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APPROVED

MAR 24 1976

3/24/76

ACTION

**THE WHITE HOUSE
WASHINGTON**

Last Day: March 26

*Rated
3/25*

*To archive
3/25*

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

- H.R. 1313 - Removal of restrictions on airport property, Rolla, Mo.
- H.R. 2575 - Removal of restrictions on airport property, Algona, Iowa
- H.R. 3440 - Removal of restrictions on airport property, Grand Junction, Colo.
- H.R. 9617 - Removal of restrictions on airport property, Alva, Oklahoma

Attached for your consideration are four enrolled bills which would authorize the Secretary of Transportation to release each of the above-named cities from the restriction specifying that Federal property conveyed to that city for airport purposes shall automatically revert to the Federal government if the property ceases to be used for airport purposes. This would allow part of the airport property to be used for economic development.

Additional information is provided in OMB's enrolled bill report at Tab A.

DOT, OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bills.

RECOMMENDATIONS

- That you sign H.R. 1313 at Tab B.
- That you sign H.R. 2575 at Tab C.
- That you sign H.R. 3440 at Tab D.
- That you sign H.R. 9617 at Tab E.



The property was conveyed to each city under the provisions of the Federal Airport Act. That Act provided that any property so conveyed would revert to the United States if it was not developed as an airport or was no longer exclusively used for airport purposes. Similar conveyances of airport property under the Surplus Property Act or under the Airport and Airway Development Act of 1970 (the successor to the Federal Airport Act) contained provisions allowing the Secretary to grant releases from such restrictions on use of the land. The Federal Airport Act contains no such release provision, however. The enrolled bill would provide the authority to grant releases for the named properties. The bills would also authorize the Administrator of the Federal Aviation Administration to put such conditions on the release of the use of the property as is deemed necessary to protect the interests of the U. S. in civil aviation.


The enrolled bills would also place further conditions on the removal of any restrictions on the use of this property. They would require that the city receive fair market value for any portion of the property which it sells and that any money received in such a sale would be used by the city only for the development, improvement, operation, or maintenance of a public airport. While these requirements are generally consistent with Department of Transportation policy in such releases, they are more restrictive than the Department's conditions. They would require DOT to issue regulations to define fair market value and would not permit the city any flexibility in the event that the revenues received exceeded airport needs. However, while the provisions are not desirable, DOT states in its views letters on the enrolled bills that "We do not believe that these provisions warrant objection to the enactment of this bill."

(Signed) James M. Frey

Assistant Director
for Legislative Reference

Enclosures

To
Cavanaugh
3-18-76



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

MAR 18 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bills

- (1) H.R. 1313 - Removal of restrictions on airport property in Rolla, Missouri
Sponsor - Rep. Ichord (D) Missouri
- (2) H.R. 2575 - Removal of restrictions on airport property in Algona, Iowa
Sponsor - Rep. Bedell (D) Iowa
- (3) H.R. 3440 - Removal of restrictions on airport property in Grand Junction, Colorado
Sponsor - Rep. Johnson (R) Colorado
- (4) H.R. 9617 - Removal of restrictions on airport property in Alva, Oklahoma
Sponsor - Rep. English (D) Oklahoma

Last Day for Action

March 26, 1976 - Friday

Purpose

To authorize the Secretary of Transportation to remove restrictions on the use of Federal land conveyed for airport purposes to the cities of Rolla, Missouri, Algona, Iowa, Grand Junction, Colorado, and Alva, Oklahoma.

Agency Recommendations

Office of Management and Budget

Approval

Department of Transportation

Approval

Discussion

The enrolled bills would authorize the Secretary of Transportation to release each city named above from the restriction specifying that Federal property conveyed to the city for airport purposes shall automatically revert to the Federal government if the property ceases to be used for such purposes. This would allow part of the airport property to be used for economic development.



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 15, 1976

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

Dear Mr. Lynn:

You have asked for our views on H. R. 3440, an enrolled bill,

"To authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colorado, for airport purposes."

