



## 2023 ACA FEDERAL LEGISLATIVE AGENDA

The Aviation Council of Alabama, Inc.  
7601 Robert Cardinal Airport Road, Tuscaloosa, AL 35401  
Jeff Powell, President (District 7)  
[www.alairports.com](http://www.alairports.com)

### Legislative Committee

Rick Tucker (Chair), Huntsville International Airport (District 5)  
Scott Fuller, Jack Edwards National Airport (District 1)  
Erskine Funderburg, St. Clair County Airport at Pell City (District 3)  
Barry Griffith, Northwest Alabama Regional Airport (District 4)  
Chip Groner, Sonny Callahan Airport (District 1)  
Staci Hayes, Enterprise Municipal Airport (District 2)  
Ben Harrison, Cullman Regional Airport (District 4)  
Russ Kilgore, General Aviation at Large (District 1)  
Ron Mathieu, Birmingham Airport Authority (District 7)  
Ray Miller, Talladega Municipal Airport (District 3)  
Jeff Powell, Tuscaloosa Regional Airport (District 7)  
Rudder Williams, Scottsboro Municipal Airport (District 5)

### Board of Directors

---

Jeff Powell, CM, President, Tuscaloosa Regional Airport (District 7)  
Adam Foutz, Vice President, Auburn University Regional Airport (District 3)  
Scott Fuller, Treasurer, Jack Edwards National Airport (District 1)  
Nikki Jordan, Secretary, Tuskegee Municipal Airport (District 3)  
Todd Storey, Immediate Past President, General Aviation at Large (District 3)  
Chris Curry, Mobile Regional Airport (District 1)  
Chip Groner, Sonny Callahan Airport (District 1)  
Russ Kilgore, General Aviation at Large (District 1)  
Art Morris, III, Dothan Regional Airport (District 2)  
Staci Hayes, Enterprise Municipal Airport (District 2)  
Erskine Funderburg, St. Clair County Airport at Pell City (District 3)  
Ray Miller, Talladega Municipal Airport (District 3)  
Col. Roosevelt J. Lewis (USAF Ret.), (District 3)  
Barry Griffith, Northwest Regional Airport (District 4)  
Ben Harrison, Cullman Regional Airport (District 4)  
Rick Tucker, Huntsville International Airport (District 5)  
Rudder Williams, Scottsboro Municipal Airport (District 5)  
Terry Franklin, Shelby County Airport (District 6)  
Wade Davis, Montgomery Regional Airport (District 7)  
Ronald Mathieu, Birmingham Airport Authority (District 7)  
Joshua Stump, Neel Schaffer (District 7)

# FEDERAL PRIORITIES

## 2023 ACA FEDERAL AGENDA

### ❖ FUNDING

- Increase AIP funding to a minimum of \$4 billion.
- Continue using Calendar Year 2019 enplanement figures (or current year figures, whichever is higher) to determine AIP entitlement apportionments for two additional years beyond Fiscal Year 2023.
- Increase Supplemental Discretionary Funding for FY 2024
- Support full funding for FAA Contract Towers
- Support TSA/DHS Funding for LEO reimbursement and exit lane staffing
- Modernize GA entitlements by providing increased funding levels to airports with more activity (\$1 million for national airports, \$500,000 for commercial-service non-primary airports, \$500,000 for regional airports, \$250,000 for local airports, \$150,000 for basic airports, and \$0 for unclassified airports) and correspondingly increase State Apportionment to ensure that an increase in Non-Primary Entitlement (NPE) does not further reduce State Apportionment funds. The proposed formula change is contingent upon AIP funding of at least \$4 billion annually.
- Eliminate the federal cap on local **Passenger Facility Charge (PFC)** user fees for Origin and Destination (O&D) **ONLY**.
- Adverse Impact of Continuing Resolutions (CRs) and Delayed Grant Awards

### ❖ AIR SERVICE FOR SMALL COMMUNITIES

- Importance of Regional Airlines for Small Communities
- Enhance the Small Community Air Service Development (SCASD) Program and increase funding to at least \$20 million annually.
- Modernize and maintain funding for the Essential Air Service (EAS) Program
- Take steps to address the pilot and aviation workforce shortage, such as: 1) increasing federal student loan aid for pilot training; and 2) extending and increasing funding for Aviation Workforce Development Grants to \$10 million annually.

### ❖ REGULATORY RELIEF AND EMPOWERMENT

- Establish a Pilot Program/Demonstration Project Granting Greater Flexibility to Airports through Economic Deregulation
- Direct the FAA to clarify future Noise policy/standards and **seek feedback from airports** and their stakeholders before implementing any changes per the recently conducted Neighborhood Environmental Survey that could affect airport finances and operations.
- PFAS – Immunity for Airports from Liability for Use of FAA-mandated Aqueous Film Forming Foam (“AFFF”) and provide assistance to airports with the transition.

### ❖ AVIATION IN ALABAMA

- Unfunded Alabama Airport Infrastructure Needs
- ALDOT Economic Impact Study
- UAS Center of Excellence

## TABLE OF CONTENTS 2023 ACA FEDERAL AGENDA

### ↗ FUNDING:

**(Tab A)**

- Increase Airport Improvement Program (AIP) funding to a minimum of \$4 billion.
- Continue using Calendar Year 2019 enplanement figures (or current year figures, whichever is higher) to determine AIP entitlement apportionments for two additional years beyond Fiscal Year 2023.
- Increase Supplemental Discretionary Funding for FY 2024
- Support full funding for FAA Contract Towers
- Support TSA/DHS Funding for LEO reimbursement and exit lane staffing
- Modernize GA entitlements by providing increased funding levels to airports with more activity (\$1 million for national airports, \$500,000 for commercial-service non-primary airports, \$500,000 for regional airports, \$250,000 for local airports, \$150,000 for basic airports, and \$0 for unclassified airports) and correspondingly increase State Apportionment to ensure that an increase in Non-Primary Entitlement (NPE) does not further reduce State Apportionment funds. The proposed formula change is contingent upon AIP funding of at least \$4 billion annually.
  - National Association of State Aviation Officials (NASAO) FAA Reauthorization Proposal [Exhibit A1]
- Eliminate the federal cap on local **Passenger Facility Charge (PFC)** user fees for Origin and Destination (O&D) **ONLY**.
- Adverse Impact of Continuing Resolutions (CRs) and Delayed Grant Awards
- AirportsUnited 2023 Legislative Priorities Letter [Exhibit A2]
- Airport Industry Policy Recommendations [Exhibit A3]
- Modernize America's Airports exhibits prepared by Airports Council International-North America (ACI-NA)
  - Modernize America's Airports: Investing in the Airport Experience [Exhibit A4(a)]
  - Airport Improvement Program: A Plan to Improve the Passenger Experience [Exhibit A4(b)]
  - AIP: Airport Improvement Potential [Exhibit A4(c)]
  - Beyond the Runway Coalition Partner Organizations [Exhibit A4(d)]
- 2023 Government Spending Package Related to Airports [Exhibit A5]
- Rand Report – Future of Aviation and Infrastructure Financing [Exhibit A6]

### ↗ AIR SERVICE FOR SMALL COMMUNITIES

**(Tab B)**

- Importance of Regional Airlines for Small Communities [Exhibit B1]
- Enhance the Small Community Air Service Development (SCASD) Program and increase funding to at least \$20 million annually.
- Modernize and maintain funding for the Essential Air Service (EAS) Program
- Take steps to address the pilot and aviation workforce shortage, such as: 1) increasing federal student loan aid for pilot training; and 2) extending and increasing funding for Aviation Workforce Development Grants to \$10 million annually. [Exhibit B2]

- ACI-NA U.S. Policy Council Adopts Resolution on Conditional Airline Code [Exhibit B3]
  - Existing statutory authorities and regulatory tools potentially available [Exhibit B3(a)]
  - U.S. Department of Transportation (Title 49 §40101) Aviation Policy [Exhibit B3(b)]
  - Factors Behind Small Airport Service Challenges [Exhibit B3(c)]
  - Air Service Challenges: Conclusion [Exhibit B3(d)]
  - Applying Conditionality to Small Airports and Access Issues [Exhibit B3(e)]
- End of the Regional Jet (RJ) Category forecast by the Boyd Group International [Exhibit B4]
- The Economic impact of Small Community Airports in Alabama [Exhibit B5]

- ➔ **REGULATORY RELIEF AND EMPOWERMENT** (Tab C)
  - Establish a Pilot Program/Demonstration Project Granting Greater Flexibility to Airports through Economic Deregulation [Exhibit C1]
  - Direct the FAA to clarify future Noise policy/standards and seek feedback from airports and their stakeholders before implementing any changes per the recently conducted Neighborhood Environmental Survey that could affect airport finances and operations.
  - PFAS – Immunity for Airports from Liability for Use of FAA-mandated Aqueous Film Forming Foam (“AFFF”) and provide assistance to airports with the transition
  - Additional Detailed ACA Recommendations related to Regulatory Relief and Empowerment [Exhibit C2]
  - ACRP Report 90 Summary: Impact of Regulatory Compliance Costs on Small Airports [Exhibit C3]
- ➔ **AVIATION IN ALABAMA** (Tab D)
  - Unfunded Alabama Airports Infrastructure Needs [Exhibit D1]
  - ALDOT Economic Impact Study [Exhibit D2]
  - UAS Center of Excellence [Exhibit D3]
  - General Aviation Caucus [Exhibit D4]
  - Army Aviation Caucus [Exhibit D5]
  - Map of Airports in Alabama [Exhibit D6]

# EXHIBITS

## 2023 ACA FEDERAL LEGISLATIVE AGENDA

### Tab A Exhibits

- FUNDING**
- Exhibit A1: National Association of State Aviation Officials (NASAO)  
FAA Reauthorization Proposal
- Exhibit A2: AirportsUnited 2023 Legislative Priorities Letter
- Exhibit A3: Airport Industry Policy Recommendations
- Exhibit A4: Exhibits Prepared by Airports Council International-North America (ACI-NA)  
(a) Modernize America's Airports: Investing in the Airport Experience  
(b) Airport Improvement Program: A Plan to Improve the Passenger Experience  
(c) AIP: Airport Improvement Potential  
(d) Beyond the Runway Coalition Partner Organizations
- Exhibit A5: 2023 Government Spending Package Related to Airports
- Exhibit A6: Rand Report – Future of Aviation and Infrastructure Funding

### Tab B Exhibits

- AIR SERVICE FOR SMALL COMMUNITIES**
- Exhibit B1: Importance of Regional Airlines for Small Communities
- Exhibit B2: Pilot and Aviation Workforce Shortage
- Exhibit B3: ACI-NA U.S. Policy Council Adopts Resolution on Conditional Airline Code Sharing  
(a) Existing statutory authorities and regulatory tools potentially available  
(b) U.S. Department of Transportation (Title 49 §40101) Aviation Policy  
(c) Factors Behind Small Airport Service Challenges  
(d) Air Service Challenges: Conclusion  
(e) Applying Conditionality to Small Airports and Access Issues
- Exhibit B4: The End of the Regional Jet (RJ) Category forecast by the Boyd Group International
- Exhibit B5: The Economic Impact of Small Community Airports in Alabama

### Tab C Exhibits

- REGULATORY RELIEF AND EMPOWERMENT**
- Exhibit C1: Establish a Pilot/Program Demonstration Project Granting Greater Flexibility to Airports through Economic Deregulation
- Exhibit C2: Additional Detailed ACA Recommendations related to Regulatory Relief and Empowerment
- Exhibit C3: ACRP Report 90 entitled, "Impact of Regulatory Compliance Costs of Small Airports"

### Tab D Exhibits

- AVIATION IN ALABAMA**
- Exhibit D1: Unfunded Alabama Airports Infrastructure Needs
- Exhibit D2: ALDOT Economic Impact Study
- Exhibit D3: UAS Center of Excellence
- Exhibit D4: General Aviation Caucus
- Exhibit D5: Army Aviation Caucus
- Exhibit D6: Map of Airports in Alabama



## FUNDING

- ✈ **Increase Airport Improvement Program (AIP) Funding to a minimum of \$4 billion**
- ✈ **Increase Supplemental Discretionary Funding for FY2024**
- ✈ **Support Funding for FAA Contract Towers - \$178 Million**
  - Provide contact tower funding of \$178 Million
- ✈ **Support TSA/DHS Funding for LEO Reimbursement and Exit Lane Staffing**
  - Risk Based Security
  - Keeping TSA Pre✓® Lanes Open at Small Airports
- ✈ **Modernize GA Entitlements**
  - Increase funding levels to airports with more activity (\$1 million for national airports, \$500,000 for commercial-service non-primary airports, \$500,000 for regional airports, \$250,000 for local airports, \$150,000 for basic airports, and \$0 for unclassified airports) and correspondingly increase State Apportionment to ensure that an increase in Non-Primary Entitlement (NPE) does not further reduce State Apportionment funds. The proposed formula change is contingent upon AIP funding of at least \$4 billion annually.
    - National Association of State Aviation Officials (NASAO)  
FAA Reauthorization Proposal [Exhibit A1]
- ✈ **Eliminate Federal cap on local Passenger Facility Charge (PFC) User Fees for Origin and Destination Passengers ONLY.**

- **Adverse Impact of Continuing Resolutions (CRs) and Delayed Grant Award**
  - Please keep in mind the adverse impact on construction projects relating to CRs and Delayed Grant Award, including increased costs, delays in starting projects, difficulty in planning and inability to use the entire construction season etc.
- **AirportsUnited 2023 Legislative Priorities Letter** [Exhibit A2]
- **Airport Industry Policy Recommendations** [Exhibit A3]
- **Airports Council International – North American (ACI-NA) Exhibits** [Exhibit A4-A4(d)]
- **FY2023 Government Spending Package Related to Airports** [Exhibit A5]
- **Rand Report – Future of Aviation and Infrastructure Financing** [Exhibit A6]



## NASAO's FAA Reauthorization Proposals

### Provide Robust Aviation Funding

- ***Increase Airport Improvement Program (AIP) investment to not less than \$4 billion annually.*** The cost of construction has risen over the years, but we are spending less through the Airport Improvement Program (AIP) on airport infrastructure than we did in past years. An increase would enable states to not only update existing infrastructure but upgrade that infrastructure to take advantage of new aeronautical technologies that will keep the United States in the forefront of global aviation.
- ***Reauthorize supplemental discretionary airport infrastructure grants and ensure 50 percent of funds are used for non-hub and small hub airports and general aviation airports.*** These funds will go a long way for non-hub and small hub airports that are not able to leverage other funding sources, like Passenger Facility Charge (PFC) fees and bonds, to address their infrastructure needs.
- ***Continue to apportion AIP funding based on airports' calendar year 2019 or 2020 or 2021 passenger enplanements,*** whichever is highest, for FY 2023 to 2026 (consistent with the Bipartisan Infrastructure Law). This would ensure that airports continue to remain eligible for AIP and are able to fund critical airport safety projects.
- ***Raise and index the Passenger Facility Charge (PFC) rates at commercial service airports.*** Raising the PFC cap would give small airports, who have less options to raise airport revenue, a greater share of AIP entitlement funds. Large commercial service airports would be able to collect and use PFC revenue for airport infrastructure and forgo their AIP entitlements.

### Modernize the Non-Primary Entitlement (NPE) Program

To ensure that the Non-Primary Entitlement (NPE) program better meets the needs of non-primary airports, NASAO urges Congress to:

- ***Increase the funding levels to airports with more activity (\$1 million for national airports, \$500,000 for commercial service non-primary airports, \$500,000 for regional airports, \$250,000 for local airports, \$150,000 for basic airports, and \$0 for unclassified airports) and correspondingly increase State Apportionment to ensure that an increase in NPE does not further reduce State Apportionment funds.*** The General Aviation (GA) entitlement portion of AIP is divided into two categories: State Apportionment and Non-Primary Entitlement (NPE). NPE grants are available for general aviation, reliever, and nonprimary commercial service airports at up to \$150,000 per year. The remainder of the funds are then allocated for State Apportionment and go to the highest priority projects that are determined through a sound and established planning

formula. These grants have been very effective at preserving an important component of the nation's aviation system. However, NPE grants must be carried over for a period of years to provide adequate funding for most airport improvement projects given that the buying power of these funds has decreased significantly since the program was established. In addition, State Apportionment has seen year-over-year reductions since the inception of the NPE program in 2001. It will be critical for Congress to address both NPE and State Apportionment funding levels when looking at enhancing the NPE program. Increasing the funding levels of these two programs will ensure that these airports are able to begin critical shovel-ready improvement projects sooner rather than later.

- ***Allow for the option of airport sponsors to transfer unused NPE funds to State aviation agencies and make them available to National Plan of Integrated Airport Systems (NPIAS) airports within their state.*** Non-primary airports can bank/carryover these funds for up to four years to accumulate \$600,000. When non-primary airports have expired NPE funds, these funds are transferred to FAA's discretionary fund for use by FAA in that fiscal year. This proposal would ensure that these funds are invested in the respective states as intended.

### **Prepare for a New Era of Aviation**

To ensure that the United States is ready for the next generation of aircraft and the states and localities are able to adequately prepare for these new aircraft, NASAO urges Congress to:

#### *Advanced Air Mobility (AAM)*

- ***Task the FAA with developing plans and policies and identify how to make federal funding available to support both on and off airport development for AAM.*** With both electric and hydrogen propelled aircraft in development, it is critical that the FAA start planning how it will support airports and off airport transportation nodes with these new infrastructure needs.
- ***Charge the FAA with providing states baseline standards to assist with the infrastructure planning requirements to accommodate AAM, such as electrical requirements, and charging standards.*** Planning that could be accomplished now at airports and within communities will help speed up the incorporation of AAM aircraft as they become available.
- ***Require the FAA to establish a national standard to address advanced air mobility (AAM) airspace coordination and control informed by the ongoing work of the Advanced Aviation Advisory Committee.*** Allowing for third party providers operating under the guidance of the FAA and the established standards would enable the federated system to expand more rapidly as AAM aircraft become certified while maintaining the appropriate level of safety.

### *Uncrewed Aircraft System (UAS)*

- ***Require the FAA to establish an outline for a constructive Federal regulatory framework for drone integration strategies that support the application of a low-altitude drone activity and require the FAA to work collaboratively with states to develop an acceptable framework.*** The role of state government in integrating UAS technology into the airspace has been recognized by the inclusion of NASAO designees on the relevant UAS advisory and rulemaking committees. NASAO believes that a constructive federal, state, local partnership can be reached by the levels of government proactively working with industry stakeholders.
- ***Authorize a grant program that provides not less than \$100 million to state, local, and tribal governments to purchase drones for infrastructure inspection purposes and not less than \$100 million to community colleges/universities to support drone education and workforce training programs.*** State aviation agencies recognize the value in and are looking to leverage drone technology to inspect ageing infrastructure. This grant program will support the efforts of state, local, and tribal governments to capitalize on those benefits while investing in workforce development programs to bolster the workforce of the future.

