

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Lansing, Michigan
March 19, 2015

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission, created by said act, met at the Aeronautics Building, 2700 Port Lansing Road, Lansing, Michigan, on Thursday, March 19, 2015, commencing at the hour of approximately 10:00 a.m.

Members Present

Roger Salo, Chairman
Rick Fiddler, Vice Chairman
Pete Kamarainen, Commissioner
Russ Kavalhuna, Commissioner
J. David VanderVeen, Commissioner
Laura Mester, Designee – MDOT
Capt. Mike Caldwell, Designee – MSP
Kevin Jacobs, Designee – MDNR
Jim Shell, Legal Counsel
Mike Trout, Director

Staff Present

Carol Aldrich
Dave Baker
Judy Baker
Randy Collier
Rick Hammond
Leanne Hengesbach
Pauline Misjak
Mark Noel
Linn Smith
Anu Taneja
Juan Zapata

Members Absent

BG Len Isabelle, Designee – MDMVA

Also Present

Sean Brosnan, Detroit Metro Airport
Kevin Clark, Detroit Metro Airport
Mike Frezell, MDOT, Office of Communications
Dave Groh, Mason Jewett Airport
Debbie Groh, Mason Jewett Airport
Jim Koslosky, Prein&Newhof
Bob Leisenring, Mead & Hunt
Brian Picardat, Gerald R. Ford International Airport
Karl Randall, Oakland County International Airport
Dan Schiffer, Mason Jewett Airport
Margaret Schiffer, Mason Jewett Airport
Ken Vandenbelt, Mason Jewett Airport
Vickie Vandenbelt, Mason Jewett Airport

I. OPENING REMARKS

The March 19, 2015 Michigan Aeronautics Commission (Commission) Meeting was called to order by Chairman Roger Salo at 10:00 a.m.

Chairman Salo welcomed all those present. He asked everyone to rise, and the Pledge of Allegiance was cited by all.

Roll call was taken. Commissioner BG Len Isabelle was absent.



II. COMMISSION BUSINESS

- A. Chairman Salo asked if there were any revisions to the minutes of the meeting held on January 21, 2015. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Commissioner Dave VanderVeen and supported by Vice Chairman Rick Fiddler to approve the minutes as written. **All voted in favor.**
- B. Chairman Salo asked if there were any revisions to the minutes of the special meeting held on February 18, 2015. There were none. He entertained a motion and support to approve the minutes. The motion was moved by Vice Chairman Fiddler and supported by Commissioner VanderVeen to approve the minutes as written. **All voted in favor.**
- C. Request for Approval and Transfer of Appropriate Funds

Chairman Salo asked Dave Baker to present the following Airport Service Program Grants. Mr. Baker presented and explained the grants.

- Airport Service Program Grants
 1. Alpena County Regional Airport, Alpena
 2. W. K. Kellogg Airport, Battle Creek
 3. Delta County Airport, Escanaba
 4. Bishop International Airport, Flint
 5. Houghton County Memorial Airport, Hancock
 6. Ford Airport, Iron Mountain Kingsford
 7. Gogebic Iron County Airport, Ironwood
 8. Kalamazoo/Battle Creek International Airport, Kalamazoo
 9. Capital Region International Airport, Lansing
 10. Manistee County – Blacker, Manistee
 11. Sawyer International, Marquette
 12. Muskegon County Airport, Muskegon
 13. Pellston Regional Airport of Emmet County, Pellston
 14. MBS International Airport, Saginaw
 15. Chippewa County International Airport, Sault Ste. Marie
 16. Cherry Capital Airport, Traverse City
 17. Gerald R. Ford International Airport, Grand Rapids
 18. Oakland County International Airport, Pontiac

Chairman Salo asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve the 18 grants. The motion was moved by Commissioner Russ Kavalhuna and supported by Vice Chairman Fiddler to approve the air service grants. **All voted in favor.**

Due to a potential conflict of interest, Commissioner VanderVeen abstained from voting on item No. 18, Oakland County International Airport, Pontiac.



Chairman Salo asked Mr. Baker to present the following Airport Sponsor Contracts. Mr. Baker presented and explained each project.

- Airport Sponsor Contracts
 1. Padgham Field, Allegan
 2. Ann Arbor Municipal Airport, Ann Arbor
 3. Fitch H. Beach Municipal, Charlotte
 4. Delta County Airport, Escanaba
 5. Oceana County Airport, Hart/Shelby
 6. Oceana County Airport, Hart/Shelby
 7. Hillsdale Municipal Airport, Hillsdale
 8. Kalamazoo/Battle Creek International Airport, Kalamazoo
 9. Mason County Airport, Ludington
 10. Mason County Airport, Ludington
 11. Schoolcraft County Airport, Manistique
 12. Schoolcraft County Airport, Manistique
 13. Mason Jewett Field, Mason
 14. South Haven Area Regional, South Haven
 15. Statewide-Local, Paint Marking
 16. West Branch Community Airport, West Branch
 17. Abrams Municipal Airport, Grand Ledge
 18. Oakland County International Airport, Pontiac

