

STATEMENT OF THE HONORABLE J. LYNN HELMS, FEDERAL AVIATION ADMINISTRATOR, BEFORE THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE, SUBCOMMITTEE ON AVIATION, CONCERNING THE FAA FISCAL YEAR 1984 BUDGET REQUEST. FEBRUARY 23, 1983.

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to appear before you today to discuss the proposed program levels for facilities and equipment (F&E) and airport grants contained in the President's 1984 budget. With me from the Office of the Secretary of Transportation (OST) is Ray Karam, who is the Deputy Assistant Secretary for Budget and Programs.

Last Fall, the Congress enacted and the President approved the Airport and Airway Improvement Act of 1982. That legislation provided a balanced program of user fees needed to generate the revenue necessary for the users' share of system costs, particularly higher F&E and R,E&D spending levels required to implement the National Airspace System Plan. The legislation also provided for substantially greater airport grant levels, increasing steadily each year from FY 1982 through 1987. The FY 1984 budget request of \$1.986 billion for these programs represents an increase of \$604 million for an approximate 44% level of effort over FY 1983, and more than 2 1/2 times the level just last year.

It is my understanding, though, that the Subcommittee is concerned that we have not requested for Fiscal Year 1984 the full amounts authorized for the F&E and airport grant programs. Let me first deal with our request for the F&E appropriation for 1984.

The FY 84 F&E authorization level contained in the Airport and Airway Improvement Act is \$1.393 billion. Our budget request submitted to the Congress is for \$1.000 billion. As the Subcommittee is aware, the FAA did initially seek the full authorized amount for FY 84 in its initial budget requests. In response to normal staffing questions, the FAA concurred that programmatic events would not allow us to commit the full authorization levels, therefore we submitted what we could logically implement as part of the previously established plan, presented to the Congress last year. That reduction, however, does not in any manner change the Administration's commitment to modernize the air traffic control system. Instead, it recognized the normal routine of translating a multi-year plan to the specifics of an annual budget. Most illustrative of this is our updated schedule for initial procurement of the new host computer from September 1984 to April 1985, which means that initial obligation of a \$240 million project will be several months later than originally planned, and in FY 1985 rather than 84. There are numerous adjustments as we undertake

the series of specifications, work statements, procurement plans, requests for proposal, proposal evaluations, and the like. Thus, the reduced appropriation request for the F&E program will not affect adversely the schedule for the overall NAS Plan implementation. The shortfall in FY 1984 has been rolled forward into out-year estimates.

It is true that the F&E authorization is for "no-year money." Rather than seeking the entire amount authorized in FY 84 and carrying a large part of it over to later years, the Administration chose to ask for funds only for programs for which we could reasonably expect to incur the hardware obligations in FY 84. I would add that this approach is comparable to the recent Congressional action which reduced FAA's FY 83 appropriation request by \$100 million on the grounds that FAA would not be able to initiate all the projects requested in that fiscal year.

I want to assure the Subcommittee not only that modernization of the air traffic control system remains a high priority of this Administration, but that I am confident that the amounts authorized for modernizing the air traffic control system will be made available to the FAA, as required. In accordance with the Airport and Airway Improvement Act, we will provide you with an updated NAS plan, including revised schedules, later this year. You will find only very slight changes in the plan.

I would like to briefly discuss now the airport grant level sought in the FY 1984 budget. The airport grant level originally authorized in the Airport and Airway Improvement Act for FY 1984 was \$793.5 million. This is the amount initially requested by the FAA. However, during the review process, this amount was subsequently reduced to \$700 million. Obviously, the Administration must scrutinize every budget request from every agency in an effort to balance competing interests and, at the same time, seek ways to keep the deficit down as much as possible. I think you can understand the factors which led to this decision, although you might not agree with it. I would also point out that, unlike the budget sought for many other Federal programs, the amount requested for airport financial assistance represents an increase over the amount available for grants in FY 83.

I would like to underscore a point concerning the \$700 million airport grant level. This amount will fund the critical reconstruction of deteriorated pavements, security items required by regulation, and expansion projects needed to resolve critical capacity problems. The type of work which will be deferred because of the proposed reduction in grants relates to lower priority, non-critical projects.

Additionally, it makes available a major increase in funds for reliever and other general aviation airports.

That concludes my prepared statement, Mr. Chairman. Mr. Karam and I will try to answer any questions you may have at this time.