

DELAYED AT THE GATE

States have been waiting for comprehensive federal aviation legislation for four long years.



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—OHIO SENATOR JASON WILSON

BY JAIME RALL

America is facing a pivotal moment in aviation history.

The nation’s economy and citizens have come to rely on a safe and reliable air transportation system. Aviation accounts for more than 5 percent of the total U.S. economy—more than 11 million jobs—and moves millions of people and billions of dollars of goods around the world every year. Forecasts predict even bigger demand in the next decade, with a billion passengers flying on U.S. airlines each year by 2021.

Yet for nearly four years, renewal of the long-term legislation that authorizes and sets federal funding for vital aviation programs has faced one congressional delay after another. A political impasse over key provisions has led to reliance on short extensions of the old law—some for only a few weeks—since it expired in 2007.

The deadlock reached a new level in late July, when the 20th extension of the law expired without a new extension in place. As a result, nearly 4,000 Federal Aviation Administration employees were furloughed in 35 states, the District of Columbia and Puerto Rico, and airport projects in all the states were put on hold as federal grant programs were shut down. Com-

mercial airlines also lost their authority to collect the ticket taxes that provide most aviation funding, which will cost the government an estimated \$1.2 billion before Congress can revisit the issue after its summer recess.

Even without the recent shutdown, the last four years of congressional inaction have left states trying to manage large-scale, long-term aviation programs with limited, short-term federal funding, a dichotomy that could have serious effects on the air transportation network for years to come.

STALLED IN CONGRESS

The last law that authorized federal airport and aviation programs—known as Vision 100: Century of Aviation Reauthorization Act—expired on Sept. 30, 2007.

Among other provisions, it authorized the Airport Improvement Program, the main funding source for planning and improvement projects in airports around the country. It also continued funding for the Essential Air Service program, which subsidizes commercial air service in more than 150 isolated, rural communities that otherwise would have no service.

Congress started work on a new aviation legislation bill in 2007, but before long, it became bogged down in a political quagmire. Neither the 110th nor the 111th Congress could enact

a comprehensive law spanning years, relying instead on more and more short-term extensions of Vision 100. The longest stopgap measure lasted six months; the shortest, just one week.

This year, with Republicans in control of the House, Congress once again took up aviation legislation. At first, the new Congress seemed eager to complete the bill. One of its first acts was to pass a two-month extension, accompanied by a statement from House Aviation Subcommittee Chair Tom Petri that it was “the first, and hopefully last, FAA extension of the 112th Congress.”

“There is a strong commitment and much-needed momentum to finally complete a long-term FAA bill,” he said. “I fully believe we will do so.”

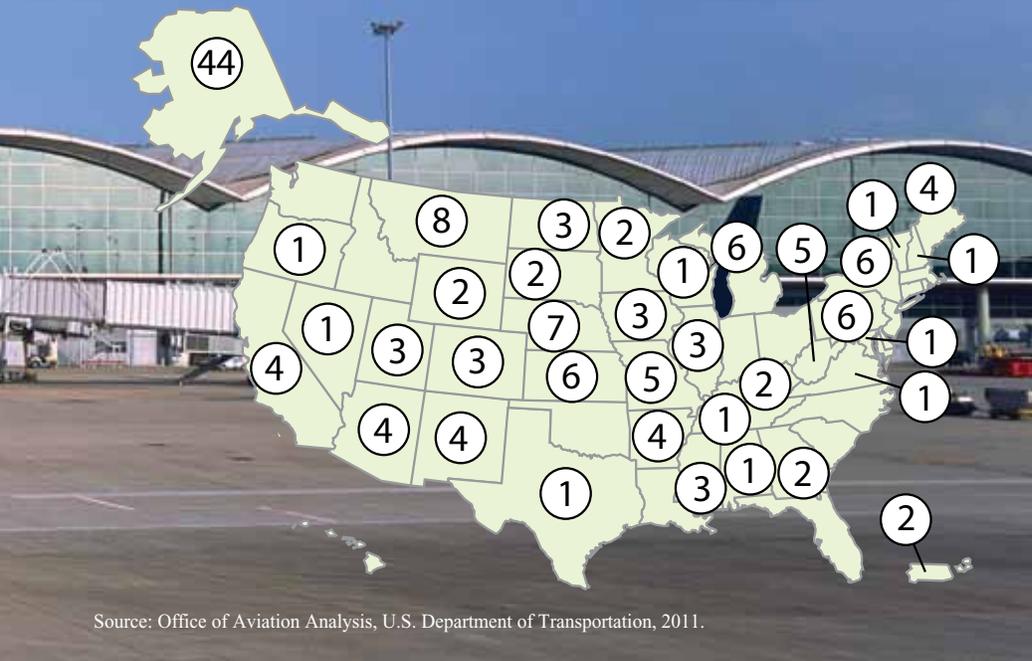
But progress stalled over disagreements about a number of issues—funding levels, the Essential Air Service program and organized labor—and differences between the House and Senate versions stymied negotiations. As of the end of July, the House was proposing a four-year bill that would cut funding to 2008 levels and eliminate the Essential Air Service program except in Alaska and Hawaii. The Senate favored a two-year measure that would retain most Essential Air Service subsidies and boost overall funding to the levels in President Obama’s 2012 budget.