Chairman Salo asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve contract Nos. 1-15. The motion was moved by Commissioner Kavalhuna and supported by Commissioner Pete Kamarainen to approve the airport sponsor contracts. **All voted in favor.**

Contract Nos. 16-18 were inadvertently missed during the first vote. Therefore, Chairman Salo asked if there were any further comments or questions on the three contracts. Hearing none, he entertained a motion and support to approve the contracts. The motion was moved by Commissioner Kavalhuna and supported by Vice Chairman Fiddler to approve airport sponsor contract Nos. 16-18. **All voted in favor.**

Due to a potential conflict of interest, Commissioner VanderVeen abstained from voting on item No. 18, Oakland County International Airport, Pontiac.

A list of the grants and contracts can be viewed in full on the Michigan Aeronautics Commission web page at www.michigan.gov/aero under QuickLinks.

D. Detroit Metro – Willow Run Airport Hazard Area Determination and Certification

Chairman Salo asked Linn Smith, Office of Aeronautics, and Sean Brosnan, Wayne County Airport Authority, to present.



Section 17 of the Airport Zoning Act, Michigan Public Act 23 of 1950, provides that the Michigan Aeronautics Commission, on behalf of this state, shall define and determine an airport hazard area and certify such determination to the board of supervisors of the counties within such airport hazard area is located.

The Wayne County Airport Authority has worked with the Office of Aeronautics to develop the parameters of the airport hazard area that includes the area of land in the counties of Wayne and Washtenaw that are within 20 miles of Detroit Metro Airport and 15 miles of Willow Run Airport. Once the hazard area determination is certified, the County Board of Supervisors of Wayne and Washtenaw Counties shall each appoint three members to a newly formed "Joint Airport Zoning Board." The Wayne County Airport Authority and Michigan Aeronautics Commission will also appoint one member each. Linn Smith, Airport Planning and Zoning Specialist of the Office of Aeronautics, has previously been appointed to represent the Commission on all airport zoning boards formed under Section 17.

Mr. Smith and Mr. Brosnan presented and explained the need for a new hazard area due to changes at the airports, including additional runways. After further discussion and Commission questions were answered, it was recommended that the Commission certify the above defined airport hazard area for both Detroit Metro and Willow Run Airports.

Chairman Salo asked if there were any further comments or questions. Hearing none, he entertained a motion and support to approve the Detroit Metro – Willow Run Airport Hazard Area Determination and Certification. The motion was moved by Commissioner Kavalhuna and supported by Commissioner VanderVeen. **All voted in favor.**

E. General Aviation Pilot Protection Act and Pilot's Bill of Rights 2

Chairman Salo asked Director Mike Trout to present.

One year ago, the Commission mailed letters to the Michigan Congressional Delegation in support of the General Aviation Pilot Protection (GAPP) Act of 2013 to help remove "an unnecessary regulatory burden from small general aviation pilots in an effort to help invigorate that portion of the aviation industry." This year, that bill along with a new bill entitled Pilot's Bill of Rights 2 (PBOR-2) have been introduced in Congress to expand on this regulatory reform.

The GAPP Act was first introduced in 2013, and the intent of the 2015 version is to expand the medical exemption requirement for pilots. PBOR-2 addresses the same medical exemption requirements, along with several other issues including the following:

- **Medical Certificate Exemption**

The exemption would allow more pilots to operate without obtaining an aviation medical certificate. Under the new law, private pilots would be able to fly VFR or IFR in aircraft under 6,000 pounds, below 14,000 feet MSL, and under 250 knots.



- **Due Process**
PBOR-2 seeks to maintain the rights set forth in the first PBOR from 2012, and will extend those rights to all Federal Aviation Administration (FAA) certificate holders instead of just pilots. This means that maintainers, dispatchers, and other certificate holders will also be granted due process rights along with the right to appeal an FAA decision through a merit-based trial in federal court.
- **Violation Transparency**
PBOR-2 will require FAA to notify pilots of any pending enforcement action, as well as provide specific documentation.
- **Flight Data Accessibility**
Under PBOR-2, pilots will be able to access data from contractors including flight service stations, contract controllers, and controller training programs in order to defend themselves from enforcement action.
- **Protection for Volunteer Pilots**
PBOR-2 will establish a Good Samaritan Law to protect volunteer pilots from liability.
- **Protection for Individuals Performing Federal Tasks**
PBOR-2 will establish liability protections for individuals performing federal tasks, such as designated examiners, medical examiners, and airworthiness inspectors.
- **NOTAMs:**
PBOR-2 will require FAA to develop a better NOTAM (Notice to Airman) system and maintain that FAA will not be allowed to bring about enforcement action on pilots until they complete the NOTAM Improvement Program.