### *Sustainable Aviation Fuel (SAF)*

- ***Continue federal support of SAF development and production*** to significantly reduce harmful greenhouse gas (GHG) emissions and ultra fine particulate matter. SAF is a viable bridging strategy to reduce carbon emissions while AAM aircraft have time to mature.

### **Ensure Air Service to Small Communities**

- ***Allow communities that successfully exited EAS and were then locked out of EAS due to provisions in the FAA Modernization and Reform Act of 2012 (P.L. 112-95) to rejoin the program to help restore scheduled air service that has been reduced or suspended as a result of the pandemic.***
- ***NASAO urges Congress to continue investments in the Essential Air Service (EAS), Small Community Air Service Development (SCASDP), and the Contract Tower Programs.*** These programs ensure small communities have access to commercial air service.
- NASAO urges Congress to ***address the aviation workforce shortage, including the pilot shortage.***

### **Provide Federal Support for PFAS Clean-up Efforts at Airports**

- ***Implement federally assisted clean-up programs for PFAS contamination at airports stemming from FAA-required use of firefighting foams containing PFAS. In addition,***

**NASAO urges Congress to review and provide liability protections for all U.S. airports faced with this challenge.** While some progress has been made in identifying PFAS as an emerging contaminant, direct federal support of all airports (separate from the Airport Improvement Program) is needed to accelerate the clean-up process at contaminated sites. Not only are airports faced with difficult choices when called upon to extinguish fires using the only FAA-approved firefighting foams, airports are now subject to environmental enforcement actions in many states, harming the viability of the national transportation system. Airports should not be held liable for PFAS contamination as a result of complying with a federal requirement.

### **Enhance Infrastructure Investment and Jobs Act (IIJA) Implementation**

- ***Provide administrative funding to States to assist with implementation.*** States' workload has doubled since the pandemic with the flow of federal funds to airports, which has strained State aviation agencies' resources and staff. Many States are concerned about the inadequate staff levels that they currently have to implement IIJA. Regardless of a State aviation agencies' status (e.g., Block Grant State or Channeling State), program funding assistance to States is needed to ensure IIJA funds is efficiently and effectively rolled out.
- ***Ensure funds are spent efficiently by allowing airports to transfer IIJA funds between airports, including the option for State aviation agencies to assist in transferring funds between airports in their State.*** The IIJA does not address the issue of transferring funds, but FAA's FAQ states that airports are not allowed to do this. Without being able to transfer funds between airports, we may see many airports carry over funds year to year and are trying to complete projects in year 4 and 5, which could create a shortage of contractors and increase prices because many airports are trying to complete projects at the same time. Allowing those State aviation agencies who are willing to assist airports within in their States to transfer funds will also help ensure that funds are spent efficiently. Several States have been using this tool successfully for many years with AIP entitlement funds.

### **Improve Weather Observation Resiliency and Redundancy**

- ***Direct the U.S. Government Accountability Office (GAO) to review the Automated Surface Observing Systems (ASOS) and Automated Weather Observing System (AWOS) and provide recommendations on how to improve the reliability and redundancy of the system.*** The ASOS<sup>1</sup> (jointly managed program by the National Weather Service (NWS), FAA, and U.S. Department of Defense) and AWOS (airport-owned and managed system that compliments ASOS) are the country's primary surface weather observing network supporting weather forecast activities and aviation operations (e.g., regional air carriers and cargo operators). Both systems are aging and in need of

<sup>1</sup> ASOS reports basic weather elements such as sky conditions, visibility, present weather conditions, visual obstructions, barometric pressure, ambient temperature, wind speed and direction, and precipitation. With more than 900 ASOS sites in the United States, these automated systems are critical to providing weather information at airports.

updated infrastructure. While the FAA/NWS are in the process of updating ASOS, States and airports are facing challenges in updating its AWOS infrastructure as the lack of suppliers and cost of installing and maintaining the systems is becoming unmanageable. For example, when a weather station goes down, it can take up to a week before flights can resume due to delays in acquiring and installing replacement parts. A study is needed to address the complexity of the challenges of this critical weather reporting system as it's an integral part of ensuring safety in our aviation system. The need for and importance of affordable weather reporting will only grow as vertiports are integrated into the National Airspace System.

- ***Direct the FAA to provide aviation weather observer training to interested candidates to improve access to the program, thereby ensuring aircraft operation safety at rural airports.*** Aviation weather observers detect and track weather conditions to back up the ASOS system. Having aviation weather observers available to support weather observations when an ASOS experiences an outage due to repair/replacement or unexpected downtime is critically important to ensuring aircraft operations continue at airports. To become an aviation weather observer, interested candidates must pass a background check and the FAA Weather Observation Certification Test. The NWS previously managed the program and provided aviation weather observation training to assist those interested in obtaining an aviation weather observer certification and prepare them to pass the certification test. However, obtaining this certification has become much more difficult under FAA as the agency places the burden on the candidate to find the necessary observer certification training.

### **Enhance the State Block Grant Program**

- ***Authorize the FAA to provide funding to participating Block Grant States to be used to administer the State Block Grant Program (SBGP) to bring the administrative costs borne by the States more in line with other modal programs of the U.S. Department of Transportation. NASAO recommends an amount that is equal to an amount that the FAA would have spent to perform the delegated responsibility or three percent of the total funds administered by the Block Grant States, whichever is higher.***
- ***NASAO also recommends that the FAA should provide SBGP states with program administration training sufficient to carry out the obligations of the SBGP at no cost to the SBGP states.***

### **Improve the Timeliness of FAA Issuance AIP Grants**

- ***Direct the U.S. Government Accountability Office (GAO) to review FAA's process for releasing/issuing grants and provide recommendations on how FAA can improve its process to ensure timely grant issuance.*** The FAA has had a history of issuing grants late in the federal fiscal year due to a variety of factors. This poses a problem, especially for the northern states, as the construction period is very short. For instance, when bids open in June and FAA then issues the grant in September, those construction projects may not start until the following Spring, thus driving up construction costs even further. Delays in

FAA issuing grants has caused airport sponsors to have to request that contractors provide a written extension to further hold/lock in the bid prices past the usual 60 or 90 days. In today's construction environment, bid holds exceeding 120 days are no longer being granted by contractors, and airport sponsors are having to re-bid projects or sign a local contract with the contractor at risk without the grant from FAA to lock in bids. Contractors have stated that they are including contingency in their bid prices if an airport sponsor requests 120 days for a bid hold since materials costs fluctuate almost daily.



January 18, 2023

The Honorable Maria Cantwell  
Chair  
Committee on Commerce, Science, and  
Transportation  
United States Senate  
Washington, DC 20510

The Honorable Ted Cruz  
Ranking Member  
Committee on Commerce, Science, and  
Transportation  
United States Senate  
Washington, DC 20510

Dear Chair Cantwell and Ranking Member Cruz:

As you prepare to consider legislation reauthorizing the programs of the Federal Aviation Administration (FAA), we respectfully ask for your favorable consideration of reforms to FAA programs that would benefit airports of all sizes across the country as well as the passengers and local communities they serve. The priorities for the airport industry outlined below, and in more detail in the accompanying attachment, would ensure sustained infrastructure investment, reduce regulatory burdens for America's airports, support and create good-paying jobs, stimulate the economy, advance important environmental goals, and improve the passenger experience for millions of travelers.

We look forward to working with you and your staff on these and other important issues that emerge as the FAA reauthorization debate moves forward. You also have our commitment to working with you to ensure that meaningful FAA reauthorization legislation is approved on time before programs expire on October 1. Given the importance of the aviation industry to the nation's economy and the crucial need for certainty and stability for the aviation system, it is critical that disruptive and damaging temporary program extensions are avoided. The nation's aviation system is simply too important to operate on autopilot.

#### AIRPORT INFRASTRUCTURE FUNDING

**Reform the Airport Improvement Program.** As our top priority, airports urge Congress to increase funding and expand project eligibility for the traditional Airport Improvement Program (AIP), which has remained stagnant at \$3.35 billion for almost two decades. Increasing annual AIP funding will help airports meet growing infrastructure needs as validated by the FAA in its most recent National Plan of Integrated Airport Systems (NPIAS) report – needs that are exacerbated by the program's reduced purchasing power and significant construction-cost inflation. We also propose loosening the federal restrictions on AIP eligibility and recalibrating the program to meet with present and future needs of both commercial service and general aviation airports.

We are grateful that the Bipartisan Infrastructure Law (BIL) included \$20 billion to help airports build critical infrastructure projects. This much-needed funding will serve as an important down payment to help bridge the enormous funding gap for airport infrastructure nationwide, but the need for additional, consistent, and annual federal investment remains. According to the FAA, airports have nearly \$12.5 billion in annual needs for AIP<sup>3</sup>

and BIL-eligible projects – a figure that does not include other necessary infrastructure projects, which increases airport capital needs to more than \$20 billion annually. Moreover, there were more than 650 applications totaling \$14 billion for the first \$1 billion in terminal upgrades provided under BIL and nearly \$10 billion for the second round of airport terminal funding, highlighting the significant demand for scarce infrastructure resources.

The attached list of policy recommendations provides more details about a package of interrelated reforms to improve AIP, including extending eligibility to more capital projects; adjusting funding formulas for both commercial service and general aviation airports; and expediting the release of AIP grants to airports.

***Modernize the Passenger Facility Charge Program.*** Airports continue to urge Congress to adjust the outdated federal cap on local Passenger Facility Charges (PFC), which was last raised more than 20 years ago. PFCs are local user fees that must be approved locally, imposed locally, and used locally for specific projects approved by the FAA in consultation with the airlines. With the dramatic decline in passengers and PFC revenue during the pandemic, many airports have been forced to extend their collection periods for current PFC-funded projects decades into the future in some cases, crowding out funding for other critical projects. Adjusting the federal cap on local PFCs would help reduce that financial pressure and give airports the option of using more local funds for their infrastructure needs.

With more than \$115 billion in infrastructure needs over the next five years, airports need a long-term funding solution that will allow them to invest more local dollars in their capital projects alongside the additional federal funding provided by AIP and BIL. Adjusting the outdated and arbitrary PFC cap would create a sustainable, long-term funding source to help airports pay for critical capital projects now and after the infrastructure funding in the BIL has been exhausted.

In addition to a long overdue adjustment to the federal PFC cap, Congress should undertake reforms to the PFC program, such as eliminating the loophole that prevents airports from collecting user fees from non-revenue passengers; directing the FAA to fully implement a streamlined implementation process for airports of all sizes, as called for in Section 121 of the last FAA bill; and expanding project eligibility to include any lawful capital cost at an airport.

## **REGULATORY REFORM**

Airports need help cutting through unnecessary red tape and regulatory burdens imposed by the FAA that are time consuming, delay critical infrastructure projects, and increase costs. As inherently public institutions with a primary goal of serving communities and travelers, airports have every incentive to use federal and local dollars responsibly and to pursue important policy objectives without the need for heavy-handed federal regulation. Congress can help by directing the FAA to correct their misinterpretation of the airport land use streamlining provisions (Section 163) included in the last FAA bill, which has resulted in overly burdensome processes and inhibited airport development. Further, we urge Congress not to impose additional grant assurances on airports, which lead to costly, unfunded mandates. Any federal restrictions must be necessary, beneficial, and reasonable for airports to implement.

Additionally, efforts should be made to remove costly hurdles to implementation of BIL. We urge Congress to reinstate a nationwide waiver for new Build America, Buy America (BABA) provisions until at least 180 days after the FAA issues airport-specific guidance on implementation and a sound assessment of supply chains and product/material availability in the United States is made. Since airports are involved in complex, multifaceted construction programs with a mix of federal, local, and private resources, there should be an exemption for airports to the applicability of BABA to the entirety of a project. It is federal overreach to apply federal procurement law to a project or portion of a project funded with an airport's own resources. And we continue to call for additional flexibility from the FAA to begin accommodating alternative-delivery and advance-construction methods that can expedite infrastructure projects and reduce costs.

## **ENVIRONMENTAL ISSUES**

Airport operators have long prioritized environmental stewardship. We continue to call on the FAA to transition to fluorine-free firefighting foam as soon as possible, and work collaboratively with appropriate industry representatives in developing a national transition plan for airports to move to these new foams. We urge Congress to continue to help airports address community concerns regarding aircraft noise and emissions, in part, by reforming the Voluntary Low Emissions Program; continuing the Zero Emissions Vehicle Infrastructure Pilot Program; and updating noise standards to reflect all relevant laws and regulations. We also support forward thinking plans to develop electric capability and resiliency projects at airports. Additionally, we urge Congress and the administration to work with airports and other aviation stakeholders to reduce greenhouse gas emissions by promoting the use of electric vehicles, sustainable aviation fuel, and unleaded AvGas.

## **SMALL COMMUNITY AIR SERVICE / WORKFORCE**

We recognize that protecting and enhancing commercial air service is a high priority for Congress and look forward to working with members on both sides of the aisle to address air service challenges. We reaffirm our support for modernizing the Essential Air Service and the Small Community Air Service Development programs, which help small communities retain and attract commercial air service. We also strongly support the FAA Contract Tower Program, a cost-effective program that enhances air traffic safety at small airports around the country. Considering the enormous air service challenges facing small communities today, we urge Congress to fully fund and improve these programs in the next FAA reauthorization bill. We look forward to working with you to identify ways to ensure there are enough pilots, air traffic controllers, and other qualified workers throughout the aviation system.

## **OTHER PRIORITIES**

Finally, we ask that you please include airports in discussions about other important aviation issues, such as the safe integration of advanced air mobility and uncrewed aircraft systems (UAS) into the National Airspace System, the protection of airports from unsafe UAS activities, the workforce challenges facing both government and private industry, and the further development of FAA air traffic control programs and facilities.

Thank you for your consideration of these requests. Having a new FAA reauthorization bill completed on time will ensure continuity for our industry. ACI-NA, AAAE, and our member airports look forward to working with you to implement these and other policies that will greatly benefit the entire airport industry, along with our passengers and local communities.

Sincerely,



Kevin M. Burke  
President and CEO  
Airports Council International – North America



Todd Hauptli  
President and CEO  
American Association of Airport Executives



## AIRPORT INDUSTRY POLICY RECOMMENDATIONS

### January 2023

#### INFRASTRUCTURE

##### Airport Improvement Program

- Increase the authorized funding levels to a minimum of \$4 billion annually.
- Extend AIP eligibility to all activities allowed under the PFC program, as in the bipartisan infrastructure law, and require that FAA adjust its programmatic funding priorities to take the new eligibility into account.
- Authorize supplemental discretionary AIP funding and allow airports to use funds for more terminal projects and other PFC-eligible projects.
- Rebalance funding allocations by reducing the percentage of AIP entitlements large hub and medium hub airports with \$4.50 PFC turn back to the program and then replenishing the Small Airports Fund with a commensurate amount of funding. The proposed formula change is contingent upon AIP funding of at least \$4 billion annually.
- Provide additional funding for small hub and non-hub airports.
- Remove the \$20 million cap on the amount of discretionary funds allowed in terminal projects at non-hubs and some small hub airports.
- Modernize GA entitlements by providing increased funding levels to airports with more activity (\$1 million for national airports, \$500,000 for commercial-service non-primary airports, \$500,000 for regional airports, \$250,000 for local airports, \$150,000 for basic airports, and \$0 for unclassified airports.) The proposed formula change is contingent upon AIP funding of at least \$4 billion annually.
- Require the FAA to distribute AIP funding as quickly as possible and with as much flexibility as possible, in part by allowing airports to report on their usage of the funds for eligible activities, rather than directing airports on the agency's preferred use of the funds.
- Establish pilot program for the FAA to begin accommodating alternative-delivery and advance-construction methods that can expedite projects and reduce costs.
- Continue using Calendar Year 2019 enplanement figures (or current year figures, whichever is higher) to determine AIP entitlement apportionments for two additional years beyond Fiscal Year 2023.
- Support continued funding for ACRP.

##### Passenger Facility Charges

- Eliminate the federal cap on local PFC user fees.
- Extend PFC eligibility to include any lawful capital cost of the airport.
- Eliminate PFC exemptions for non-revenue passengers.
- Fully implement the PFC streamlining provision (Section 121) included in the FAA Reauthorization Act of 2018, which expands to all-size airports a streamlined process for imposing/using PFCs, as previously provided only to non-hub airports.
- Eliminate PFC application requirement when airports use PFCs for local match on AIP-approved projects.

### **Bag Fees**

- Include airline bag fees in the domestic passenger ticket tax that helps fund the Airport and Airway Trust Fund.

### **REGULATORY REFORM**

- Accelerate airport land use development by directing FAA to fully implement Section 163.
- Remove costly hurdles to implementation of Bipartisan Infrastructure Law:
  - DOT should reinstate a nationwide waiver for new Buy America provisions until at least 180-days after the FAA issues airport-specific guidance on implementation and a sound assessment of supply chains and product/material availability in the United States is made.
  - Since airports are involved in complex, multifaceted construction programs with a mix of federal, local, and private resources, there should be an exemption for airports to the applicability of Buy America to the entirety of a project. It is federal overreach to apply federal procurement law to a project or portion of a project funded with an airport's own resources.
  - Direct the FAA to accommodate alternative-delivery and advance-construction methods that can expedite and reduce costs for projects using federal funds, especially for projects already underway at many airports.
- Protect airports in Safety Management System implementation:
  - Provide liability protection for those airport personnel designated as responsible for SMS implementation.
  - Provide airports with public disclosure protection for the safety-related data generated as part of their SMS programs.
- Set a 45-day deadline for FAA to approve NEPA purpose-and-need statements.
- Extend the eligibility date for the TIFIA for Airports provisions to align with the authorization date of the new FAA reauthorization bill.
- Avoid the imposition of additional grant assurances on airports.

### **ENVIRONMENTAL ISSUES**

#### **PFAS Firefighting Foam**

- Direct the FAA, in collaboration with industry stakeholders, to develop a national transition plan to assist airports in moving to fluorine-free firefighting foams.
- Provide federal funds for an acquisition program for the new foam, a disposal program for the old foam, and PFAS remediation at airports.
- As the EPA continues to pursue plans to designate PFAS as hazardous materials, Congress should acknowledge the longstanding federal requirement on airports to use this firefighting foam by providing liability protection to airports, including CERCLA liability protection.

