Legislative Update

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FAA Reauthorization - Background

- Vision 100 - Century of Aviation Reauthorization Act, expired at the end of FY2007
- 23 short term extensions continued the aviation trust fund revenue collections and aviation program authority
- Lapse last summer that led to a two-week partial shutdown of the FAA

FAA Reauthorization – Recent Legislative Activity

- FAA Air Transportation Modernization and Safety Improvement Act
- Conference Report agreed to in the House on February 3rd and in the Senate of February 6th
- Presented to the President on February 8th

Why the hold up?

Not a perfect bill, but…

- A long-term four year reauthorization of our aviation programs is vitally important
- Moves us closer toward modernizing our air traffic control system by building the Next Generation Air Transportation System (NextGen) of satellite-based navigation.
- Includes funding and directives for projects that are important to Michigan

Authorized Funding Levels

	FY2012	FY2013	FY2014	FY2015
FAA	$15.9 Billion	$15.9 Billion	$15.9 Billion	$15.9 Billion
AIP	$3.35 Billion	$3.35 Billion	$3.35 Billion	$3.35 Billion
EAS	$143 Million	$118 Million	$107 Million	$93 Million
FAA Operations	$9.65 Billion	$9.54 Billion	$9.60 Billion	$9.65 Billion
Facilities and Equipment	$2.731 Billion	$2.715 Billion	$2.730 Billion	$2.730 Billion
Small Community Air Service Development	$6 Million	$6 Million	$6 Million	$6 Million
Airport Cooperative Research Program	$168 Million	$168 Million	$168 Million	$168 Million

Airport Improvement Program

- Section 101 authorizes $3.35 Billion for FY12 through FY15
- Reduces federal match for most small airports to 90%
  - This reverts the federal match to a pre-9/11 level
  - Continues the 95% federal share for airports that are receiving subsidized air service and are located in "economically depressed communities"
  - Small hubs reclassified as medium hubs

AIP – Special Apportionment Rules

- Eligibility for the minimum apportionment:
  - Received a scheduled or unscheduled service from a large certificated air carrier
  - Had more than 10,000 passenger boardings in the calendar year of the apportionment
- Special Rule for FY12 & FY13
  - Those airports that had more than 10,000 boardings in 2007, but less than 10,000 in 2009 and/or 2010, DOT may provide the airport with its FY09 apportionment in FY12 and FY13.

AIP – Noise Land

- Land acquired for a noise compatibility purpose and leased by the airport owner or operator for noise buffer purposes shall not be considered a disposal
- And the owner or operator shall be permitted to use revenues from the lease for airport development projects

AIP – Disadvantaged Business Enterprises

- Establishes a mandatory training program to an official or agent of an airport sponsor to provide streamlined DBE training
  - The training may be administered by one or more private entities approved by the Secretary
- Inspector General will submit a comprehensive report to Congress on the participation of new businesses

AIP – Veterans Preference

Section 139 amends veterans preference to include Persian Gulf, Iraq and Afghanistan war veterans

