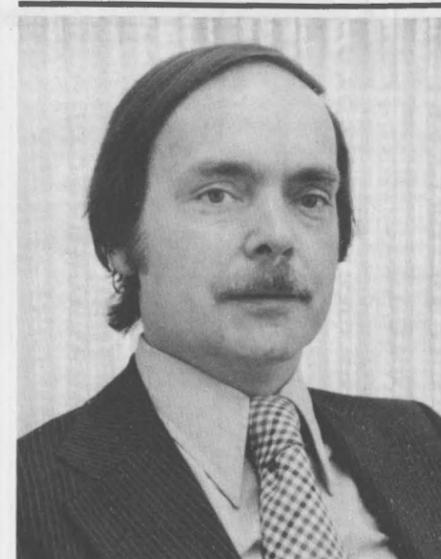
**W. Jan Chong** has been appointed Chief of Region II's Support Services Branch. A Brooklyn resident, Mr. Chong is a native of Honolulu. He is a 1941 honors graduate of Rensselaer Polytechnic Institute (N.Y.) in chemical engineering. His most recent position was manager of Facilities Engineering and Administration Services at Seatrain Lines in Weehawken, N. J. He had previously been Executive Director of Yonkers(N.Y.) Urban Renewal Agency and project manager with the N.Y. State Urban Development Corp. He has also worked with private planning firms and taught graduate courses in urban planning.



**Dr. J. David Yount**, an environmental chemist in EPA's Ecological Effects Office in Washington, D.C., has been appointed Deputy Director of EPA's Environmental Research Laboratory in Duluth, Minnesota. He was named to this post by Dr. Donald I. Mount, Director of the laboratory. Dr. Yount will act as liaison between the Duluth Laboratory and EPA headquarters in Washington, D.C. as well as assume responsibility for managing research programs at the lab. Dr. Yount has served as scientific specialist for the freshwater pollution ecological effects program including eutrophication and lake restoration Great Lakes research, and the effects of environmental stress on freshwater organisms and ecosystems.

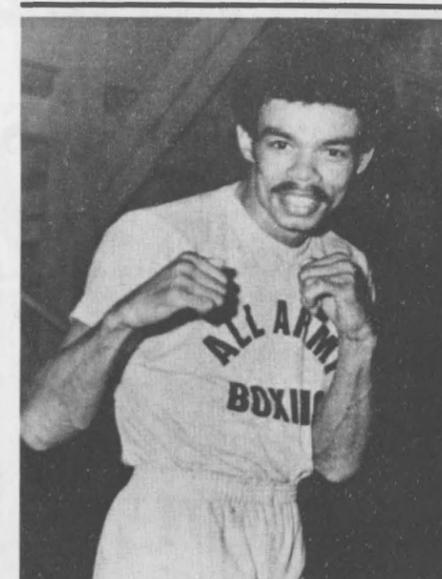


**G. William Frick's** selection by Administrator Russell E. Train for the position of EPA General Counsel has been approved by the U.S. Civil Service Commission. Mr. Frick succeeds Robert V. Zener, who left to join a private law firm. Having served in the General Counsel's office for three years, first as Associate General Counsel, Water Quality Division, and then as Deputy General Counsel, Mr. Frick has extensive knowledge of the range of legal matters relating to EPA activities. Mr. Frick was born and educated in the Midwest, receiving his B.A. and law degree from the University of Kansas. After working in a private Missouri law firm for two years, he joined the EPA as an attorney in the Air Quality and Radiation Division in August 1971.



**James R. Marshall** has been appointed Director of Public Affairs for EPA's Region II Office in New York City. He succeeds Donald R. Bliss, Jr., who is now Public Affairs Director in the Agency's Region X Office in Seattle. Mr. Marshall served with New York City's Environmental Protection Administration for four years, ending up as assistant administrator for communications with responsibility for all the Agency's public affairs and press information activities. He has had long experience as a technical and environmental journalist. A native of Canada, Mr. Marshall is a chemical engineering graduate of Queens University in Kingston, Ontario. He worked as a chemical engineer for Union Carbide Canada for four years in Montreal East before moving to New York in 1960. He is now a U.S. citizen.

**Robert Schaffer**, formerly an Associate Deputy Assistant Administrator in the Office of Research and Development, has been appointed Director of the Effluent Guidelines Division in the Office of Water and Hazardous Materials. Before assuming his research post, Mr. Schaffer had been Director of Permit Assistance and Evaluation, Office of Enforcement, for two years, and had previously served in several water pollution control positions in EPA and its predecessor agencies.



**Charles Mooney, Jr.**, son of Dorothy Cotton and Charles Mooney, both EPA employees, was a member of the U.S. Olympic boxing team and won a Silver Medal in the recent games at Montreal. A native of Washington, D.C., Mr. Mooney is the Armed Forces bantam-weight titleholder. He won 56 out of 61 amateur fights in his career before winning a place on the Olympic team. His mother is a secretary in EPA's Office of Planning and Management and his father, Charles Mooney, Sr., is a public information specialist in EPA's Public Information Center.

Six researchers of the Environmental Research Laboratory in Duluth, Minnesota have been cited for their contributions to the reference book used by water chemists and bacteriologists throughout the world: **Mirko D. Lubratouich**, Director of the Laboratory's Office of Engineering and Administration, chaired the committee of scientists responsible for rewriting one of ten sections in "Standard Methods for the Examination of Water and Wastewater." Mr. Lubratouich, former national director of the American Water Works Association, was selected for the chairmanship because of his long standing interest and experience in water pollution control. All of the researchers involved in rewriting the book were commended by William McBeath, Director of the American Public Health Association. They are **Richard L. Anderson, John W. Arthur, Kenneth E. Biesinger, James M. McKim and Charles E. Stephan.**

## COUNCIL SAYS IMPACT STUDY WORKS WELL

The environmental impact statement requirement of the National Environmental Policy Act (NEPA) is working well and fulfilling its objective of improving government decisions that affect the environment. This is the conclusion of a recent Council on Environmental Quality report to the President and Congress, which analyzes the experience of 70 Federal agencies in preparing environmental impact statements over the past six years.

In releasing the report, CEQ Chairman Russell W. Peterson noted that the environmental impact statement procedures have become increasingly routine and effective parts of planning and decision-making. Nevertheless, there is need on the part of top management for greater sensitivity to the value of using the EIS process as a tool for better program and policy analysis, he said. A major goal of NEPA is to make environmental analysis as integral a part of agency operations as economic and technical analyses.

Originally, there was great concern that the EIS requirement would cause crippling red tape and needless delays in federal decision-making that would adversely affect the economy. The Council found that although NEPA delays occurred in years past, these are now becoming rare as agencies improve their environmental expertise and begin EIS preparation earlier.

There are three points in the EIS process when delays can occur—in preparing the draft, in preparing the final statement after comments are in, and after issuance of the final statement. The time required to prepare a draft EIS differs from agency to agency and from project to project. The scope of a project, the experience of the people preparing the statement, the relationship of the EIS process to the decision-making process, and the priority accorded by the agency management to the statement and the project itself are all critical.

"As part of our survey of NEPA," Dr. Peterson said, "we checked into the amount of litigation that has arisen in connection with the EIS process and concluded the claim that NEPA-related suits interfere with the timely execution of a substantial number of Federal

actions simply does not wash.

"In the five and a half years between January 1, 1970, and June 30, 1975, a total of 654 actions has been brought, alleging an NEPA issue. During that same period, Federal agencies initiated tens of thousands of projects; in 1975 alone, agencies assessed more than 30,000 projects for environmental impacts. Since 1970, about 6,000 draft EIS's have been submitted. Only 291—less than 5 percent—were challenged in court as being inadequate," Dr. Peterson pointed out.

"Our analysis indicated," he continued, "that, of 332 cases completed by June 30, 1975, about one-third were dismissed at the trial court level. Roughly 60 resulted in temporary injunctions, which ranged from a few weeks to the time required to prepare an adequate impact statement. Only four cases resulted in 'permanent' injunctions—and not even in these was the agency precluded from proceeding with its project or program after it complied with NEPA."

The agencies most affected by completed NEPA litigation, according to the report, have been the U.S. Department of Transportation (26 percent of the cases), the U.S. Department of Housing and Urban Development (14 percent), and the Corps of Engineers and the U.S. Department of Agriculture (approximately 10 percent each).

One of the appendices of the CEQ report gives a rundown of some of the more notable effects of the EIS process on Federal decisions. Among them are:

**Department of the Interior**—The final EIS on the 800-mile Trans-Alaska Pipeline prompted important design changes and other improvements in routing and construction techniques.

An EIS prepared by the Bureau of Land Management and the Forest Services on proposed phosphate leasing on 25,000 acres of the Osceola National Forest, Fla., prompted the decision in 1975 to defer a leasing decision pending completion of a two-year study by the U.S. Geological Survey.

**Atomic Energy Commission**—Two major radioactive waste disposal proposals of the former Atomic Energy Commission, one at Lyons, Kans., and the other at the Savannah River, S.C.,

were cancelled because of uncertain environmental impacts, identified through the EIS process.

**Nuclear Regulatory Commission**—The Nuclear Regulatory Commission used the Atomic Energy Commission EIS on the breeder reactor and its own on the plutonium recycle proposal as definitive bases on which to develop stronger measures to safeguard against misuse of nuclear materials.

**Corps of Engineers**—The Corps of Engineers decided to cancel or stop work on over a dozen proposed projects because its NEPA process—not litigation—revealed that significant environmental damage would result. Eleven other projects have been stopped until environmental analyses are completed.

**Department of Transportation**—DOT estimates that since 1970 scores of major highway and airport projects have been modified or dropped as a result of the EIS process. The decision of Secretary Coleman to reject the I-66 extension into Washington, D.C., is a recent example.

**General Services Administration**—In 1974 the Kennedy Library Corporation proposed construction of the Kennedy Library and Museum just below Harvard Square in Cambridge, Mass. The General Services Administration, which was to maintain the structure, issued a draft EIS which focused on traffic and other impacts. Because of local controversy, the Library Corporation decided against the Cambridge location and is now proposing Columbia Point in Boston for the Library site. As a result, GSA is planning a new draft EIS.

**Department of Agriculture**—The Soil Conservation Service has successfully used preliminary draft EIS's to broaden the scope of project alternatives, particularly those involving non-structural measures.