This bill would authorize the Secretary of Transportation to remove the condition contained in the September 14, 1951 deed to the city of Grand Junction required by the then effective Federal Airport Act (60 Stat. 179, repealed May 21, 1970, 84 Stat. 235), specifying that Federal property conveyed for airport purposes shall automatically revert to the United States if it ceases to be used for those purposes. The bill further provides that any release from a condition contained in the deed will be subject to section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622c) which authorizes the Administrator of the Federal Aviation Administration to impose upon a release such conditions as he deems necessary to protect the interests of the United States in civil aviation, and also requires that the proceeds of any sale of property to a third party within five years be devoted exclusively to public airport purposes. Under the authority of this bill, the Secretary could release the property for other than airport purposes. Revenues derived from such nonaviation uses would then be applied to airport purposes to make the airport more self-sufficient.

We believe that the release authority provided by this bill to permit the use of portions of this airport property for industrial or other nonairport uses is consistent with the needs of the Department of Transportation. Accordingly, we endorse the granting of this release authority to the Secretary.

We note that as passed by the Congress, the bill contains two provisions not contained in the bill when introduced. The bill now requires that the city obtain fair market value for any interest it conveys in the property conveyed to it by the United States in the deed dated September 14, 1951. Additionally, the bill requires that any amount received by the city shall be used by the city for development, improvement, operation, or maintenance of a public airport.

These two provisions are consistent with the general policy followed by this Department in granting releases. However, the first provision cited would require the Secretary to issue regulations to determine that fair market value would be received for the property prior to issuing any releases on this property. The second would not permit any flexibility in the use of funds received by the city if the funds received exceed airport needs. We do not believe that these provisions warrant objection to the enactment of this bill.

We recommend that the President sign the enrolled bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert H. Binder".

Robert Henri Binder
Assistant Secretary for
Policy, Plans and International Affairs

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 16

Time: 930pm

FOR ACTION:

Judy Hope *ok*Max Friedersdorf *ok*Ken Lazarus *ok*

cc (for information):

Jack Marsh

Jim Cavanaugh

Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: March 22

Time: noon

SUBJECT:

H.R. 1313 - Removal of restrictions on airport property
in Rolla, Mo.H.R. 2575 - Removal of restrictions on airport
property in Algona, IowaH.R. 3440 - Removal of restrictions on airport
property in Grand Junction, Colo.H.R. 9617 - Removal of restrictions on airport property
in Alva, Okla.

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.

K. R. COLE, JR.
For the President

RELEASE OF RESTRICTIONS—GRAND JUNCTION, COLO.

FEBRUARY 11, 1976—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. JONES of Alabama, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 3440]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 3440) to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the exchange of a portion of real property conveyed to the city of Grand Junction, Colo., for airport purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment to the text of the bill is a complete substitute therefor and appears in italic type in the reported bill.

The title of the bill is amended to reflect the amendment to the text of the bill.

PURPOSE OF THE BILL

The purpose of H.R. 3440, as reported, is to authorize the Secretary of Transportation to release the city of Grand Junction, Colo., from any of the terms, conditions, reservations and restrictions contained in the deed of conveyance, dated September 14, 1951, from the United States to the city of Grand Junction, made pursuant to section 16 of the Federal Airport Act (60 Stat. 179), of property for airport purposes.

BACKGROUND AND NEED FOR THE LEGISLATION

Following World War II various agencies of the United States conveyed surplus property to communities to be used for airport purposes. Initially these conveyances were made under authority of the Surplus Property Act of 1944 (58 Stat. 765), but following passage of the Federal Airport Act, conveyances were made pursuant to that authority. Today, by FAA estimate, there are approximately 638 surplus property airports in the United States, 170 of which were conveyed pursuant to section 16 of the Federal Airport Act. The deeds of

conveyance under both the Surplus Property Act and Federal Airport Act were made on the condition that the property interest conveyed reverted to the United States in the event that the lands in question were not developed or ceased to be used for airport purposes.

A problem exists with respect to the authority of the Secretary of Transportation to grant releases from restrictions contained in these conveyances. The Secretary has authority to grant releases from any of the terms, conditions, reservation and restrictions contained in conveyances made pursuant to the Surplus Property Act of 1944 as amended by the Act of October 1, 1949 (50 App. U.S.C. 1622c). Under that authority the Secretary may grant such a release, subject to such terms and conditions he deems necessary, "if he determines that the property transferred * * * no longer serves the purpose for which it was transferred, or that such release * * * will not prevent accomplishment of the purpose for which the property was transferred and is necessary to protect or advance the interests of the United States in civil aviation." However, the Secretary does not have authority to grant such a release from any of the terms, conditions, reservations and restrictions contained in conveyances made pursuant to section 16 of the Federal Airport Act.

