

The original documents are located in Box 50, folder “1976/07/12 HR9771 Airport and Airway Development Act Amendment of 1976 (1)” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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8/12/76

APPROVED

JUL 12 1976

THE WHITE HOUSE
WASHINGTON
July 10, 1976

ACTION

Last Day: July 12

*Signed in Ceremony
East Garden - 11:00 AM
Statement
issued
7/12/76*

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: H.R. 9771 - Airport and Airway Development Act Amendments of 1976

Attached for your consideration is H.R. 9771, sponsored by Representative Jones and 17 others.

The enrolled bill will provide contract authority of \$2.7 billion and authorize appropriations of \$1.4 billion for fiscal years 1976 through 1980 for DOT to carry out its responsibilities under the Airport and Airway Development Act of 1970.

A detailed explanation of the provisions of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, CIEP, Bill Seidman, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill and the attached signing statement which has been cleared by the White House Editorial Office (Smith).

RECOMMENDATION

That you sign H.R. 9771 at Tab B **(AT CEREMONY)**

That you approve the signing statement at Tab C.

Approve *JAC* Disapprove _____

*archive
7/13/76*





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 7 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9771 - Airport and Airway Development
Act Amendments of 1976
Sponsor - Rep. Jones (D) Alabama and 17 others

Last Day for Action

July 12, 1976 - Monday

Purpose

To extend and amend the Airport and Airway Development Act of 1970.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Department of Transportation	Approval (Signing statement attached)
Department of Agriculture	Approval (Informally)
Department of Defense	Approval
Department of Commerce	Approval (Sec. 15)
Department of the Treasury	No objection (Signing statement attached)
Civil Aeronautics Board	No objection
National Transportation Safety Board	No objection
Department of Justice	Defers

Discussion

The Airport and Airway Development Act of 1970 (ADAP) authorized grants to States, localities, and airport operators for airport development activities. It also gave authority to the Department of Transportation (DOT) for the construction of facilities and equipment (radar, landing aids, etc.) related to the air traffic control system. Funds for both programs come from an Airport and Airway Trust Fund, also created by the Act. The Trust Fund is



maintained by charges on the users of the system, including passengers, air freight shippers, private aircraft owners and operators, and the airlines themselves.

The Administration had proposed a number of significant changes in the 1970 Act designed in large part to place greater responsibility (a) on States and airport owners for improving the nation's civil airports, and (b) on States for financing general aviation airport planning and development. H.R. 9771 would implement some of those recommendations, in whole or in part, by:

- . providing for an increased State management role in the general aviation airport development program.
- . clarifying that two-thirds of airport development funds must be distributed by formula and reducing the degree of project approval required.
- . allowing the use of Trust Fund monies for part of the maintenance costs of the air traffic control system.
- . providing for a long term extension of the programs authorized by the Act.

However, several Administration recommendations were not adopted by the Congress; an especially important omission from the bill was a proposed restructuring of the aviation user tax system designed to make it more equitable. Further, the enrolled bill contains some objectionable provisions including:

- . an excessive total amount of funding.
- . making the annual level of monies available from the Trust Fund for maintenance dependent on the amount of funds obligated for airport development.
- . increasing the Federal share of the cost of projects at small air carrier (commercial) and all general aviation (non-commercial) airports.
- . shifting from the airlines to the Federal government certain customs and immigration inspection expenses.

An attachment to the DOT views letter on the enrolled bill contains a section-by-section analysis of the entire bill. This memorandum will therefore just discuss the major provisions noted above.

H.R. 9771 would provide contract authority of \$2.7 billion and authorize appropriations of \$1.4 billion, for a total of \$4.14 billion, for fiscal years 1976 through 1980 for DOT to carry out its responsibilities under the 1970 Act. The Administration requested a total of \$3.15 billion; a table is attached comparing the total funding in the enrolled bill with the Administration's proposal. While the total funding in the bill is about \$1 billion more than the Administration recommended, the DOT views letter points out that H.R. 9771 "represents a compromise between the Administration's request and the much higher levels supported by the Congress and the major aviation interest groups."

One of the major desirable provisions of H.R. 9771 would authorize, for the first time since November 1971, the use of Trust Fund monies for maintenance of the air traffic control system. However, the bill also provides that, if the Secretary obligates for airport development in any fiscal year an amount less than that authorized for the year, the authorization for maintenance costs from the Trust Fund will be reduced proportionately. This limitation is objectionable because it would tie support for operating expenses to spending for airport development. In a letter to the conference committee on the enrolled bill, DOT stated that this provision was bad enough for DOT to "seriously consider recommending a veto" if it was left in the final bill. However, getting any authorization for using Trust Fund monies for system maintenance is a major step forward, since Congress has strongly opposed such a provision in the past.

The enrolled bill would provide that two-thirds of the funds available for air carrier airports (serving commercial air carriers) and general aviation airports (non-commercial) be distributed by formula allocation. Under current practice, only about one-third of the funds are distributed by formula. The bill would also decrease the amount of approval required by DOT for specific development projects. While the Administration had proposed an even greater increase in the amount distributed by formula (to about four-fifths), this provision substantially carries out a major Administration recommendation.

The current Federal share of the costs of airport development projects is 75% for small and medium air carrier airports and all general aviation airports and 50% for large airports. The enrolled bill would increase the Federal share for small air carrier airports and all general aviation airports to 90% for 1976-1978 and 80% for 1979-1980. (The Federal share for medium air carrier and large airports would remain the same as under current law.) This is an undesirable and unnecessary increase.

H.R. 9771 would provide for a limited demonstration program for delegating the Secretary's authority to approve projects under the general aviation airport development program to four States. The Administration proposed a delegation of the entire program to all States in order to concentrate Federal activities on those air carrier airports that are of national or interstate interest. This provision in the bill, even though limited, does represent some progress since Congress has resisted any such proposals in the past.

H.R. 9771 would shift from the airlines to the Federal government payment for expenses related to government customs and immigration inspections at airports during regular hours of service (i.e., from 9:00 a.m. to 6:00 p.m.) on Sundays and holidays. It would also forbid the billing to the airlines of any administrative or overhead expenses related to customs or immigration inspections. The change would be effective on January 1, 1977 and would cost the Departments of Treasury and Justice an estimated \$7-15 million per year.