Perhaps the most far-reaching use of the EIS process has been the work of the Forest Service to develop a long-range program for forest lands pursuant to the Resources Planning Act of 1974. The draft EIS addressed the alternative programs that best reflected public and other agency perceptions of realistic program choices. After circulation of the draft statement and evaluation of comments on it, the Forest Service submitted its final program recommendations to the President in December 1975. He sent them along with his statement of policy to the Congress in March 1976.■

## By Rich Lathrop

Mention Colorado, Montana, North and South Dakota, Utah and Wyoming and most people conjure up images of mountains, skiing, vast wheatfields, cattle herds and cowboys, seemingly endless plains, deserts, wilderness, national parks, forests.

Fewer people think of cities in these Region VIII States violating national air standards or of raw sewage degrading streams. Nor is there general recognition of incredible pressures being felt in those states as a result of the Nation's increasing demand for fuels.

In fact, spokesmen for the Regional office in Denver, familiar with other parts of the nation, often found solace in the idea that they had the relatively easy job of preventing environmental degradation rather than the difficult task of correcting past abuses. That bubble burst about the same time the flow of Arab oil stopped. Suddenly, prevention became a challenging task indeed.

Because under the plains lay thick seams of coal. In the mountains of Colorado, Utah and Wyoming billions of barrels of oil lay trapped in shale. An upsurge in demand for uranium opened new mines, expanded others.

Whether the new resource activity was in fact feverish or only perceived that way by beleaguered planners and decision makers throughout the region is still uncertain. What is certain is that almost nobody was prepared for it.

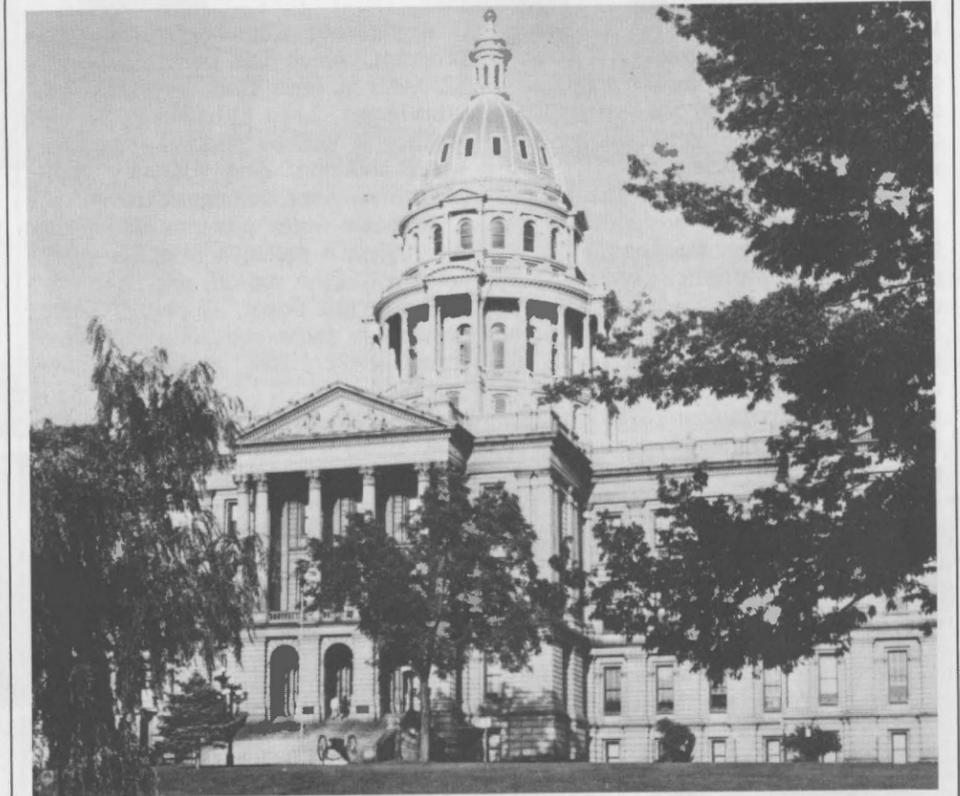
Plans, proposals and rumors flew about the area like a startled covey of quail. They included coal-fired power plants, strip mines, underground mines, plants to liquefy or gasify coal, transmission lines to transport power, slurry pipelines to move coal, new railroad lines, even new towns to handle the expected influx of people.

But the Federal government owns nearly a third of the region's land and decisions about how it would be used involved the National Environmental Policy Act. Impact statements would have to be prepared, and some of them would grow to more than a foot in thickness.

Literally hundreds of regulatory bodies would become involved in the decisions, promoting developers' charges that multiple layers of bu-

Rich Lathrop is a Region VIII Public Affairs Officer

# REGION VIII ON PARADE



Colorado State Capitol in Denver

reaucacy were hampering development of resources at a moment when the Nation desperately needed them.

The proposals keep coming and the decisions must be made sufficiently well to stand the test of technology, law, economics, politics, human and social needs.

Speechwriters term that "the awesome task of balancing conflicting needs of society." Nobody's dead sure it can be done.

But coping with energy development is only one part of the Region VIII task.

## Air

In the Denver and Salt Lake City metropolitan regions auto-related air pollution has produced problems familiar to city dwellers. Denver, it now appears, will continue to exceed pri-

mary standards for carbon monoxide and oxidants into the 1980's. Salt Lake City's revised transportation control plan should help achieve those standards by 1978.

Auto emission control equipment largely designed and tested at or near sea level does not perform as well at these mile-high cities, thus reducing the effectiveness of the Federal new car emissions control program.

So a heavier burden falls on the cities to devise controls to reduce air contaminants. Traffic and mass transit improvements, along with the new car program, have helped the cities hold their own against increases in pollution. Achieving reductions will require tougher measures.

There are bright spots in the picture though. Thousands of tons per year of

*Continued on page 20*

Continued from page 19

reactive hydrocarbons, for instance, will be kept out of Denver's air under a vapor recovery program. The fumes which evaporate when gasoline is transferred from tanks into trucks and from trucks into service station storage tanks will be captured and condensed into gasoline.

A second phase in that program would capture hydrocarbons at service station pumps themselves. Problems of safety and economics will make that more difficult to implement but an additional 2,500-3,000 tons of hydrocarbons would be kept out of the smog production cycle.

Ninety-eight percent of the major stationary sources of air pollution in the Region are either meeting standards or are in compliance with their cleanup schedules.

New facilities will come under new source performance standards and, in many parts of the Region, will fall under the new significant deterioration rules. Those rules are designed to protect air quality that is already bet-

ter than required by the National standards.

## Water

All major industrial and municipal dischargers in the Region are under the permit system, and Colorado, Montana, North Dakota and Wyoming have all taken over that program as the approved permit-issuing agencies.

A vigorous Regional enforcement program, which has collected nearly \$250,000 in fines from violators, has convinced area dischargers the Agency is serious about cleaning up water pollution. And voluntary compliance has improved considerably.

A major water problem still facing the Region is pollution from non-point sources (diffuse run-off) and from irrigation return flows. Hopefully some answers to these questions will come from the 22 "208" agencies in the Region.

Those local agencies, with 100 percent Federal funding totalling \$12.5 million, are developing plans to man-

age wastewater in their areas well into the future.

Water quality continues to be improved as construction grant funds awarded by EPA aid communities in building or improving their waste treatment works. As in other parts of the country, fish are returning to streams thought to be "dead" just a few years ago . . . boaters and swimmers are returning to areas formerly posted as dangerously contaminated.

All Regional States have received grant funds under the Drinking Water Act and are now preparing program plans aimed at implementation of the law.

## Noise

Regional noise control programs have enjoyed remarkable success because of their reliance on a community approach, aerial monitoring and a community noise control workbook that has received international attention and Agency acclaim.

With EPA assistance, effective noise control programs continue to proliferate in the Region where quiet is an important personal value that figures prominently in the western lifestyle.

Air and water programs require a Regional or basin approach, but noise is largely a community problem, and it was within the communities that EPA found the people, the energy and the resources to control noise.

## Radiation

As the Nation seems to be moving toward increasing reliance on nuclear power to generate electricity, uranium mining and milling is increasing tremendously in the Region. Something like 70 percent of the Nation's known uranium reserves are located here.

EPA, the Energy Research and Development Administration, and State health departments are still grappling with problems from a 1950's uranium boom. Radioactive sands—tailings—left after milling of uranium bearing ores have been implicated as health hazards in various parts of the Region, most notably in Grand Junction, Colo., where they were often used as a backfill material in excavations for buildings.

Ongoing research is yielding answers to some of the questions of how to dispose of tailings and how to protect unborn generations from their radioactivity.

## Pesticides

Montana and Wyoming plans to certify applicators of restricted use pesticides have been approved and their programs are beginning. Certification plans from North and South Dakota are currently being reviewed. Plans are being developed in Colorado and Utah but problems of legislative authority remain to be worked out in those States.

Colorado has received approval from EPA to use a limited amount of DDT to control a plague outbreak in ground squirrels and similar rodents in six Colorado counties. The plague is transmitted by fleas. The sheer size of the area needing treatment, the shortage of personnel and the need for more lasting control than is provided by carbaryl led to Agency approval.

## Solid Waste

Region VIII solid waste highlights include the successful implementation and spread of the Waste Not high-grade white paper recycling project. In less than a year some 361 tons of paper have been reclaimed in participating Federal agencies in the Denver area.

Through the coordination of the Federal Regional Council in Denver and with technical assistance from EPA's solid waste staff, the program is mushrooming through Federal and State agencies and the Region estimates a thousand tons of paper may be reclaimed by year's end.

Since about 17 mature pulp trees are required to produce a ton of paper, the Denver program will help stretch forest resources.

Also with EPA technical assistance, the State of Montana has collected, crushed and recycled some 20,000 junked or abandoned automobiles since 1973. Placed bumper to bumper, those cars would stretch something like 56 miles.

"We are proud of the environmental achievements that have come about in this Region as a direct outgrowth of excellent cooperation of all sectors," Region VIII Administrator John A. Green said.