The legislation also became embroiled in controversies over aviation taxes and fees and

Jaime Rall tracks transportation issues for NCSL.

ESSENTIAL AIR SERVICE

The Essential Air Service program subsidizes commercial air service to 153 small, rural communities that would otherwise be without service. These are the states and number of airports served under the existing law.



Source: Office of Aviation Analysis, U.S. Department of Transportation, 2011.

union organizing rules for airline and railway employees.

“Aviation is all about stretching the limitations of man,” says Senator Jason Wilson of Ohio, one of two registered pilots in the legislature. It’s very disappointing that, by delaying this important legislation, the federal government is not giving us the ability to reach our potential—to use our technology and ingenuity in the field of aviation, either to create jobs or to change lives. They’re keeping us tied to the ground, when we should be soaring.”

NO FLIGHT PLAN

For four years, in the absence of stable and predictable federal programs, states have been forced to manage their aviation programs and capital improvement plans with no certainty about what lies ahead.

“Congress has simply not done its job,” says Henry Ogrodzinski, president of the National Association of State Aviation Officials. “For a state aviation agency trying to plan critical airport maintenance and improvement projects, it’s impossible if you have an extension that lasts only for a month or two or



SENATOR
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OHIO

three. You can’t decide if you can repave a runway because you just don’t know if the federal money will be there.”

Greg Pecoraro, vice president of the Aircraft Owners and Pilots Association, agrees. “You never know what you’re going to get. Are you going to get a bill, a six-month extension, a three-month extension, a three-week extension? Because we’ve seen them all.”

Aviation agencies have delayed some safety, efficiency and capacity projects, and broken up others into smaller components that are paid for one at a time—a more costly approach in

the long run that also leaves the projects at risk of being left incomplete if federal funding dries up completely.

“States have a very difficult time doing any long-range planning for airport facilities without a federal aviation bill,” says Senator Ernie Harris of Kentucky, who is also a UPS pilot. “For example, we want to add a new taxiway to enhance cargo operations at Louisville International Airport, which would cost an easy \$25 million. But since we don’t know how much money we can expect to get, we have to do it piecemeal, which ultimately drives up the cost.”

TURBULENCE AHEAD?

“The Airport Improvement Program is very important to the states,” says Ogrodzinski. “But theoretically, if Congress were to substantially reduce funding levels proposed in the House bill sometime in the middle of a fiscal year, states could be left with nothing because they would have already spent all of the allocated money for the whole year.”

The possible elimination of Essential Air Service subsidies is also a concern.

“The Essential Air Service program has been of economic benefit to our state,” says Senator Linda Pondexter Chesterfield of Arkansas. “But under both versions of the bill, we would lose all our subsidies,” which, she says, could hurt economic development in some small communities. “This is something we need to look at.”