Existing law requires that customs and immigration inspectors be paid overtime by the airlines for any work performed on Sundays and holidays. The Administration opposed removing the airlines' requirement to pay for such inspection services as long as overtime pay was required. However, it indicated there would be no objection if the existing law was changed to eliminate the overtime rates; this would have allowed scheduling of Sunday and holiday work as part of an employee's regular 40-hour week. But Congress did not adopt the Administration's suggestion. We will work with the affected agencies to develop corrective legislation on this subject to present to the Congress.

* * * * *

The enrolled bill falls far short of Administration proposals in some key areas and contains some undesirable provisions. However, it also carries out several recommendations of the Administration. On balance, we believe the bill should be approved and agree with DOT's conclusion in its views letter that "We have not achieved all that we wanted, but...the gains...warrant approval..."



Both DOT and the Department of the Treasury have submitted signing statements on the bill with their views letters. Given the mixed picture that this bill presents, we would question whether a signing statement is desirable. In the event that you decide to issue such a statement, we have attached for your consideration an amended version which we believe is more balanced in its characterization of the bill.

James M. Jey
Assistant Director
for Legislative Reference

Enclosures



FUNDING COMPARISON

(\$ in millions)

	<u>Administration Proposal</u>	<u>Enrolled Bill</u>
1976/T.Q.	\$750	\$836
1977	600	778
1978	600	808
1979	600	840
1980	<u>600</u>	<u>875</u>
TOTAL	<u>\$3,150</u>	<u>\$4,137</u>



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

JUL 2 1976

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in reply to your request for the views of the Department on H.R. 9771, an enrolled bill,

"To amend the Airport and Airway Development Act of 1970."

General

The major purposes of H.R. 9771 are to extend the authorizations under the Airport and Airway Development Act (referred to hereafter as the "Act") and to make various programmatic and procedural improvements to the Airport Development Aid Program (ADAP). Obligational authority provided by the Act for ADAP and for airway facilities expired at the end of fiscal year 1975, and these authorizations are needed to permit resumption of these important programs. With certain exceptions, H.R. 9771 extends those authorizations through fiscal year 1980, and in the case of the authorizations for ADAP, provides over the five-year period modest increases in the program level of about six percent per year.

The bill also makes a major change in policy with respect to the use of monies in the Airport and Airway Trust Fund. For the first time since November 1971, Trust Fund monies may be used to defray certain FAA operating costs. This significant provision, which was one of the Administration's major objectives in the aviation policy area, will permit over \$1 billion in FAA maintenance costs over the next four fiscal years to be financed

from the Trust Fund. In addition to providing greater equity for the general taxpayer, this provision should help neutralize any movement for a major deficit-increasing reduction of existing aviation user taxes.

Among the programmatic and procedural changes applicable to ADAP, the most important are:

(1) the broadening of the purposes to which ADAP funds may be devoted to include the construction of certain portions of airport terminals and the acquisition of land or interests in land neighboring airports for the purpose of insuring its use in a manner compatible with airport noise levels;

(2) the adoption of procedures which will improve the ADAP delivery system and provide grant recipients more flexibility and responsibility in the operation of the Program; and

(3) the establishment of a program to demonstrate the concept of State management of the general aviation airport development program.

Although not going as far as we would have liked, these changes are consistent with the policy directions recommended by the Administration. On the other hand, the bill contains a number of provisions which the Administration opposed as unnecessary or undesirable. Among these provisions are an amendment temporarily increasing to 90 percent the Federal share of the cost of development at smaller airports and a provision effective January 1, 1977, eliminating charges for customs and other inspections conducted during "regular" hours on Sundays and holidays.

These and other features of the bill are discussed in more detail below. Also, there is enclosed a section-by-section analysis of the enrolled bill.

Funding Level

The level of funding in the enrolled bill represents a compromise between the Administration's request and the much higher levels supported by the Congress and the major aviation interest groups. Given the inflation in the construction industry over the last five years, the amounts included in the bill will produce approximately the same actual construction volume as the \$280 million authorized in the original 1970 Act. In addition, it must be remembered that inflation has increased the revenues accruing to the Federal Trust Fund. Also, it should be noted that the funding levels are equal to or less than the FY 1976/1977 Congressional Budget resolution amounts.

Distribution of Funds

A major change proposed in the Administration's bill was to distribute the majority of the ADAP funds on a formula basis, thus helping to reduce the Federal involvement in this program. The Administration's bill used the number of aircraft departures from an airport as the basis for distribution and created a slight bias toward small and medium airports by reducing the rate per departure as the number of departures increased.

The enrolled bill retains this feature but uses enplanements rather than departures. To counter arguments that the ADAP program provides too much to airports who can afford to pay, the Congress altered the Administration's bill to provide relatively more assistance to the less affluent airports.

Federal Share

The enrolled bill provides that the Federal share of the costs of projects at small and medium size airports, including those that serve commuters, will be 90 percent for the first three years of the extension and 80 percent for the final two years. The Federal share for projects at large airports would be 75 percent. While this arrangement differs from the across-the-board 75 percent rate recommended in the Administration's bill, it is consistent with the fact that the smaller airports are not able to finance necessary

expansion as easily as the larger airports. Unlike the Senate bill and the tentative Conference agreement which called for a permanent 90 percent share for the smaller airports, this provision does not establish a 90 percent precedent for other DOT programs.

Maintenance Funded by Trust Fund Revenues

As discussed previously, in a major breakthrough achieved primarily by the amendment of the Senate bill during floor action, field maintenance may be funded from Trust Fund revenues. The maximum authorization starts at \$250 million in 1977 and increases to \$325 million in 1980. The bill also provides that, if for any reason the Secretary obligates for airport development in any fiscal year an amount less than the amount authorized for that year, the maximum authorization from the Trust Fund for maintenance will be reduced proportionately. While this provision penalizing maintenance expenditures is clearly undesirable, it must be pointed out that this is not an unreasonable response to prior Executive Branch impoundment of ADAP funds. Moreover, because in each of the next four fiscal years airport development authorizations would exceed maintenance authorizations by more than a two to one margin, maintenance expenditures from the Trust Fund would be reduced by less than one dollar for every two dollars which the Secretary fails to obligate for airport development.