"Most importantly, I think environmental considerations have now become an integral part of nearly any kind of planning or development decision, rather than a 'tack-on' item. That should help us anticipate and deal with environmental aspects of change before problem areas develop." ■

# Region VIII's LEADERSHIP TEAM



Regional Administrator  
John A. Green



Dr. Cooper H. Wayman  
Director,  
Office of  
Energy Activities



David A. Wagoner  
Director,  
Air & Hazardous  
Materials Division



Irwin L. Dickstein  
Director,  
Enforcement Division



David D. Emery  
Director,  
Management Division



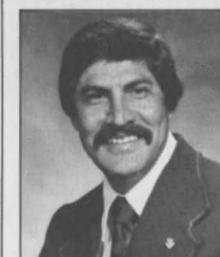
Dean E. Norris  
Director,  
Office of  
Congressional &  
Intergovernmental  
Relations



Charles W. Murray  
Director,  
Water Division



Keith O. Schwab  
Director,  
Surveillance &  
Analysis Division



Charles C. Gomez  
Director,  
Office of Civil Rights &  
Urban Affairs



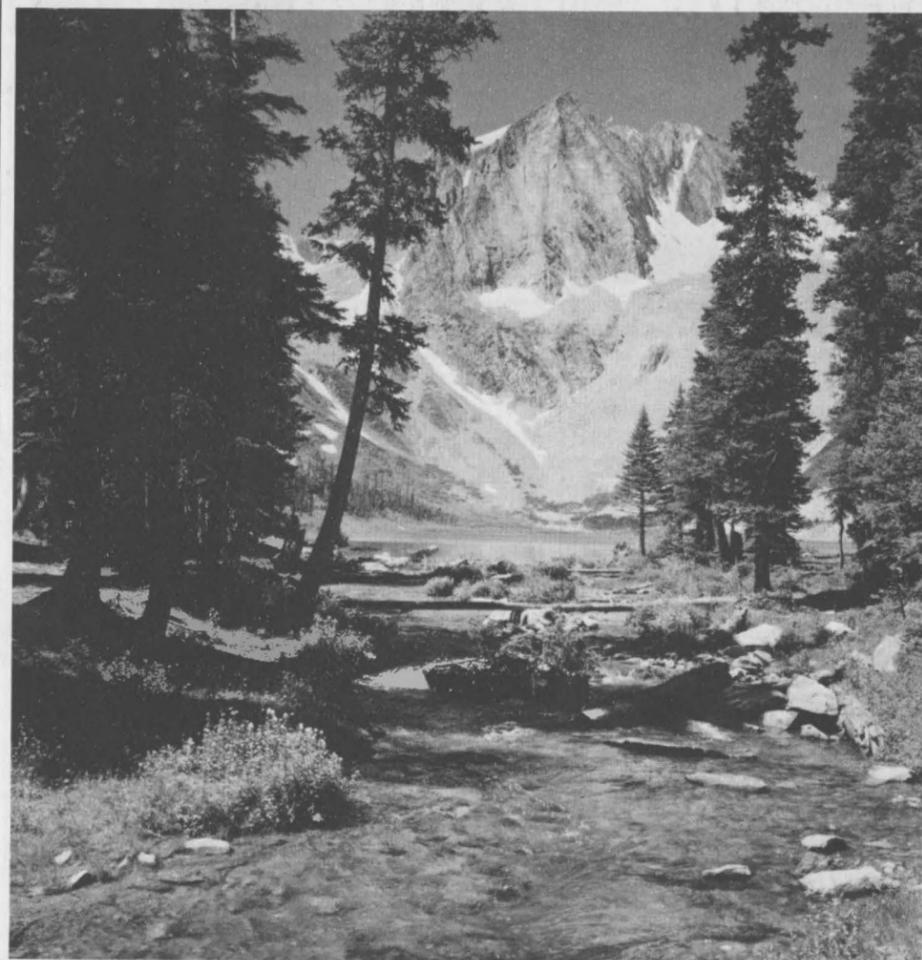
James W. Sanderson  
Regional Counsel



Samuel E. Landis  
Federal Regional  
Council Liaison



Howard W. Kayner  
Director,  
Office of Public Affairs



# PROTECTING THE NEW FRONTIER

The Great Divide forms the very backbone of the North American continent. Here, the towering peaks of the Rocky Mountain range separate Atlantic-bound waters from those destined to reach the Pacific Ocean. Here too the headwaters of such rivers as the mighty Colorado and the Rio Grande gather in the melting mountain snows and course down past the unparalleled splendor of the canyons, farmlands, forests, plains, salt and mud flats, and vast deserts below.

The State of Colorado is part of this natural grandeur. With a mean elevation of 6,800 feet, it has been called the "top of the world." But other residents of Region VIII could make the same figurative claim about their States— Montana, North Dakota, South Dakota, Utah and Wyoming.

Montana, for instance, is a Spanish word meaning mountain country. The State is the fourth largest in America in geographical size, and yet it is so thinly populated that it retains the quality of the remote wilderness which distinguished it in the early twentieth century. Montana is the home of some of nature's most spectacular attractions such as the granite peaks and mountain lakes of Glacier National Park and the geysers, hot springs and volcanic topography within its three entrances to Yellowstone National Park.

The western boundary of the State is crowned by the lofty Bitterroot range, a part of the Rocky Mountain system. The Great Plains extend over the eastern landscape, and although the high grass which once covered

them is gone, sheep and cattle still graze on the remaining short grass. Below the plains, the earth holds petroleum, natural gas and a wealth of mineral deposits, including coal.

Since the admission of Alaska and Hawaii to the Union, the Dakotas constitute the geographical center of the United States. The ancient rock formations of the Black Hills and the Badlands can be observed here, as well as the colorful, deeply eroded clay gullies and the marine and land fossils they hold. The Missouri river rolls southward through the States' rugged terrain.

Constant winds and a continental climate cause the Dakotas to have severe winters and short, hot summers, but several crops including corn thrive in the rich soil. Only Kansas

produces more wheat than North Dakota, which is the most rural of the 50 States with 90 percent farmland. South Dakota has more sheep than humans, plus large numbers of cattle and hogs. The western part of the Dakotas is a semi-arid, treeless plain where cattle and sheep graze above coal, gold and other mineral deposits.

Signs of America's westward expansion flourish in these two States. In South Dakota the stone faces of four Presidents gaze out over the Badlands from Mount Rushmore. Theodore Roosevelt spent summers ranching in North Dakota between 1883 and 1886 and the State now contains three units of the National Memorial Park in his honor.

The 1876 defeat of General Custer by Sitting Bull and Crazy Horse in the battle of the Little Bighorn occurred here. So did the massacre which terminated Indian resistance to the white man's relentless invasion— Wounded Knee. Presently, there are more Native Americans living in the West than ever before in history, but most are living on reservations in the Dakotas and other States.

Utah is "the State the Saints built." Its capital and largest city is Salt Lake City.

Of the American States, only Nevada receives less rainfall than Utah. It is a geologist's paradise, rich in the natural resources which have become the life-blood of the technological society we live in. The Bingham Canyon open-pit copper mine is the largest man-made excavation in the world, measuring more than two-and-one-half miles across and one-half mile down.

Massive mountains rise up in the eastern portion of the State, while farther west the land levels out into the Great Basin. To the south, red sandstone throbs through the canyons. . . cut by wind and the Colorado river. Remnants of ancient Indian cliff dwellings can be found in these parts. Bryce Canyon National Park and Zion National Park (70 percent of the State's total acreage is federally owned or administered) help to preserve the area's natural beauty.

At one time western Utah was submerged beneath a huge Pleistocene lake, Lake Bonneville. During many thousands of years the water fluctuated, and then subsided, leaving behind a desert of salt, alkaline soil and a number of lakes, including the Great Salt Lake. Gulls, pelicans, and blue herons skim over the sand flats and mud shores of the water, which through evaporation has reached concentrations of mineral salts several times greater than the oceans.

The word Wyoming is of Indian origin and thought to mean "large plains," although the State actually marks the end of the plains. In the west, the tall grass gives way to the wooded slopes of the Bighorn Mountains, the one time hunting ground of the Crow and Sioux. But only in the central section, where it is dissected by the Great Divide, is the sweep of the Wyoming plains broken. It was in this area that chains of covered wagons rolled westward over the Oregon Trail.

The Grand Teton and Yellowstone National Parks are here, the latter area being where the Snake River begins its long and winding journey to the Missouri. The production of petroleum and petroleum-related products boosts the State's economy, as does its production of sodium carbonate from its resource-rich underground reserves.

If there ever were any real cowboys, they were surely to be found in Wyoming. In addition to the livestock, several crops are farmed, including the

beets which yield much of our sugar. Large scale irrigation has permitted the cultivation of diversified crops.

Most of the land that comprises Region VIII was acquired by the Union as part of the Louisiana Purchase of 1803; most of the territories achieved Statehood toward the end of the 19th century. Colorado was one of the first in the territory to be admitted to the Union. The date was 1876, winning it the name "Centennial State." This year Colorado is celebrating its own centennial.

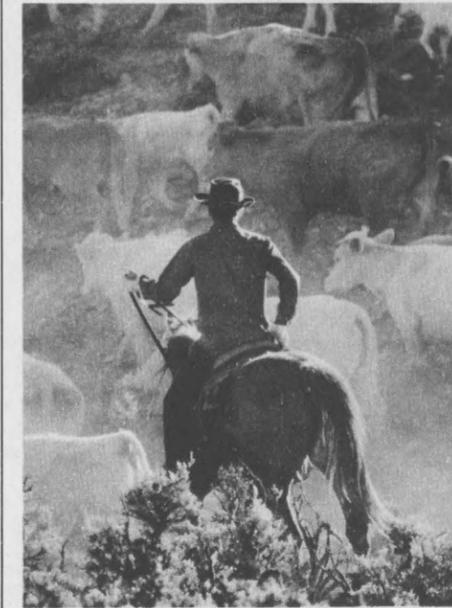
In the east, parts of Colorado's Great Plains still retain the characteristics of the tidal flats they once were. The plains eventually turn into breathtaking mountains, the most famous of which is Pike's Peak. Toward the west, beyond the Great Divide, lie some of the most scenic spots in the United States, including Rocky Mountain National Park, Mesa Verde National Park and The Great Sand Dunes Monument.

The Basket Makers, the earliest-known Indians, settled in the mesa country before the beginning of the Christian era. In southern Colorado, one can still see the rock-ledge homes of the Indian cliff dwellings.

