

But I have a letter, which was addressed to Congressman Fraser, from the commissioner of finance of St. Paul, Minn. He asked a question and I want to know if you can supply an answer for the record. He said:

I would particularly suggest that the airlines be questioned along these lines: What amount of money have they spent researching this problem—

You mentioned quite a few figures—

compared to their gross profits? What part of the budget of these suppliers, and engine, and aircraft manufacturers is being used to abate noise? Also, what percent of gross profits before taxes and what is the comparison between the total amount of money spent on noise abatement as compared to the total advertising budget.

I don't know if you can supply that.

Mr. STEPHEN. I will try to take those in reverse order. I have given some figures, of course. However, I don't know that we have such figures, expressed as a comparison of expenditures for research and development for noise abatement as against general advertising budget. I would say, first of all, that so far as the official profit and loss statements and financial statements filed by the airlines with the Civil Aeronautics Board are concerned, there is no breakdown as to research and development for noise abatement as such.

There may be figures for research and development expenditures overall. These would not necessarily reflect a breakdown for noise abatement. Therefore, you couldn't make the direct comparison asked for by the third question or, for that matter, the first question; that is, what percentage of gross operating profits is earmarked for noise research and development by the airlines.

Now, in the case of the manufacturers I would suppose that such a figure is available. I don't want to speak for them, and wouldn't try to. I know of personal knowledge that one manufacturer last year budgeted more than \$2 million for noise-abatement research alone on engines. I can't say if that was the total or if it was a figure in excess of that. It was not less than that.

In all events, the expenditures of the airlines for noise abatement have not been confined to "research and development." That is only part of the full cost. As I explained in the statement, first of all, you have an actual investment in hardware for noise abatement. That is not research and development cost. That is an actual investment in hardware, which at the present time is estimated to be in the order of \$150 million on noise suppression devices on actual present aircraft, more than 1,000 present jets equipped with noise suppression devices which have a cost of over \$150 million.

Now, in addition to that you incur an operating cost penalty, if you will—

Mr. FRIEDEL. You mentioned that in your statement.

Mr. STEPHEN. Yes, of \$36 million a year. Finally, the airlines also incur leasehold costs at airports around the country attributable to noise abatement. I might mention the \$38 million commitment by airlines at Los Angeles, as tenants of the airport, as users of the airport, to pay for the cost of land acquisition essentially for noise purposes. That doesn't show up anywhere in any "research and development" cost because it isn't research and development. It would show up under