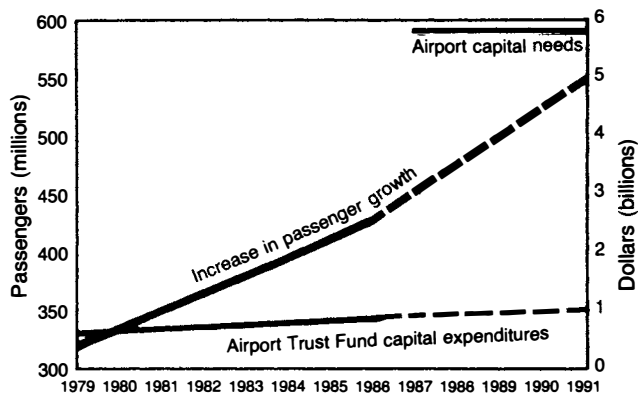


FIGURE 1
Increase in passenger growth, compared to level trend of expenditures from Airline Trust Fund, versus airport capital needs, 1979-91



Sources: FAA, Congressional Budget Office, Airport Operations Council International.

over the 1988-92 time period to prepare airports (in terms of safety, capacity, and noise mitigation) to handle the expected traffic growth. Of that total, \$23 billion is needed just to cope with the expected growth of commercial service alone. The FAA has a lower estimate of \$24.3 billion required for airport capital improvements over the 1986-95 period (72% related to commercial traffic increases), as determined in the FAA "National Plan of Integrated Air Systems."

However, Congress and the administration both are so far attempting to avoid the life-and-death nature of the problem, and talk only in terms of cost-savings and postponements. Earlier this year, the Senate passed a resolution supporting a freeze in airport development.

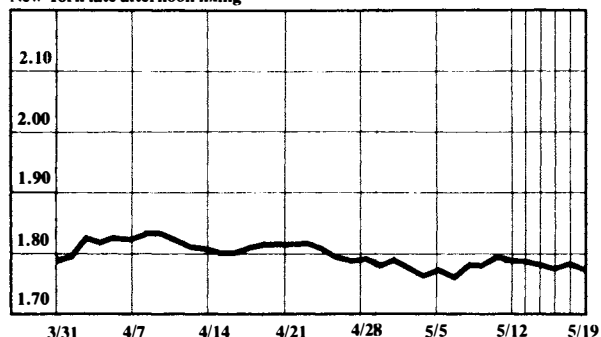
The thrust of the administration's proposals to date has been to recommend "defederalizing" airports, in terms of permitting local airports to charge their own user taxes—and commensurately to then reduce the federal airport grant flow (already inadequate). The administration proposes to maintain the Aviation Improvement Program disbursement at \$1 billion annually, and to retain the rest of the user tax revenue to make the general budget deficit look less bad.

Second, the administration has rationalized national air safety staff and research cuts in terms of asserting that the installation of new computer and other equipment will meet the air traffic needs. However, the General Accounting Office testimony showed that implementation of the nation's "Advanced Automation System" program has now fallen about eight years behind the FAA's original National Airspace System Plan. Automation improvements needed today for safety and efficiency will not be installed, at current rates of funding, until 1993. Can you wait that long for your next flight?

Currency Rates

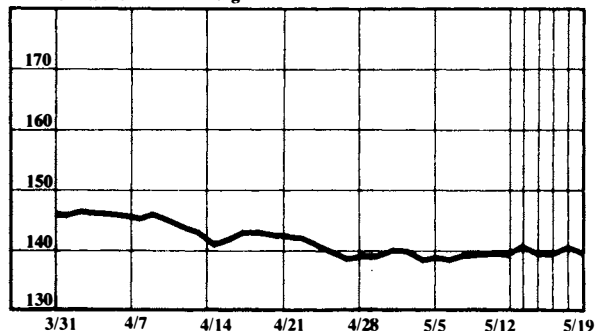
The dollar in deutschemarks

New York late afternoon fixing



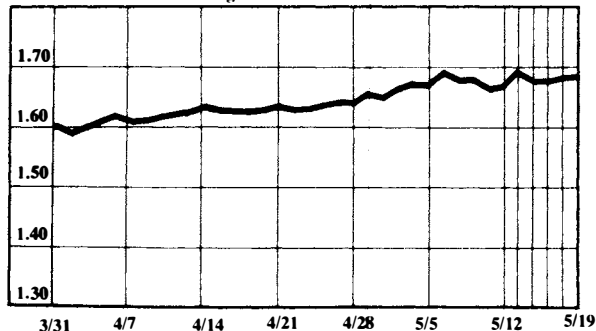
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