#### **Voluntary Airport Low Emissions Program**

- Expand eligibility to include all airports, including those outside of non-attainment areas, to enable efforts towards meeting Net Zero commitments.
- Broaden the program to address overall greenhouse gas emissions.
- Allow the program to include actions taken as part of a State Implementation Plan or Federal Clean Air Act requirement.
- Incorporate energy management and renewable energy projects where emissions reductions occur at a utility, rather than an airport.

### **Resiliency/Sustainability**

- Provide separate, dedicated general funds (est. \$1 billion annually) for projects eligible under Voluntary Airport Low Emissions Program; Airport Zero Emissions Vehicle and Infrastructure Pilot Program; noise mitigation (such as public education programs and sound insulation); sustainability; resiliency projects and planning; and installation of electric charging stations.
- Establish funding program to support planning and development of electric capability and resiliency projects at airports.
- Direct FAA to work with NOAA and US Army Corps of Engineers on resiliency initiatives for coastal airports.

### **Noise**

- Direct FAA to update Part 150 noise standards to reflect all relevant laws and regulations.
- Require FAA to help reduce impact of aircraft noise on local communities by: 1) implementing flight procedures that can attenuate aircraft noise; 2) working with airports on arrival and departure routes; and 3) discouraging local encroachment that could create future noise challenges and impact airport operations and aviation safety.
- Direct the FAA to clarify future noise policy/standards and seek feedback from airports and their stakeholders before implementing any changes per the recently conducted Neighborhood Environmental Survey that could affect airport operations.
- Direct FAA to evaluate the community impact of noise from AAM and UAS integration into the NAS, and not hold airports responsible for noise resulting from AAM and UAS operations not associated with airport operations.

### **Sustainable Aviation Fuel**

- Establish funding program for planning and development of appropriate SAF infrastructure at airports, which will help promote greater SAF availability at airports as SAF production, transportation, blending, and storage needs increase.

## **SMALL COMMUNITY AIR SERVICE/WORKFORCE**

- Modernize and maintain funding for the Essential Air Service Program.
- Enhance the Small Community Air Service Development Program:
  - Increase funding to at least \$20 million annually.
  - Allow communities to receive multiple grants for the same purpose.
- Support the Contract Tower Program:
  - Provide incentives for retired federal controllers to continue working at contract towers.
  - Require FAA and Labor Department to review the outdated wage determinations for contract tower controllers.
  - Provide funds to install radar displays and other ATC equipment at contract tower facilities.
- Take steps to address the pilot and aviation workforce shortage, such as: 1) increasing federal student loan aid for pilot training; and 2) extending and increasing funding for Aviation Workforce Development Grants to \$10 million annually.

## **FAA FACILITIES AND EQUIPMENT/OPERATIONS**

- Require the FAA to work with airports, aviation stakeholders, and TSA to ensure (1) new entrants are safely integrated into the National Airspace System, and (2) airports are protected from unsafe UAS activities.
- Ensure new entrants pay their fair share for the costs of ATC services and infrastructure needed to accommodate their operations.
- Increase funding for ATC towers and equipment.
- Expand the Remote Tower Pilot Program.



75

OUR JOURNEY TOGETHER  
YEARS AS  
THE VOICE OF AIRPORTS®

# MODERNIZE AMERICA'S AIRPORTS: INVESTING IN THE PASSENGER EXPERIENCE



## INVEST IN FACILITIES

Congress can accelerate improving the passenger experience for millions by making long overdue adjustments to the Airport Improvement Program (AIP) to both increase funding and expand eligibility to terminals and other projects. This would help airports build the 21st century facilities needed to accommodate rising passenger volumes and expectations.



## RELIEVE REGULATORY BURDENS

Airports face many unnecessary hurdles set forth by the federal government, from overregulation of airport land use decisions to delays in project approvals for airports. Congress should help relieve these additional layers of bureaucratic red tape and ensure no new additional federal strings are added to airport funding programs.



## PREPARE FOR NEW OPPORTUNITIES

With the aviation industry facing an avalanche of challenges today – aging technology, workforce shortages, and new entrants ready to enter the system – airports need help preparing for a variety of new opportunities at their facilities.



AIRPORTS COUNCIL  
INTERNATIONAL

Short Term Garage  
EXHIBIT A4(b)  
Ticketing  
Bag Claim

## AIRPORT IMPROVEMENT PROGRAM: A PLAN TO IMPROVE THE PASSENGER EXPERIENCE

### USE EXISTING FUNDS

Passengers contribute to the Airport and Airway Trust Fund (AATF) that funds AIP. As air service continues to rebound, more of the user fees from this trust fund should go towards helping to improve the passenger experience at airports across the country.

### PROMOTES COMPETITION AND SAVES PASSENGERS MONEY

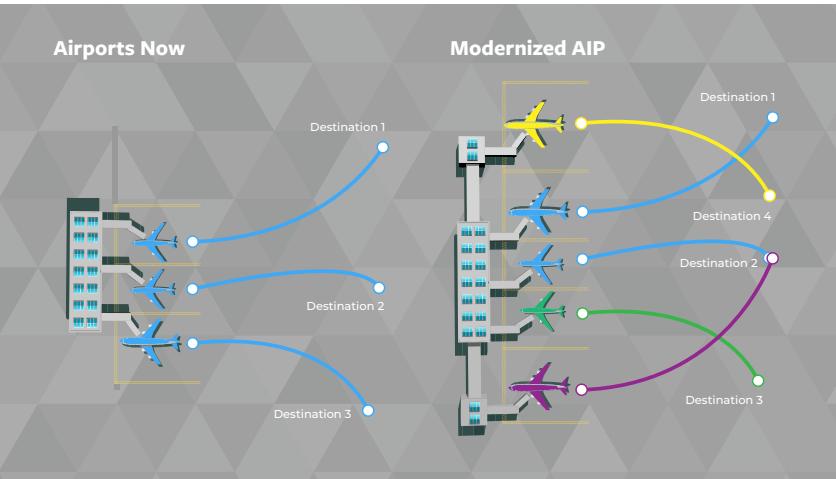
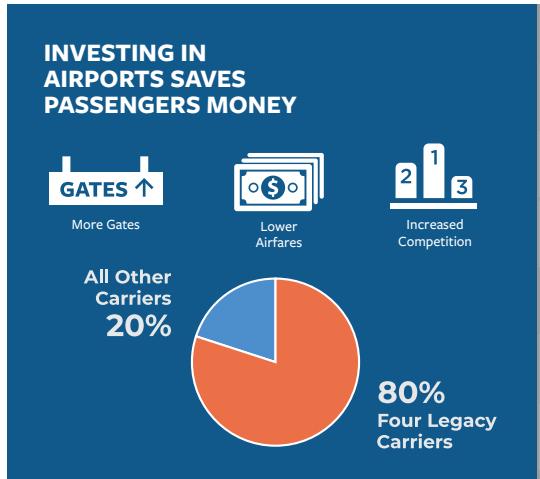
Expanding AIP eligibility to terminals can promote much needed competition in the airline industry. New investments in airports are valuable tools in helping local communities attract new carriers, which lowers airfares for passengers.

### INVESTMENT IN COMMUNITIES

The total economic output of U.S. commercial service airports now exceeds \$1.4 trillion, supporting more than 11.5 million jobs with a payroll of more than \$428 billion and accounting for more than 7 percent of U.S. GDP. Modernizing airport infrastructure funding ensures our nation's airports have the resources they need to remain competitive and thriving hubs of economic opportunity.

### WIDE-RANGING INDUSTRY SUPPORT

A broad and diverse coalition of industry groups and businesses support modernizing AIP. The Beyond the Runway Coalition, which is made up of more than 100 organizations and trade groups, has come together to support AIP thanks to the jobs and dollars it brings to their industries.



# AIP

## Airport Improvement Potential

Take a moment to familiarize yourself with what could be done with increased and expanded AIP eligibility.



**AIRPORTS COUNCIL  
INTERNATIONAL**

1

### Improved Ground Access



When invested into expanded or reconfigured access roads, AIP could help ease traffic jams leading to terminals.

2

### Reduced Curbside Congestion



As passenger drop-off and pick-up behavior changes, AIP could help airports make facility improvements to better manage traffic and improve safety along the curb in front of the terminal.

3

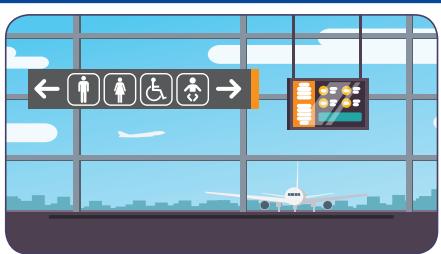
### More Efficient Security Checkpoints



AIP could help airports expand or reconstruct terminals to accommodate security screening checkpoints and improve passenger flow through the airport.

4

### Newer, More Accommodating Restrooms



As passenger volume continues to climb, AIP could help airports build more restrooms to accommodate the diverse needs of all passengers.

5

### More Comfortable Hold Rooms with Better Amenities



AIP could help ensure there are plenty of seats, charging stations, WiFi, and other amenities throughout the terminal.

**More Gates,  
Lower Airfares**

6

AIP could help airports add gates to increase airline competition and lower airfares for passengers.

7

### Efficient Operations



AIP could help airports have the right number of gates, runways, and on-the-ground infrastructure to improve efficiency.

8

### Reduce Impact of Aircraft Noise



AIP could be used to study, monitor, and mitigate aircraft noise issues that arise near airports.

9

### Upgraded Baggage Systems



When it comes to baggage claim, AIP could help airports invest in modern baggage handling systems and facilities to reunite travelers with their luggage faster.



# BEYOND THE RUNWAY COALITION PARTNER ORGANIZATIONS

## FAR REACHING SUPPORT FOR AIRPORT INFRASTRUCTURE INVESTMENT

The story of airports extends far beyond the physical airport. The Beyond the Runway Coalition brings together a wide variety of industry stakeholders seeking to ensure that airports remain strong economic engines and job centers in their local communities. Together, they are aligned in support for modernizing airport infrastructure financing to ensure our nation's airports have the resources they need to remain competitive and thriving hubs of economic opportunity. >>

777 Development Group, LLC	Aviation Strategies and Trade Solutions	National Ready Mixed Concrete Association
ADB Safegate	Bond Dealers of America	National Retail Federation
Air Conditioning Contractors of America	C&S Companies	National Stone, Sand and Gravel Association
Airline Data, Inc.	California Airports Council	National Utility Contractors Association
Airport Alliances, LLC.	CASE Construction Equipment	New York Aviation Management Association
Airport Business Magazine	Competitive Enterprise Institute	O'Hare Infrastructure Strategies LLC
Airport Consultants Council	Construction Management Association of America (CMAA)	Pavement Consultants, Inc.
Airport Improvement Magazine	Corliss Stone Littles, LLC	Portland Cement Association
Airport Revenue News	CP&Y	Precast/Prestressed Concrete Institute
Alliance for Innovation and Infrastructure	Decision Services International LLC	RICONDO & Associates, Inc.
American Apparel & Footwear Association	Delaware North	San Diego Regional Chamber of Commerce
American Association of Airport Executives	DKMG Consulting, LLC.	San Diego Tourism Authority
American Coal Ash Association	Dunham Group, LLC.	Security Industry Association
American Coatings Association	DY Consultants	Sheet Metal and Air Conditioning Contractors' National Association
American Composites Manufacturers Association	Florida Airports Council	SI Partners, Inc.
American Concrete Pavement Association	Fuel Cell & Hydrogen Energy Association	Siemens
American Concrete Pipe Association	Garver	Skanska
American Concrete Pressure Pipe Association	GCR Inc.	SSI, Inc.
American Council of Engineering Companies	General Dynamics Information Technology, Inc.	Studdiford Technical Solutions
American Hotel & Lodging Association	Georgia Airports Association	Team Eagle, Ltd.
American Road and Transportation Builders Association	Hi-Lite	Texas Retailers Association
American Society of Civil Engineers	International Association of Airport Duty Free Stores	The Association of Union Constructors
American Supply Association	International Franchise Association	The Aviation Council of Alabama
American Traffic Safety Services Association	Kaplan Kirsch & Rockwell LLP	TMG Construction Corporation
Asian American Hotel Owners Association	Kimley-Horn	Top Airport Parking
Associated Equipment Distributors	Lamar Airport Advertising	TransCore
Associated General Contractors of America	Liebowitz & Horton Airport Management Consultants	TransSolutions
Association for the Improvement of American Infrastructure	Mead & Hunt	Travel Goods Association
Association of Equipment Manufacturers	National Asphalt Pavement Association	U.S. Travel Association
Aviation Alliance, Inc.	National Association of Manufacturers	Washington Airports Task Force
	National Association of State Aviation Officials	Wisconsin Airport Management Association
	National Electrical Contractors Association	
	National Electrical Manufacturers Association	
	National Precast Concrete Association	

**BEYOND  
THE  
RUNWAY  
COALITION**

## FY23 GOVERNMENT SPENDING PACKAGE RELATED TO AIRPORT

### December 29, 2023

#### Department of Transportation

##### Funding for FAA Programs

**FAA:** Overall, the final bill includes more than \$19.02 billion for the FAA – about \$464 million above the administration’s budget request and almost \$564 million more than the FY22 funding level.

**Facilities and Equipment:** The measure proposes more than \$2.945 billion for FAA facilities and equipment, including NextGen programs.

**Operations:** The bill includes \$11.915 billion for FAA operations.

**Research, Engineering, and Development:** The measure includes \$255 million for research, engineering, and development, about \$5.5 million less than the administration’s request.

#### Airport Improvement Program

**Traditional Airport Improvement Program:** The omnibus includes \$3.35 billion for the traditional AIP account in FY23 – the same as the current funding level. Of that amount, \$137.4 million is designated for administrative expenses, \$15 million for the Airport Cooperative Research Program, approximately \$41 million for Airport Technology Research, and \$10 million for the Small Community Air Service Development Program.

**AIP Discretionary Grants:** The agreement directs the FAA to “consider the full range of flight activities (such as flight training, air cargo, emergency response, pilot training, etc.) and associated metrics when considering AIP discretionary grants.”

**Continued EDS Prohibition:** The omnibus continues the prohibition against the use of AIP funds for “the replacement of baggage conveyor systems, reconfiguration of terminal baggage areas, or other airport improvements that are necessary to install bulk explosive detection systems.”

**Local Match:** The omnibus maintains a narrow provision that allows small airports to pay the lower 5 percent match for any unfinished phased projects that were underway prior to the passage of the FAA Modernization and Reform Act of 2012.

**Burdensome Regulations:** The joint explanatory statement accompanying the package “recommends the FAA identify opportunities to eliminate unnecessary regulations and streamline burdensome regulations and identify areas where more autonomy can be given to local jurisdictions with a better understanding of needs and challenges in building and maintaining infrastructure.”

**Boarding Bridges:** The statement directs the FAA to consult with the U.S. Trade Representative and the U.S. Attorney General to develop a list of entities that are: 1) foreign State-owned enterprises and 2) have been determined by a federal court to have misappropriated trade secrets of U.S. companies.

**NPIAS:** The agreement “directs the FAA to expeditiously review requests for entry into the NPIAS. Public-use airports that meet all applicable criteria and which have had significant and material investment from their local communities should be included in the NPIAS.”

**Noise:** The agreement “directs the FAA to ensure that AIP funds are made available to reduce the impact of noise on communities and on communities further from airports that experience highly repetitive overflights.”

### **Supplemental Airport Improvement Program**

**Supplemental AIP:** The omnibus includes approximately \$558.6 million in supplemental AIP discretionary funding. Of that amount, approximately \$283.6 million is reserved for earmarks, which are officially known as [“Community Project Funding”](#) requests. For the remaining \$275 million for discretionary grants, the omnibus specifies that at least \$25 million is specifically designated for grants to commercial service airports located in non-attainment or maintenance areas for low-emission fuel systems, gate electrification, or acquisition of airport-owned vehicles or ground support equipment with low-emission technology.

The omnibus also provides the Secretary of Transportation discretion to: 1) provide supplemental discretionary grants for the on-airport distribution, blending, or storage of sustainable aviation fuels, including for pipelines, rail lines and spurs, loading and off-loading facilities, blending facilities, and storage tanks; and 2) provide supplemental discretionary grants to primary, commercial service airports to increase operational resilience for the purpose of resuming commercial service flight operations following an earthquake, flooding, high water, hurricane, storm surge, tidal wave, tornado, tsunami, wind driven water, or winter storms.

### **Small Community Programs**

**Contract Towers:** The final measure includes \$187.8 million in dedicated funding for the Contract Tower and Contract Tower Cost Share Programs – a new high and almost \$10 million more than the current level. That increase would fund all contract towers currently in the program and allow the FAA to add other airports to the program during this fiscal year.

The joint explanatory statement directs the FAA to “provide flexibility to contract towers at small-hub airports with unique terrain and winter weather challenges so that each contract tower includes a minimum of two controllers during all regularly scheduled commercial flights, where permissible under current law.”

**CONTRACT Act:** AAAE and USCTA worked aggressively in recent weeks to convince key lawmakers to add the CONTRACT Act (S. 419/H.R. 1283) to the omnibus spending package. The bipartisan and bicameral proposal will allow controllers who retire from federal service to continue working at contract tower airports without impacting their federal annuity supplement.

Staffing at contract towers was a challenge even before the pandemic hit, but those workforce pressures are even more severe now. That is why we pressed Congress to pass the CONTRACT Act now instead of waiting until next year when lawmakers will begin debating the FAA reauthorization bill.

Thanks to our allies on the Hill for successfully adding the CONTRACT Act to the omnibus appropriations bill. Special shoutout to Senator James Inhofe (R-OK), who is retiring at the end of this session, and Rep. Julia Brownley (D-CA) for leading the charge. Other original cosponsors including Senator Patty Murray (D-WA), Senator Jerry Moran (R-KS), and Rep. Rodney Davis (R-IL) were also incredibly strong advocates for the bill.

**Essential Air Service:** The final measure includes \$354.8 million in discretionary funding for the Essential Air Service Program. Coupled with an anticipated \$122.2 million in overflight fees, total funding for the program is expected to be almost \$477 million in FY23. The joint explanatory statement also directs the GAO “to provide a report on the current state of commercial air service to small airports, including the impact of COVID-19 and COVID-19-related financial assistance programs enacted by Congress.” The report is to include any recommendations to Congress and the DOT that would help maintain or increase commercial air service to small communities.