Due to low rainfall, Colorado has been forced to irrigate its land to such an extent that it is now second only to California in acres of irrigated farmland. Below are ores of silver, lead, copper, zinc and uranium.

Famous cultural festivals are staged at Aspen and Central City, where John Gregory struck gold in 1859 and attracted hordes of settlers. To this day, tourism remains a chief cash crop of Colorado and the other Rocky Mountain States.

As in the old West, a frontier has suddenly been formed, this time in the new West. The struggle is no longer for land, but for what is underneath the land. The resources to be found there are unquestionably of economic value, but hanging in the balance is the awesome threat of the gradual destruction of this magnificent land. The degree of beauty which exists in Region VIII must now be matched with an equal degree of high-minded environmental protection, lest we lose that which is so precious its like could never be had again. ■



# INQUIRY

## What kind of noise bothers you most?

**Emilio Escaladas**, Noise Branch Representative, Region II, New York City:

"For me the most irritating noise comes from being involved in the daily transportation cycle. The awesome subway ride. The average New Yorker spends about a hour or hour and a half daily on subways, though, of course, some people have longer rides. The trains get you to your job and home again, but with accompanying pain rather than pleasure.

"The problem is that the subway system is old, dilapidated and maintenance has been neglected for years. The wheels are mostly flat from long use so they screech—and there are 16 wheels for each car. Some effort is being made to upgrade the system by 'truing' the wheels (grinding them round again) but this is an enormous job. The Urban Mass Transit Authority and New York City have \$40 million to spend over the next ten years to improve the system and attempts are being made to acoustically treat the stations. Sound absorbing materials are being put on the platforms facing the on-coming trains and barriers are being put between the tracks to contain the noise. Tracks are being welded to reduce vibrations.

"Levels of noise inside the cars rise to 86 to 88 decibels, and on the platforms the levels can reach 110-115; this is the threshold of pain. These levels cause temporary impairment of hearing. Higher decibel levels can cause permanent damage.

"In addition to this kind of noise, New Yorkers living near major airports are bombarded with aircraft noise. In a busy airport like Kennedy, traffic sometimes becomes so heavy that planes are going over every minute at

1,000 ft. or lower. So these people are assaulted twice—by subway and by aircraft noise. For them, noise is a more real pollutant than those in the air or water. Maybe to be tense, irritable and half deaf is the price paid for modern life?"

**Jay Goldstein**, Sanitary Engineer, Solid Waste Branch, Region V, Chicago, Ill.:

"The general background level of noise in a city may be high, but we've all become accustomed to it, and pretty much disregard it. It is the loud, unexpected, silence-shattering noise that troubles me most.

"I live in mid-city Chicago on the north side, and it is a quiet neighborhood most of the time. But frequently in the early morning hours hot-rodgers drag-race through the streets with roaring engines. Loud and unnecessary noise is against the city's noise ordinances, but seemingly little is or can be done to enforce these rules. Certainly, this kind of noise is disruptive of the peace and quiet of whole neighborhoods."

**Mary Rhones**, Secretary, Office of Planning and Management, Economic Analysis Division, Headquarters:

"I live in Washington, D.C., on a main thoroughfare, near the Maryland line. Every morning at about 5:30 the sound of concrete mixers and loading vans barreling down the street seems to jar the whole house. When we bought the house, although some trucks used the road, I thought we would get used to traffic noise, but it has become progressively louder and more frequent since more trucks now use the road. It's so bad at times that my children can't hear the radio or the TV even with all the windows closed. We really like our house and neighborhood but

the sound is getting so annoying that we have considered moving.

"The other type of noise that bothers me is inside my house. I have a teenage son who is learning to play the bass guitar in a five-man band. They practice in our basement but since they're just learning to play together they insist on turning up the amplifiers so that each of them can hear his own instrument. The result is that the sound goes through the vents and reaches every corner of the house and can even be heard outdoors if the windows are open. It's the kind of sound that is so loud it stuns you because you literally can't hear anything else. As long as they're going to have the band I don't see anything that can be done about the noise except to soundproof the room they practice in."

**William Tripp**, Oil and Hazardous Materials Section, Region I, Boston, Mass.:

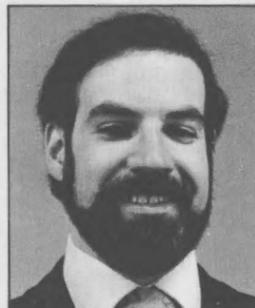
"The steady, high level of traffic noise that surrounds me as I commute back and forth to work bothers me most. I travel about an hour each way from my home to the EPA laboratory in Lexington, Mass., on Interstate 95. This is a heavily travelled highway and the noise from other cars and trucks is unremitting."

**Anthony Wayne**, Sanitary Engineer, Environmental Evaluation Branch, Region VII, Kansas City, Mo.:

"Noise to me is unwanted sound. I live in the country but I'm uncomfortably aware of highway noises—roaring of engines and the whining of heavy truck tires. On quiet evenings this sound nuisance can be heard for two miles. Much of the noise results, of course, from breaking the speed limit."



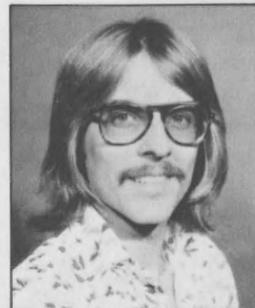
Emilio Escaladas



Jay Goldstein



Mary Rhones



Anthony Wayne



William Tripp

## news briefs

### ALLIED CHEMICAL INDICTED IN KEPONE CASE

Allied Chemical Corp., Life Science Products Co., and Life Science's two owners have been indicted by a Federal grand jury in Richmond, Va., on a charge of conspiring to violate Federal water pollution control laws in the Kepone pesticide case. The indictment asserted that an unusually close relationship existed between Allied and Life Science whose sole business was manufacturing Kepone, the persistent pesticide which poisoned production workers and led to a fishing ban on the lower James River in Virginia.

### CAMDEN ORDERED TO END POLLUTION

The United States District Court for New Jersey in a landmark action has ordered the City of Camden, N. J., to repair two sewage treatment plants that were discharging 40 million gallons daily of inadequately treated sewage into the Delaware River. The court action enforces the EPA plant discharge permits which require maximum efficiency of operation.

### CONSTRUCTION REVIEW TEAMS SET UP

Administrator Russell E. Train has announced that a financial-technical review program is being established to help ensure the integrity of EPA's multi-billion dollar construction grants program. Under this system, teams of EPA engineers and auditors will conduct thorough on-site reviews of selected waste treatment plant projects throughout the Nation.

### NATIONAL NOISE EXHIBIT PREPARED

A major EPA exhibit on noise pollution will be displayed at the Franklin Institute in Philadelphia this fall. The exhibit, which blends the use of animated film, slide shows, and sound recordings to demonstrate the problems of environmental noise, will be displayed at the Chicago Museum of Science and Industry starting in January, 1977.





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## SHARING THE JOURNAL

The EPA Journal, which has been an internal publication since it was started a year and a half ago, is now available to the general public on a subscription basis.

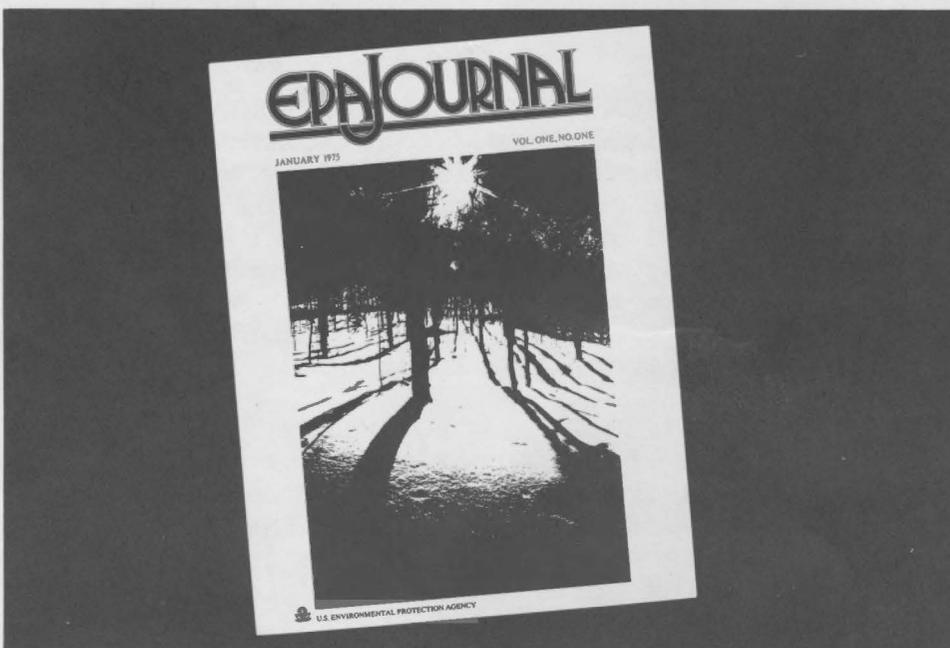
Permission was sought from and recently granted by the Office of Management and Budget to allow external distribution of the Journal. Numerous requests for the magazine had been received from universities, civic and environmental organizations, industries and other government agencies.

The subscription rates for EPA Journal, which are set by the Government Printing Office, are \$8.75 a year for subscribers residing in the United States and \$11 annually for those living outside the country. Subscription requests should be sent to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Single copies can be obtained for 75 cents each at the same address. The magazine will continue to be distributed to EPA employees without charge.

The format and policy of the magazine will remain essentially the same since most of the subjects discussed in this issue-oriented publication are of interest to external as well as internal audiences.

When the EPA Journal was established it was believed that its purpose would be best served by a home distribution system intended to give each employee, as well as his or her family, more leisure time to read the publication. A questionnaire on how the magazine was being received was carried in the June issue. Here are the highlights of the reader response about the Journal's usefulness, coverage and distribution system:



### USEFULNESS

- 94 percent like reading the Journal at home
- 86 percent said the Journal helps keep them posted about Agency activities
- 50 percent find it useful to reproduce Journal articles

### COVERAGE

More emphasis desired on:

Laboratories	35 percent
Regions	24 percent
Headquarters	18 percent

Percent who always read the following Journal department sections:

People	64 percent
News Briefs	63 percent
Around the Nation	57 percent
Inquiry	47 percent

### DISTRIBUTION SYSTEM

The EPA Journal is currently distributed to the homes of the Agency's 10,000 employees by third class bulk rate mail.