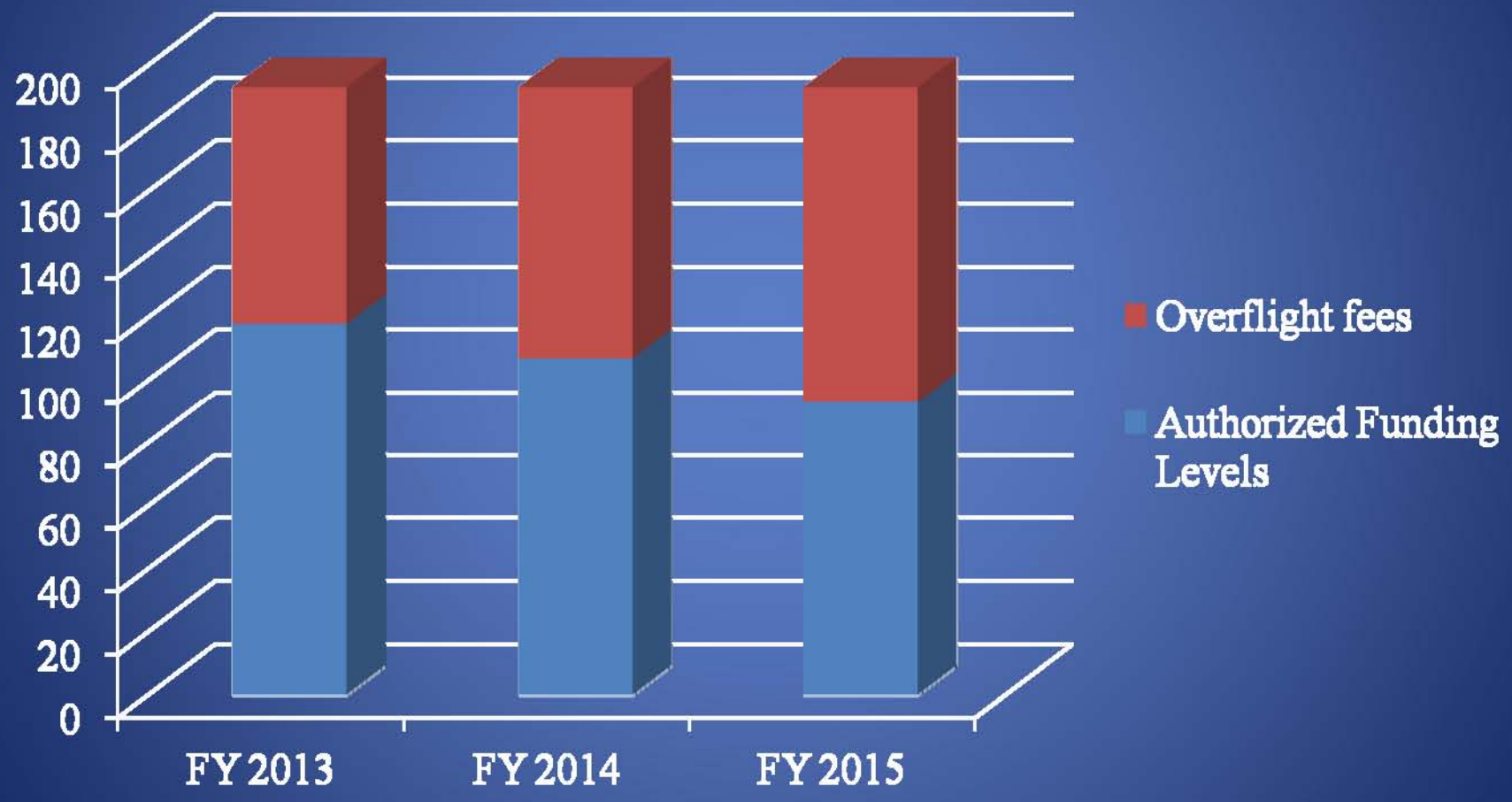
AIP - Contract Tower Program

- $10.35 million annually
- Increases the maximum Federal participation in new contract tower construction from $1.5 million to $2 million
- Gives airports that dip below the 1.0 benefit-to-cost ratio 18 months to adequately budget for local cost-share funds
- Safety Audits

AIP – Priority Review of Construction Projects in Cold Weather States

Schedules as soon as possible the Administrator's review of construction projects in states where the weather may prevent major construction projects before May 1st

Essential Air Service



Essential Air Service Reforms

- Caps the program
- Eliminates service to communities
  - with fewer than 10 enplanements a day except for the communities that are more than 175 miles from a large or medium hub airport and those locations in Alaska and Hawaii.
  - with more than $1,000 subsidy per passenger

Next Generation Air Transportation System

Bill improves management, oversight & implementation

- Creates a new position, Chief NextGen Officer, who is responsible for the implementation of NextGen Programs
- Improves coordination between agencies
- Requires a NextGen Implementation Plan
- Review by the DOT Inspector General

Slots at DCA

Bill increases the number of beyond perimeter slot exemptions by 16

- 8 for new entrants and limited incumbent carriers
- 8 for incumbent carriers

Passenger Facility Charges

- Excludes a Senate provision that would have partially streamlined the PFC application and approval process
- Makes permanent a pilot program that allows the collection of PFCs at non-hub airports
- Study of alternative means of PFC collection

Unmanned Aircraft Systems

- Required Plan for Integration
- Pilot Projects
  - 6 test ranges
- Rulemaking doesn't include model aircrafts so long as those aircrafts meet certain criteria

President's Budget FY2013

- Invests over $1 billion for the Next Generation Air Transportation System
  - An increase of $99 million from FY 2012
- Reduces funding for airport grants by over $900 million, focusing Federal support on smaller airports, while giving larger airports additional flexibility to raise their own resources

President's Budget FY 2013

	FY 2011	FY 2012 (estimate)	FY 2013 (estimate)
FAA Discretionary Budget Authority	$12.417 Billion	$12.533 Billion	$12.748 Billion
Discretionary Obligation Limits & Mandatory Budget Authority	$3.515 Billion	$3.350 Billion	$2.424 Billion

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