

FOR IMMEDIATE RELEASE

January 18, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

Solving the airport noise problem is an environmental imperative for the millions of Americans who live in neighborhoods around our major airports. One reason U.S. commercial airlines have been unable to meet FAA noise standards is that some airlines could not afford to under the regulatory constraints of the present regulatory system.

On October 21, 1976, therefore, I took the following action:

First, I directed the Administrator of the Federal Aviation Administration to promulgate a regulation requiring domestic commercial aircraft to meet Federal Noise standards in accordance with a phased-in time schedule, not to exceed eight years.

Second, I put Congress on notice that my aviation regulatory reform proposal of 1975, which they had failed to pass, would be resubmitted in January, 1977. On January 13, 1977, I submitted to the Congress a separate message outlining my recommendations for major aviation regulatory reform. Only by enactment of these recommendations can we achieve long-term financial strength in the airline industry necessary to meet these and future noise requirements.

Third, I directed Secretary Coleman to hold public hearings and report to me on whether further financing arrangements might be necessary to ensure that all U.S. carriers can meet the noise standards within the prescribed time schedule.

The Department of Transportation has now issued a comprehensive statement on Aviation Noise Abatement Policy; the Federal Aviation Administration published on December 23, 1976, regulations responding to my directive; and the Secretary of Transportation conducted hearings on alternative financing arrangements.

With regard to the financing problem, it is encouraging to note that the airlines have reported that their earnings for 1976 increased substantially over those for the previous year. I believe, however, that it is essential to the long-term economic success of the airlines that meaningful regulatory reform legislation be enacted in this session of the Congress.

It must be recognized that it is up to the Congress to enact legislation on regulatory reform and that the full benefits of any such legislation would be phased in over time. Implementation of the noise requirements, however, must begin now. Because the airlines must meet the prescribed noise reduction schedule on time and in a cost-effective manner, I am submitting two bills for the consideration of the Congress.

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In brief, the amendments to the Federal Aviation Act and the Airport and Airway Development Act, that I am now submitting provide for:

- (1) The establishment by the Civil Aeronautics Board of a program under which an environmental surcharge would be placed on air passenger tickets and waybills that would provide revenues necessary to help finance the modification or replacement of noisy aircraft; and
- (2) The establishment of a program of grants to airlines from existing balances in the Airport and Airway Trust Fund to assist in financing the modification of categories of aircraft specified by the Secretary of Transportation.

The amendments to the Internal Revenue Code provide:

- A reduction in existing air passenger ticket and waybill taxes, the revenues from which have built up a \$1.5 billion surplus in the Airport and Airway Trust Fund.

Revenues from the reduced aviation user taxes will still be sufficient to finance Government airport and airway programs at levels provided for through fiscal year 1980.

Again, it is preferable to solve the long-term financial requirements of the aircraft noise problem through the enactment of the regulatory reform legislation I proposed in 1975 and have recommended again this year. Given the need to begin implementation of these noise rules immediately, I recommend that the Congress give careful attention to the benefits that my regulatory reform proposal will provide and consider the bills I am forwarding today in this context.

GERALD R. FORD

THE WHITE HOUSE,
January 18, 1977

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