- 83 percent of Journal readers prefer home over office delivery.
- 56 percent indicated that other members of their family read the Journal at home. According to the poll, home delivery more than doubles the Journal's readership.

Mail delivery is about 95 percent effective in reaching Journal readers' homes.

These percentage figures are tabulated from the responses of the 150 Journal readers who answered the survey. Seventy-five percent of these were EPA professionals who read every issue.

A number of helpful suggestions were submitted in response to the survey indicating additional areas of special reader interest as well as current developments at EPA which need coverage. These ideas should bear fruit in future issues of the Journal. ■

THE WHITE HOUSE  
WASHINGTON

Date 9-22-76

TO: JAMES CANNON

FROM: *fr* JUDITH RICHARDS HOPE *See*

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For your information

For your appropriate Handling

For your review and comment

Return to me

Return to file

Return to central files

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Comments:



09/21/76

# AVIATION DAILY WED SEP 22

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## CONGRESSMEN BLAST ADMINISTRATION ON AIRCRAFT NOISE POLICY DELAY

Reps. Glenn Anderson (D-Calif.) and Norman Mineta (D-Calif.) yesterday criticized the Ford Administration for failing to establish an aircraft noise policy. Anderson accused the White House of moving to "gag" Transportation Secretary William T. Coleman Jr. In separate statements, both congressmen criticized the Administration. Mineta said, "The Ford Administration record on jet aircraft noise reduction has been and can be expected to continue to be no decision, no policy, no action."

Statements were issued after Coleman canceled for the third time his scheduled appearance before the House aviation subcommittee hearing on noise abatement (DAILY, Sept. 21). Coleman's aircraft noise policy has been hung up at the White House level for some time now because there is disagreement within the Administration over financing provisions of the policy (DAILY, Sept. 17).

A White House spokesman yesterday told The DAILY "discussions" are still under way and "there is no clue as to any timetable" for release of the policy. Asked whether President Ford has decided to delay the noise policy until after the election, the spokesman said, "We will not say anything about political charges."

Anderson, who is chairman of the House aviation subcommittee, said: "The Environmental Protection Agency, the Federal Aviation Administration and Transportation Secretary Coleman have made constructive proposals to reduce aircraft noise but the White House will not permit a move for fear of offending the airlines, the airport operators, the public — or all three."

Mineta said, "Secretary Coleman has failed to testify for the simple reason that he has been unable either to get the White House to approve his policy on jet noise reduction or to devise a policy of its own. We can assume from the failure of recent meetings between Secretary Coleman and President Ford to produce an agreement on any policy that there will be no policy and no action by this Administration before the adjournment of Congress and before the election."

## ~~DECISION CLOSE ON WHETHER AIRLINE FOREMEN CAN UNIONIZE~~

~~The big question of whether airline foremen and supervisors can legally organize their own union is about to be answered by the National Mediation Board. The case involves a four-year effort by the Airline Supervisors Association, Selden, N.Y., to organize supervisory personnel on American Airlines.~~

~~A board hearing examiner has finished his investigation and has made his recommendations to the board, which now must decide whether the association will be permitted to attempt to represent foremen and supervisors in plant, facilities and aircraft maintenance fields. About 900 foremen are believed to be involved. Although the foremen are not now members of a union, most of them came up from the rank of the Transport Workers Union, over whose members they now hold supervisory positions. Most are in their 50s.~~

~~The big question the board has to decide, which is not answered for airline employees under the Railway Labor Act, is just who is a subordinate official and who is a member of management. An ancillary question that will have to be answered is what class or craft supervisors should be placed in. The airline claim, of course, that supervisors are members of management; the unions that they are not.~~

~~The massive case (the record is now 15,000 pages) is supposed to apply only to American but there are indications that employees of other carriers are awaiting the outcome. If the board should (Continued)~~

• James E. Skinner, Editor • James D. Baumgarner, Managing Editor • Rhonda S. Goodman, Senior Editor

/ Kenneth Koppel, Publishing Director

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THE WHITE HOUSE

WASHINGTON

September 22, 1976

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE  \_\_\_\_\_

SUBJECT: Your Request: Current  
CAB Rate-Making Rules

The CAB sets domestic airline rates on the basis of the Domestic Passenger Fare Investigation (D.P.F.I.) formula, a complex procedure established in 1972 after a lengthy, nine-phase evidentiary proceeding before the CAB.

This formula has the force of law, but it is not immutable and can be changed by the CAB itself in two ways: (1) by another evidentiary proceeding, which might take a year or two, and (2) by an administrative rule-making which must, under new CAB practice, be completed within 150 days.

Under the DPFPI formula, airline rates are computed on present costs, not prospective costs. "Present costs" do not allow for future inflation (although the CAB has a proposal pending on this possibility) and do not allow for capital needs. Rather, the formula allows carriers a 12% return on their total investment, assuming a 55% load factor. ("Load Factor" means the percentage of all operating aircraft seats which are filled.)

In recent years, the airlines have been operating with "excess capacity," that is at less than a 55% load factor. Therefore, their actual rate of return has been much less than the 12% projected by the CAB formula. (For the last 12 months the airlines in general have had about a 3% rate of return, but this situation is improving. As you know, many analysts predict that the airlines will achieve a 12% rate of return in calendar year 1977.)



CAB experts tell me that, even if '77 is a good year, the airlines' ability to raise capital next year will be shaky. (They add that they feel several years of 12% return would solve this problem. The question is one of timing.)

Again, the important factor here is that airline rates are currently based on RETURN ON EXISTING INVESTMENT, NOT on any need there may be to RAISE CAPITAL.

If thought necessary, the capital need could be factored in by means of the above-mentioned rule-making to amend the DPFI formula.



REQUEST

THE WHITE HOUSE  
WASHINGTON

September 22, 1976

MEMO FOR: JIM CANNON

FROM: PAUL LEACH

1938 -- Domestic Trunk Airlines had 1.3 million  
emplanements (i.e. passenger trips)

1976 -- (12 months ending June 30) Comparable  
figure is 154.5 million emplanements

76  
38



THE WHITE HOUSE  
WASHINGTON

September 22, 1976

TO: JIM CANNON

FROM: PAUL LEACH

This article, which discusses the positive effect of tax bill on aircraft purchases by the airlines, is relevant to the Coleman airplane noise/financing issue.

# Airlines' Share Net Seen Particularly Helped By Tax Bill's Expansion of Investment Credit

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By CHARLES J. ELIA

New tax legislation sent to President Ford by the Congress late last week could be a particular boon to airlines.

Among a host of other changes, the bill contains a liberalized provision for investment tax credits. These credits apply broadly to all of U.S. industry but analysts view the provision as especially helpful to airlines.

Because of erratic earnings in recent years, airlines haven't been able to use all of the investment tax credit available to them. If President Ford signs the tax bill, as expected, the more expansive tax credit provision will become available to airlines just when they can best use it. Earnings have been rebounding, and the credit will sharply reduce tax rates of many carriers, allowing them to retain more of their profits.

"It's a major plus," says Elliot Fried of Shearson Hayden Stone Inc.

"There isn't any question it will increase earnings per share of a number of airlines," says Robert Joedecke of Kuhn, Loeb & Co. "What it really shows is Washington's changing attitude toward capital formation."

The tax bill extends the 10% investment tax credit. Simply put, an airline could use 10% of the cost of a new plane to reduce its corporate taxes. The significant new element, says Shearson's Mr. Fried, is that companies will be allowed to use their investment tax credits to offset 100% of tax liability in each of the next two years, compared with 50% previously.

In addition, the bill allows companies to use the tax credits accumulated in earlier years before those earned in the current year. Previously, current-year credits had to be used first. Unused credits also may be carried forward for 10 years, instead of seven.

"The potential major beneficiaries are the larger airlines," says Mr. Fried. "Many of them haven't been able to use a substantial portion of their credits due to insufficient earnings over the years."

Here's the amount of investment credit Mr. Fried says each of the major carriers has carried forward for later use:

At year-end 1975, American had \$75 million, Braniff \$8 million, Continental \$59 million, Eastern \$98 million, Northwest \$2 million, Pan American \$91 million, Trans World \$97 million, United \$155 million and Western \$16 million. On June 30, 1976, Delta had \$34 million of carry-forward and on June 30, 1975, National had \$27 million.

Mr. Fried believes the tax bill, if

signed, could stimulate orders of new planes by the major carriers.

The industry's total investment tax carry-forwards are large in relation to expected earnings. Mr. Fried's list of credits totals \$662 million. He's estimating industry profits this year at \$325 million to \$350 million, and next year at \$400 million to \$500 million.

## Heard on the Street

WALL STREET JOURNAL

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THE WHITE HOUSE  
WASHINGTON

INFORMATION ON AVIATION NOISE

THE WHITE HOUSE  
WASHINGTON

INFORMATION

September 23, 1976 <sup>076 003 25 PM 12 07</sup>

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE 

SUBJECT: Aviation Noise: Aviation Industry's  
Ability to Obtain Capital

The attached article from the September 20 Aviation Week shows that the airlines' increased earnings are improving their prospects in the capital markets. Except for Flying Tiger, the new financings are primarily being used to redress balance sheets, rather than modernize fleets. ✓

Attachment



092811

# Carriers Eye Varied Financing Sources

By William H. Gregory

New York—Improving earnings are generating a freshet of financings by U. S. airlines, most of them aimed at redressing balance sheets in the aftermath of two recessions rather than fleet modernization or expansion as in past decades.

Most are still in the proposal stage, the money not yet in hand. That most are also underwritings, not best-efforts attempts by investment bankers, does give a degree of assurance they will eventually bring in new dollars to the carriers.

Despite the talk of airline inability to obtain new financing, the latest round confirms the comments of lenders in an AVIATION WEEK & SPACE TECHNOLOGY report last year (Nov. 10, 1975, p. 110) that capital will be available, barring radical regulatory or economic disasters, but on different terms than before.