Project Eligibility

Consistent with the Administration's bill, project eligibility has been expanded to include the purchase of land for alleviating noise effects, the acquisition of noise suppression equipment, and the development of nonrevenue producing public use areas of airport terminals. The provision allowing land purchases for environmental reasons adds to the range of actions that can help alleviate the noise problem at many large airports. The authorization to provide funds for the construction of certain portions of terminals is also a major step forward. Those airports with adequate airside improvements, that previously were unable to develop groundside facilities to match the airside capacity, can now optimize their total investment to maximize capacity.

Planning and Grant Administration

While we had hoped to move further in this area, several improvements were made. The bill sanctions the concept of FAA accepting a certification from the sponsor that conditions of a grant agreement have been met. In addition, two or more projects may be included under the same grant. We did not achieve the simplification of the planning document (National Airport System Plan) for airport development nor the combining of all projects into a capital improvement plan requiring only a single approval. We are working internally, however, to improve the grant procedures and may be able to achieve some improvements administratively.

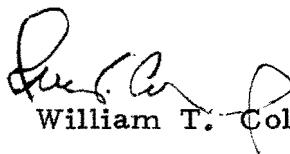
Other Items

During the latter stages of the development of the bill, several provisions were added that will require the expenditure of additional funds. These include: reimbursing U.S. air carriers for costs not otherwise recovered for the screening of passengers moving in foreign transportation; limiting the closing, consolidation or remote control operation of existing flight service stations for three years; restricting DOD to contracting with certificated air carriers which have aircraft committed to the Civil Reserve Air Fleet; limiting overtime charges for customs and other Federal inspections; and authorizing \$3 million, in part, for a multimodal terminal demonstration project at South Bend, Indiana. While these provisions are not desirable, they do not warrant a veto of this comprehensive bill. Some of the authorizations are subject to the appropriations process, and it may be appropriate to submit legislation at a later date to modify or eliminate some of the more undesirable provisions.

Recommendation

Overall, we have achieved many of the objectives we proposed when we developed the Administration bill to extend the Airport and Airway Development Act of 1970. We have not achieved all that we wanted, but I believe the gains, particularly the sizeable maintenance funding from the Trust Fund, warrant approval of the enrolled bill, especially given that State and local officials have had needed airport projects held up since July, 1975, due to lack of authorizations. Therefore, I recommend that the President sign the enrolled bill.

Sincerely,



William T. Coleman, Jr.

Attachment

SECTION-BY-SECTION ANALYSIS OF
ENROLLED BILL, H.R. 9771

SHORT TITLE

Section 1.

This section states that the bill may be cited as the Airport and Airway Development Act Amendments of 1976.

DECLARATION OF POLICY

Section 2.

This section makes conforming changes to the declaration of policy in section 2 of the Airport and Airway Development Act of 1970 (referred to hereafter as the Act).

DEFINITIONS

Section 3.

This section amends section 11 of the Act (a) to expand the definition of airport development to include as eligible projects the acquisition of snow removal and noise suppressing equipment; the construction of physical barriers and landscaping for the purpose of diminishing the effect of aircraft noise on areas adjacent to an airport; and the acquisition of land or interests in land to insure its use for purposes compatible with airport noise levels; and (b) to add definitions of the terms "air carrier airport" and "commuter service airport." An air carrier airport

is an airport regularly served by an air carrier certificated by the CAB under section 401 of the Federal Aviation Act of 1958 (other than a supplemental air carrier) and a commuter service airport. (Note that section 14 of the bill adds a new section 29 to the Act under which certain airports served by certain intrastate air carriers would be deemed to be air carrier airports for purposes of ADAP.) A commuter service airport is an airport (i) which is not served by a CAB certificated air carrier; (ii) which is served by one or more air carriers operating under a CAB exemption; and (iii) at which not less than 2,500 passengers were enplaned by commuter airlines during the preceding calendar year.

NATIONAL AIRPORT SYSTEM PLAN (NASP)

Section 4.

This section adds a new subsection to section 12 of the Act requiring the Secretary to publish by January 1, 1978, a revised NASP containing estimated costs which are sufficiently accurate for use for future apportionments and including the projected airport development necessary to fulfill projected levels of service and use for the succeeding 10-year period.

PLANNING GRANTSSection 5.

This section amends section 13(b) of the Act, in effect, to extend the planning grant program for an additional five years at \$15 million per year. The Federal share of planning projects is changed from 66-2/3% to whatever percent a project for airport development at the particular airport would be under revised section 27 of the Act or, in the case of airport system planning projects, 75 percent.

FUNDINGSection 6.

This section and, with respect to R&D, section 201 provide funding through fiscal year 1980 in the following amounts (figures are millions of dollars):

<u>Activity</u>	<u>1976 & T/Q</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Air carrier airports	435	440	465	495	525*
G/A (including reliever) airports	65	70	75	80	85*
F&E	312.5	250	250	250	250
RD&D	109.35(max.)	85.4(max.)	50(min.)	50(min.)	50(min.)
Maintenance from T/F	0	250**	275**	300**	325**

* Section 14(b) of the Act is amended to require enactment of a new statute before discretionary funds authorized for FY 1980 may be obligated.

** Revised section 14(e) of the Act would reduce these sums (1) to the extent that user tax revenues are insufficient to cover these amounts and minimum amounts authorized for ADAP, F&E, and RD&D; and (2) according to a formula penalizing maintenance funding if authorized airport development funds are not fully obligated.

DISTRIBUTION OF ADAP FUNDS

Section 7.

This section amends section 15 of the Act to revise the method of distributing ADAP funds to construction sponsors as follows (as of October 1, 1976, apportionments are to be made on the first day of the fiscal year) --

Air carrier funds

(a) Each year, up to 2/3's of available funds are to be made available to air carrier airport sponsors (other than commuter) according to the following formula --

\$6 for each of first 50,000 enplaned passengers;

\$4 for each of the next 50,000 enplaned passengers;

\$2 for each of the next 400,000 enplaned passengers;

\$.50 for each enplaned passenger over 500,000.

(For FY 1976, enplanements are to be increased by 25%).

