

Tough medicine?

Recently, I was invited to give a keynote luncheon speech at the annual meeting of the American Association of Airport

Executives, the "AOPA" of airport managers. Both organizations are working together to fight the Bush administration's proposed cut of nearly a billion dollars from the budget set by Congress for improving airports for fiscal year 2007. Reducing the vital federal Airport Improvement Program (AIP) from \$3.7 billion to \$2.7 billion is extremely bad news for all airport operators, large and small. But it's especially critical for pilots because general aviation airports rely so heavily on these funds for repaving ramps, repairing runways, installing lights, removing obstacles to instrument approaches, and a host of other safety and capacity projects.

FAA Administrator Marion Blakey spoke at this same conference, describing these cuts as "tough medicine for local programs." Earlier in the year the secretary of transportation described the dollars remaining after the cut in the AIP funds as "robust" and said that no major airport development work would be hurt. Keep in mind that he obviously was thinking of major air-carrier airports, not the vast network of "community airports" that serve general aviation.

The only solace for your association, which is strongly advocating against this cut, is that Congress must approve the FAA budget. While the FAA administrator calls it "tough medicine" AOPA is turning to Congress for a second opinion.

And trust me, as already evidenced, many in Congress recognize the importance of this issue. Rep. John Olver (D-Mass.), the ranking minority member of the House appropriations subcommittee on transportation, noted at a recent hearing, "...small general aviation airports will lose 100 percent of their guaranteed formula funding." Sen. Conrad Burns (R-Mont.), chairman of the Senate aviation subcommittee, has said, "A special concern is the massive cuts in the AIP, or the airport improvement fund."

In 2000, AOPA members successfully lobbied Congress for passage of AIR-21 legislation that unlocked the aviation trust fund. This same law made substantial investments in our nation's airports, and at AOPA's insistence, for the first time ever, created a GA airport entitlement program. Since then, general aviation airports have received nearly \$2 billion in these nonprimary entitlement funds—this is in addition to traditional airport grants. Small airports also can use their



AOPA President Phil Boyer advocates for general aviation at conferences and meetings throughout the country.

entitlements for revenue-producing projects such as hangars and fuel farms.

One of the key differences between air-carrier and GA airports is their access to financial resources outside of those provided by the federal AIP funds. Airlines are charged landing fees and lease gate space; retailers and restaurants rent space and provide a portion of their revenues back to the airport. For improvements, air-carrier airports may charge passenger facility fees and many use revenue bonds or other financial lending mechanisms to finance major projects. On the other hand, our GA airports are much more limited, relying on fuel sales, tiedown fees, and hangar leases to generate revenue for the airport.

There is an extremely important benefit in federal protections that GA airports receive when they accept federal grants through the FAA Grant Assurance Program. In most cases, these assurances run for a period of 20 years from the date of the last grant. What is even better is that when land is purchased with AIP funds the commitment runs in perpetuity.

The lack of existing grants was a major problem we faced in fighting the demolition of Meigs Field.

Airports that have not accepted federal funding, and thus are not obligated with assurances, or airports where assurances have expired present a unique challenge. In these cases, the federal government has no "legal" authority to protect airports.

The lack of existing grants was a major problem we faced in fighting the demolition of Meigs Field. In the eyes of the federal government, the airport was essentially private property owned by the city of Chicago. Right now your association is working hard to keep open Cincinnati-Blue Ash Airport in Ohio, whose grants expired two years ago.

Airport Improvement Program funds have helped us keep a number of GA airports open and operating without unjust restrictions like those at Buchanan Field in Contra Costa County, California. And we're using grants to help us defend the Ocean-side, Bakersfield, and Sacramento (Executive) airports in California from closure threats.

All of this points to the need to sustain a robust federal program to finance GA airports to both protect and enhance them for now and the future. "Tough medicine?" I think not. AOPA, together with airport operators, will work to garner the support of Congress to restore the billion-dollar cut in federal airport funds.

AOPA