**Small Community Air Service Development:** The final measure includes \$10 million in AIP funding for the Small Community Air Service Development Program. This is the same amount that Congress approved for the program in FY22 and \$10 million more than the administration requested.

#### **Noise and Environment**

**Transition from AFFF to Fluorine-free Foam (F3):** The explanatory statement accompanying the omnibus includes AAAE-supported direction to FAA regarding the upcoming transition from AFFF to a F3 that mirrors similar language included in the reports accompanying the House and Senate FAA/DOT spending bills. In May, the U.S. Navy provided industry with an opportunity to comment on a draft MIL-SPEC for F3, signaling that DOD and FAA are making significant progress in finding a suitable replacement foam and are on track to meet the January 2023 deadline set in the FY20 National Defense Authorization Act for having an approved F3. However, without a proactive transition plan from FAA in collaboration with other relevant federal stakeholders, the transition from AFFF to F3 for airports will likely face numerous hurdles. The AAAE team worked closely with appropriators to press FAA to provide airports with the necessary guidance to ensure an orderly and cost-effective transition.

The explanatory statement reads: *“Not later than 120 days after the date of the publication of the new military specification [MIL-SPEC] for firefighting foam, the FAA is directed to develop a transition plan for part 139 airports to use the MIL-SPEC. In addition to the requirements for the transition plan in House Report 117-402, the FAA shall also provide airports information on any supplemental equipment needed to utilize approved MIL-SPEC products.”*

**Community Engagement and Noise:** Lawmakers continued to focus on aircraft noise and community engagement. The omnibus provides an additional \$1.3 million and four new positions for community engagement to address aviation noise issues. The additional funding will also go to technical and analytical support services to help address noise issues for communities that may not have such expertise themselves.

**Unleaded Avgas:** The explanatory statement directs FAA to prioritize funding to test and identify unleaded fuels that can be safely used in piston-engine aircraft and are viable candidates for fleet authorization. It further requires a congressional briefing from FAA on any progress it has made on these pending applications.

**Voluntary Airport Low Emissions Program:** The agreement notes that lawmakers expect the FAA to engage with airport sponsors at major hubs to identify projects suitable for the Voluntary Airport Low Emissions Program.

### New Entrants

**Advanced Aviation Infrastructure Modernization Act (AAIM) Act:** The final version of the FY23 omnibus included a version of the AAIM Act, which passed the House in June. The AAIM Act authorizes a two-year, \$25 million pilot program administered by DOT to provide planning grants to assist state, local, and tribal governments, metropolitan planning organizations, airport sponsors, transit agencies and port authorities plan for the development and deployment of vertiport infrastructure required for AAM operations. At least 20 percent of the funding made available will be designated for projects in rural areas.

**Advanced Air Mobility:** The explanatory statement encourages FAA "to provide a transparent framework and requirements to all stakeholders for the safe use of AAM in the future," and "recognizes that the FAA has committed to completing the proposed special Federal aviation requirement which will enable commercial operations and pilot licensing in a manner by December 31, 2024."

**Unmanned Aircraft Systems:** The explanatory statement directs FAA "to engage with UAS stakeholders to inform them of its proposed UAS BVLOS rulemaking schedule, the challenges associated with this rulemaking, and any differences between the proposed rulemaking and the BVLOS ARC's recommendations." Additionally, the statement directs FAA to brief Congress on: (1) its plans to align policies that do not require rulemaking, including issuance of waivers, with the proposals recommended in the BVLOS ARC report; and (2) its plans to issue guidance providing accelerated pathways to enable low-altitude operations under existing rules, such as standard scenarios or pre-defined risk assessments."

**UAS Test Sites:** The bill includes \$6 million for "providing matching funds to commercial entities that contract with an FAA-designated test site."

**Commercial Spaceport Infrastructure:** The 2018 FAA Reauthorization Act required FAA to evaluate the Federal government's national security and civil space transportation needs and propose policies and programs to ensure a robust spaceport infrastructure. In addition to requiring FAA to submit this national spaceport policy to Congress, the explanatory statement directs FAA to also assess the effectiveness and suitability of existing infrastructure grant programs at DOT for supporting spaceport infrastructure.

### Miscellaneous

**National Aviation Preparedness Plan Act:** The final FY23 spending package also includes a version of the National Aviation Preparedness Plan Act, which passed the House in September. This legislation requires the Department of Transportation, in collaboration with the Departments of Health and Human Services and Homeland Security, to develop a national aviation preparedness plan to tackle future communicable disease outbreaks, as first recommended by the Government Accountability Office in 2015 following the Ebola outbreak.

The bill also directs DOT to work with airports, air carriers, labor unions representing frontline at-risk workers, and other key aviation stakeholders on a plan to: provide airports and air carriers with an adaptable and scalable framework to align emergency response plans; identify appropriate personal protective equipment for aviation and Federal workers to reduce the likelihood of exposure; identify appropriate techniques, strategies, and protective infrastructure for the cleaning, disinfecting, and sanitization of aircraft and enclosed facilities; clearly delineate the responsibilities of sponsors and operators of airports, air carriers, and Federal agencies in responding to a communicable disease; and identify opportunities to develop and deploy emerging technologies and solutions to reduce communicable disease transmission.

**Radio Altimeters and 5G:** The explanatory statement directs FAA “to immediately notify Congress of any anticipated disruptions to the aviation system due to further implementation of 5G and to continue its collaboration with other Federal agencies and industry stakeholders to mitigate disruptions caused by the 5G rollout in order to maintain a safe and efficient national airspace as additional telecommunications companies deploy 5G.” Furthermore, the statement directs the FAA to provide a briefing to Congress on current radio altimeter technologies, including filters and other redesigns to reduce their susceptibility to potential 5G interference, and the extent to which such technologies can accommodate all future desired uses of C-band spectrum adjacent to the radar altimeter band.

**Cost Free Space:** The final bill includes a AAAE-backed proposal that would continue to prohibit the FAA from requiring airports to provide space free of charge in airport-owned buildings.

**Airport Cooperative Research Program:** As mentioned above, the measure includes \$15 million in AIP funding for the Airport Cooperative Research Program.

**Contract Weather Observers:** The bill would continue to block the FAA from eliminating the Contact Weather Observers program at any airport.

**Aviation Workforce Development Grants:** The bill includes \$15 million for the Aviation Workforce Development Programs – \$5 million for the aircraft pilot workforce and \$10 million for the aviation maintenance workforce.

**Permit Streamlining:** The agreement encourages DOT to coordinate with project sponsors to use interactive and digital platforms where possible in meeting environmental review and community engagement requirements under the National Environmental Policy Act. The Secretary is directed to brief the appropriations committees within 180 days on its efforts to implement BIL and metrics needed to make the permitting process more effective, efficient, and transparent, including its efforts to reduce paperwork, improve efficiencies across modes, reduce timelines for completing environmental review, and determine whether digital platforms facilitate transparency and reduce the time needed to complete project permitting.

## **Department of Homeland Security**

Overall, the omnibus appropriations bill includes \$60.7 billion in discretionary appropriations for DHS and its component agencies, including TSA and CBP. This amount is \$4.05 billion above the budget request and is \$3.2 billion above the FY22 funding level.

## Transportation Security Administration

The bill provides a total of \$9.324 billion for TSA, \$722 million below the administration's request and \$836 million above the FY22 funding level. The agreement does not include a request from the administration to allocate all aviation security fees directly to TSA instead of some being required for deficit reduction.

Key funding recommendations for airport priorities include:

- \$398 million for TSA pay parity to help address recruiting and retention issues.
- \$60.6 million above the request to hire new Transportation Security Officers (TSOs).
- \$94.1 million for TSA personnel to continue monitoring exit lanes at those locations where TSA monitored them on December 1, 2013, instead of shifting these costs to airports.
- \$46.1 million for law enforcement officer reimbursement (LEO) grants, recognizing the important role the LEO reimbursement program has played in helping airports meet federally mandated airport security requirements.
- \$104.5 million to purchase and install approximately 108 computed tomography machines for passenger checkpoints at the highest risk airports.
- \$13.94 million to continue to reimburse airports for legacy purchases of in-line explosive detection systems.
- \$22.3 million for credential authentication technology.

The joint explanatory statement that accompanies the bill contains the following notable items:

**Supporting TSA Pay Parity:** The omnibus includes \$397.6 million to implement TSA personnel system initiatives in FY23 as compared to the \$992 million requested by the administration. TSA is directed to brief the appropriations committees on a detailed plan to effectively measure the impact of these personnel system changes on TSO recruitment, hiring, and retention within 180 days.

A press release from Senate DHS Appropriations Subcommittee Chair Chris Murphy (D-CT) highlights the bill's support of TSA pay parity, noting that this funding level will bring the TSA workforce pay on par with the rest of the federal workforce. He further states that "this puts the TSA in a favorable position to address recruiting and retention issues while the agency works to respond to an increase in travel volumes and competes with other federal agencies and with other competitive job opportunities at federalized airports."

**Transportation Security Officer Staffing:** The agreement provides \$60.638 million for new TSO hiring. This funding level is about one-quarter of the administration's FY23 request, and it is unclear how many additional TSOs will be hired at this amount. Report language directs TSA to provide a briefing on TSO staffing levels using the most current payroll data available, combined with commensurate passenger volume and wait-time data, within 90 days and monthly thereafter. The statement of managers further directs TSA to ensure that future budget requests and briefings include a detailed forecast of passenger volume in relation to requested TSO staffing levels and specify projected operational efficiencies and passenger experience improvements resulting from the continued investment and deployment of new screening technologies.

**Exit Lane Staffing:** The agreement rejects the administration's proposed move to shift exit lane staffing to airports and provides \$94.1 million to TSA to meet its statutory obligations in this area.

Within 120 days, TSA is directed to report on technological solutions to secure exit lanes and the feasibility of implementing such solutions.

**Remote Screening Infrastructure:** Report language supports TSA's ongoing partnership with the Science and Technology Directorate on remote screening and requires a briefing on these efforts to include the feasibility of incorporating remote screening infrastructure into screening environments and an analysis of any potential impacts on TSA staffing, security operations, and the passenger experience.

#### **U.S. Customs and Border Protection**

The bill provides \$16.7 billion for CBP, \$1.27 billion above the administration's request and \$1.82 billion above the FY22 funding level. Key highlights from the CBP section include:

- \$60.1 million above the budget request for an additional 125 CBP officers, 250 technicians and 250 mission support staff,
- \$94.655 million to restore proposed reductions in pay for the Office of Field Operations (OFO) personnel, and
- \$309 million in emergency designated funding to offset the loss of user fee revenues fee collections due to the continued impact of the pandemic on international travel.

**Fee Shortfalls and Reinstating Base:** As part of the language explaining the restoration of base pay for OFO personnel (including CBP officers) and offsetting user fee funding shortfalls, CBP was directed to brief Congress on options if fee collections during FY23 exceed current projections and carry over requirements to include hiring additional CBP officers and support staff.

**Workload staffing model:** CBP is required to provide a report on the most recent workload staffing model within 90 days of enactment and withholds funds from the executive leadership offices until receipt.

**Overtime:** The bill retains the annual overtime cap at \$45,000 for CBP officers and continues to permit the Secretary to waive this cap on an individual basis in the case of immigration emergencies.

**Reimbursable Service Agreements:** The statement directs CBP to provide each air, land, and sea- port operator with information on baseline service levels and report quarterly on CBP's adherence to these baseline service levels. The report shall also address staffing shortages, requirements for facility and security upgrades, and plans for technology recapitalization; the process used to decide how initiatives are funded; a justification for the scope of the requests; and how CBP will negotiate with port operators and incorporate their feedback into the development of plans to address future facility and security needs.

#### **Counter UAS**

The omnibus includes an extension of DHS' authority to protect certain facilities and assets from unmanned aircraft through September 30, 2023. This authorization will permit TSA to continue to operate its counter unmanned aerial system test beds in Miami and Los Angeles, among other things.



## Rand Report

### Congressionally Mandated Report Calls for PFC Increase

January 14, 2020

The Rand Corporation today released a congressionally mandated report that calls for raising the federal cap on Passenger Facility Charges to \$7.50 for originating passengers and indexing it for inflation. The 215-page report on airport infrastructure funding and financing comes as AAAE and airports around the country continue to urge Congress to raise the PFC cap and take other steps to help airports build critical infrastructure projects.

The FAA reauthorization bill (H.R. 302), which Congress passed in late 2018, included a provision that required the Department of Transportation to enter into an agreement with an independent non-profit organization to conduct a "Future Aviation Infrastructure and Financing Study." The provision was aimed at having an independent third-party evaluate airport infrastructure needs and financial resources.

The FAA bill called on the organization to consult with representatives of all hub sizes and other aviation stakeholders to consider a long list of airport financing challenges such as the change in purchasing power of PFCs since 2000. It also required the organization to submit its findings and recommendations to DOT and key congressional committees. Some of the report's key recommendations are below.

#### Recommendations

**PFC Cap:** Authors of the report considered various PFC options including eliminating the cap. However, they settled on a proposal that calls for raising the cap to \$7.50 for originating passengers only and indexing the cap for inflation. The report suggests that \$7.50 is approximately the same level the cap would be today if Congress had adjusted it for inflation since 2000 using the Producer Price Index for construction materials.

"Increasing the PFC cap above the current level of \$4.50 would enable those airports that seek additional PFC revenue to initiate their approved projects sooner and pay them off more quickly, lowering costs," the report indicates. Larry Krauter, the CEO of Spokane International Airport; Joe Lopano the CEO of the Tampa Bay International Airport; Candace McGraw, the CEO of the Cincinnati/Northern Kentucky International Airport; and numerous other airport officials made a similar point last year as lawmakers began debating a possible infrastructure bill.

**Large and Medium Hub Entitlements:** In exchange for raising the PFC cap to \$7.50 for originating passengers and indexing it for inflation, the Rand Corporation calls for eliminating the remaining entitlements for large and medium hub airports that choose to raise their PFC above \$4.50.

**Primary Entitlements:** Under current law, the AIP entitlement for primary airports doubles when Congress appropriates at least \$3.2 billion for AIP in a fiscal year. The report recommends doing away with that doubled entitlement for primary airports. The organization suggests that airports should compete for larger amounts of AIP funding through discretionary grants instead.

**Non-Primary Entitlements:** Under current law, AIP entitlement for nonprimary airports is \$150,000 when Congress appropriates at least \$3.2 billion for AIP in a fiscal year. The Rand Corporation recommends eliminating the non-primary entitlement. The organization points out that \$150,000 is "insufficient for major construction projects" and suggests that those smaller airports should similarly compete for AIP funding through discretionary grants.

**Airport and Airway Trust Fund:** The report indicates that the Airport and Airway Trust Fund had an uncommitted balance of \$6.1 billion at the end of FY18. It also recommends establishing a "rainy day" fund of between \$4 billion and \$6 billion to accommodate sudden drops in revenue. However, it urges Congress to appropriate additional funding for aviation purposes.

**Revenue Diversion:** The report takes a hard stance against airport revenue diversion. It recommends that Congress phase out waivers for approximately a dozen grandfathered airports that are permitted to lawfully divert a limited amount of revenue every year. The organization also recommends that DOT consider withholding all DOT grants to grandfathered airports that exceed their revenue diversion limits instead of reducing or withholding AIP grants, which the FAA can do today.

**Airline Ancillary Fees:** For the past several years, AAAE has been making the case that airlines fees for checked baggage and some other ancillary charges are not being taxed at the same 7.5 percent as base airline tickets - a move that allows the airlines to avoid paying their fair share into the Airport and Airway Trust Fund. By our calculations, the bag fee loophole alone has allowed airlines to avoid paying taxes on almost \$43 billion in bag fees since 2008 and cost the Trust Fund more than \$3.3 billion in forgone revenue.

We have been urging Congress and the administration to tax airline bag fees and other ancillary charges at 7.5 percent and use that revenue to fund airport infrastructure projects and other FAA needs. The Rand Corporation makes a somewhat similar - but not identical - recommendation. The organization suggests that bag fees and other ancillary charges should be included in the Domestic Passenger Ticket Tax, but in a revenue-neutral way. "However, Congress should not be collecting additional AATF revenue without a commitment to spend it..." the report states. "For this reason, we recommend that Congress ask the FAA to help determine the level of reduction in the Domestic Passenger Ticket Tax that would make the taxation of ancillary fees revenue-neutral."



## **AIR SERVICE FOR SMALL COMMUNITIES**

- **Importance of Regional Airlines for Small Communities** [Exhibit B1]
- **Enhance the Small Community Air Service Development (SCASD) Program** and increase funding to at least \$20 million annually
- **Modernize and maintain funding for the Essential Air Service (EAS) Program**
- **Take steps to address the pilot and aviation workforce shortage**, such as 1) increasing federal student loan aid for pilot training; and 2) extending and increasing funding for Aviation Workforce development Grants to \$10 million annually. [Exhibit B2]
- **ACI-NA U.S. Policy Council Adopts Resolution on Conditional Airline Code Sharing** [Exhibit B3]
  - Existing statutory authorities and regulatory tools potentially available [Exhibit B3(a)]
  - U.S. Department of Transportation (Title 49 §40101) Aviation Policy [Exhibit B3(b)]
  - Factors Behind Small Airport Service Challenges [Exhibit B3(c)]
  - Air Service Challenges: Conclusion [Exhibit B3(d)]
  - Applying Conditionality to Small Airports and Access Issues [Exhibit B3(e)]
- **The End of the Regional Jet (RJ) Category** forecast by Boyd Group International [Exhibit B4]
- **Economic Impact of Small Community Air Service in Alabama** [Exhibit B5]

## Importance of Regional Airlines for Small Communities

The Regional Airline Association (RAA), representing the airlines which provide 41% of scheduled passenger flights in the U.S. and offer the only source of air service to most of the country, issued a statement in response to the release of an Air Line Pilots Association (ALPA) news statement falsely claiming that FAA data indicates an abundance of qualified airline pilots and again accuses “airline CEOs” of making profit-driven service cuts and trying to “lower safety requirements for aviation operations.” These accusations are false and the data accompanying them is misleading. RAA urges policymakers, journalists and the public to carefully review the complete dataset when assessing the veracity of such claims and defamatory comments.