MAXIMUM AND MINIMUM ANNUAL APPORTIONMENTS
FOR EACH AIR CARRIER AIRPORT (OTHER THAN COMMUTER)

1. If served currently or at any time after September 1968 by aircraft over 12,500 lbs. --

Maximum - \$12.5 million for FY 75 and the T/Q

Minimum - \$187,500 for FY 76 and the T/Q

Maximum - \$10 million for FY 77-80

Minimum - \$150,000 for FY 77-80

2. If never served by aircraft over 12,500 lbs. since September 1968 --

Maximum - \$12.5 million for FY 76 and the T/Q

Minimum - \$62,500 for FY 76 and the T/Q

Maximum - \$10 million for FY 77-80

Minimum - \$50,000 for FY 77-80

(b) Out of the air carrier money remaining after the apportionment process outlined above, the first \$18,750,000 for FY 1976 and the T/Q and the first \$15 for each of FY 77-80 are to be distributed at DOT discretion to commuter service airports. The remainder of any such surplus goes to air carrier airports.

GENERAL AVIATION FUNDS

(a) 75% to States on an area/population basis

1% to territories (discretionary)

24% discretionary

(b) \$18,750,000 from the G/A authorization for 1976

and the T/Q and \$15 million from the G/A authorizations for FY 77-80 are to be distributed at DOT discretion to reliever airports.

PROJECT APPROVAL

Section 8.

This section amends section 16 of the Act to preclude G/A grants to airports unless DOT finds (1) they are used regularly by the Air National Guard or a Reserve unit, (2) they have a significant national interest, or (3) they are regularly served by aircraft transporting U.S. mail.

It also authorizes \$1.275 million from the Trust Fund for grants to States to develop standards for ADAP at G/A airports.

Finally, it permits DOT to accept a certification from sponsors that certain statutory and administrative requirements imposed on sponsors have been met. DOT retains responsibility under NEPA and section 4(f) of the DOT Act and with respect to relocation and civil rights matters.

FEDERAL SHARE

Section 9.

This section amends section 17 of the Act to establish the Federal share of project costs as follows--

<u>Type of Airport</u>	<u>FY 76-78</u>	<u>FY 79-80</u>
Air carrier airports (other than commuters) enplaning less than .25% of all air carrier passengers:	90%	80%
Commuter airports:	90%	80%
G/A airports:	90%	80%
Other airports:	75%	75%

Under an amendment to section 20 of the Act, the Federal share for terminal area projects would be 50%. The special Federal share provisions for landing aids and safety and security equipment would no longer apply.

PROJECT SPONSORSHIPSection 10.

This section amends section 18 of the Act--

- to require sponsors to consult on projects with air carriers, in the case of air carrier airports, and with fixed based operators, in the case of general aviation airports;
- to prohibit the inclusion of grants in the rate base in establishing airport fees and charges; and
- to add a specific provision precluding discrimination among CAB certificated and foreign air carriers in matters associated with the use of airports, and among fixed based operators in matters associated with FBO operations at G/A airports.

MULTI-YEAR PROJECTSSection 11.

This section amends section 19 of the Act as it pertains to multi-year projects. In a case where the Secretary approves a project which will not be completed in one fiscal year, the Secretary, upon request of the sponsor, would commit the Government to continue the project in future years. The Conference Report indicates the commitment would be subject to the apportionment of the enplanement formula moneys in each year.

TERMINALSSection 12.

This section amends section 20 of the Act to permit the financing of non-revenue public-use portions of on-airport terminals provided --

- all required safety and security equipment is in place;
- only air carrier formula funds are obligated and no more than 60% of such funds are so obligated; and
- the Federal share does not exceed 50% of project costs.

Funds can also be made available under this amendment for debt retirement pertaining to terminal development carried out between July 1, 1970 and the date of enactment of the bill.



STATE DEMONSTRATION PROGRAMSSection 13.

This section adds a new section 28 to the Act establishing a demonstration program for the administration by States of U.S. grants for G/A airports. No more than four States may participate, no new demonstration may be initiated after January 1, 1977, and no grant may be made to a State after September 30, 1978. DOT must report to Congress on the results of the demonstration program by March 31, 1978.

INTRASTATE AIR CARRIER AIRPORTSSection 14.

This section adds a new section 29 to the Act providing that an airport shall be deemed to be an air carrier airport under ADAP if it is served by an intrastate air carrier using aircraft capable of carrying 30 or more persons and if the airport loses or has lost CAB certificated air carrier service either through (1) a CAB sanctioned suspension of all certificated service to the city involved or (2) the deletion by the CAB from the certificates of all certificated air carriers (after the date of enactment of the bill) of the authority to serve that city.

Section 14 also adds a new section 30 to the Act prohibiting discrimination on the grounds of race, creed, color, sex, or national origin with respect to participating in activities conducted with funds received under an ADAP grant.

CUSTOMS, ETC.Section 15.

This section amends section 53 of the Act respecting charges for Federal inspection services at airports of entry. As of January 1, 1977 aircraft entering the U.S. on Sundays and holidays, during hours that would be considered normal daytime work hours on weekdays, could not be charged any fee which is not assessed for inspection services during normal daytime working hours on weekdays.

EDITORIAL AMENDMENTSection 16.

This section makes an editorial amendment to section 303(e) of the Federal Aviation Act.

ALASKA AIRPORT EXEMPTIONSection 17.

This section adds a new section 317 to the Federal Aviation Act permitting the FAA Administrator to exempt airports in Alaska from the provisions on aviation security procedures and facilities in sections 315 and 316 of that Act if the airport receives service only from CAB certificated air carriers which operate aircraft weighing less than 12,500 pounds and which do not enplane passengers who are moving in air transportation or who will not be screened for security at an Alaskan airport before enplaning for a point outside of Alaska.

DOD CONTRACTSSection 18.

This section amends section 401 of the Federal Aviation Act to require that DOD contract only with air carriers with aircraft in the civil reserve air fleet (or who offer to place aircraft in that fleet) and which hold CAB certificates whenever DOD procures transportation of persons or property by transport category aircraft in interstate air transportation through contracts of more than 30 days duration for airlift service within the U.S. However, DOD may contract with an uncertificated air carrier if DOD determines that no certificated carrier is willing or capable of providing this type of service.

AIRPORT FIRE AND RESCUE CAPABILITYSection 19.

This section amends section 612(b) of the Federal Aviation Act to permit the FAA to exempt an airport enplaning annually less than .25% of the total passengers enplaned at air carrier airports from the conditions associated with an airport operating certificate pertaining to firefighting and rescue equipment if the FAA finds that such requirements are unreasonably costly, burdensome, or impractical.

AIRPORT STUDY

Section 20.

This section requires DOT to conduct by January 1, 1978, a study of airports whose closure is threatened by land requirements, local taxes, or a low revenue return per acre.