Flying Tiger Line's plan to sell equipment trust certificates is an exception in the new financings in that it is specifically designed to finance equipment modernization. This is the purchase of three Delta Air Lines Boeing 747s at \$41 million, modification of them to freighters at \$33.4 million, upgrading of eight Pratt & Whitney JT9D-3A turbofan engines to JT9D-7AW versions at \$5.8 million and purchase of one new JT9D-7AW and four surplus JT9D-7AW engines at \$4.5 million.

Total cost of the program is \$84.7 million and Flying Tiger plans to use the funds from the trust certificate sale to pay 70-73% of this bill. Flying Tiger's program reflects two elements that lenders are likely to insist on in future fleet modernization or expansion:

- Security for the loan, in this case in the form of vesting title to all the aircraft and 9 of the 13 engines with a trustee for the certificate holders.

- Lending against the prospective service life of the equipment, not at longer maturities that often were the case in earlier jet fleet financing. The Flying Tiger certificates are to be paid off partly in rentals and partly through semi-annual sinking fund payments of \$2.1 million to the trustee, the latter between 1978 and 1991. That period is roughly the same as the 12 years that Flying Tiger now uses to depreciate its 747s.

Interest rates have not been set yet by the underwriter—Salomon Bros., a New York investment banking firm—and the carrier, but Flying Tiger expects to show a lower rate through use of the equipment trust certificates.

One financial source not involved in the program said that when Flying Tiger began its search for financing for the three aircraft a year ago, interest rates quoted were higher than the 10% maximum permitted by the California usury law.

Pan American World Airways, whose proposal to sell \$50 million worth of convertible debentures is getting mixed reviews in Wall Street, also is paying some attention to the California law in its offering. Lehman Bros. is the underwriter.

will go up by a multiplier of 16:1."

Holder's of the old bonds that were exchanged were not necessarily those who bought them at face value. Their market prices had dropped to as low as 20% of face value, and buyers at those prices not only took a handsome paper profit on the exchange, but got a doubled interest rate—9¼%-11% depending on which of two issues was involved—as well as the lower conversion price as a kicker for the future.

Whether Pan American will have to pay interest rates over 10%, as implied by the attention to the California usury law and by the rate on the new conversion debentures, is not foregone. The conversion price into common stock on the new issue will be an important factor. Why Pan American chose to push ahead with the new offering on the heels of the exchange is not explicitly answered in the offering, but there are four possibilities:

- Pan American is negotiating with banks for renewal or extension of its 1975 credit agreement. The carrier paid off the last of its borrowings against this agreement in July, but, if its improved financial condition does not pave the way for a new bank line to provide the cash it needs to get through the upcoming winter traffic valley season, the \$50 million in debentures would do so.

- Completion of the \$50-million offering would enable Pan American to meet the so-called asset ratio test contained in both its senior long-term loan agreements and the bank short-term agreement. It could not do so this winter without waiver or modification.

- Conditions of its bank loan agreements are more stringent in some cases

## ATA Asks Boston Noise Rule Halt

Air Transport Assn. has requested that the Massachusetts Port Authority grant a moratorium on a fleet noise rule scheduled to take effect Dec. 31, which requires that 50% of all aircraft serving Boston's Logan International Airport meet Federal Aviation Regulation Part 36 noise standards.

An ATA official said that if the port authority does not accept the moratorium request, the association will seek legal action to block the fleet noise rule, which calls for a \$500-per-flight penalty for violation of noise standards set down by FAR 36.

Port authority officials have conceded that more than 80% of aircraft serving Logan do not meet the federal noise standards.

The fleet noise rule is just one of a number of aircraft noise abatement projects undertaken by Massport recently in an attempt to reduce noise created by airplanes in the Boston area.

An aircraft nighttime curfew proposal was rejected recently by the port authority board of directors after approving a no-curfew recommendation of Executive Director David W. Davis (AW&ST Aug. 23, p. 23). A public hearing on the noise abatement procedures is still pending.

In other legal action, airlines serving Logan airport have filed suit to prevent an increase of landing fees from 58 cents to 87 cents per 1,000 lb. of landing weight, effective July 1. Representatives of the airlines maintain that the increase would be used to fund non-airport operations, such as a Boston area health clinic.

## Trust Certificates Used Frequently by Railroads

Equipment trust certificates that Flying Tiger Line is proposing to sell are a standard method of railroad equipment financing and one that Trans World Airlines used extensively in earlier years to support fleet acquisitions.

Their role in airline financing in the last five years has been eclipsed by leasing. Lenders in this case not only had the security of owning the aircraft, but, as owners, they were able to use investment tax credits that airlines could not because of lack of profits to take the credit against.

Airlines, in turn, got lower effective interest rates through leasing because of the investment credit application. At the same time, it left the carriers with the potential instant loss of significant parts of their total fleets if they were unable to meet rental payments, since no extensive foreclosure procedure was required.

Airlines began to hit loan agreement ceilings on leases and lenders began to cool off on airline financing, leases or otherwise, in recessions. Equipment trust certificates sold to the public rather than leasing or financing by convertible bonds may reassume popularity for airline financing as a way to provide lenders with security for their money and the carriers with lower interest rates and less potential dilution of common stock as an alternative to convertible bond issues.

than those in its long-term agreements. Sale of the debentures might encourage banks to settle for less stringent terms in a new agreement. There may also be an element of getting to the market while the sun is out. If traffic growth begins to fade, the climate for public financing may turn exceedingly cool.

■ Pan American's future capital spending plans include \$60.9 million under consideration, though not approved, for 1978 that would cover acquisition of two used Boeing 747s and their conversion to freighters. Its long- and short-term loan and credit agreements prohibit Pan American from buying any more aircraft now, and it is close to the limits in these agreements for the maximum rentals it may pay under leases.

### Capacity Squeeze

One Wall Street source said that Pan American is reaching the point where it will be squeezed on 747 capacity. The debenture sale could give Pan American more flexibility in getting one or two more airplanes, but is nowhere near financing full-scale fleet expansion or replacement.

Although its operating profit has not improved this year, the book profit from the debenture conversion will probably give Pan American a net profit for 1976. One result was that the auditor's certificate for the financial statements for the new offering removed the qualification in the earlier financing. At that time, the auditor noted that the statements were prepared on a going-concern basis—that is, that the company was not bankrupt—but that continuation of operations depended on future credit availability and that there was uncertainty of Pan American's ability to comply with terms of its loan agreements that existed then.

Motivation for Trans World Airlines to sell new stock is analogous to that in Pan American's financing. TWA is trying to forestall mortgaging its flight equipment and its holdings in subsidiaries (AW&ST July 5, p. 32), as Pan American has had to

do. New equity capital could help meet terms of its loan agreements.

Wall Street considers TWA's stock sale a stale issue since it was broached in June and, because of the time lapse, Securities and Exchange Commission restrictions on what investment firms can say publicly about the airline have been lifted.

TWA considers the offering very much alive, and the SEC registration statement is effective for six months. Dillon, Read, TWA's investment banker, is handling the issue. One obstacle to the sale—contract negotiations with flight attendants—was resolved in August. TWA hit a cooling off deadline Sept. 17 with the International Assn. of Machinists and, if new contract terms are settled, TWA may well be back in the active market this week.

Two other airline financings are in the wings:

■ Eastern Airlines is discussing a \$50-million package with its investment bankers, Lazard Freres. To clear the way, it will seek stockholder approval for exchanging 800,000 unregistered shares of stock for 216,736 shares of convertible preferred stock held by Laurance S. Rockefeller. Completion of the exchange would eliminate \$2.2 million in dividend arrears on the stock plus \$812,760 annually in future cumulative dividends.

■ Allegheny Airlines plans to make an exchange offer in October along the lines of Pan American's—a new issue of convertible debentures to holders of five issues of existing bonds with an aggregate face value of \$58 million. Kuhn, Loeb is the underwriter.

■ Braniff International sold \$50 million in senior notes in July. Goldman, Sachs headed the underwriting. Although the carrier had to pay 10% interest on the notes and begin sinking fund payments in 1984 to retire the debt, its profitability record among the leaders of the domestic trunklines avoided such added inducements to investors as conversion rights or equipment mortgages. Its financing is a sign that, whatever the stature of airlines

as a group, profitable carriers can continue to command capital at reasonable terms.

Eastern issued the preferred stock in payment for Rockefeller hotel properties—the Dorado Beach and Cerromar in Puerto Rico. They produced a series of net losses for Eastern and the airline, after attempting to sell them, turned them over to lenders for the mortgage value earlier this year.

A factor in Eastern's prospective new financing is the reaction of its employees to a wage and salary plan the company is proposing. Acceptance of the plan, which calls for setting aside 3.5% of future annual salaries that would be paid out only after Eastern showed a minimum after-tax profit of 2% on gross revenues, is considered an encouragement to investors concerned about airline losses.

### Effective Date

The program, presented recently to Eastern management personnel by Frank Borman, president, would go into effect Jan. 1, 1977, and continue through Dec. 31, 1981.

It is called the "variable earnings program," and if it is agreed to, each employee would allow 3.5% of his annual salary to be withheld by the company and placed in a "corporate insurance fund" for the full year. During that year, the employee would receive in pay only 96.5% of his base salary, although retirement and other benefits would be figured on the total amount of his base salary.

At the end of the corporate accounting year, if the airline met its after-tax profit goal of two cents on every gross revenue dollar, employees would receive the amount placed in the corporate insurance fund in a lump sum.

The insurance fund is expected to contain approximately \$20-25 million on an annual basis, which would be used as a "profit cushion" by the airline to meet its profit target goal. The profit target for 1977 is approximately \$40 million.

If the airline attained only a portion of its profit goal, only a portion of the insurance fund would be used in order to reach the profit goal, and the rest of the fund would be returned in lump sums to the employees.

If the airline posted a loss for the year, none of the fund would be returned to the employees. If the airline exceeded its profit goal, none of the fund would be used and it would all be returned to employees. In addition, employees would be allowed to share in one-third of the profits in excess of the profit goal.

The variable earnings program is not related to previous programs proposed by the airline that would allow employees to earn warrants that could be used to purchase Eastern stock for \$10 a share, no matter what the going market value of the share, or allow employees to share in one-third of any airline annual profit.

# Shortlines

Domestic trunk airlines paid 1.7% more for fuel per gallon in July than in June of this year, according to CAB statistics. Domestic trunks paid an average of 30.1 cents/gal. International flags paid 36.9 cents in July, an increase of 0.8% from June. Local service carriers' fuel expense increased 1.7% to a cost-per-gallon of 32.2 cents.