### About RAA

*The Regional Airline Association (RAA) provides a unified voice of advocacy for North American regional airlines aimed at promoting a safe, reliable and strong regional airline industry. RAA serves as an important support network connecting regional airlines and industry business partners. In the United States, regional airlines operate 41% of scheduled passenger flights and provide the only source of scheduled air service to 67% of the nation’s airports. Regional airlines provide 75% or more of the air service in Alabama (81%), Alaska (88%), Arkansas (81%), Iowa (78%), Kansas (82%), Maine (79%), Mississippi (82%), North Dakota (88%), South Dakota (85%), Vermont (92%), West Virginia (91%). Regional airlines provide half or more of the air service in Idaho (73%), Indiana (59%), Kentucky (60%), Michigan (57%), Montana (73%), Nebraska (60%), New Hampshire (69%), New Mexico (63%), North Carolina (55%), Ohio (52%), Oklahoma (55%), Oregon (54%), Pennsylvania (59%), Rhode Island (67%), South Carolina (57%), Utah (58%), Wisconsin (67%), and Wyoming (64%).*

## ALPA Pilot Shortage Misinformation Continues; RAA Corrects the Record

**Washington, DC, December 23, 2022-** In a news release dated December 20, the Air Line Pilots Association (ALPA) [claimed](#) that FAA data indicates an abundance of qualified airline pilots and again accused “airline CEOs” of making profit-driven service cuts and trying to “lower safety requirements for aviation operations.” These accusations are false and the data accompanying them is misleading.

While RAA also reports that ATP and RATP certificates issued and projected through YE 2022 are on pace to match a high mark last seen in 2016, ALPA’s leadership has intentionally decontextualized this data to draw a conclusion that the data does not support. By isolating 2022 ATP and RATP data trends from their normal and expected context, including the known bottleneck and backlog of certificates disrupted by the pandemic, ALPA seeks to deny the true nature of the pilot shortage and its impact to air service and connectivity.

ALPA’s [mission](#) is collective bargaining on behalf of its members and labor scarcity is seen as strengthening that hand. It is long past time for industry and policymakers to call this harmful tactic exactly what it is: **gatekeeping**, which stands as an affront to all who work to build greater equity, diversity and inclusion in aviation careers.

The attached [Issue Brief](#) provides a detailed explanation of what the FAA’s data really tells us, but to summarize:

- ALPA leadership fails to control for or acknowledge a known backlog of disrupted ATP/RATP qualifications from 2020 and 2021 that are now qualifying, which has artificially boosted 2022 numbers. If those backlog certificates are removed from the 2022 figures, the [adjusted](#) 2022 production rate would be **below average**.
- ALPA does not acknowledge that the 2022 monthly ATP/RATP issuance rate has followed a **clear downward trend** since first quarter, evidencing the clearing of clearing a backlog. While the first six months of 2022 produced 100% more than the total ATPs produced in all of 2021, ratings issued November '21 vs '22 were separated by just 6 ratings.
- ALPA claims that the pipelines behind the ATP burst are likewise up, yet they omit mentioning data showing the opposite to be true.
- ALPA fails to mention that the artificial increase in ATP ratings in 2022, which includes the 2020 and 2021 backlogs, is not happening in the other airmen categories that serve as future ATP pipeline indicators, like private and commercial ratings. Far from showing an abundance of pilots, the **data signals a lasting and worsening shortage**. For example, 2022 Multi-engine Commercial ratings, a strong indicator of future supply, are projected to be **just half** of a typical years’ output.
- ALPA [routinely and falsely claims](#) there are 1.5 pilots for every pilot opening. Once again, the data clearly [refutes](#) this claim. Moreover, the number of *qualified* pilots has **declined** month over month. For instance, although 686 ME ATP certificates were issued in November 2022, the actual count of qualified pilots fell by 452 pilots the same month. We’ve seen this deficit occur multiple times this year.

**ALPA’s current leadership also doesn’t mention the very real impacts of the pilot shortage.**

As anyone who has tried to connect to a smaller community can tell you, the pilot shortage is real, and ALPA's continued denial of the shortage and its associated harms serves no one – including the pilots its leaders serve today and those it will serve tomorrow. Major airlines are drawing unprecedented numbers of pilots from regional airlines, where shortages preceded the pandemic. Regional airlines are turning to a pilot pipeline with far fewer candidates than needed to replace exits let alone allow for the growth needed to meet today's demand. Smaller aircraft have been parked and airports of all sizes have experienced loss in air service this year. Small community service as we once knew it has already changed—and more airports are at risk.

Real people have been harmed by the pilot shortage. These are the would-be travelers who have been disrupted from attending weddings, funerals, business meetings and personal travel. The pilot shortage has also driven more passengers to the highways where [traffic fatalities](#) claimed 42,915 lives in 2021. The pilot shortage has disrupted regional connections to hubs and feed for mainline aircraft, hurting the passengers and employees of our major airline partners by reducing the health of their networks. The pilot shortage has caused [airlines to close their doors](#), displacing thousands of workers in other employee groups from good aviation jobs. Because the pilot shortage from years past is now today's Captain shortage, crew imbalances could slow First Officer hiring despite the overall pilot shortage. First Officers cannot fly without Captains, and the resulting first officer hiring slowdown will ironically prolong and worsen the underlying crisis long-term and newly qualified pilots may wait longer for their start.

Reasonable people can disagree about the best way to resolve the real and growing pilot shortage. It is RAA's expectation that every stakeholder will stand firm in pursuit of the highest level of safety. This includes the importance of evolving pilot training opportunities to enhance, not detract from, aviation safety. However, RAA firmly rejects transparent gatekeeping efforts that mischaracterize proposed improvements to pilot training and career access as anti-safety.

### **A Call to Action.**

As we close 2022, RAA resolves to leave no stone unturned in our quest for real solutions to the pilot shortage in 2023. We issue a call to action: to journalists, we ask you to look at the data behind the soundbites and check it carefully while reporting on the shortage and its deniers. To lawmakers, we urge you to set politics aside and take courageous leadership on the issue. To the Secretary of Transportation, we ask you to take ownership of this issue as the severe, multi-modal transportation crisis it is. And to ALPA, we ask you to come to the table ready to work on solutions that uphold safety and allow the next generation of pilots to take flight.



## ACI-NA U.S. Policy Council Adopts Resolution on Conditional Airline Code Sharing

**February 2019**

At its meeting on February 6, 2019, the U.S. Policy Council approved a resolution as recommended by the ACI-NA Small Airports Committee.

Under the leadership of ACI-NA Small Airports committee Chair Terry Slaybaugh (Dayton), Vice-Chair Christina Callahan (Syracuse), and Board Liaison Monica Lombrana (El Paso), air service at small and non-hub U.S. airports continues to remain a top priority for the Small Airports Committee.

In early 2018, the committee began exploring the concept of “conditional airline code-sharing” as a way for improving air service at certain small airports. After consultation with the ACI-NA Executive Committee, a study was commissioned this past summer for Scott Lewis, Attorney with Anderson & Kreiger LLP, and Dr. Steven Van Beek, Director and Head of North America Aviation at the Steer Group, to further explore the conditional airline code-sharing concept. The study’s findings and recommendations were presented at the Small Airports Committee meeting in Nashville, TN, last September.

During the Nashville meeting, the full committee unanimously agreed to a resolution that requested the ACI-NA US Policy Council to:

Further study/support the concept of applying conditional airline code sharing, to a group of select small and non-hub airports within the National Air Space (NAS) system where air service connectivity remain the most problematic, as a condition for US DOT/DOJ approval for regulatory actions related to an airline merger, immunized alliance, or any other federal action, where connection to individual markets could be established.

The U.S. Policy Council approved the above resolution. This resolution has been shared with the Large Hub, Medium Hub and Air Service Committees for feedback in advance of the U.S. Policy Council’s approval, and each committee held a special call on this topic in late November to hear directly from the leaders of the Small Airports Committee Meeting.

***See Exhibits C3(a) through C3€ for key information related to the study referenced above.***

## There are existing statutory authorities and regulatory tools potentially available

---

*The Secretary and DOT's attention to these issues has been limited to two programs, which while well intentioned, have had limited system-wide effects on addressing air service challenges. Both programs have heretofore untapped legal authorities to encourage interlining and joint-fare arrangements to help address air service challenges.*

### Essential Air Service (49 USC 41744):

#### (a) In General.—

If the Secretary of Transportation determines that extraordinary circumstances jeopardize the reliable performance of essential air service under this subchapter from a subsidized essential air service community to and from an essential airport facility, **the Secretary may require an air carrier that has more than 60 percent of the total annual enplanements at the essential airport facility to take action to enable another air carrier to provide reliable essential air service to that community.** Actions required by the Secretary under this subsection may include interline agreements, ground services, subleasing of gates, **and the provision of any other service or facility necessary for the performance of satisfactory essential air service to that community.**

### SCASDP statute (49 USC 41743):

#### (f) Additional Action.—

Under the program established under subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers (as defined in section 41716(a)(2)) serving large hub airports **to facilitate joint-fare arrangements consistent with normal industry practice.**

## U.S. Department of Transportation (Title 49 §40101) Aviation Policy

---

*The Secretary of DOT has been assigned numerous goals with respect to the economic regulation of air transportation. By their nature, they require balancing and a variety of actions to address the goals. Several of these are directed toward **small community air service** and **airline competition**:*

(a) Economic Regulation.—In carrying out subpart II of this part and those provisions of subpart IV applicable in carrying out subpart II, the Secretary of Transportation shall consider the following matters, among others, as being in the public interest and consistent with public convenience and necessity:

(4) the **availability of a variety of adequate, economic, efficient, and low-priced services** without unreasonable discrimination or unfair or deceptive practices.

(6) placing maximum reliance on **competitive market forces and on actual and potential competition**

(7) developing and maintaining a sound regulatory system that is responsive to the needs of the public and in (8) **encouraging air transportation at major urban areas through secondary or satellite airports if consistent with regional airport plans of regional and local authorities, and if endorsed by appropriate State authorities**

(10) **avoiding unreasonable industry concentration, excessive market domination, monopoly powers, and other conditions that would tend to allow at least one air carrier or foreign air carrier unreasonably to increase prices, reduce services, or exclude competition in air transportation.**

## U.S. Department of Transportation (Title 49 §40101) Aviation Policy

---

*The Secretary of DOT has been assigned numerous goals with respect to the economic regulation of air transportation. By their nature, they require balancing and a variety of actions to address the goals. Several of these are directed toward **small community air service** and **airline competition**:*

- (11) maintaining a complete and convenient system of continuous scheduled interstate air transportation for **small communities** and isolated areas with direct financial assistance from the United States Government when appropriate.
- (12) encouraging, developing, and maintaining an air transportation system relying on actual and potential competition—
  - (a) to provide efficiency, innovation, and low prices; and
  - (b) to decide on the variety and quality of, and determine prices for, air transportation services.
- (13) encouraging entry into air transportation markets by new and existing air carriers and the **continued strengthening of small air carriers** to ensure a more effective and competitive airline industry.
- (16) ensuring that consumers in all regions of the United States, including those in small communities and rural and remote areas, have access to affordable, regularly scheduled air service

\* Addressing these goals requires balancing measures in an industry that continues to evolve \*

## Factors Behind Small Airport Services Challenges

*Airports have focused on several industry trends that are placing pressure on small community air service:*

- Pilot Shortage, exacerbated by 1500 hour rule
- Accelerated retirement, and lack of production, of 50-seat RJs and other metal
- Fuel prices (recently low but up 50% in last six months)
- Scope clauses (< 86,000lb MTOW)
- Legacy airlines focus on flying from, and feeding, their gateway hubs

*There has been less focus on airline business models and the effects policy has had on air service:*

- Mergers and Consolidation
- Consolidation of traffic into gateways and hubs
- Growth of ULCCs
- Decline of secondary hubs and access points for “spokes”



*These are the principal factors behind the loss of connectivity.*

## Air Service Challenges: Conclusion

### The Problem:

- Air service to most small communities has declined over the last decade, with reductions in seat capacity and even greater reductions in frequencies. The majority of the lost air service consists of connections to a now reduced number of network carrier hubs.
- The introduction and growth of ULCC service into many markets has brought welcome air service to many destination markets. ULCC aircraft are generally larger and have helped to offset overall capacity reductions.
- Reduction of frequency of regional jet operations into small communities continues to challenge air service in many markets.
- Taken together, however, represent not only a net loss of air service to the vast majority of markets, but also a loss of connectivity to network hubs and markets beyond.
- Additional risks include an industry contraction, higher fuel prices and reduced competition—all of which would exacerbate these challenges.

### Forecast of Smaller Aircraft:

- Over the next several years, the continuing reduction, leading to the elimination of all 50-seat RJs in the next 10-15 years, will severely challenge many smaller communities.
- Given that there are no current industry plans to manufacture RJs with less than 70 seats, there is a need to find business and policy strategies to stimulate more sustainable passenger demand so that service to smaller communities remains viable.

## Applying Conditionality to Small Airports and Access Issues

---

1. **Background:** Commercial airlines seek approval to merge and form immunized alliances notwithstanding the competitive issues they raise. While DOT and the EC have approved many of these actions, they have placed conditions on them that the airlines agree to in order to obtain approvals.
2. **Competition:** With airport infrastructure limited at many of the most important global hubs, it is understandable that policymakers want to ensure competition between hubs and beyond/behind hubs—to connecting airports. The EC is especially vigilant.
3. **Small Airports:** As with ensuring a competitive industry, the U.S. DOT has affirmative goals to protect and promote NAS access for small communities. But, unlike with competition, U.S. DOT has not taken measures to protect small community air service when approving airline mergers, codeshares and alliance immunization.
4. **Conditionality:** While airlines dislike the practice, they accept conditions as a price for obtaining approvals for mergers, immunized alliances and codeshares they want. Properly applied, small airport considerations could be addressed through conditions that do not undermine airlines' business goals.
5. **SPAs and Provisos:** These pricing and seat inventory practices are accepted by IATA and used by airlines and regulators in the industry today. Together with "at least as favorable" requirements, they offer a possible framework for mandatory codesharing.

# The End of the Regional Jet (RJ) Category

## forecast by the Boyd Group International



**Airliner Forecasts:**

**No Need To Include "Regional Jets" - Nobody's Building Them, Anymore.**

Mitsubishi has thrown in the towel on its MRJ airliner program.

The proposed 70-100 seat platform only registered some lukewarm orders from SkyWest and a couple of other operators. In the final analysis, the program was several years too late and had no real operational advantages.

The message is economic. The development costs have eliminated any chance for new-generation small jet airliners.

**Airliner Forecasts: There Is No “Regional Jet” Category, Per Se.** The concept of the “regional jet” is dead. In fact, the original intent of the CRJ and ERJ (and platforms intended by Shorts, Dornier, VFW and a few others) was to be an expansion airliner aimed at what was once an independent regional airline industry.

By the time the CRJ and ERJ took to the skies, the regional airline industry was being transformed into essentially companies leasing aircraft and crews to major airlines. Their entire marketing identities evaporated.

**Say Thanks To Our Neighbors, North & South.** Not only that, but here's a factoid that is not well known. Both the CRJ and the ERJ airliner platforms were made possible only due to the largess of the taxpayers in Canada and Brazil. They were originally designed within government-owned companies, so the massive development costs of these aircraft were written off with privatization. Were it not for those sunk costs, it's pretty certain that neither program would have been economically viable.

Message: there won't be any new small jet airliners coming down the line. The MRJ was the swan song.

There's a message here for air service planning. The capacity floor is now 76 seats and above, give or take a hybrid configuration like United's CRJ550. And there are no more small jet airliners – or turboprops – on the horizon. And, please, don't expect electric airliners to come to the rescue.

**Re-Thinking The Air Transportation System.** All the studies in the world won't change the fact that in the future, it will be airliner fleets that will be the basis for future air service access. And those fleets will have much higher requirements for revenue generation. Small airports need to take this into planning consideration.

Regardless of the pilot population, by the way.

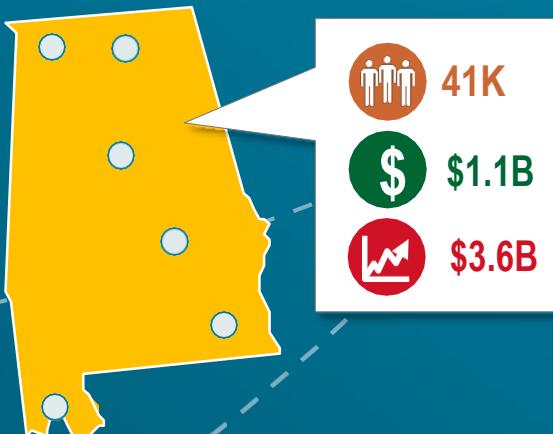
# The Economic Impact of Small Community Airports in Alabama

## Air Service at Small Community Airports:

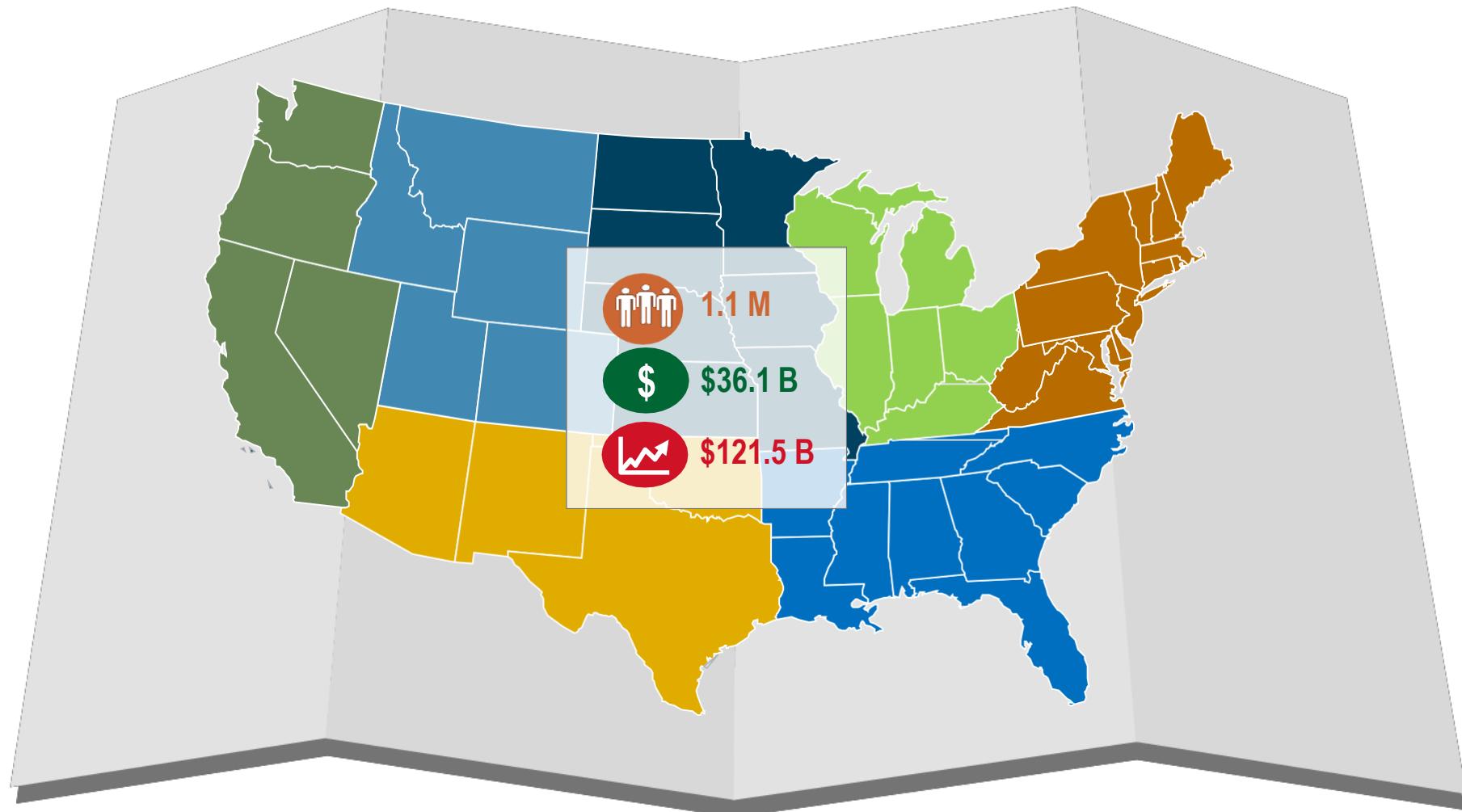
-  Provides the necessary link to the nation's economy
-  Increases the community's economic output by adding jobs and helping to bring in visitors
-  Improves efficiency for local businesses
-  Helps create business ties globally
-  Is critical to a small community's tourism/visitor profile