AVIATION INFORMATION DISTRIBUTION

Section 21.

This section calls upon DOT to establish a civil aviation information distribution program within each FAA region.

FSS CLOSURES

Section 22.

This section prohibits DOT from closing over the next three years any FAA flight service station except for part-time operation by remote control during low-activity periods or not more than five FSS's operated by remote control from one air route traffic control center for the purpose of demonstrating the effectiveness of service at a consolidated FSS.

DEMONSTRATION PROJECT

Section 23.

This section authorizes the appropriation of \$3 million (non-Trust Fund) to undertake a demonstration project at South Bend, Indiana, for a multi-modal terminal building and to undertake other demonstration projects related to ground transportation services to airports.

SECURITY IN FOREIGN AIR TRANSPORTATIONSection 24.

This section permits DOT to reimburse air carriers for expenses incurred for security screening facilities and procedures attributable to the screening of passengers moving in foreign air transportation. \$3,750,000 is authorized from the Trust Fund for FY 76 and the T/Q and \$3 million for each of FY 77 and 78.

REDUCTION OF EXPENDITURESSection 25.

This section requires DOT to attempt to reduce costs of the national airport and airway system and to consult in this effort annually with system users.

SPECIAL STUDIESSection 26.

This section requires DOT to conduct studies respecting--

- (1) the feasibility of land bank planning for airports;
- (2) the establishment of major new airports; and
- (3) the feasibility of soundproofing certain public buildings near airports.

R&D ACTIVITIESSection 201.

This section contains authorizations concerning RD&D regarding the air traffic control and airway system. Amounts are listed above in the discussion of section 6 of the bill.

TRUST FUND AMENDMENTSSection 301.

This section amends section 208 of the Airport and Airway Revenue Act of 1970 to permit the use of Trust Fund monies for ADAP as administered under amendments adopted by the bill and to make editorial changes.

B

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 7 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9771 - Airport and Airway Development
Act Amendments of 1976
Sponsor - Rep. Jones (D) Alabama and 17 others

Last Day for Action

July 12, 1976 - Monday

Purpose

To extend and amend the Airport and Airway Development Act of 1970.

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
Department of Transportation	Approval (Signing statement attached)
Department of Agriculture	Approval (Informally)
Department of Defense	Approval
Department of Commerce	Approval (Sec. 15)
Department of the Treasury	No objection (Signing statement attached)
Civil Aeronautics Board	No objection
National Transportation Safety Board	No objection
Department of Justice	Defers

Discussion

The Airport and Airway Development Act of 1970 (ADAP) authorized grants to States, localities, and airport operators for airport development activities. It also gave authority to the Department of Transportation (DOT) for the construction of facilities and equipment (radar, landing aids, etc.) related to the air traffic control system. Funds for both programs come from an Airport and Airway Trust Fund, also created by the Act. The Trust Fund is

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 1

Time: 615pm

FOR ACTION:

Judy Hope *u*
Max Friedersdorf *m* cc (for information):
Ken Lazarus *u*
Bill Seidman *u* Robert Hartmann (signing statement attached) *ob*
CIEP *ch*

FROM THE STAFF SECRETARY

DUE: Date:

July 8

Time:

530pm

SUBJECT:

H.R. 9771-Airport and Airway Development Act Amendments

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

*Publi
works
council
veto*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



July 7, 1976

DRAFT ADAP SIGNING STATEMENT

I am signing today a bill, H.R. 9771, which authorizes over a five-year period more than \$4 billion for the extension of the Airport Development Aid Program and for the continuation of the Federal program for the acquisition and installation of facilities and equipment for the Nation's airway system. These important programs can now resume after a hiatus of more than a year. This bill, through several key amendments to the landmark Airport and Airway Development Act of 1970, will provide the basis for a number of important improvements in the operation of the airport and airway system.

First, the long-term extension of funding authorizations will permit us to achieve substantial progress in the development of our Nation's public airports. In addition to supporting projects which will provide greater efficiency and safety in the operation of aircraft at these airports, the bill will permit the application of Federal assistance to projects which will expand the capacity of overcrowded airport terminals. At the same time, new provisions designed to help alleviate the airport noise problem should improve the compatibility of airport operations with activities on neighboring properties.

Second, the bill permits for the first time in nearly five years the use of monies in the Airport and Airway Trust Fund for defraying expenses incurred by the Department of Transportation in maintaining air navigation facilities. This provision is most important from the standpoint of equity to the general taxpayer and I am especially pleased that the Congress agreed to its inclusion in the bill. I continue to believe that the users of the airport and airway system who derive special benefits from the system should contribute a fair share to the payment of system costs.

Third, the bill will permit us to make important progress in our efforts to shift to the State and local level governmental functions which can be carried out by State and local governments more efficiently and with greater sensitivity to the needs and desires of the people they serve. Under the amendments contained in this bill, recipients of grants for airport development will be afforded greater flexibility in managing their affairs and also will have the opportunity to take on greater responsibility with respect to carrying out the purposes of the statute.

H.R. 9771 does not contain everything the Administration proposed to the Congress, but it represents a strong step toward achieving the goals we have set for our transportation system and I am pleased to sign it into law.

DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330



OFFICE OF THE SECRETARY

JUL 1976

Dear Mr. Director:

Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to the enrolled enactment of H. R. 9771, 94th Congress, an Act "To amend the Airport and Airway Development Act of 1970". The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The purpose of H. R. 9771 is to amend the Airport and Airway Development Act of 1970 in such areas as national airport system planning programs; planning grants; airport and airway development; research, development and demonstration; facilities development and other related considerations for a revised national public airport system.

The Department of the Air Force, on behalf of the Department of Defense, recommends the approval and signature by the President of H. R. 9771.

This report has been coordinated within the Department of Defense in accordance with the procedures prescribed by the Secretary of Defense.

Sincerely,

A handwritten signature in cursive script that reads "Gordon Rupp".

Assistant Secretary of the Air Force
(Infrastructure and Logistics)

Honorable James T. Lynn
Director
Office of Management and Budget





**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

JUL 2 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in response to your request for the views of this Department on H.R. 9771, an enrolled enactment

"To amend the Airport and Airway Development
Act of 1970."

