

1 **POLICY: AVIATION**
2 **COMMITTEE: TRANSPORTATION**
3 **TYPE: DRAFT POLICY DIRECTIVE**
4 **STATUS: REQUIRES RE-APPROVAL; APPROVED AT 2011**
5 **LEGISLATIVE SUMMIT**
6

7 Aviation is a key component of a balanced transportation system and is vitally linked to regional
8 growth and economic development efforts. The development and preservation of a balanced
9 system of airports, which is responsive to the needs of all sectors of the nation, is the mutual
10 responsibility of federal, state and local governments. Given this mutual responsibility, NCSL
11 urges Congress and the administration to actively engage state legislatures in discussions on the
12 development and preservation of our system of airports and to avoid federal
13 mandates, preemption of state authority and where possible provide states maximum flexibility.
14

15 **Finance**

16 The following recommendations regarding aviation financing are to be viewed as a
17 comprehensive package and not as individual parts to be implemented piecemeal.

18 Recognizing the safety, security, economic, and other broad public benefits of the services
19 provided by the Federal Aviation Administration, NCSL supports efforts to:

- 20 • continue a General Fund contribution, due to military and federal usage of airport facilities
21 and services. Maintain the Airport and Airway Trust Fund, financed by existing dedicated
22 user taxes and charges, as the primary method of funding federal-aid aviation projects. Any
23 federal aviation fees collected from airline ticket taxes that are diverted to non-aviation
24 purposes should be rededicated or repealed. NCSL supports federal grant assurance
25 provisions barring diversion of airport revenue to non-airport purposes;
- 26 • maintain the current structure of federal aviation taxes which equitably distributes the
27 financial burden on all users;
- 28 • continue to fully fund the Airport Improvement Program (AIP) at authorized levels annually
29 on a multi-year basis to help support needed safety, security, capacity and noise projects;
- 30 • authorize states to use Airport Improvement Program (AIP) funds for increased security
31 measures required by federal law at a 100-percent federal share;

- 32 • provide states maximum flexibility in the prioritization and administration of trust fund
- 33 allocations, this includes aviation-related planning activities being an allowable expense;
- 34 • remove the Trust Fund from the federal unified budget;
- 35 • create a mechanism to guarantee that all revenue dedicated to the Trust Fund is spent each
- 36 year for its intended purpose and that Trust Fund revenue is classified as "mandatory"
- 37 spending and operate as a "pay-as-you-go" program;
- 38 • remove statutory or regulatory barriers to state and locally-generated revenues that support
- 39 airport activities;
- 40 • reduce aircraft noise and a continued set-aside of AIP funds for noise abatement projects;
- 41 • continue the Passenger Facility Charges (PFCs) as a supplementary revenue source to finance
- 42 airport needs;
- 43 • exempt from federal tax laws airport municipal bonds; and
- 44 • allow the use of innovative financing methods, such as state infrastructure banks and
- 45 revolving loans, whenever possible to enable states to meet the funding needs of smaller
- 46 airports.

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48 **State Block Grant Program**

49 The state block grant program should be extended and expanded so that all states are eligible to
50 participate. NCSL believes that the program should be structured to allow states the maximum
51 flexibility in the administration of grants.

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53 **Development**

54 NCSL supports a coordinated national plan of development as long as state plans for investment
55 are included. As part of the development of the National Airspace System Architecture, the FAA
56 should make every effort to consider state input. The economies of many parts of the country are
57 dependent on the modernization of the nation's aviation system. Federal policies should support
58 state efforts to address capacity problems through expansion. NCSL supports the increased use
59 of former and current military airports to provide immediate capacity relief for the aviation
60 system.

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62 **Regulation**

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64 NCSL supports efforts to increase airport capacity and competition within the airline
65 industry. However, NCSL remains concerned over the preservation of state authority over certain
66 airline actions and practices. An examination should be made of other provisions of law that
67 pertain to the ability of the state to regulate or enforce airport safety standards and practice.

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69 **Federal-Aid Program**

70 NCSL supports the Essential Air Service (EAS) program and urges the federal government to
71 honor its commitment to EAS. Where EAS is terminated, proper and adequate notification to the
72 affected community should be required and transition plans implemented.

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74 **Other**

75 Federal support for research and development of facilities and equipment is critical to meet the
76 demands of the next century's air travelers. Reforms in the FAA technology procurement process
77 should be considered.

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79 NCSL urges Congress to act expeditiously on program reauthorizations so as to ensure
80 continuity and to minimize negative effects bred by short-term extensions of critical programs.