

Airport and Aviation Reauthorization

Issue: Congress was scheduled to reauthorize the federal government's airport and aviation programs, often referred to as the FAA bill, by September 30, 2007, when its authorization expired, but failed to do so. There have been 17 short-term extensions of the programs since then and it is essential that the Congress complete action on this NACo legislative priority as soon as possible as this program provides substantial assistance to counties and county-owned airports.

NACo policy: NACo supports the reauthorization of the federal airport and aviation programs, including a well-funded Airport Improvement Program (AIP) with guaranteed funding from the Aviation Trust Fund, an increase to the Passenger Facility Charge (PFC) and increased funding and program reforms for rural and underserved communities through the Essential Air Service program (EAS).

Action needed: Contact your Senate and House members and urge that final action on this legislation been taken as soon as possible.

Background: In 2011 the Congress will try to complete the process of reauthorizing the federal airport and aviation programs, which expired at the end of September 2007. Progress has been made. The Senate has passed its version of the bill, S. 223, and the House Transportation and Infrastructure Committee approved its bill, H.R. 658. Because no final legislation has been enacted, Congress has had to pass 17 short term-extensions of the programs, the latest of which extends the program through March 30, 2011.

The FAA legislation includes the Federal Aviation Administration facilities and equipment program and operations of the air traffic control system, however much of NACo's focus is on the Airport Improvement Program (AIP), the Passenger Facility Charge (PFC), and Essential Air Service (EAS). AIP currently provides about \$3.5 billion annually in grants for capital improvements to commercial, cargo and general aviation airports and is funded primarily through the Airport and Airway Trust Fund, which gets most of its money from the air passenger ticket tax. AIP eligible airports include 558 facilities with commercial service and approximately 2556 general aviation airports. It is estimated that counties are involved in about one-third of the nation's airports, either through direct ownership or participation on airport authorities that govern many of these facilities.

The Passenger Facility Charge allows commercial airports at their option to impose up to \$4.50 per flight fee on passengers to be used for infrastructure improvements at airports. There has been support by the airport community to increase that charge so that more of the unmet capital needs of airports can be met.

There has been an ongoing concern since airline deregulation in 1978 to ensure that small and rural communities continue to receive air service. Essential Air Service has been the backstop for these communities. Despite many challenges to its survival, EAS has continued to make subsidy payments to air carriers serving approximately 150 small communities. Annual funding for EAS was historically around the \$110 million level for many years but has jumped to \$200 million in the last several years.

Both the Senate and House have now taken major steps in reauthorizing the federal airport and aviation programs. The Senate approved its version of the FAA bill on February 17 by a vote of 87-8. S. 223 was the first major piece of legislation debated by the Senate in the new Congress. The final vote took place after a compromise was worked out on the contentious issues of long-distance flights from National Airport, which in the Senate bill will allow the number of those flights to double from 12 round-trip flights to 24 flights. This was one of the issues that had prevented legislation from being enacted last year. The Senate's two-year bill is funded at \$34.6 billion. It funds the Airport Improvement Program at \$4.1 billion annually and does not include an increase in the Passenger Facility Charge. On an amendment that NACo opposed, the Senate by a vote of 61-38 defeated a McCain (R-Ariz.) amendment to eliminate the Essential Air Service (EAS) program. However, two EAS amendments offered by Senator Coburn (R-Ok.) passed, the first limiting EAS subsidies to the 16 airports that are 90 miles away from the nearest medium or large hub airport and a second that would limit EAS subsidies to airports that average 10 or more enplanements per day, reportedly affecting 25 airports.

The House is just a little bit behind the Senate. By a vote of 34-25, the House Transportation and Infrastructure Committee on February 16 approved HR 658, its version of the FAA bill. The four-year bill funds the Airport Improvement Program (AIP) at \$3.0 billion annually, a 15 percent cut from the current funding level of \$3.515. Like the Senate bill, the House legislation does not include any increase in the Passenger Facility Charge (PFC), currently capped at \$4.50 in the last Congress the House bill proposed an increase of the PFC to \$7.00. Funding is gradually reduced for the Essential Air Service Program (EAS) and after FY2013 the program is eliminated except in Alaska and Hawaii. Representative Shuster (R-Pa.) offered and then withdrew an amendment to fully fund EAS and continue the program in all states. Shuster obtained an agreement with Committee Chairman Mica (R-Fla.) that discussions on resolving differences over EAS would continue. NACo sent a letter to the committee opposing the budget cuts and elimination of EAS. The other controversy during committee consideration of H.R. 658 was over a provision nullifying a National Mediation Board rule governing rail and aviation union elections. An amendment deleting that provision by Representative Costello (D-Ill.), senior Democrat on the Aviation Subcommittee, was rejected by a 30-29 vote. It is likely that H.R. 658 will be considered by the full House in the near future.

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