Section 15 of H.R. 9771 provides that the costs of inspection or quarantine services provided to aircraft arriving at places of inspection during regularly scheduled hours of service on Sundays or holidays, shall be reimbursed by the owners or operators of the aircraft only to the extent to which reimbursement would have been required for the services if they had been performed during regularly scheduled hours on weekdays. The section further provides that reimbursement may not be required from the owners or operators of aircraft for overhead administrative costs associated with inspection or quarantine services.

We believe that Section 15 is a positive step in providing better air transport to the public and in increasing the competitiveness of U.S. air transport operations. We understand that this provision would reduce airline inspection and quarantine costs by approximately \$7.6 million annually. Further, it is our understanding that other countries of the free world now provide such services without reimbursement.

OFFICE OF MANAGEMENT
AND BUDGET

JUL 2 1976
PM 8:00

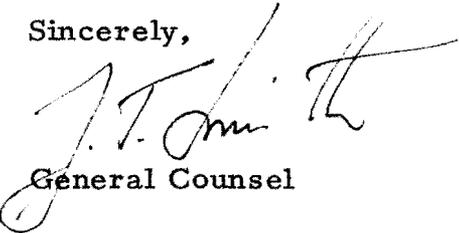
RECEIVED



Insofar as Section 15 of H. R. 9771 is concerned, we recommend approval by the President of the enrolled enactment. With respect to other provisions of H. R. 9771, we would defer to the views of the agencies more directly concerned.

Enactment of H. R. 9771 would involve no increase in the budgetary requirements of this Department.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. T. Smith". The signature is written in dark ink and is positioned above the typed name "General Counsel".

General Counsel



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

JUL 7 1976

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 9771, "To amend the Airport and Airway Development Act of 1970."

H.R. 9771 would amend the Airport and Airway Development Act of 1970 to provide continued expansion and improvement of our nation's airport and airway system. While the Department approves of the enrolled enactment's general purpose, we find that one provision would have an adverse impact on the operations of all the Federal inspectional services, and those of the Customs Service in particular.

Section 15 of H.R. 9771 would transfer to the Federal Government the cost of inspectional services provided to aircraft arriving in the United States on Sundays and holidays, a cost which has been estimated to be as high as \$24 million a year. The Department can find no justification for providing a special benefit to aircraft owners and operators at the expense of the taxpayers and to the detriment of other carriers and private interests which would still have to pay for special services provided outside normal hours of business. The logical extension of this law would lead to the assumption of the overtime expenses currently borne by vessel operators by the Federal Government. Such results run counter to a basic principle of government embedded in our laws that recipients of special services and benefits provided at their request should pay for those services.

More significant, however, is the adverse effect this legislation will have on other Customs services required by and provided to the general public. Since the Customs Service will have to absorb these unanticipated additional costs within its FY 77 appropriation, other necessary and vital programs and public services will have to be reduced or eliminated. Such services include the opening of new ports of entry, the expansion of services at new border facilities, and increased inspection services to the importing and traveling public. Further, the drug enforcement program of Customs would be seriously jeopardized to the extent that new programs being designed to halt the ever increasing influx of narcotics would lack the necessary funding to make them viable. Based on the President's recent special message to Congress on drug abuse, the Department believes these programs should command top priority.

The foregoing notwithstanding, the Department will not object to a recommendation that the enrolled enactment be approved by the President. There is enclosed, however, a statement which the Department recommends the President include in his remarks on signing. It highlights the difficulties that section 15 poses and urges the Congress to provide relief.

Sincerely yours,



General Counsel

Richard R. Albrecht

Enclosure



CIVIL AERONAUTICS BOARD

WASHINGTON, D.C. 20428

July 2, 1976



IN REPLY REFER TO: B-39

Mr. James M. Frey
Assistant Director for Legislative
Reference
Office of Management and Budget
Washington, D. C. 20503

Attention: Miss Martha Ramsey

Dear Mr. Frey:

This will advise that the Civil Aeronautics Board has
no objection to the President signing H.R. 9771, the Airport
and Airway Development Act Amendments.

Sincerely,

A handwritten signature in black ink, reading "Gary J. Edles". The signature is written in a cursive style with a long, sweeping underline.

Gary J. Edles
Associate General Counsel
Routes Division



Office of
Chairman

National Transportation Safety Board

Washington, D.C. 20594

JUL 2 1976

Mr. James M. Frey
Assistant Director for Legislation
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Frey:

This is in reply to your request for the National Transportation Safety Board's views on H.R. 9771, an enrolled bill "To amend the Airport and Airway Development Act of 1970".

The Safety Board has reviewed the bill, with particular reference to Section 19, and has no objections to approval of H.R. 9771.

Your thoughtfulness in soliciting our views is greatly appreciated.

Sincerely yours,

Philip Allison Hogue
for

Webster B. Todd, Jr.
Chairman

cc: Honorable Warren G. Magnuson
Honorable Birch Bayh
Honorable Robert E. Jones

Honorable John J. McFall
Honorable Harley O. Staggers
Honorable Jack Brooks

Department of Justice
Washington, D.C. 20530

July 6, 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

In compliance with your request, I have examined a facsimile of the enrolled bill (H.R. 9771, a bill "To amend the Airport and Airway Development Act of 1970").

This is a multipartite piece of legislation most of which does not concern the Department of Justice directly or indirectly.

Section 15 of the bill amends Section 53 of the Airport and Airway Development Act by providing that Sunday and holiday daytime inspectional service which requires the payment of premium pay to inspectors, such pay having been previously reimbursable by the aircraft owner or operator, shall no longer be reimbursable. The Department of Justice has previously objected to this provision in its letter dated June 14, 1976 to the Chairman of the Subcommittee on Aviation of the House Committee on Public Works and Transportation. The added expense ought to be borne by those who benefit from these services, not the ordinary taxpayer. Moreover, there is no money in appropriation for Fiscal Year 1977 to pay for this added governmental expense. For these reasons the Department of Justice still objects to section 15.

Section 18 of the bill adds a new subsection to Section 401 of the Federal Aviation Act of 1958 requiring that the Department of Defense deal with certificated air carriers (unless they are unavailable) when contracting for transportation of persons or property. The Department of Justice objects in principle to all such restraint of trade and has previously objected to other proposed legislation which restricts the types of carriers which may be used for airlift service by the Department of Defense.

The Department of Justice favors increased access to such contracts for all carriers. This provision should not be enacted.

The Justice Department defers to the Office of Management and Budget and other interested agencies regarding Executive action on this bill.

Sincerely,

A handwritten signature in cursive script, reading "Michael M. Uhlmann".