Eastern Airlines has selected Trans Com, a unit of Sundstrand Corp., to equip its fleet of 30 Lockheed L-1011 aircraft with movie equipment and provide film programming (AW&ST Sept. 6, p. 53). Full-length movies will be shown in the U.S./San Juan market in English and Spanish.

Major U. S. air carriers have completed a nine-month program to resolve technical problems with the ground proximity warning system, according to the FAA. The agency said the program met a Sept. 2 deadline for having fully operational warning indicators on all turbine-powered aircraft.

Pakistan International Airlines advance-purchase fare request has been suspended pending investigation by the CAB. The tariff proposed a one-way, seven-day advance-purchase 48% discount from Pakistan to the U.S. off one-way normal economy fares. Fares were applicable to citizens of Pakistan only.

Piedmont Airlines has filed with the CAB for authority to provide nonstop service between New York and Bristol/Johnson City/Kingsport, Tenn. The proposed daily roundtrip, non-stop flight would use Boeing 737s.

Trans World Airlines has requested CAB approval to substitute Jidda for Dhahran as its Saudi Arabian point. The carrier is also seeking temporary approval to serve Bahrain until its request for permanent authority can be acted on by the CAB. TWA proposes to operate two weekly roundtrips between the U.S. and both Jidda and Bahrain.

United Airlines has announced a \$6-million ad campaign that is designed to expand its share of the business travel market. United's campaign, which has been budgeted for \$3.7 million for television, \$1.6 million for newspapers and \$500,000 for radio, will be based on the theme "You're the boss."

Japan Air Lines has been granted permission by the Mexican government to carry fifth freedom traffic on two of the carrier's three weekly nonstop Boeing 747 flights between Vancouver, Canada and Mexico City.

## Airline Observer

Date when Boeing might decide to produce either the 7X7 or the smaller 7N7 remains in the air, but some airlines suspect Boeing will accelerate its commitment to 7X7. They base this on Boeing requests for specifics on door location and similar details.

Growth in engine thrust requirements for the Boeing 7X7 transport is related largely to the increase in fuselage size to accommodate dual LD-3 containers in the belly cross-section. Earlier 198-in. fuselage diameter would take only a single LD-3—the wide-body transport standard size belly container. The bigger fuselage and nonstop transcontinental range may push individual engine thrust requirements over 30,000 lb.—beyond the growth capability of the General Electric/Snecma CFM56 and a stretching of the Pratt & Whitney JT10Ds (AW&ST Sept. 6, p. 48).

Growing demand for air cargo space to the Middle East is attracting U. S. supplemental carriers seeking cargo charters to help offset seasonal decline in passenger charter business. Congestion at most Middle East harbors causing delays in freight shipments is the chief reason behind the drive for air cargo movements. Iran Air is operating three Boeing 707 all-cargo aircraft between the U. S. and Tehran and plans to add a fourth 707 freighter to its fleet next year. Principal problem is a traffic imbalance, with little westbound freight available to offset heavy eastbound flow.

One possible change in Middle East flight scheduling that could be brought about by the cargo demand would be a broader use of wide-body transport aircraft in passenger services. Large belly space of such aircraft can accommodate freight overflows out of the U. S. and passenger traffic is strong enough to justify use of the wide-body aircraft.

Latest in the series of recurring studies by United Airlines of retrofitting its earlier jet transports with fast heating ovens that permit use of frozen foods is aimed at its McDonnell Douglas DC-8 fleet. Because of off-line operations, United could carry its own supplied frozen meals rather than rely on an unfamiliar catering service.

Surveys of business travelers United Airlines took for its fall marketing campaign that showed roominess on board aircraft as a significant consideration in their travel decisions could be a factor in the carrier's study for a prospective aircraft order. Route considerations might favor Boeing 727-200s, but more McDonnell Douglas DC-10s also are in the running.

Allegheny Airlines has dedicated two McDonnell Douglas DC-9 transports to a brisk charter service underwritten by the Bahamian government to serve casinos at Freeport. Passengers who agree to buy \$500 worth of chips are flown to Freeport in the early evening from various U. S. points, bused to the casinos and back at 4 a. m. the following morning for a return flight to the U. S. in time to go to work.

British Airways has begun offering Concorde's full capacity on its Washington-London service, averaging during the first few days of September 95 seats for sale. Air France will begin Oct. 1 offering 100 seats eastbound and 90 westbound on its Washington-Paris Concorde service. Sept. 12, British Airways carried 101 passengers on its London-Washington flight. The flight was sold out, and a Trans World Airlines captain paid full fare to ride in Concorde's cockpit jump seat.

Air Transport Assn. has become concerned enough about the financial status of the travel agencies that airlines must deal with to establish a task force to study the problem and perhaps develop guidelines for judging agency financial viability.

INFORMATION

THE WHITE HOUSE  
WASHINGTON

September 23, 1976

TO: JIM CANNON

FROM: PAUL LEACH

*Paul*

Here is a very significant news item regarding United Airlines aircraft purchase plans.

*092309*

# UAL's United Airlines Expected to Clear Major Order of Boeing 727s Next Week

By WILLIAM M. CARLEY

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—United Airlines, a unit of UAL Inc., is on the verge of a major order for Boeing Co. 727 airplanes.

While the size of the purchase couldn't be pinpointed, one source said United is considering 25 to 28 of the planes. The 727s sell for about \$11 million each, indicating such an order would be valued at \$275 million to \$308 million.

United's board meets in Chicago next Thursday, and directors are expected to approve the purchase then, sources said. The directors might also consider United's need for some McDonnell Douglas Corp. DC10s, although they might not vote on a specific order. DC10s sell for \$25 million to \$30 million each.

The big order for 727s would be a significant step in United's effort to reequip its fleet. The airline has 90 DC8s, many of which are heading toward obsolescence because of noisy engines and high fuel consumption.

## Cash Could Be Paid

As big as next week's order might be, however, it will leave United far short of satisfying its need to replace all its aging planes and provide for some growth. In a recent interview in New York, Richard Ferris, president, said the airline needs 200 planes by 1980. How the airline is to finance all those planes is a major problem. Mr. Ferris said. The insurance companies, traditional lenders to the industry, have halted loans to airlines because of the shaky finances at many companies.

United, however, wouldn't have any trouble paying for 28 of the 727s. At Aug. 31, the airline had \$493 million in cash and short-term securities. In addition, it expects

to generate another \$190 million to \$200 million in depreciation next year. Hence, the airline easily could pay cash. "If we bought some planes today, we'd probably pay cash," Mr. Ferris said in the recent interview.

The order expected next week would be mainly to replace some of the older DC8s. It's understood United has 30 DC8 models 20 and 30, the only nonfan jets in its fleet and the worst gas guzzlers. A 727 Model 200, which has about the same number of seats as a DC8, could replace the older planes on a one-for-one basis. In addition, the airline would be willing to utilize the 727s to a greater extent as they're more economical than the old DC8s.

Next week's order also may provide for some growth in the number of passengers. United's revenue passenger miles, adjusted to eliminate aftereffects of a 18-day strike last December, are expected to rise almost as much this year as the 10% projected for the industry. That's a much faster growth than many in the industry had expected. A revenue passenger mile is one paying passenger carried one mile.

United, moreover, already has one of the highest load factors, or percentage of seats filled, in the industry. In the first eight months of 1976, United filled 61% of its seats, and in August, traditionally the airline's strongest month, it filled 69% of its seats. At those high levels, some planes take off full, meaning passengers have to be turned away from some flights.

## Increases in Capacity

As a result, United executives undoubtedly are feeling pressure to provide for some increases in capacity, and one United official hinted that is the case. "We see 8% growth in the industry next year in terms of revenue passenger miles, and we intend to participate in that," the United official said. He declined to give further details for competitive reasons.

The airline industry generally has been suffering from overcapacity in recent years, and some industry executives have been worried that too big a purchase by United, the industry's biggest airline, might again produce excess capacity. When American Airlines ordered 10 of the 727s earlier this month, the airline pointedly noted that they would merely be used to replace older craft on a one-for-one basis. American is a major competitor of United.

The first batch of any 727s ordered by United this month, however, probably couldn't be delivered before the fourth quarter of 1977. And the remainder would be delivered in 1978. That would leave time for passenger growth to fill up additional seats.

United's order of 727s would be its first airplane purchase in eight years. If the airline does buy DC10s, it would be one of the few significant orders in recent years for wide-body jets. Boeing, McDonnell Douglas and Lockheed Aircraft Corp. have all suffered from a dearth of orders for the wide-body planes in the past few years.

WALL STREET JOURNAL

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THE WHITE HOUSE  
WASHINGTON

Requested

September 24, 1976

MEMORANDUM FOR: JAMES CANNON  
FROM: PAUL LEACH *PL*  
SUBJECT: Recent Announcements of Aircraft  
Orders and the Tax Bill Benefits  
for Airlines

Within the past few weeks, domestic trunk airlines have announced several orders -- or expected orders -- for new aircraft, primarily to replace older, noisy planes. These include two significant ones:

- United Airlines is considering ordering 25 to 28 new Boeing 727s at a cost of \$275 to 308 million. These can be financed out of \$483 million in cash on United's balance sheet. This is expected to be approved at the next United board meeting, when the need for some DC-10s may also be considered. See article at Tab A.
- American Airlines is ordering ten B-727s in addition to six B-727s ordered earlier this summer. The total cost of the 16 planes is about \$182 million, which American can finance with cash. See article at Tab B.

Another item of note is the effect of the Tax Bill on the airlines. There are several liberalized provisions for investment tax credits which benefit the airlines, including one major change which exclusively helps the airlines. Treasury, OMB and Congressional sources estimate that the special tax benefits may total about \$225 million over the next three years --- equivalent to about 20 B-727s. See article at Tab C.

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# UAL's United Airlines Expected to Clear Major Order of Boeing 727s Next Week

By WILLIAM M. CARLEY

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While the size of the purchase couldn't be pinpointed, one source said United is considering 25 to 28 of the planes. The 727s sell for about \$11 million each, indicating such an order would be valued at \$275 million to \$308 million.