Three issues threaten small community airports —  
If left unresolved, all will lose frequency and vital  
access and 150-200 airports could fall off the grid

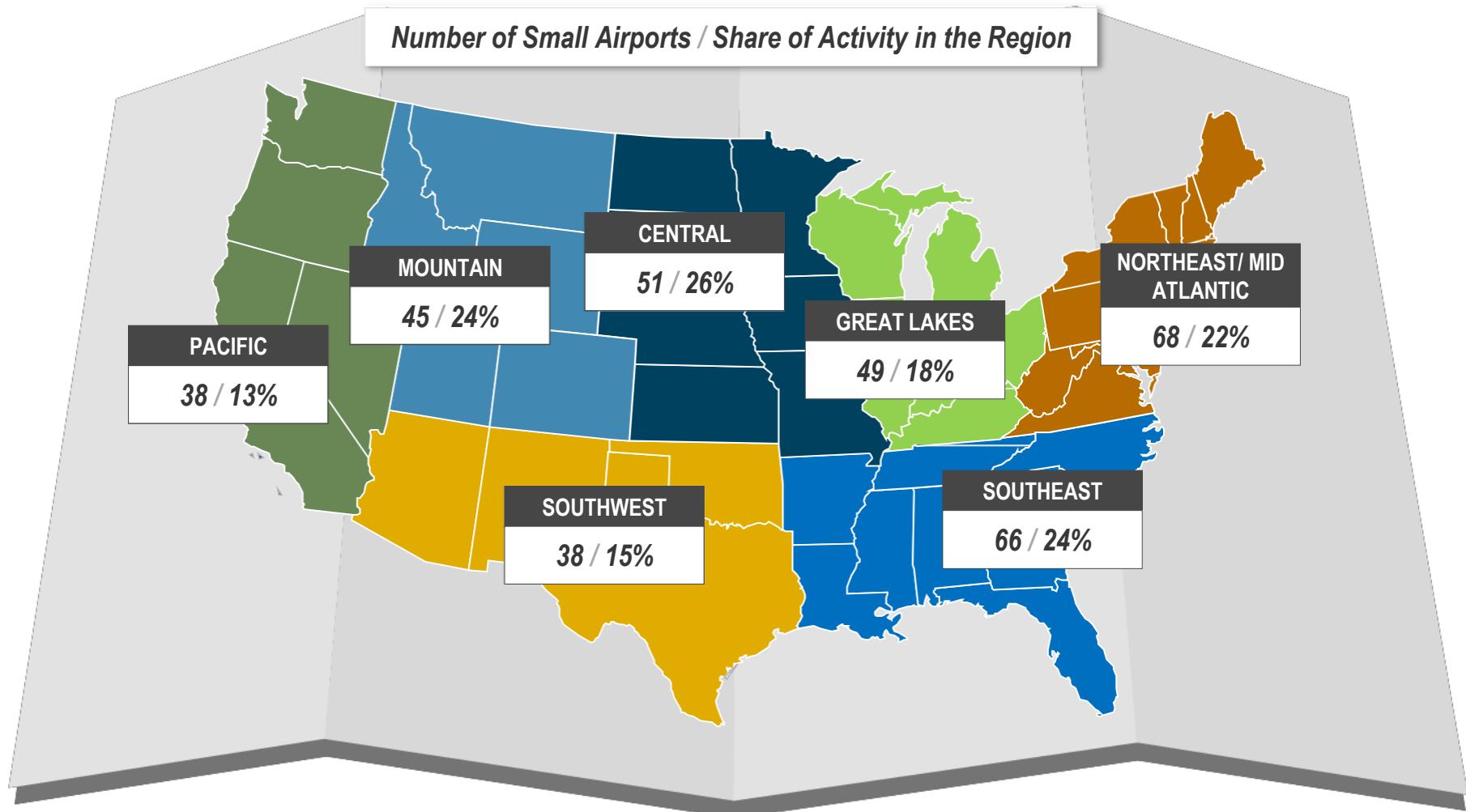
-  1 An inadequate pilot supply
-  2 A trend toward larger aircraft by the U.S. airline industry
-  3 Airports are restricted on using their revenue to enhance air service



In 2015, the economic impact of small community air service is conservatively estimated at **\$121B** — supporting over **1.1m** jobs



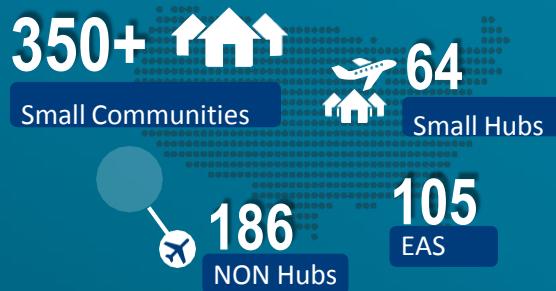
# There are over 350 small communities in the U.S. that currently receive air service



Source: Innovata Schedules, August 2016

Note: Departures

# What is a small community?



## Daily departures

Small Hubs	<b>2,400</b>
NON Hubs	<b>1,500</b>
EAS	<b>290</b>

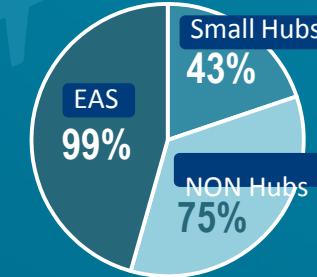
## Seat departures

Small Hubs	<b>220k</b>
NON Hubs	<b>91k</b>
EAS	<b>7k</b>

## Average seats/departure

Small Hubs	<b>91</b>
NON Hubs	<b>60</b>
EAS	<b>24</b>

## Share of departures with 70 seats or less



## Average distance to medium or large hub





## **REGULATORY RELIEF AND EMPOWERMENT**

- ✈ **Establish a Pilot/Program Demonstration Project** Granting Greater Flexibility to Airports through Economic Deregulation [Exhibit C1]
- ✈ **Direct the FAA to clarify future Noise policy/standards and seek feedback from airports** and their stakeholders before implementing any changes per the recently conducted Neighborhood Environmental Survey that could affect airport finances and operations.
- ✈ **PFAS – Immunity for Airports from Liability** for Use of FAA-mandated Aqueous Film Forming Foam (“AFFF”) and provide assistance to airports with the transition.
- ✈ **Additional Detailed ACA Recommendations** related to Regulatory Relief and Empowerment [Exhibit C2]
- ✈ **ACRP Report 90 entitled, “Impact of Regulatory Compliance Costs of Small Airports”**, identifying a total of 291 federal actions issued from 2000 – 2010 resulting in net compliance costs for the small airport industry in excess of \$700 million. [Exhibit C3]

## ESTABLISH A PILOT/PROGRAM DEMONSTRATION PROJECT

### Granting Greater Flexibility to Airports through Economic Deregulation

The FAA currently provides for less than 25% of the funding for airport capital improvements on an annual basis, but yet controls 100% of the airport's activity. The FAA does not provide airports with general fund dollars, but rather all airport funding comes from users of the airport/aviation system, the FAA merely handles these funds for redistribution to airports based on an archaic formula system. The FAA would serve the airport/aviation community better by allowing airports to set rates, fees, and charges, including the Passenger Facility Charge (PFC) based on individual airport needs and solely at the local level without any FAA interference.

Airports face redundancy and overly burdensome compliance and regulations: The 20-page Grant Assurance document that Sponsors (airports) "must" accept in conjunction with accepting an Airport Improvement Program (AIP) Grant currently requires airports to comply with over 56 different Federal Regulations, Executive Orders, and Federal Legislation. The majority of the Grant Assurance provisions are an overreach by the FAA to control airport activities for a small grant contribution. In addition, Public sponsors have more stringent requirements than Private Sponsors. Sponsors must also meet the requirements of a 691 page FAA Compliance Manual, a 318 page AIP Handbook, and a 183 page PFC Order, which are just a few examples that further support the fact that the FAA overregulates airports.

**Requested Action:** It is requested that a **pilot program** be established where a limited number of small community airports that meet the criteria for a grant within the Small Community Air Service Development Program shall be deregulated economically, similar to airline deregulation in 1978, in order to achieve greater flexibility for small airports to meet the specific air service development needs of their local community. This would allow the selected small airports the ability to spend local airport revenues, without Federal Aviation Administration (FAA) limitations, to implement programs and policies at the local level which could enhance air service for their community. The FAA should have no say in the leases, business practices or fund usage of an airport so long as the funds are used for the betterment of the airport, aviation system, or air service in their community, and there is no diversion of revenue for a non-airport related purpose. This would also **demonstrate that airport deregulation would be a successful solution** for airports to address their own issues such as reduced air service and high fares via proof of concept.

# ADDITIONAL DETAILED ACA RECOMMENDATIONS

## Related to

### Regulatory Relief and Empowerment

U.S. Airports should not be over-regulated by the Federal Government/Federal Aviation Administration (FAA) as they are today. Federal Airport Improvement Program (AIP) grants, on average, amount to less than 25% of airports' capital spending and less than 9% of their total annual revenue, yet the FAA looks to control 100% of an airport's activity. No business in their right mind would give-up this type of control in their company for an investment of 25%, and airports should not be required to do so either. Airports are local owned and controlled and as such should be in full control of their development and operation, with FAA regulations applying only to the related development, and operation and maintenance of the airfield (movement areas) to ensure that airfield standards and safety are met.

**The FAA does not provide airports with general fund dollars, but rather all airport funding comes from users of the airport/aviation system, the FAA merely handles these funds for redistribution to airports based on an archaic formula system.** The FAA would serve the airport/aviation community better by allowing airports to set rates, fees, and charges, including the Passenger Facility Charge (PFC) based on individual airport needs and solely at the local level without any FAA interference.

The 20-page Grant Assurance document that Sponsors (airports) "must" accept in conjunction with accepting an Airport Improvement Program (AIP) Grant currently requires airports to comply with over 56 different Federal Regulations, Executive Orders, and Federal Legislation. The majority of the Grant Assurance provisions are an overreach by the FAA to control airport activities for a small grant contribution. In addition, Public sponsors have more stringent requirements than Private Sponsors, which makes no sense. Sponsors must also meet the requirements of a 691 page FAA Compliance Manual, a 318 page AIP Handbook, and a 183 page PFC Order, which are just a few examples that further support the fact that the FAA over-regulates airports.

Although FAA states that the purpose of its Airports Compliance Program is to "protect the public interest in civil aviation," more often than not it is used by airport tenants or would-be tenants to promote their own parochial business interests rather than the public interest, whether seeking to keep out competition, gain an advantage over a competitor, or gain leverage in lease negotiations with the airport.

The White House and Congress should direct FAA TSA, and CBP to reduce, eliminate, and not add to burdens imposed on airports, and to pay particular attention to easing burdens imposed on smaller airports, which have fewer resources to comply with federal mandates. A guiding principle should be to examine statutory mandates and roll back regulations to meet the requirement of the statute and not extend the agency's reach beyond those requirements.

## **Key Premise for FAA Regulatory Reform**

FAA's role in regulating airports should be re-focused on its primary function of protecting the public: oversight of airfield/airspace standards and safety, as well as airport-related air traffic control functions. The agency should not stray from this core competency.

FAA should be directed to take effective measures to re-orient its airport compliance program to carry out its stated purpose and focus only on protecting important federal interests that concern the public welfare, rather than scrutinizing the details of airport operators' business decisions.

Moreover, FAA should ensure consistency in the application of standards nationwide by adopting and promoting *the least burdensome interpretation of FAA requirements* across the board, and educating and directing its regional and local airports offices to implement those less burdensome interpretations.

We recommend the Administration take the following steps to reduce regulatory burdens on airports now and in the future.

## **Specific ACA Recommendations for Consideration**

### **1. Air Service Incentives**

A key component of airports' public responsibility is to encourage and facilitate convenient air service to the community's desired destinations, and foster price and service competition. With the four largest airlines now controlling 85 percent of the air service market, FAA should revise its restrictions on how airports may induce airlines to increase air service. FAA should allow airports more flexibility in designing, implementing, and participating in incentive programs to foster more air service to their communities. **Airports should be allowed to use airport revenues to provide revenue guarantees to air carriers.** FAA considers this to be revenue diversion, stating that it would provide regional economic benefits, not benefits to the airport.

*However, the fundamental purpose of an air carrier airport is to provide air service.* FAA allows airports to hire consultants to seek out carriers to provide air service. This is based on the premise that obtaining air service is a legitimate goal of airports. The same reasoning applies to revenue guarantees, which have proven to be an effective means of inducing air service.

**FAA should allow greater flexibility in the extent to which airports may be involved in developing incentives without imposing AIP-based limitations on such incentive programs.** e.g., they cannot be limited to one carrier, even if selected by a fair process (e.g., an RFP process)

**ACA Recommendation:** FAA should allow airports to use airport revenues to provide revenue guarantees to air carriers and greater flexibility to develop incentives without imposing AIP-based limitations on such incentive programs, e.g., they cannot be limited to one carrier, even if selected by a fair process (e.g., an RFP process). Airports should

also be allowed to (1) specify the air service schedule, competitive pricing or equipment that would qualify flights for incentives in order to meet the community's needs, (2) provide a robust menu of start-up services and facilities to new entrant or expanding income air carriers, and (3) provide vouchers for airport-related services as incentives for passengers to use the new service.

## **2. Airport Rates and Charges**

Airports must comply with a detailed rates and charges policy that includes 68 separate subsections – not including 12 that the DC Circuit Court invalidated in 1997 and which DOT has yet to rewrite. Airports believe that rates and charges should be fundamentally deregulated, except for those provisions that protect against the diversion of airport revenue and grant assurances against unjust discrimination. Airports, like other organizations that manage infrastructure and offer their facilities at a price to users, are in the best position to set pricing regimes in order to pay for the costs of establishing and maintaining their facilities. And because all revenues are kept "on the airport," all the incentives go toward fair pricing for the use of facilities, services and access to the market served by the airport.

Such de-regulation would, for example, help airports construct new gates in anticipation of new entrant or low-fare carriers wanting to provide service at their facility; under the present policy, airports cannot charge for projects under construction in anticipation of new air service (only airports officially deemed congested and under specific conditions are allowed to do so).

**ACA Recommendation:** Allow greater flexibility in establishing rates and charges by an airport, to include:

- Permit airports to utilize free market value principles in establishing rates and charges. These same fair market principles are imposed on airports in all other areas of airport business practices such as leases, land disposal, concessions, etc. If this broad, simple, and fair provision is not adopted, then at least allow airports to:
  - Modify historic cost to adjust for value of land and/or replacement costs.
  - Allow for pre-funding of projects consistent with ICAO principles.
  - Permit airports to vary charges during peak, non-peak and seasonal periods, to incentivize more traffic and improve utilization of infrastructure.

## **3. Passenger Facility Charge (PFC) Reforms**

Eliminate the statutory cap for Origin and Destination (O&D) passengers, on the level of PFC that may be imposed by an airport (Legislative Change)

Eliminate the additional "significant contribution" standard for review of PFCs above \$3.00. This is outdated and will serve no useful purpose. (Legislative change)

Extend the streamlined PFC process for imposing and using PFCs from non-hub airports

to all hub sizes. PFC streamlining for non-hubs has been a successful initiative that should be replicated for other hub sizes. It reduces time and paperwork and frees up FAA and airport resources. (Legislative Change)

Interpret the PFC statute more generously to allow greater PFC funding of projects such as airport terminals. Currently, excessive FAA and airport staff and consultants' time must be devoted to extremely detailed analysis of PFC eligibility, for instance whether various portions of terminals are eligible or ineligible for PFC funding. This serves no compelling federal interest.

**ACA Recommendation:** FAA should identify all existing restrictions on the use of local PFC revenue and provide a plan and timelines for eliminating all regulations not directly related to preventing unjust discrimination or revenue diversion. This includes expanding the eligibility requirements to match the requirements for the use of other locally-generated airport revenue.

#### **4. Construction Reforms**

The Administration should allow airports to promote early completion and savings for critical federally-funded airport projects by employing contractual provisions, such as incentive payments and more efficient project delivery methods that have worked in the private sector and in other federal transportation grant programs.

Reducing the time it takes to complete airport infrastructure projects can help minimize disruptions that negatively impact airlines, passengers, and other airport customers. In addition, completing projects early would be particularly helpful to airports in northern tier states with short construction cycles.

#### **5. Airport Contracts and Leases**

FAA should have no say in the business leases of an airport. Two grant assurances should generally cover what is needed here and they are that such leases cannot be discriminatory and that an airport must strive to be self-sustaining. Getting FAA in the middle of reviewing airport leases for which they have no expertise is burdensome, counterproductive, and impedes an airport from conducting its business in a way that best serves their airport and community.

