

OPENING REMARKS

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First and foremost, welcome to each of you and thank you for accepting the invitation to come here today to discuss airport system capital requirements. Special thanks are due to Joe Breen and the staff of TRB for hosting the workshop and to the TRB Committee on Intergovernmental Relations in Aviation, chaired by Rick Childs, for sponsoring the workshop.

The workshop has the broad purpose of presenting, comparing, and discussing estimates of airport system capital needs and initiating a discussion of how resources are currently allocated to meet needs and whether existing funds are adequate. This is a timely topic, because the national debate over deficit reduction and balancing the federal budget is exerting tremendous pressure on agencies such as the Federal Aviation Administration (FAA).

Grant-in-aid programs such as the FAA Airport Improvement Program (AIP) are part of a shrinking, national discretionary spending pie. One need only look at the 1998 budget request of \$1 billion for the AIP program to find evidence of the reality of the debate in which the country is now engaged. Fortunately, we have some time to make a thoughtful assessment of airport system needs. Congress is currently occupied with the Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization, so we have a year to forge a consensus regarding the future development needs of the airport system and the federal role in helping to finance that development.

The framework for coming to this consensus was outlined by Congress last year when The National Civil Aviation Review Commission was created. There is a broad and careful data-collection effort underway that will be a key resource for the Commission. Coopers and Lybrand recently completed an independent assessment of FAA financial requirements, including a chapter on airport system capital needs. The Office of the Associate Administrator for Airports provided a great deal of information to Coopers and Lybrand, and we were involved in several cycles of review and comment. This interaction helped Coopers and Lybrand comprehend the magnitude of airport system capital needs. The Coopers and Lybrand report stated that their best estimate of capital needs for the 1997-2002 period is in the range of \$7 billion to \$8 billion annually in constant 1997 dollars.

The General Accounting Office (GAO) has also conducted a study of airport development needs, and again FAA cooperated closely with them. A summary of the GAO study will be presented following this introduction. These two reports have gotten us off to a good start. They indicate that there is a fairly narrow range of opinion about the composition of the national airport system and its capital needs.

Today's discussion should give us a richer understanding of system needs as seen from various perspectives and highlight the concerns of different segments of civil aviation. We expect to find much in common in the vision of the national airport system and the need for improvements over the next five years. The part of the agenda that is particularly intriguing deals with financial resources: how are they derived, how are they distributed, are they adequate? This is the type of information that will be essential in working toward a federal aid program that both fits the budget and meets national air transportation needs. We are only beginning to discuss these topics, and this workshop will make a very important contribution. By the time we adjourn this afternoon, we should have a better understanding of the financial resources of the airport system and the issues that are in dispute and what information is needed to help resolve the dispute. Each of you has a contribution to make. I assure you that your comments will have an eager audience.