United's board meets in Chicago next Thursday, and directors are expected to approve the purchase then, sources said. The directors might also consider United's need for some McDonnell-Douglas Corp. DC10s, although they might not vote on a specific order. DC10s sell for \$25 million to \$30 million each.

The big order for 727s would be a significant step in United's effort to reequip its fleet. The airline has 90 DC8s, many of which are heading toward obsolescence because of noisy engines and high fuel consumption.

## Cash Could Be Paid

As big as next week's order might be, however, it will leave United far short of satisfying its need to replace all its aging planes and provide for some growth. In a recent interview in New York, Richard Ferris, president, said the airline needs 200 planes by 1980. How the airline is to finance all those planes is a major problem, Mr. Ferris said. The insurance companies, traditional lenders to the industry, have halted loans to airlines because of the shaky finances at many companies.

United, however, wouldn't have any trouble paying for 28 of the 727s. At Aug. 31, the airline had \$493 million in cash and short-term securities. In addition, it expects

to generate another \$190 million to \$200 million in depreciation next year. Hence, the airline easily could pay cash. "If we bought some planes today, we'd probably pay cash," Mr. Ferris said in the recent interview.

The order expected next week would be mainly to replace some of the older DC8s. It's understood United has 30 DC8 models 20 and 30, the only nonfan-jets in its fleet and the worst gas guzzlers. A 727 Model 200, which has about the same number of seats as a DC8, could replace the older planes on a one-for-one basis. In addition, the airline would be willing to utilize the 727s to a greater extent as they're more economical than the old DC8s.

Next week's order also may provide for some growth in the number of passengers. United's revenue passenger miles, adjusted to eliminate aftereffects of a 16-day strike last December, are expected to rise almost as much this year as the 10% projected for the industry. That's a much faster growth than many in the industry had expected. A revenue passenger mile is one paying passenger carried one mile.

United, moreover, already has one of the highest load factors, or percentage of seats filled, in the industry. In the first eight months of 1976, United filled 61% of its seats, and in August, traditionally the airline's strongest month, it filled 69% of its seats. At those high levels, some planes take off full, meaning passengers have to be turned away from some flights.

## Increases in Capacity

As a result, United executives undoubtedly are feeling pressure to provide for some increases in capacity, and one United official hinted that is the case. "We see 8% growth in the industry next year in terms of revenue passenger miles, and we intend to participate in that," the United official said. He declined to give further details for competitive reasons.

The airline industry generally has been suffering from overcapacity in recent years, and some industry executives have been worried that too big a purchase by United, the industry's biggest airline, might again produce excess capacity. When American Airlines ordered 16 of the 727s earlier this month, the airline pointedly noted that they would merely be used to replace older craft on a one-for-one basis. American is a major competitor of United.

The first batch of any 727s ordered by United this month, however, probably couldn't be delivered before the fourth quarter of 1977. And the remainder would be delivered in 1978. That would leave time for passenger growth to fill up additional seats.

United's order of 727s would be its first airplane purchase in eight years. If the airline does buy DC10s, it would be one of the few significant orders in recent years for wide-body jets. Boeing, McDonnell Douglas and Lockheed Aircraft Corp. have all suffered from a dearth of orders for the wide-body planes in the past few years.

WALL STREET JOURNAL

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# American Air Set To Buy 10 Planes From Boeing Co.

## Planned 727 Order, Valued at \$115 Million, Would Be Its Second in 1½ Months

By WILLIAM M. CARLEY

Staff Reporter of THE WALL STREET JOURNAL  
NEW YORK—American Airlines is about to order 10 more Boeing Co. 727 airplanes valued at nearly \$115 million.

The order still requires approval by American's directors, which is expected at a board meeting next week. The latest order would follow American's purchase of six 727s announced Aug. 2. That order was valued at \$67 million, bringing the total of the two orders to almost \$182 million.

American's previous batch of airplane orders was in 1974, when it bought 21 of the 727s. The recent flurry of orders doesn't necessarily mean a significant increase in capacity to carry more passengers. Rather, it mainly reflects American's aim to replace aging planes that burn more fuel than the new planes and that don't meet federal noise standards.

Airline passenger traffic has been surging recently, which could also create a need for new planes. Albert Casey, chairman and president of American, said in August that American had boosted its estimate of traffic growth for this year as a result of greater-than-expected first half gains. American expects an increase of nearly 11% in its revenue passenger miles this year, compared with an earlier forecast of 8% growth.

### Added Seats

But American, like many other lines, has been boosting capacity to handle more passengers mainly by squeezing more seats into its existing planes. By next year American will have added over 1,500 seats, or the equivalent of a dozen 727s, to its existing planes.

Thus, an American official said, the airline plans to use its new 727s to replace older planes on a one-for-one basis. If passenger growth should continue to outstrip expectations, however, the airline might decide to keep some of the older craft in service. Other factors that might put pressure on the line to continue flying older planes are the possibility of winning new routes for which American has applied and a possible spurt in charter traffic, due to a recent Civil Aeronautics Board ruling easing restrictions on charter flights.

Most airlines, including American, have emphasized their intention to keep a tight rein on the growth of their fleets to avoid the costly overcapacity that plagued the industry in recent years. Because of modest increases in fleets this year and because of the fast passenger traffic growth, most airlines have been filling a greater percentage of their seats. This has caused a recent jump in profits for the carriers, compared with losses at many lines last year.

### 60% of Capacity

At American, the airline filled 60% of its seats in the second quarter, up from 58% a year earlier. "We have every intention of maintaining into 1977 the kind of scheduling restraint we have exercised this year and last," Mr. Casey said in announcing the orders for 727s on Aug. 2.

American has yet to decide on how it will finance either the purchase of the six 727s announced in August or the additional 10 to be ordered. But it's understood the airline has various options, including the possibility of internal financing.

The 727s that American is buying are among the most successful airplanes ever built, due largely to good operating economics for the airlines. Boeing has delivered over 1,200 of the 727s to 79 airlines around the world, compared with just over 900 of the venerable 707s, Boeing's first commercial jet plane. And Boeing's production line for 727s is still going strong, turning out five airplanes a month, a rate much greater than any other large commercial-aircraft production line.

American is buying the 727-200, which is a more sophisticated model than the original 727-100. The 16 planes involved in American's latest round of orders will be delivered next year.





# Airlines' Share Net Seen Particularly Helped By Tax Bill's Expansion of Investment Credit

By CHARLES J. ELLA

New tax legislation sent to President Ford by the Congress late last week could be a particular boon to airlines.

Among a host of other changes, the bill contains a liberalized provision for investment tax credits. These credits apply broadly to all of U.S. industry but analysts view the provision as especially helpful to airlines.

Because of erratic earnings in recent years, airlines haven't been able to use all of the investment tax credit available to them. If President Ford signs the tax bill, as expected, the more expansive tax credit provision will become available to airlines just when they can best use it. Earnings have been rebounding, and the credit will sharply reduce tax rates of many carriers, allowing them to retain more of their profits.

"It's a major plus," says Elliot Fried of Shearson Hayden Stone Inc.

"There isn't any question it will increase earnings per share of a number of airlines," says Robert Joedecke of Kuhn, Loeb & Co. "What it really shows is Washington's changing attitude toward capital formation."

The tax bill extends the 10% investment tax credit. Simply put, an airline could use 10% of the cost of a new plane to reduce its corporate taxes. The significant new element, says Shearson's Mr. Fried, is that companies will be allowed to use their investment tax credits to offset 100% of tax liability in each of the next two years, compared with 50% previously.

In addition, the bill allows companies to use the tax credits accumulated in earlier years before those earned in the current year. Previously, current-year credits had to be used first. Unused credits also may be carried forward for 10 years, instead of seven.

"The potential major beneficiaries are the larger airlines," says Mr. Fried. "Many of them haven't been able to use a substantial portion of their credits due to insufficient earnings over the years."

Here's the amount of investment credit Mr. Fried says each of the major carriers has carried forward for later use:

At year-end 1973, American had \$73 million, Braniff \$3 million, Continental \$39 million, Eastern \$38 million, Northwest \$2 million, Pan American \$31 million, Trans World \$27 million, United \$153 million and Western \$18 million. On June 30, 1976, Delta had \$34 million of carry-forward and on June 30, 1975, National had \$27 million.

Mr. Fried believes the tax bill, if

signed, could stimulate orders of new planes by the major carriers.

The industry's total investment tax carry-forwards are large in relation to expected earnings. Mr. Fried's list of credits totals \$562 million. He's estimating industry profits this year at \$325 million to \$350 million, and next year at \$400 million to \$500 million.

Heard  
on the  
Street

WALL STREET JOURNAL

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THE WHITE HOUSE  
WASHINGTON  
September 24, 1976

INFORMATION  
REQUESTED

File

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J.C.*  
SUBJECT: Aviation Noise Policy

When you discussed an Aviation Noise Policy Statement with Cheney, Marsh, Greenspan and me last Saturday, you suggested that your Policy Statement might take the form of a message to Congress, or a major address.

Since any message to Congress could be lost in the closing days of this session, I believe that a speech would provide a better opportunity for you to present your views.

Accordingly, I have drafted for your consideration an Aviation Noise Policy Statement in the form of a speech which might be given to a knowledgeable audience gathered at one of the noisiest airports:

<u>Airport</u>	<u>Serious Noise Affecting</u>
New York - La Guardia	1,000,000 persons
Chicago - O'Hare	771,000 persons
New York - John F. Kennedy	507,000 persons
Newark, New Jersey	431,000 persons
Boston - Logan International	431,300 persons
Los Angeles, International	293,600 persons

Since the New York metropolitan area has three of the noisiest airports, I would suggest you speak at one of them, preferably JFK.

The audience could include (by invitation) airport workers, pilots, homeowners in the area, community leaders, environmental leaders, airline executives, civic leaders, a cross-section of the community most directly affected by aircraft noise, and labor and management representatives of the airline and aircraft industries and their suppliers.



This draft attempts to get across these points:

- your concern for an environmental problem;
- your interest in preserving a healthy and competitive airline industry;
- your concern for jobs;
- your interest in energy conservation;
- your desire to avoid unnecessary Federal expenditures;
- your personal leadership in addressing a difficult, complex, and interrelated set of problems; and
- your decisiveness in proposing a balanced, practical and sound solution.

By the time of your return I will have reviewed this with Marsh, Greenspan and O'Neill.



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