#### **6. Airport Business Practices**

FAA should have no say in any business practices of an airport. Again, two grant assurances should generally cover what is needed here and they are that such leases cannot be discriminatory and that an airport must strive to be self-sustaining.

## **7. Revenue Use Policy**

FAA should have no say how an airport uses its funds so long as the airport is using such funds for the betterment of the airport, aviation system, or air service in their community, and there is no diversion of revenue for a non-airport related purpose. Essentially the only oversight by FAA here should be related to revenue diversion. Revenue Diversion should be defined only as a use of funds for an activity that is not related in some form or fashion to supporting the development (capital infrastructure and air service), operation, and maintenance of the airport.

## **8. Federal, State, and Local Agencies Use of Airport Space**

Require that all Federal, State, and Local Agencies must pay for land or space used on an airport, with the exception of navigational equipment required on an airfield.

## **9. Development/Construction of Non-Airfield Facilities**

Make it explicit that FAA has no role in the approval of non-airfield (i.e. non-movement areas) improvements. The only requirements for buildings, roadways, non-movement areas, etc. should be that they comply with local building codes and best practices. FAA should not be involved in terminal, roadways, hangars, and other commercial building development, with the exception of the filing of a 7460 like all other non-airport property construction projects.

## **10. FAA Compliance Manual**

The FAA Compliance Manual, a 691 page document that is far over-reaching in its requirements of airports. This document should be reviewed with an airport industry-working group to eliminate unnecessary and burdensome requirements.

## **11. Requiring Rigorous Analysis of Potential Regulations**

The federal government's regulatory reach over airports should be smaller, and the government should not impose additional regulatory burdens that are a drag on local, state, and regional economies.

In implementing the Executive Order on reducing regulatory burdens, the Administration should limit FAA regulation only to those areas in which there is truly a national interest and require the FAA to use a full notice/comment rule-making process before imposing new burdens or restrictions on airports. This includes public notice and opportunity for comment.

## SUMMARY

# Impact of Regulatory Compliance Costs on Small Airports

---

## Conclusions

### **The Cost of Compliance with Federal Requirements Continues to Grow**

A total of 291 federal actions related to FAA/DOT, environmental, security, and occupational safety and health requirements were issued from 2000 to 2010. Many new requirements add continuing costs to airports by specifying periodic updates, inspections, monitoring, etc.

The cost continues to grow. The FAA has an ongoing process to maintain and update all advisory circulars on a regular basis. The revisions may result in additional costs on airports as the FAA seeks to reduce the risk of accidents and incidents. The FAA is currently developing requirements for safety management systems and environmental management systems that will likely add new costs for airports. The FAA is also moving toward requiring the use of Geospatial Information System (GIS) data to support airport surveys and development of approach procedures and electronic airport layout plans. Full implementation of this requirement will also result in additional costs on airports.

Table ES-8. Net recurring costs of the most costly federal requirements for the small airport industry.

Rank	Requirement	Industry Recurring Costs	Non-airport Funding <sup>2</sup>	Industry Net Recurring Costs
		Percentage	Amount	
1	Vehicle Operations in Aircraft Operations Area; Environmental Operations	\$29,191,000	46%	\$13,345,060
2	Vehicle Operations in Aircraft Operations Area; Emergency Operations	\$12,229,000	1%	\$101,633
3	Requirements for Use of Geospatial Information in STEM(GIS) Technologies	\$5,642,000	0%	\$0
4	Part t39 Aircraft Rescue & Firefighting (ARFF) Requirements. New or Certified Airports	\$3,278,000	13%	\$427,565
5	Vehicle Operations in Aircraft Operations Area; Venda Access	\$3,040,000	3%	\$5,ff13
6	Vehicle Operations in Aircraft Operations Area; Vehicle Inspections for AirMarkings	\$3,013,000	0%	\$0
7	Mobile Refueler Material and Equipment Replacement	\$2,635,000	Not reported	\$0
8	Part t39 ARFF Requirements, Existing Certificate Holders	\$2,558,000	13%	\$336,ff1B
9	R2,1 Requirements for Airtel! Signs Above Ground Storage Tanks, Material and Equipment Replacement	\$2,449,000	2%	\$58,310
10	Disadvantaged Business Enterprise (DBE) Requirements for AIP, Furred Products	\$2,108,000	Not reported	\$0
11	Occupational Health & Safety Training	\$1,773,000	5%	\$95,781
12	Wet life Hazard Ferci R uilQments	\$1,218,000	Not reported	\$0
13	Pesticid:le Applicators. Material and Equipment Relacement	\$1,116,000	Not reported	\$0
14	Personal Protective Clothing, Annual Cost	\$171,000	Not reported	\$0
15	Vehicle Operations in Aircraft Operations Area; Driver Training Curriculum	\$967,000	8%	\$67,314
16	Air Quality Industrial Waste Requirements	\$670,000	0%	\$0
17	Perimeter Fencing for Part 139. Existing Certificate Holders	\$516,000	0%	\$0
18	ModWedARFF Training Requirements	\$401,000	0%	\$0
19	DBE Requirements for Airport Operations	\$396,000	6%	\$21,952
Total		\$75,237,000	21%	\$15,614,648
				\$56,987,352

<sup>1</sup> Rank based on Table E.S.'J.

<sup>2</sup> Unless otherwise noted non-federal funding is sum of reported FAA funding and other funding sources.

Table ES-9. Summary of net compliance cost for the small airport industry.

Compliance Category	Total Cost (\$ Millions) <sup>1</sup>	Estimated Non-airport Payments (\$ Millions) <sup>2</sup>	Industry Net Cost (\$ Millions)
FAA/DOT	\$1,4ff1.5	\$165.7	\$493.8
Security	\$610.8	\$417.6	\$193.2
Environmental	!00.2	\$57.6	\$32.6
Occupational Safety and Health	W.7	\$24	\$93
Total Compliance Costs	\$2,172.2	\$1,443.4	\$728.8

<sup>1</sup> Include initial and recurring costs where applicable.

<sup>2</sup> Column totals may not add up due to rounding.

Environmental regulations are also reviewed periodically to evaluate options that streamline requirements and update outdated practices. For example, prior to 2002, the SPCC regulations had not been updated since 1990. In some cases, the amended regulations minimized the regulatory cost for small airports (i.e., exemptions for underground storage tanks and containers with capacities less than 55 gallons), whereas other changes resulted in increased regulatory costs (e.g., integrity testing and plan updates).

In the security area, the TSA has reduced the funding to airports through the law enforcement officer (LEO) support program. The reduced TSA assistance means airports are shouldering a higher share of supplying required law enforcement presence at or near screening checkpoints. In addition, airports have reported an increase in the number and complexity of TSA reviews and audits. These review and audit activities require full participation of airport staff during the audit itself and following the audit to respond to reports and recommendations.

### **Small Airports Do Not Have the Revenue-Generating Capacity to Meet the Costs of Expanding Requirements**

For many small airports, low levels of passenger enplanements and/or operations limit their ability to raise revenue to meet the cost of new requirements. Because of low traffic levels and limited tenant operations, the airports have little leverage with airlines to increase fees and charges to cover new compliance costs. Therefore, the additional costs reduce the operating margin (if any) that airports generate and ultimately reduce the airport's cash reserves. This situation is particularly important because small airports are typically subject to the same or similar requirements as larger airports with greater revenue-generating capacity. For example, a new \$500,000 requirement would cost a small airport with 20,000 passengers \$25 per passenger. That same requirement at an airport with 2 million passengers would cost only 25 cents per passenger.

Although two of the case study airports operate industrial parks or multimodal transportation centers that provide supplemental revenue to help defray the costs of compliance, most small airports do not have such ancillary revenue sources.

### **Published Cost Estimates for Regulatory Requirements Understate the Full Compliance Costs**

There are two major causes for the understatement of costs by regulatory agencies. First, agencies published cost estimates for only a small portion of the federal requirements identified in the study. Many requirements are adopted without an estimate of cost. In general, only formal rulemaking documents may be subject to a requirement for a cost analysis. For example, only six of the 140 requirements adopted by the FAA were formal regulatory documents. The FAA typically adopts ACs, PGLs, CertAlerts, and other guidance documents without analyzing compliance costs, even when the guidance is effectively binding on airports. Similarly out of 81 security requirements adopted during the study period, only two were formal regulatory documents.

Even when formal rulemaking is employed, unless the requirement will meet minimum cost levels, or will have a significant impact on small entities, a detailed estimate of costs is not required. Only two of the six FAA regulatory documents issued during the study period included a full analysis of compliance costs. Fourteen of the 39 environmental requirements included

specific cost projections. Additionally, in many cases, regulatory actions had multiple components. Costs may be projected separately for each component, and some rules may include combinations of components with cost reductions and increases.

Second, based on the survey results, cost estimates published by agencies often understate the results of airports' actual experience. For example, the FAA's projections of the cost of compliance with the 2004 amendments to Part 139 were lower than the initial and recurring costs reported by existing certificate holders and lower than the initial costs reported by newly certificated carriers. Estimated costs from the economic analysis for Phase I environmental site assessments (ESAs) ranged from \$2,185 to \$2,190. The results of industry experience with preparing an ESA for airports and related properties range from \$5,000 to \$9,000.

### **The Cost of Compliance with Unfunded Federal Requirements Continues to Grow**

The 291 federal requirements identified in this study (with limited exceptions) either added to or expanded upon existing requirements. Airports must absorb at least some of the costs of these requirements and, in many cases, must absorb the full costs.

#### *FAA/DOT Requirements*

Only those FAA requirements that involve capital development may be eligible for federal AIP funding. Requirements that affect airport operations, administration, or maintenance are ineligible for AIP funds. For example, one of the case study airports with a substantial runway safety area project reported receiving only a 50 percent contribution from the FAA, even when statutory federal share was 95 percent. DOT has no independent funding programs available for airports. Moreover, AIP eligibility does not guarantee funding.

Even when AIP funding is available, airports must pay a local matching share. This matching share recently increased from 5 to 10 percent of eligible project costs. Also, use of AIP funds to comply with federal requirements reduces the amount of funds available for actual project implementation. Finally, the level of AIP funding has not kept pace with increases in federal requirements. AIP funding was essentially flat from FY 2008 through FY 2011 at approximately \$3.5 billion. AIP funding decreased in FY 2012 by approximately \$200 million and will remain at this level through FY 2015.

PFCs are available to help pay for compliance costs associated with eligible capital projects. However, like AIP funds, PFCs cannot be used for operational costs. In addition, the PFC ceiling has not been raised since 2001. The only source of increased PFC revenue since that time has been through increased passenger traffic. Since 2007, the year before the last recession started, passenger traffic at small hub and non-hub airports has declined by 8 percent and 3 percent, respectively. In short, PFC revenue opportunities for small airports have declined while compliance requirements have increased.

#### *Environmental Requirements*

Funding to comply solely with environmental requirements is even more limited. There is no distinct federal program (comparable to AIP) for general environmental compliance. ACRP

Synthesis of Airport Practice 24: Strategies and Financing Opportunities for Airport Environmental Programs (2011) provides a comprehensive list of federal and state funding sources for environmental initiatives. However, in many cases, funds are provided only for voluntary initiatives, not for mandatory compliance actions.

In some cases, AIP funds associated with other projects may be used to fund a portion of the environmental mitigation measures necessary for the project or for projects needed to comply with air and water quality requirements. However, the limitations discussed above apply.

### *Security Requirements*

TSA and AIP funds have been provided for projects to comply with security requirements. As with FAA requirements, the issues of local matching requirements and limits on annual appropriations also arise. Moreover, small airports may not receive the same priority for funding as larger airports with perceived greater security concerns. In addition, Congress has prohibited the use of AIP grants for screening projects since 2003.

Federal funding is not available for operational and administrative costs, which have been growing. For example, TSA has increased its monitoring, auditing and investigation activities, with a corresponding increase in costs to airports. The LEO support program provides reimbursement to participating airports for LEO staffing at screening checkpoints. However, airports report the costs of meeting TSA requirements for program funding are substantial. In addition, TSA has been reducing its share of costs reimbursed.

### *Occupational Safety and Health Requirements*

OSHA does not have direct jurisdiction over airports. In these circumstances, there is no direct federal support for occupational safety and health compliance. When airport contractors reflect OSHA compliance costs in their bids, AIP funding could be available, but with the limitations noted previously.

However, OSHA requirements may be implemented through states or included in voluntary programs. During the study period, 21 compliance actions were adopted by OSHA, without federal funding.

## **The Limited Staff Resources of Small Airports Exacerbate the Costs of Compliance with Federal Requirements, Especially for Non-hub Airports**

Non-hub airports, in particular, have limited staff available to satisfy new compliance requirements. For example, the three non-hub airports included in the case studies average 10 full-time employees for all administrative and operational functions. Moreover, the limited revenue opportunities available preclude hiring additional staff or contracting out for assistance with compliance requirements.

Small airport staff members are responsible for a variety of duties from performing administrative, maintenance, and operational tasks to understanding, planning, implementing, and enforcing regulatory requirements. When a new requirement is added, existing staff must assume responsibility for compliance. In addition, management cannot readily reassign existing duties to other employees to compensate for the added effort of meeting the new requirement. For example, one non-hub airport manager stated that the primary cost-driver for compliance with the FAA's

new airfield signage requirements was not the installation of the signs themselves but the ongoing costs of maintaining visibility. In the summer, additional staff time is required to mow around signs. In the winter, additional time is required to keep signs clear of snow.

Furthermore, because non-hub airports typically have limited staff with so many duties, as highlighted by the case studies, airport staff do not always have the time or expertise to understand all the requirements the airport is subject to, especially new ones. The lack of expertise and limited available time could increase the risk of inadvertent non-compliance.

Small hub airports generally have greater staff resources, but more complex operational and administrative requirements, than non-hub airports. Even with larger staff, department heads and line personnel are still more likely to be generalists than specialists. As with nonhub airports, small hub airports have comparable impediments to raising revenue to pay for specialized expertise (through staff or contractors) needed to understand and implement new compliance requirements as they are adopted.

### **The Prohibition on Charging Rent to the TSA Costs Small Airports Substantial Revenue**

Airports are prohibited from charging rent to the TSA for the use of passenger and baggage screening space. For the case study airports, the lost revenue ranged from \$46,000 to \$350,000. For airports with TSA space funded by AIP grants, this prohibition would not have an impact, because the grant assurances would prohibit a charge. Airports are permitted to charge for utilities and janitorial services for screening space, but most airports do not seem to be aware of this policy and do not exercise the privilege.

### **The Recent Trend of Applying Uniform Standards to All Airports Results in a Disproportionate Responsibility on Small Airports**

The FAA, in particular, has in recent years moved toward applying uniform requirements for all airports. The FAA has determined that there are benefits for the safety and efficiency of the aviation system when airports adopt uniform practices and procedures. However, when the FAA has adopted uniform requirements, the requirements tended to reflect the operations and airfield design of large airports. Therefore, small airports are paying added costs to develop plans and procedures that may be excessive to their needs. Small airports are concerned that the FAA will continue this practice when it implements requirements for safety management systems and environmental management systems.

## **Strategies**

### **Additional Research**

The research indicated that airports and agencies use a variety of methods to estimate current and projected cost impacts of regulations. The development of a standardized methodology for projecting costs was beyond the scope of this research. Additional research to develop standard procedures for cost projections and calculations could improve projections of cost impacts of regulatory actions and could be useful to airport operators in developing capital and operating budgets. A single approach, however, may not be suitable for all federal agencies and all regulatory actions.

There did not appear to be a relationship between compliance costs and two measures of activity—enplanements and commercial operations. The small number of responses to individual questions may have contributed to this outcome, but the outcome also could be attributed to the various approaches airports take to achieve compliance. Also, anecdotal information suggests compliance costs do not depend on enplanement or operations, as some small airports report

compliance costs comparable to large airports. Additional research focused on determining whether statistically significant correlations exist between cost and activity level or other variables (e.g., airport size) would be useful. If such correlations do exist, the correlations could be used by small airports to estimate their cost of compliance, without the need to implement costly and complex accounting systems.

### **Options to Limit Exposure to Unfunded Requirements in the Future**

In the research undertaken in this study, including the case studies, a number of options were identified that could help limit small airports' exposure to unfunded requirements in the future. Most of the options, however, are not within the airports' control (and are outside the scope of this study); they would require action by government agencies and regulators—for example, increased funding, changes to policy or procedures to account for differences in the size and complexity of airports, or changes to policy or procedures that would estimate compliance costs more frequently and improve the accuracy and reliability of agency cost projections. Two options identified that are within the airports' control are as follows:

- Consider engaging federal, state, and local regulators during the regulatory comment period. Increased participation by small airports during this period could include providing comments in narrative form and/or submitting cost data.
- Provide public comment responses when agencies issue ACs, policy statements, PGLs, and related documents in draft form. The public comment process provides airports a chance to inform agencies of the cost impact of new proposals.

To assist small airports with engaging regulators, local officials, legislators at all levels, and other stakeholders, a presentation template, located on the *ACRP Report 90* summary page of the TRB website ([www.trb.org/Main/Blurbs/168945.aspx](http://www.trb.org/Main/Blurbs/168945.aspx)) and included with notes as Appendix D, summarizes the information on the compliance requirements issued between 2000 and 2010 and their overall industry impact. The template can be modified to provide tailored information regarding the requirements applied to individual airports as well as the cost to the small airport industry.