States simply do not have the resources to make up the difference. Some states have already reduced avia-



SENATOR
ERNIE HARRIS
KENTUCKY

U.S. AVIATION AT A GLANCE

Total airports*	13,488
Public-use airports	5,180
State-owned airports	520
Heliports	5,680
Total runway miles	11,313
Passenger boardings in 2010	713,004,896
Tons of cargo carried in 2010	67,726,506
Pilots, copilots and flight engineers	68,580
Average number of flights per day	About 50,000
Average number of flights in the air at any given time	About 5,000

*Includes private-use airports but not balloonports, heliports, gliderports or other facilities.

Sources: Bureau of Labor Statistics; Federal Aviation Administration; National Air Traffic Controllers Association, 2011.

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tion spending, including state matching funds for federal airport improvement grants. And although the American Recovery and Reinvestment Act helped bridge the gap with \$1.1 billion for aviation projects, that money had been almost entirely spent by early 2011.

“In a climate where states are as financially pinched as anybody else,” says Pecoraro of the aircraft owners group, “I don’t see a lot of opportunities for them to pick up the slack.”

Ohio’s Wilson agrees. “It all comes down from above,” he says. “We are now seeing the first effects of what it means to lose some of that federal funding, and it has a tremendous impact.”

Meanwhile, the state of the nation’s air transportation network could be at stake.

“It’s hard to imagine how we would be able to maintain our existing aviation infrastructure with reduced investments,” says Ogrodzinski. “We already have crumbling roads and bridges. Are we going to have crumbling runways and taxiways, too? It’s horrible to think about.”

Senator Bruce Starr of Oregon believes his fellow state lawmakers can help get Congress moving on long-term legislation. “One of the main things government should do is to provide transportation infrastructure,” he says. “The states need Congress to finally get reauthorization done—not just for highways and transit,

but also for our aviation system. And we as state legislators need to communicate with our members of Congress to make that happen.”



SENATOR
LINDA PONDEXTER
CHESTERFIELD
ARKANSAS



SENATOR
BRUCE STARR
OREGON

SIMILAR PROBLEMS, DIFFERENT LAWS



Federal aviation legislation isn’t the only major bill of critical importance to the states that is now caught up in congressional gridlock. These are two more.

EDUCATION

In 2001, Congress passed the Elementary and Secondary Education Act known as No Child Left Behind. The law expired in 2007 and it still has not been reauthorized. Instead, K-12 education programs have been continued through the budget process. Congress and the administration continue to debate how to update and reform the controversial law, with key disagreements focused on No Child Left Behind’s accountability rules and extensive federal interventions. The House Education and Workforce Committee has passed three education reform bills, and U.S. Secretary of Education Arne Duncan has proposed giving states waivers from some of the law’s requirements in exchange for implementing reform measures.

There is, however, no clear path to getting the much-needed comprehensive reauthorization bill passed. In the absence of federal action, states are moving quickly with their own education reform efforts, but it’s unclear whether these efforts will be compatible with future congressional action.

SURFACE TRANSPORTATION

The nation’s multiple-year, comprehensive surface transportation law—the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users—expired on Sept. 30, 2009. In the two years since, highways and transit projects have been funded through seven short-term extensions, with the current one set to expire on Sept. 30. Congress and the administration face difficult choices concerning the future federal role in—and funding levels for—transportation programs, in light of the decreasing value of the gas tax and chronic shortfalls in transportation funding. The House has proposed a six-year, \$230 billion plan that keeps spending in line with actual revenues, cutting about 35 percent from today’s funding levels—a reduction some advocates say may be too much for many states to bear. The Senate’s two-year, \$109 billion alternative maintains current funding amounts, but presents no solutions for closing the revenue gap. Both fall shy of the \$556 billion over six years proposed earlier this year by President Obama. As agreement on key policy and funding issues continues to elude federal policymakers, the ongoing uncertainty is hampering states’ long-term surface transportation planning efforts.

—Jaime Rall, Lee Posey and Michael Reed, NCSL

ONLINE

Learn more about the aviation funding and legislation at www.ncsl.org/magazine.