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JAN 30 1974

The Honorable Alan Cranston
United States Senate

74-0532

Dear Senator Cranston:

Your letter of November 14, 1973, forwarded for our consideration a copy of a letter you received from a constituent, Mr. John Wedberg, alleging certain wasteful practices of the Federal Aviation Administration (FAA) and requested a report on the matters involved.

1. procurement
2. regulation
standards

The items mentioned in Mr. Wedberg's letter were recently published in a newsletter sent by the Aircraft Owners and Pilots Association to its members. The newsletter also has come to the attention of several other Members of Congress who asked FAA for a report on the matter. The information FAA developed in response to these inquiries and the information we obtained from FAA follow. We have not verified the information FAA provided.

RADIO AIDS TO NAVIGATION FACILITIES

The Aircraft Owners and Pilots Association newsletter alleges that FAA is planning to incur unnecessary costs for seemingly simple radio aids to navigation facilities. According to the newsletter, Wilcox Electric Inc., of Kansas City, Missouri, a manufacturer of packaged equipment, offers a very high frequency omnirange (VOR) station for \$45,000 and a VOR station with distance-measuring equipment (VOR-DME) for \$80,000. In each case the price includes the price of basic equipment, test equipment, and building. In comparison, the newsletter lists the following four facilities together with FAA cost estimates.

VOR station, Apple Valley, California	\$373,000
VOR station, Comfort, Texas	416,000
VOR station, Welfare, Texas	403,000
VOR-DME station, Salmon, Idaho	600,000

The "equipment package" Wilcox offered was housed in a circular metal building erected on a poured concrete base. FAA said that the package did not meet FAA's needs in many cases because the building was not insulated and had insufficient room to perform maintenance work. Also, the cost of the site, the cost of engineering and construction for access to the site, and the cost of extending utility lines and powerlines to the facility were not included in the package cost. FAA pays an average \$107,000 for custom-built equipment and facilities similar to those included in the Wilcox price of \$45,000.

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We reviewed FAA budget support data for a sampling of the facilities listed in the newsletter. For example, the differences between Wilcox's price and FAA's estimates for the facility at Apple Valley, California, a project specifically mentioned in Mr. Wedberg's letter follow.

Items similar to those included in the
Wilcox price of \$45,000:

Basic electronic equipment	\$ 43,000
Building	40,000
Installation of electronic equipment	29,000
Total	<u>112,000</u>

Types of items not included in the
Wilcox price:

Engineering, site selection, and site acquisition	123,000
Site preparation, access and utilities	78,000
Freight, inspection, and miscellaneous parts and materials	60,000
Total	<u>261,000</u>
Total	<u>\$373,000</u>

FAA officials said that the planned Apple Valley facility was a typical in-route VOR station. The estimated equipment and facilities cost of \$112,000 is close to the average cost of \$107,000 for similar facilities built to FAA specifications. The Wilcox price is for a single channel facility, but the facility FAA is planning to install is a dual channel facility which is more costly.

AIRPORT BEACON AND RUNWAY LIGHTS

The newsletter alleges that FAA's present standards for small airports are more exacting than those required for major interstate highways. It states that FAA requirements for airport beacons force the price to \$26,000, though an Ohio company builds good airport beacons for \$800. It states also that FAA-specified runway light bulbs cost \$7 and have an 800-hour life but that one State uses traffic light bulbs at a cost of 67 cents each and have the same candlepower and a 20,000-hour life.

According to FAA, the cost of the airport beacon FAA approved for use by small airports costs \$527.50, rather than \$26,000. A larger beacon

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for larger airports costs \$3,200. These quoted prices do not include installation and structure costs. Also according to FAA, the specified lamps for standard, medium intensity runway lights cost \$2.16 each, rather than \$7 as stated in the newsletter, and have a 1,000-hour life. The traffic signal lamps are for multiple circuits and have a 2,000-hour life, rather than the 20,000-hour life as stated in the newsletter. The lamps FAA specified are for series circuits. Presently FAA is evaluating a multiple circuit system in use at the Cambridge, Ohio, airport to determine whether the less expensive bulbs are satisfactory for runway lights.

CONTROL TOWERS

The newsletter indicates that FAA plans to install new air traffic control towers at 95 low- and medium-activity airports at a total cost of about \$19.1 million. It indicates also that FAA plans for these towers have been formulated without consulting the affected users and that the Department of Transportation has planned cost-allocation user charges--ranging from \$3 per landing for small, light planes to \$60 per landing for airliners--on any plane using an airport with an FAA tower.

FAA's present facilities and equipment program provides for 95 new air traffic control towers to be installed at low- and medium-activity airports meeting FAA activity criteria--a specified minimum number of takeoffs and landings. As of December 1973, 40 towers had been installed, 32 were in process, and 23 were still in the planning stages. These towers consist of a series of 10-foot-high prefabricated cells. Tower heights vary from 30 feet to 90 feet. Elevators are part of those structures 50 feet or more in height. These towers, averaging about \$202,000 each, are constructed at no direct cost to the airport operator or user. Construction funds for these projects are appropriated by the Congress from the Airport and Airway Trust Fund. Trust Fund revenue comes from taxes paid by the users of the airport and airway system, chiefly on airline tickets and aviation fuel. After the towers are installed, they are manned by FAA personnel who are paid from operating funds which are also appropriated by the Congress from general revenues.

As required by the Airport and Airways Development Act of 1970, (49 U.S.C. 1703), the Department of Transportation studied the allocation of costs of the airport and airways system. In part I of its report on this study, published in September 1973, the Department presented to the Congress analyses of various alternatives for allocating costs; one alternative was the charging of landing fees. The Department did not recommend implementing any such specific measures; its recommendations

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are to be presented in part II of the report to be issued to the Congress in February 1974. FAA officials said congressional approval would be obtained before FAA collected landing fees to pay for control tower building and operating costs.

FAA AIRPORT REQUIREMENTS STUDY


The newsletter alleges that concern over FAA waste on airports reached a point inside FAA that FAA's Office of General Aviation ordered an outside consultant firm to look at elaborate, costly FAA requirements and to list instances in which mandatory specifications are so exotic and costly that States will not ask for FAA funds. The goal of the Office of General Aviation's study, according to the newsletter, is to get standards changed so general aviation airports can be built economically.

FAA issued a request for proposals and is presently evaluating the proposals received for studying its requirements for towers, equipment, runways, and other items for general aviation airports. FAA officials said that the justification for the study was based on the need to resolve a controversy between FAA and the rest of the aviation community (the aviation public and State and local aviation officials) concerning whether technical and administrative requirements and specifications for local airport projects were so exacting and costly that local interests were not seeking Federal funds. FAA expects to award the contract for this study in the near future.

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We hope the above information is helpful to you in replying to Mr. Wedberg's letter.

Sincerely yours,


Deputy Comptroller General
of the United States