Michael M. Uhlmann
Assistant Attorney General

Date: July 7

Time: 615pm

FOR ACTION: Judy Hope
Max Friedersdorf
Ken Lazarus
Bill Seidman
CIEP

cc (for information):
Robert Hartmann (signing statement attached)

FROM THE STAFF SECRETARY

DUE: Date: July 8

Time: 530pm

SUBJECT:

H.R. 9771-Airport and Airway Development Act Amendments

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

1. *Signing ceremony, 7/12 at 11:00 AM.,
The Rose Garden.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

Date: July 7

Time: 615pm

FOR ACTION: Judy Hope
 Max Friedersdorf
 Ken Lazarus
 Bill Seidman Robert Hartmann (signing statement attached)
 CIEP

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date:

July 8

Time:

530pm

SUBJECT:

H.R. 9771-Airport and Airway Development Act Amendments

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

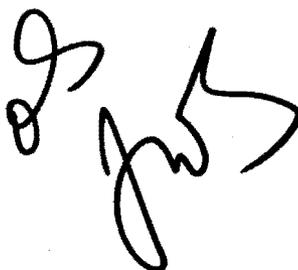
Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

July 8, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *mf*
SUBJECT: H.R. 9771 - Airport and Airway Development
Act Amendments

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

THE WHITE HOUSE
WASHINGTON

7/8/76

TO: Bill Kendall/Charlie Leppert

FROM: Jane Greenleaf

Comments Please

BK - sign

CL - Conf Report passed House
301 - 103 - sign

RKW Sign



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D.C. 20503

July 8, 1976

Dear Mr. Lynn:

In reply to the request of your office the following report is submitted on the enrolled enactment of H.R. 9771, "To amend the Airport and Airway Development Act of 1970."

This Department recommends that the President approve the bill.

We have serious concerns with the provisions of section 15 of the bill, which is the only section affecting this Department. However, our concerns do not warrant a recommendation for the President to veto the bill especially in view of the many other provisions of H.R. 9771.

Section 15 of the bill would amend the Airport and Airway Development Act of 1970 (49 U.S.C. 1741) by adding at the end of section 53 the following new subsection:

"(e) The cost of any inspection or quarantine service which is required to be performed by the Federal Government or any agency thereof at airports of entry or other places of inspection as a consequence of the operation of aircraft, and which is performed during regularly established hours of service on Sundays or holidays shall be reimbursed by the owners or operators of such aircraft only to the same extent as if such service had been performed during regularly established hours of service on weekdays. Notwithstanding any other provision of law, administrative overhead costs associated with any inspection or quarantine service required to be performed by the United States Government, or any agency thereof, at airports of entry as a result of the operation of aircraft, shall not be assessed against the owners or operators thereof."

These amendments would take effect January 1, 1977.

There were no Congressional hearings on this provision of the bill. There was no opportunity afforded this Department to express our views against such a provision. As passed by the House, the bill did not contain the financial limitations imposed by section 15. These provisions were added as an amendment on the floor during Senate consideration of a similar bill (S. 3015).

A primary function of this Department is to protect our plant and animal resources against severe economic damages which can be caused by the introduction of pests and diseases from foreign countries. This is done through our inspection and quarantine work at ports of entry.

A large part of our port of entry inspection work on Sundays and holidays is provided through regularly established tours of duty for our inspection personnel. These duty tours are determined on the basis of continuous workload requirements from scheduled airline arrivals. The cost of these scheduled services, including administrative overhead cost, is paid from appropriated funds. There is, presently, some inspection work performed on Sundays and holidays on a reimbursable basis during the regularly established hours of service. This is done because, for example, the arrivals may be at locations distant from regular inspection points. This inspection is presently being done at the request of and for the convenience of aircraft owners and operators. The cost of such work is reimbursed to this Department. In fiscal year 1975, we estimate the amount of such reimbursable services during normally scheduled hours of service (on Sundays and holidays) at approximately \$42,500 excluding administrative overhead costs.

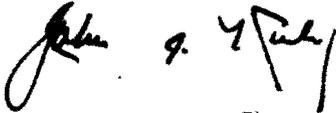
Section 15 of the bill provides further that no administrative overhead costs will be charged for performing any inspection and quarantine work, the cost of which is reimbursed to this Department. Again, this is inspection work performed largely by request and for the convenience of the aircraft owner or operator and outside regularly scheduled hours of coverage. The absence of overhead charges for this work is contrary to the entire system of user fees determined on the basis of recovering the full and actual costs of providing such services. Administrative overhead costs are an integral part of providing reimbursable services. In fiscal year 1975, such costs amounted to approximately \$268,000 for all reimbursable inspection work performed in connection with aircraft arrivals.

The Conference Report on H.R. 9771 includes the statement that "The managers further intend that the quality of the inspection services performed on Sundays and holidays, following enactment of this provision, shall not be diminished."

Under the provisions of section 15, we would be required to absorb approximately \$310,500 at the fiscal year 1975 work level. We can absorb these costs only by reducing our inspection force by approximately 19 man-years. Obviously, this will diminish our ability to provide inspection services and would not comply with the intent of the statement of managers.

Since this provision is not effective until January 1, 1977, we will need additional funds to finance the provisions of section 15. If these funds are not forthcoming by that effective date, we will have no alternative but to implement appropriate administrative actions to preclude reducing our port of entry inspection force by reducing other program efforts designed to protect our valuable plant and animal resources.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Knebel". The signature is stylized with a large initial "J" and a long horizontal stroke at the end.

John A. Knebel
Under Secretary

STATEMENT BY THE PRESIDENT ON SIGNING THE BILL INTO LAW, WHILE EXPRESSING RESERVATIONS ABOUT ONE OF ITS PROVISIONS.

I have signed H.R. 9771, a bill which would amend the Airport and Airway Development Act of 1970. However, I believe that one provision of this act is undesirable. I refer to the section which would require the Federal Government to assume the cost of inspectional services provided to aircraft arriving in the United States on Sundays and holidays.

It is a basic principle of government embedded in our laws that those private interest groups which request special services from the Federal Government should pay for those services. Section 15 of H.R. 9771 would run counter to that principle. Further, current appropriations for the Federal Inspectional Services would be required to absorb these unanticipated additional costs, estimated to be as high as \$24 million a year. The United States Customs Service would be particularly hard hit. Many necessary and vital services requested by and provided to the general public would have to be reduced or eliminated. Moreover, that agency's drug enforcement programs would suffer due to lack of funding, a situation I cannot accept in view of the ever-increasing influx of narcotics into our country.