## **AVIATION IN ALABAMA**

- ✈ **Unfunded Alabama Airports Infrastructure Needs** [Exhibit D1]
- ✈ **ALDOT Economic Impact Study** [Exhibit D2]
- ✈ **UAS Center of Excellence** [Exhibit D3]
- ✈ **General Aviation Caucus** [Exhibit D4]
- ✈ **Army Aviation Caucus** [Exhibit D5]
- ✈ **Maps of Airports in Alabama** [Exhibit D6]



### **Jeff Powell, C.M.**

President  
 Aviation Council of Alabama  
 7601 Robert Cardinal Airport Road  
 Tuscaloosa, AL 35401  
 Work : (205) 248-5302  
 Cell: (205) 792-7270  
 Email: [president@theaviationcouncilofalabama.com](mailto:president@theaviationcouncilofalabama.com)  
 Web: [www.alairports.com](http://www.alairports.com)

### **Ben Harrison**

Board Chairman  
 General Aviation Alliance of Alabama  
 P.O. Box 693  
 Montrose, AL 36559  
 Work: (256) 775-1011  
 Cell: (256) 531-6666  
 Email: [bharrison@cullmanal.gov](mailto:bharrison@cullmanal.gov)  
 Web: [www.generalaviationalliance.org](http://www.generalaviationalliance.org)

## **STATE PRIORITIES**

### **2023 STATE AGENDA**

#### **→ FUNDING**

- Fully fund the Alabama Airport Economic and Infrastructure Program created by SB83, passed March 17, 2022 which provides funding in the amount of \$25 million (See Exhibit A)

## Exhibit A

## **ALABAMA AIRPORT ECONOMIC AND INFRASTRUCTURE PROGRAM FUNDING JUSTIFICATION**

## ALABAMA AIRPORT SYSTEM – 78 airports

- Commercial Service Airports - 6
  - General Aviation Airports – 72

NEEDS—based on ALDOT Aeronautics Bureau (ALDOT-AB) and ACI-NA data:

- Annual State Airport System Funding Needs  
(based upon FAA ACIP and ALDOT-AB ACIP) - \$134,100,000
  - Of this \$134,100,000 there is \$59,300,000 in Airport Pavement Funding Needs Alone
  - Existing pavement at Alabama Airports is equivalent to all of I-10, I-65 and I-85 in Alabama



## STATE RESOURCES

- State Grant Funds
    - ALDOT-AB State Grant Funds\* \$ 2,500,000
      - \*Generated primarily from aviation fuel taxes
    - ADECA Grant Funds\*\*
      - \*\*4<sup>th</sup> year funding FY23 \$ 3,500,000 \$ 6,000,000
  - Total FAA Federal AIP Grant Funds:  
Alabama receives approximately \$59 million in AIP funds annually.  
(8-year range - \$45m- \$82m)
    - State Apportionment\* \$ 3,200,000
      - \*Final determination by FAA
    - General Aviation Entitlements 10,000,000
    - Commercial Service Airport Entitlements 15,000,000
    - Discretionary 30,800,000 \$59,000,000
  - Total Bipartisan Infrastructure Law Grants anticipated \$37,500,000 \$102,500,000  
(FY23-FY26 only)
  - **State funds have averaged matching only \$36,600,000 in federal grants annually.**

- Southern Region State Airport Aid Program Budgets for FY22 and FY23 Projected

State	FY22 State Airport Aid Program	FY23 Projected State Airport Aid Program	No. Public Use Airports
Alabama	\$5,700,000	\$6,000,000	78
Florida	\$325,896,494	\$335,013,155	129
Georgia	\$35,500,000	\$44,581,833	105
Kentucky	\$17,358,000	\$18,000,000	58
Mississippi	\$4,800,000	\$4,600,000	80
North Carolina	\$130,172,588	\$242,800,000	62
South Carolina	\$11,507,465	\$52,000,000	58
Tennessee	\$65,000,000	\$96,100,000	77
<b>Total</b>	<b>\$595,934,547</b>	<b>\$799,094,988</b>	<b>647</b>

- Wyoming State Grant Program \$15 Million for Commercial Air Service Development
- Economic Impact Study
  - Phase 1 – Alabama Commercial Service Airports/Dr. Keivan Deravi, June 2020  
“\$1 investment in airport core business can generate \$5 of additional income.”
  - Phase 2 – All Airports/ALDOT Department of Aeronautics, Gov. Ivey released January 2021

**Jeff Powell, C.M.**

President  
Aviation Council of Alabama  
7601 Robert Cardinal Airport Road  
Tuscaloosa, AL 35401  
Work : (205) 248-5302  
Cell: (205) 792-7270  
Email: [president@theaviationcouncilofalabama.com](mailto:president@theaviationcouncilofalabama.com)  
Web: [www.alairports.com](http://www.alairports.com)

**Ben Harrison**

Board Chairman  
General Aviation Alliance of Alabama  
P.O. Box 693  
Montrose, AL 36559  
Work: (256) 775-1011  
Cell: (256) 531-6666  
Email: [bharrison@cullmanal.gov](mailto:bharrison@cullmanal.gov)  
Web: [www.generalaviationalliance.org](http://www.generalaviationalliance.org)

## ACA and GAAA Joint Proposal

- Support full funding for the “Alabama Airport Economic and Infrastructure Program,” created by SB83, passed March 17, 2022, which provides funding in the amount of \$25 million each fiscal year for the following purposes: (1) fund capital improvements, (2) pay debt service for capital improvements, or (3) fund efforts to grow and expand commercial air service in Alabama.
- Provides \$10 million to general aviation airports, to be distributed as determined by ALDOT-Aeronautic Bureau.
- Provides \$15 million to commercial service airports to be allocated among commercial service airports based on each airport’s pro rata share of entitlement funds received by the airport under the federal Airport Improvement Program for the preceding fiscal year.

# Alabama Airports Economic Impact

Governor Ivey releases Airport Impact Study

## Governor Kay Ivey:

"Our airports are a key asset for Alabama, providing critically important access for Alabamians, as well as our visitors," Ivey said. "The 80 airports across our state also grow businesses, industries, and they create well-paying jobs."

Airports give Alabama economy \$5B economic lift, study finds



Governor Kay Ivey released the findings of the statewide Airport Economic Impact Study on Monday. (Courtesy WSFA)

By Sally Pitts, WSFA

Published: Jan. 12, 2021 at 9:16 PM CST

[Print](#) [Email](#) [RSS](#) [Comments](#)

ALABAMA - Governor Kay Ivey released the findings of the statewide Airport Economic Impact Study on Monday.

The study found that Alabama's 80 airports contribute nearly \$5 billion annually to the state's economy.

"Our airports are a key asset for Alabama, providing critically important access for Alabamians, as well as our visitors," Governor Ivey said.

"The 80 airports across our state also grow businesses, industries, and they create well-paying jobs."

"Alabama airports support nearly 100,000 jobs and contribute approximately \$1 billion in state and local tax revenue to the state's budget every year," Governor Ivey added.

"Alabama airports support nearly 100,000 jobs and contribute approximately \$1 billion in state and local tax revenue to the state's budget every year," Governor Ivey added.

January 12, 2021



ALDOT Alabama Airport Impact Study 2020



# 2020 ALABAMA AIRPORT ECONOMIC IMPACT STUDY

## FACTSHEET

### TOTAL ANNUAL STATEWIDE ECONOMIC IMPACTS FOR ALL ALABAMA AIRPORTS

The Alabama Department of Transportation's Aeronautics Bureau completed a comprehensive study of the annual economic impacts generated by Alabama's public use airports. These annual economic impacts are produced by activities associated with the management of airports, business/government tenants at airports, average annual capital investments in airports, and the spending by visitors who arrive at airports on general aviation aircraft and commercial airline flights.

Economic impacts reported here reflect pre-COVID airport activity

#### ALABAMA AIRPORT SYSTEM

AIRPORT ROLES

- INTERNATIONAL
- NATIONAL
- REGIONAL
- COMMUNITY
- LOCAL
- FUTURE



**44,399**  
STATEWIDE  
EMPLOYMENT

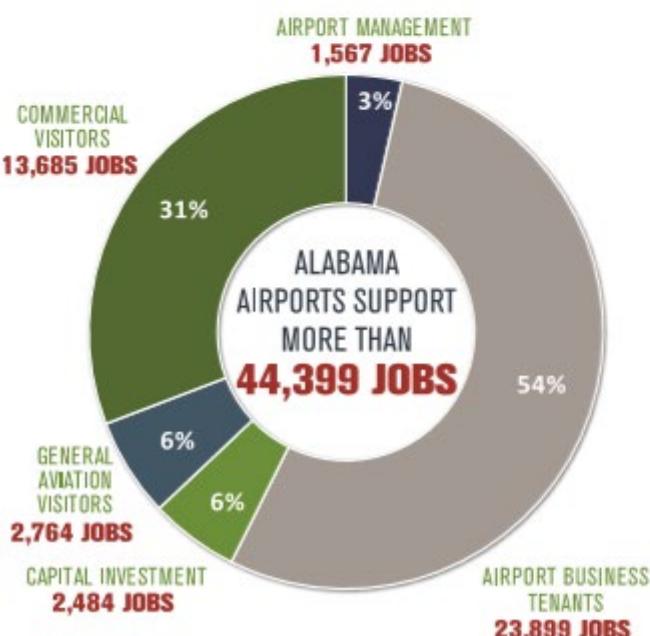
**\$1.9 B**  
STATEWIDE  
PAYROLL

**\$3.1 B**  
STATEWIDE  
SPENDING

**\$4.9 B**  
STATEWIDE ANNUAL  
ECONOMIC ACTIVITY

**\$267.6 M**  
STATEWIDE TAX  
REVENUE

#### TOTAL EMPLOYMENT BY CATEGORY



ON-AIRPORT JOBS ARE GOOD PAYING JOBS (**\$65,000** AVERAGE YEARLY SALARY)

AVIATION ENHANCES THE PRODUCTIVITY OF AN ADDITIONAL **40,600** ALABAMA JOBS

**1.7 MILLION VISITORS** ARRIVE IN ALABAMA BY AIR, GENERATING **16,500 JOBS**

**GENERAL AVIATION AIRPORTS** MAKE UP **44%** OF TOTAL ANNUAL ECONOMIC ACTIVITY



FOR MORE INFORMATION ON THE AIRPORT ECONOMIC IMPACT STUDY, VISIT [WWW.ALDOT-AIRPORT-STUDY.COM](http://WWW.ALDOT-AIRPORT-STUDY.COM)





# 2020 ALABAMA AIRPORT ECONOMIC IMPACT STUDY

## FACTSHEET

### ALABAMA AIRPORTS PROVIDE FAR REACHING CONNECTIVITY

Alabama airports provide critical connectivity for the state's economy and serve as important catalysts for attracting and retaining economic development. Beyond the day-to-day operations of Alabama's commercial service and general aviation airports that result in billions of dollars in economic impact for the state, our airports also support hundreds of local non-aviation businesses. These companies often have employees that travel on general aviation and commercial aircraft to conduct business. Aviation enables these Alabama-based businesses to expand their market areas and prosper by facilitating easy access for customers and suppliers.

Throughout the year, commercial and general aviation flights using Alabama airports connect our businesses and residents to hundreds of domestic and international markets. These flights are commerce in action, and Alabama airports are a key contributor to the state economy.



### MARKETS SERVED BY ALABAMA AIRPORTS

**84**

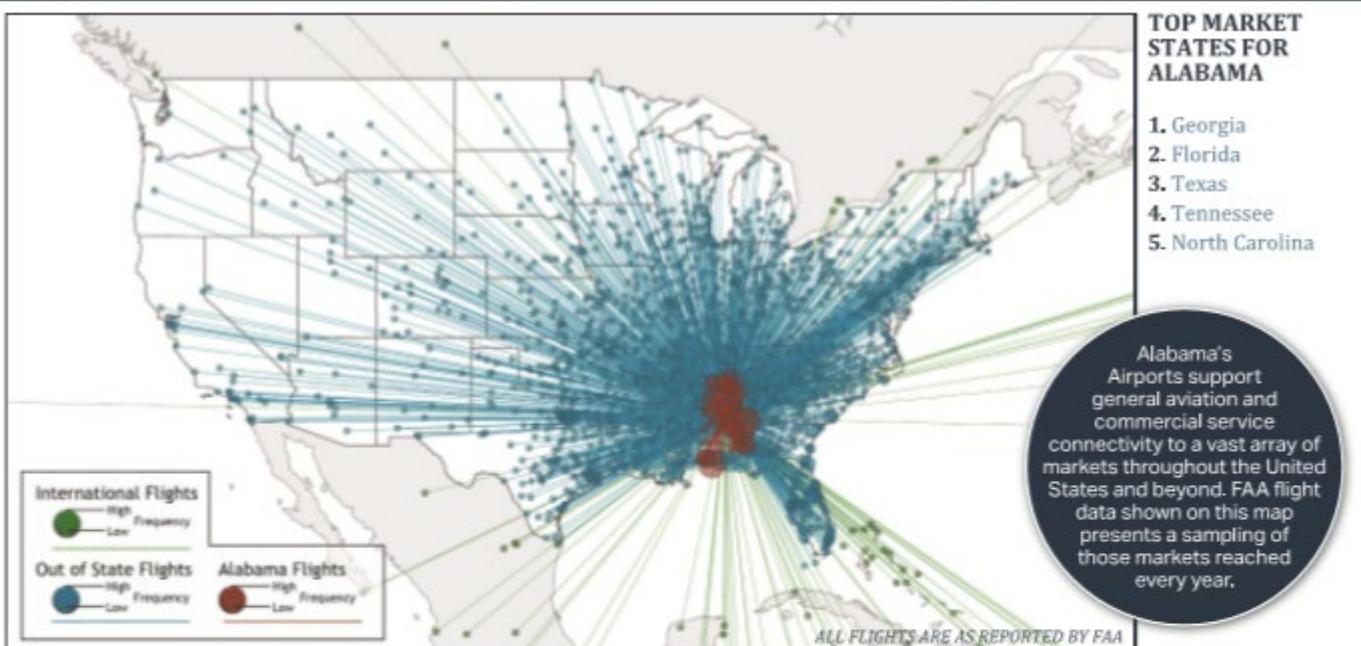
PERCENT OF ALL RECORDED ALABAMA FLIGHTS ARE OUT OF STATE

**2,065**

UNIQUE MARKETS SERVED BY GENERAL AVIATION FLIGHTS TO/FROM ALABAMA

**67**

PERCENT OF ALL ALABAMA FLIGHTS ATTRIBUTED TO GENERAL AVIATION



#### TAX IMPACTS

ALABAMA AIRPORTS CONTRIBUTE **\$267.6 MILLION** ANNUALLY TO STATE & LOCAL TAX REVENUES

	INCOME TAX	SALES TAX	COMBINED
COMMERCIAL SERVICE AIRPORTS	<b>\$29.2 MILLION</b>	<b>\$125.7 MILLION</b>	<b>\$154.9 MILLION</b>
GENERAL AVIATION AIRPORTS	<b>\$19.9 MILLION</b>	<b>\$92.7 MILLION</b>	<b>\$112.7 MILLION</b>



FOR MORE INFORMATION ON THE AIRPORT ECONOMIC IMPACT STUDY, VISIT [WWW.ALDOT-AIRPORT-STUDY.COM](http://WWW.ALDOT-AIRPORT-STUDY.COM)



## **Unmanned Aerial Systems (UAS) Airspace Hazard Mitigation**

### **FAA Reform Act of 2018**

In the FAA Reform Act of 2018, the Federal Aviation Administration (FAA) is responsible for UAS Security in the National Air Space (NAS) with coordination from states, political authorities, Department of Defense (DOD), Department of Homeland Security (DHS) and the Department of Justice (DOJ). The FAA effectively oversees the management of Counter UAS Systems within the United States including territories and possessions by:

- Outreach to DOD for equipment and to state and local authorities for guidance on law enforcement and first responders to enhance their effectiveness
- Website established for resources to be used by local authorities
- Establish requirements for the remote identification of UAS operated in the airspace of the United States.

### **Airport Safety and Hazard Mitigation**

The FAA shall work with DHS to ensure that technologies that are used for UAS mitigation do not adversely impact or interfere with safe airport operations, navigation, air traffic services, or the national air space. The FAA shall develop a plan to authorize, permit, and certify UAS mitigation systems and charter an Aviation Rulemaking Committee to provide recommendations on the matter. **The FAA shall test UAS mitigation technology at five airports through year 2023.** These activities are exempt from laws that previously restrict such activity like the Aircraft Sabotage Act, the Computer Fraud and Abuse Act of 1986, and the Wiretap Act. Pilot Project for Airport Safety and Airspace Hazard Mitigation.

### **FAA Reform Act of 2018 - Section 364. U.S. Counter-UAS system review of interagency coordination processes**

This section requires the FAA, in consultation with government agencies authorized to operate counter-unmanned aircraft system (C-UAS) systems, to review interagency coordination, standards for the authorized Federal use of these systems and to report to Congress.

### **FAA Reform Act of 2018 - Section 365. Cooperation related to certain counter-UAS technology**

This section requires the DOT to consult with the DOD on matters related to the deployment of C-UAS systems in the NAS.

### **FAA Reform Act of 2018 - Section 372. Enforcement**

This section directs the FAA to establish a five-year pilot program to utilize available remote detection or identification technologies for safety oversight, including enforcement actions against operators of UAS that are not in compliance with applicable Federal aviation laws, including regulations. This section also directs the FAA to establish and publicize a mechanism for the public and Federal, State, and local law enforcement to report suspected unlawful operations of UAS and requires annual reporting to Congress. Finally, this section adds Chapter 448, as added by this Act, to the civil penalty regime under title 49 of U.S. Code.

**THE AVIATION COUNCIL OF ALABAMA, INC.**

**RESOLUTION ENCOURAGING MEMBERS OF ALABAMA'S  
CONGRESSIONAL DELEGATION TO JOIN  
THE GENERAL AVIATION CAUCUS**

WHEREAS, Alabama's general aviation airports play a significant role in the economic development of our state; and

WHEREAS, the Aviation Council of Alabama is the voice of aviation in the state of Alabama; and

WHEREAS, one of the purposes of the Aviation Council of Alabama is to inform public officials concerning the importance of aviation and airports, including the effects of legislation and policy on general aviation; and

WHEREAS, the General Aviation Caucus was formed to provide information to members of the U.S. Congress and their staff on issues important to general aviation; and

WHEREAS, it is beneficial for general aviation in our state that the Alabama congressional delegation join the General Aviation Caucus.

NOW THEREFORE, be it resolved by the Aviation Council of Alabama that we encourage Alabama's congressional delegation to join the General Aviation Caucus so that our congressional leaders have access to information and an understanding of the issues which will benefit general aviation in Alabama.

ADOPTED on this 20 day of February, 2013.

THE AVIATION COUNCIL OF ALABAMA, INC.

By: Jerry Copfield  
Its: President

ATTEST:

By: Jerry Copfield  
Its: Secretary

## **ARMY AVIATION CAUCUS**

### **Mission:**

To create a forum where Members, staff, and Army leaders can bring awareness and support to the Army Aviation Sector.

### **Approach:**

Members of the Caucus will work together to strengthen the Army Aviation sector. The Caucus will hold Member and staff briefings with key Army Aviation offices to provide detailed insight into the capabilities and needs.

Upcoming work for the Army Aviation Caucus includes ensuring that Congress stays focused on military assets and to make certain that those assets are reset on returning from the field. Additionally, the Caucus will work to continue funding for the new armed scout helicopter and carry on funding the modernization of our fleet and the Joint Multi-Role helicopter.

