

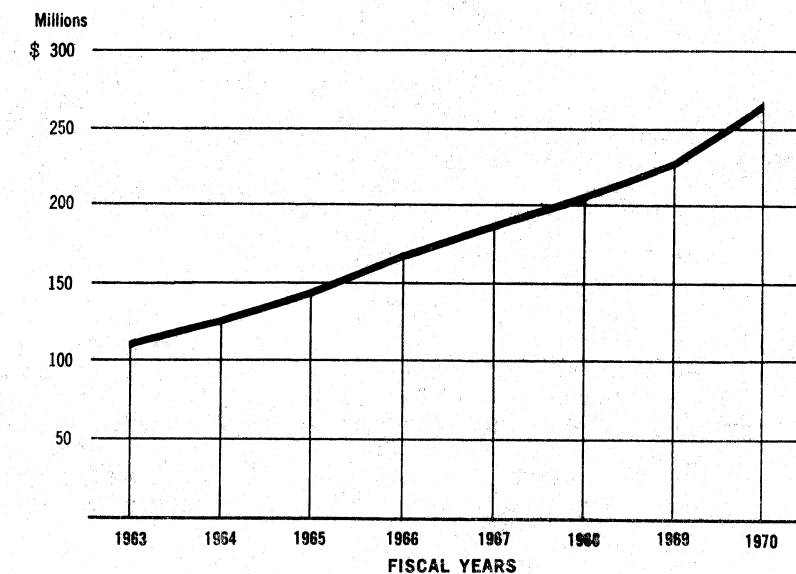
THE COSTS

The cost of the program we are suggesting is high, but the longer the expenditure is postponed, the higher the cost will be. The Federal Government undertook the responsibility for the establishment, operation and maintenance, of the Federal airways system over 40 years ago. In doing so, it undertook to meet the requirements of civil and military aviation, whatever they may be. At the moment, these requirements are not being met. Unless the program we suggest is carried out, that failure will carry with it increasingly adverse results as traffic grows.

Some years ago, the Government properly took the position that the civilian users of the system, air carrier and general aviation, should pay their fair share of the costs. The airlines agreed. About 4 years ago, the Congress imposed upon airline passengers a 5-percent ticket tax designed to cover the airlines' share of airways costs.

As can be seen by the chart (fig. 6), this tax will produce about

**CONTRIBUTIONS TO DOMESTIC AIRWAYS
SYSTEM FROM 5 PER CENT TICKET TAX**



SOURCE: Air Transport Association

Figure 6.

\$200 million next year—almost one-half the cost of the system—and this payment will continue to grow as traffic grows. This being the case, we feel we can ask for the improvements specified. It is the only way we can actually get the kind of system we are paying for.

Also, there is nothing sacred about the specific costs budgeted by FAA for facilities in the past. Major cost reductions are possible, with the application of the latest techniques, as FAA has so well demonstrated with the ILS cost reduction program (a better ILS for