I request that the Congress take immediate action to revise the provision which would shift the financial burden of inspectional services from the specially benefitted private interest groups to the Federal Government.

Gerald R. Ford

THE WHITE HOUSE
WASHINGTON

Doug: I don't know how it happened but you only received the first page of the attached signing statement. (you cleared it with no changes). However, there is a page 2 which I need your approval of. There is a signing ceremony Monday morning on the bill, so I will need to get it to the President Sat morning. I am very sorry.

July 7/9

Handwritten notes and signatures:
2 in
MRF
also OK
[Signature]

Date: July 7

Time: 6:15pm

FOR ACTION: Judy Hope
Max Friedersdorf
Ken Lazarus
Bill Seidman Robert Hartmann (signing statement attached)
CIEP
cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: July 8

Time: 5:30pm

SUBJECT:

H.R. 9771-Airport and Airway Development Act Amendments

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

4/8/76 - copy sent for researching. nm

7/8/76 - Researched copy returned. nm

prepared statement OK as written



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

OK/CHZ

Date: July 7

Time: 615pm

FOR ACTION: Judy Hope
Max Friedersdorf
Ken Lazarus
Bill Seidman
CIEP

cc (for information):

Robert Hartmann (signing statement attached)

FROM THE STAFF SECRETARY

to DJG 7/8 1:09 GJM
to Res 7/8 10:21 GAMS

DUE: Date:

July 8

GJM

Time: 530pm

SUBJECT:

H.R. 9771-Airport and Airway Development Act Amendments

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

OK
CHA

STATEMENT BY THE PRESIDENT

I am signing today a bill, H.R. 9771, which authorizes over a five-year period more than \$4 billion for the extension of the Airport Development Aid Program and for the continuation of Federal programs pertaining to the operation and improvement of the Nation's airway system. This bill, although falling short of my recommendations in several respects, will provide the basis for a number of important improvements in the operation of the airport and airway system.

First, the long-term extension of funding authorizations, while about \$1 billion more than this Administration recommended, will permit us to achieve substantial progress in the development of our Nation's public airports. In addition to supporting projects which will provide greater efficiency and safety in the operation of aircraft at these airports, the bill will permit the application of Federal assistance to projects which will enhance the ability of airport terminals to provide a smooth flow of traffic.

Second, the bill permits for the first time in nearly five years the use of monies in the Airport and Airway Trust Fund for defraying expenses incurred by the Department of Transportation in maintaining air navigation facilities, although it unwisely makes the amount of funds available for maintenance dependent on the amount of funds obligated for airport development purposes. This provision is most important from the standpoint of equity to the general taxpayer and I am especially pleased that the Congress agreed to its inclusion in the bill.

I continue to believe that the users of the airport and airway system who derive special benefits from the system should contribute a fair share to the payment of system costs.

Third, the bill will permit us to make important progress in our efforts to shift to the State and local level governmental functions which can be carried out by State and local governments more efficiently and with greater sensitivity to the needs and desires of the people they serve. Under the amendments contained in this bill, recipients of grants for airport development will be afforded greater flexibility in managing their affairs and also will have the opportunity to take on greater responsibility with respect to carrying out the purposes of the statute.

H.R. 9771 also contains some undesirable provisions:

. It would shift from the airlines to the Federal government the cost of inspectional services provided to aircraft arriving in the United States on Sundays and holidays. As long as the Congress continues to mandate that the inspectors be paid at overtime rates for such work, I believe the airlines should continue to pay for the special services they receive.

. It would also unnecessarily increase the Federal share of the cost of projects at general aviation airports.

I am asking the affected agencies to determine whether corrective legislation should be submitted to the Congress on these provisions.

Despite these questionable provisions, this bill is generally consistent with the policy directions of my Administration and will help to assure an improved aviation system for all our citizens.

STATEMENT BY THE PRESIDENT

I am signing today a bill, H.R. 9771, which authorizes funds over a five-year period for the extension of the Airport Development Aid Program and for the continuation of Federal programs pertaining to the operation and improvement of the Nation's airway system. This bill, although falling short of my recommendations in several respects, will provide the basis for a number of important improvements in the operation of the airport and airway system.

First, the long-term extension of funding authorizations, while more than this Administration recommended, is funded from user taxes and will permit us to achieve substantial progress in the development of our Nation's public airports. In addition to supporting projects which will provide greater efficiency and safety in the operation of aircraft at these airports, the bill will permit the application of Federal assistance to projects which will enhance the ability of airport terminals to provide a smooth flow of traffic.

Second, the bill permits for the first time in nearly five years the use of monies in the Airport and Airway Trust Fund for defraying expenses incurred by the Department of Transportation in maintaining air navigation facilities, although it unwisely makes the amount of funds available for maintenance dependent on the amount of funds obligated for airport development purposes. This provision is most important from the standpoint of equity to the general taxpayer and I am especially pleased that the Congress agreed to its inclusion in the bill. I continue to believe that the users of the airport and airway system who derive special benefits from the system should contribute a fair share to the payment of system costs.

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Changes:

First paragraph -- I am signing today a bill, H.R. 9771, which authorizes funds over a five-year period for the

Second paragraph: First, the long-term extension of funding authorizations, while more than this Administration recommended, is funded from user taxes and will permit us to achieve substantial....

NOTE: Please type today's date. After completion please send to George Parker, Messengers.

STATEMENT BY THE PRESIDENT

I am signing today a bill, H.R. 9771, which authorizes *fund* over a five-year period ~~more than \$4 billion~~ for the extension of the Airport Development Aid Program and for the continuation of Federal programs pertaining to the operation and improvement of the Nation's airway system. This bill, although falling short of my recommendations in several respects, will provide the basis for a number of important improvements in the operation of the airport and airway system.

First, the long-term extension of funding authorizations, while ~~about \$1 billion~~ more than this Administration recommended, *is funded from user taxes and tolls* will permit us to achieve substantial progress in the development of our Nation's public airports. In addition to supporting projects which will provide greater efficiency and safety in the operation of aircraft at these airports, the bill will permit the application of Federal assistance to projects which will enhance the ability of airport terminals to provide a smooth flow of traffic.

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