

cently announced fiscal year 1969 program for which \$74.7 million was allocated), it is believed that the magnitude of the outlay more than justifies the size of staff applied to the program.

18. If your appropriation were reduced, how would you absorb the cut—by an overall reduction or by cutting and curtailing certain activities?

The grant-in-aid for airports budget request for fiscal year 1970 reflects a reduction from the \$75 million authorized by the Federal Airport Act to \$65 million. This reduction is a response to the overall need to reduce Federal expenditures.

The need for Federal assistance is for between \$300 million and \$400 million a year. Therefore, it is necessary to apply considerations of relative priority based on national needs when developing the Federal-aid airport program for each year.

If the appropriation were further reduced, the FAA would give first priority to completion of airport development already begun as stage construction projects. A number of communities with development needs urgent to the national system of airports applied for and have received or are programed to receive assistance for the first stages of projects which will take several years to complete. These projects were entered into on the good faith and mutual belief that there would be Federal funds available for the future stages. These projects are not only important to the Nation; it would work a serious hardship on the communities involved if further aid were denied. Therefore, available funds would be programed first to those sponsors.

Beyond the previously started stage construction projects, available funds would be applied to meet airport development needs based on the priority rating system which has been used in the past two programs. The application of this priority system might be affected by the requirements of the Federal Airport Act for State apportionment and territorial apportionment of funds. However, in general, as many projects would be funded as funds would permit, applying a priority rating based on the needs of the Nation.

19. If additional funds were available, what would you do with the new money?

The answer to this question is the converse of the answer to question No. 18. If additional funds were available, a greater dent could be made in the total airport development needs of the Nation.

As stated in answering the previous question, the total of requests for airport development is many times larger than the current authorization of \$75 million and larger yet than the \$65 million in the fiscal year 1969 budget. Consequently, the question of what to do with more money is one of determining which of the many needed projects are of high enough relative priority to warrant receiving aid ahead of other worthy projects. The priority rating system currently in use would be the basic tool for determining which projects to include in the program.

Activity B (FAA): Civil Supersonic Transport Development

1. What is the nature of and authority for this program?

To develop a safe, superior commercial supersonic transport aircraft that will be economically profitable for the industry to build and operate.

The authority of the Administrator under section 312(b) of the Federal Aviation Act to develop and construct a civil supersonic aircraft was transferred to the Secretary of Transportation by section 6(c)(1) of the Department of Transportation Act (Public Law 89-670). The act became effective on April 1, 1967. By departmental order DOT 1100.1, also effective April 1, 1967, the Secretary of Transportation delegated the authority for the supersonic transport program back to the Administrator of the Federal Aviation Administration (49 C.F.R. 1.4(b)(2)).

2. Who is the person primarily in charge of this program at the operative level?

Maj. Gen. J. C. Maxwell, U.S. Air Force, director of supersonic transport development.

3. How much money and capital equipment is available under this program for fiscal year 1968?

Funds available for 1968 total \$285,617,000, including \$11,000 for acquisition of capital equipment.

4. Would you describe the output generated by this program?

Engineered designs, technical operations data, and economic information required to fabricate prototype SST aircraft.

5. Can you quantify this output in any way?

No.

6. Would you describe the principal operations that are involved in producing this output?