This inability of the Secretary to release certain of the lands conveyed pursuant to section 16 of the Federal Airport Act has in many instances been detrimental to the interests of civil aviation. In these instances more property was conveyed than was reasonably necessary for continued operation of the airport. The land not actually needed for airport purposes cannot be put to beneficial use due to existing restrictions. A release by the Secretary would allow the city of Grand Junction, Colo., to use a portion of the acreage originally conveyed for purposes other than for which the land was originally conveyed. The city of Grand Junction proposes to request the Secretary to release a parcel of approximately 21 acres which would be exchanged for a similar parcel of equal value needed for readjustment of the airport's boundaries.

EXPLANATION OF THE BILL

As reported, the bill would authorize the Secretary to grant releases from any of the terms, conditions, reservations, and restrictions contained in section 16 conveyances under the same conditions as he is presently authorized to grant such releases from conveyances made pursuant to the Surplus Property Act of 1944, as amended. The bill contains the same safeguards to protect the continued operation of the Grand Junction, Colo., airport, and thus to protect civil aviation, as exist with respect to airports conveyed pursuant to the Surplus Property Act of 1944, as amended. In addition to these safeguards, section 2 of the bill requires the Secretary of Transportation to grant such a release only when the city of Grand Junction agrees to: (1) Receive fair market value, as determined under regulations issued by the Secretary, for any interest conveyed in the property so released; and (2) use the proceeds from the sale or lease of released property for the development, improvement, operation or maintenance of the airport.

COST OF THE LEGISLATION

In accordance with rule XIII(7) of the Rules of the House of Representatives, the following information is furnished.

No additional costs to the United States would be incurred in carrying out H.R. 3440, as reported, in the current fiscal year or in any of the 5 fiscal years following.

COMPLIANCE WITH CLAUSE 2(1) OF RULE XI OF THE RULES OF THE HOUSE OF REPRESENTATIVES

(1) With reference to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter of this legislation by the Subcommittee on Investigations and Review. However, the Subcommittee on Aviation held hearings on this subject matter which resulted in the reported bill.

(2) With respect to clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives the bill, as reported, does not provide new budget authority or increased tax expenditures. Accordingly, a statement pursuant to section 308(a) of the Congressional Budget Act is not required.

(3) With reference to clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the committee has not received an estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act.

(4) With reference to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

(5) With reference to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, H.R. 3440, as reported, will not affect prices and costs since it does not authorize additional funds. Therefore, H.R. 3440, as reported, would not have an inflationary impact on the national economy.

VOTE

The committee ordered the bill reported by voice vote.

○

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colorado, for airport purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 16 of the Federal Airport Act (as in effect on September 14, 1951), the Secretary of Transportation is authorized, subject to the provisions of section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622c), and the provisions of section 2 of this Act, to grant releases from any of the terms, conditions, reservations, and restrictions contained in the deed of conveyance dated September 14, 1951, under which the United States conveyed certain property to the city of Grand Junction, Colorado, for airport purposes.

SEC. 2. Any release granted by the Secretary of Transportation under the first section of this Act shall be subject to the following conditions:

(1) The city of Grand Junction, Colorado, shall agree that in conveying any interest in the property which the United States conveyed to the city by deed dated September 14, 1951, the city will receive an amount for such interest which is equal to the fair market value (as determined pursuant to regulations issued by such Secretary).

(2) Any such amount so received by the city shall be used by the city for the development, improvement, operation, or maintenance of a public airport.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

March 15, 1976

Dear Mr. Director:

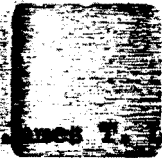
The following bills were received at the White House on March 15th:

H.R. 1313 ✓	H.R. 11665 ✓
H.R. 2575 ✓	H.R. 11893 ✓
H.R. 3440 ✓	H.R. 12193 ✓
H.R. 9617 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk



The Honorable James E. Lynn
Director
Office of Management and Budget
Washington, D. C.

Dear Mr. Director:

The following bills were received at the White House on March 15th:

H.R. 1313 ✓	
H.R. 2575 ✓	
H.R. 3440 ✓	
H.R. 9617 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

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The Honorable James E. Lynn
Director
Office of Management and Budget
Washington, D. C.