

In recent years there has been a gradual annual increase in the outlay of FAAP funds for the growing number of development projects. This upward trend can be attributed to the constant need for more airport facilities to keep pace with the continuing growth of all types of aviation activity. Of the total annual capital outlays, about 90 percent is accounted for by projects sponsored by State agencies or by cities, counties, towns, or other local public bodies; the other 10 percent by projects developed and controlled by the Federal Government, including those airports located in or adjacent to national parks. About 35 of the 50 States have a grant-in-aid program for airports, but this source accounts for a small share of the total financing—only as much as 25 percent of project costs. Accordingly, the burden in most instances becomes a municipal burden.

Airport revenues collected by each level of government is shown in table XII. Specific information on other possible sources of financing such as gifts, bequests, donations, fund-raising drives, etc., is not available.

During the period 1947–65, the combined capital outlay of Federal and sponsor funds for eligible items of public airport development under the Federal-aid airport program, including the acquisition of land, amounted to approximately \$1,669 million. Federal Government expenditures by year are shown in table VIII. The Federal portion obligated was \$825 million, programed for over 6,000 projects at over 2,000 airports. The local funding amounting to \$848 million does not include additional sponsor funds provided for items ineligible for Federal participation, such as terminal buildings, hangars, parking lots, and other items not related to operational safety. During the period 1956–66, sponsor requests exceeded actual Federal allocations by an average of \$86 million a year. In addition, it is estimated that approximately \$1.5 billion in real property assets, based on GSA and War Assets Administration records, were conveyed to local sponsors under the Surplus Property Act of 1944, as amended.

Local and State governments financed 76 percent of all airport development accomplished during the 5-year period, 1960–64. With regard to the source of capital financing, the percentages were 68 percent local funds, 8 percent State funds, and 24 percent Federal funds.

A recent survey of a fairly representative cross-section of airport management indicates that the percentage distribution of the total amount of airport capital financing was as follows: (1) approximately 13 percent general obligation bonds; (2) 68 percent revenue bonds; and (3) 19 percent from "other" sources. Airport revenue bond financing in excess of \$91 million occurred at large hub airports and only \$75,000 at lesser hub airports; in fact, the lowest airline activity airports (nonhub) resorted wholly to sources other than bond financing. Specific data on tax exempt municipal bonds and capital flotations in security markets in amounts and percentages by year are not available.

The 13,000 members of the National League of Cities indicated in their statement of national municipal policy for 1965 that they lack the financial capability for airport improvement and development. While the inability to financially respond is most acute at the intermediate and lesser sized municipalities, frequently large hub municipal-