FAA has 180 days to comment on the proposed regulations. If the organization does not respond, the bills will automatically become law.

After some discussion and questions, Chairman Salo entertained a motion and support to approve authorization for staff to draft and mail letters to the Michigan Congressional Delegation in support of the General Aviation Pilot Protection and Pilot's Bill of Rights 2 legislation. The motion was moved by Commissioner Kamarainen and supported by Commissioner Kevin Jacobs. **All voted in favor.**

Due to a potential conflict of interest, Commissioner Kavalhuna abstained from voting on this item.

III. REPORTS

A. MAC Director's Report

Chairman Salo asked Director Trout to give his report.



Director Trout began by thanking Sean Brosnan for his earlier presentation on the airport hazard area determination and Linn Smith for his continued good work on airport zoning issues.

Director Trout shared initiatives the Office of Aeronautics is working on:

- Implement new e-Construction administrative processes (digital signatures, electronic invoice processing)
- Continue to develop new innovative e-processes (e-manuals, increased usage of mobile devices)
- Finalize meteorological evaluation tower legislation
- Develop on-line payment for tall structure permits
- Develop on-line aircraft scheduling and log books
- Update of additional MDOT-Aero construction specifications
- Complete Air Service Study
- Update Michigan Airport Systems Plan
- Work toward stable funding

Director Trout spoke about aeronautics funding:

- Funding Challenges
 - Capital improvement plan annual need \$150+ million
 - \$50 million annual investment shortfall
 - Declining excise fuel tax revenue
 - Increasing debt service
- Funding Goals
 - Adequate to address shortfall
 - Stable for multiple years
 - Predictable to maximize leverage potential
 - Fairness to all users
 - Meeting federal requirements
- Considerations
 - Wholesale price of Jet A has dropped from \$3.04 in March 2014 to \$1.70 in March 2015 (eia.gov)
 - Average retail price Jet A March 2015 \$4.70 (airnav.com)

If the trend on fuel prices continues, it could mean \$200 million in savings for the airlines and close to \$100 million in savings for the general aviation community, just from lower fuel prices.

Director Trout presented a slide on excise tax and spoke about the price of fuel as it has risen, but the 3 cents per gallon tax rate has not. The percentage of the tax rate on the price of fuel has gone from 14 percent down to under 1 percent of cost per gallon. Today, if an equivalent to the 3 cents tax was to be enacted, it would be 41 cents per gallon excise tax.



The Office of Aeronautics' budget was highlighted showing in 2016 what an enhancement of revenue could mean. The federal match and the state and local program would become fairly robust, attracting federal discretionary funds and having a direct impact on projects. If the current status does not change, the federal match will most likely be there but many programs will be adversely affected. One of the obvious problems is the reduced amount of aviation fuel being sold. Since 2000, there has been a decline of over 100 million gallons.

Director Trout spoke about the AASHTO/NASAO Briefings held last month in Washington, D.C. Michigan Department of Transportation (MDOT) folks met with Michigan Congressional staff to discuss reauthorization of federal transportation programs. Director Trout also met with FAA staff to discuss the State Block Grant Program.

Chairman Salo asked if there are issues in which the aviation community could try and influence a better outcome for reauthorization. Director Trout stated that NASAO has put together a white paper outlining the issues related to the Airport Improvement Program, State Block Grant Program, Revenue Sources, Essential Air Service Program, Federal Contract Tower Program, NextGen Issues, and Passenger Facility Charges.

Director Trout spoke about the annual MBAA/MAAE Legislative Day at the Capitol being a great success. He thanked Commissioner Laura Mester for taking the time to address the group and talk about transportation in Michigan. He expressed appreciation for her continued interest and support in aviation. This day each year is a great opportunity to tell our story and promote what we are doing here in Michigan.

Chairman Salo thanked Director Trout for his report.

Director Trout's report can be viewed in full on the Michigan Aeronautics Commission web page at www.michigan.gov/aero under QuickLinks.

- B. Chairman Salo asked Commissioner Kamarainen to give his report on the General Aviation (GA) Committee.

Commissioner Kamarainen began his report by stating that the GA Committee met on February 17, 2015. The first order of business was the introduction of Eric VanderStel of Grand Rapids who volunteered to serve on the committee. Mr. VanderStel is retired from the Gerald R. Ford International Airport as the airfield maintenance supervisor. The committee accepted his application unanimously.

Steve Zelle of the Michigan Private Airport Owners Association presented the committee with a status report on the recreational use statute to protect private airstrip owners from liability under the Recreational Trespass Act. The bill was introduced on February 25, 2015.



Equipment for maintaining North Fox Airport continues to be at Selfridge Air Base waiting for approval for transport to the island. Brad Frederick will be meeting with the Michigan Department of Natural Resources (DNR) to discuss possible additional development of the island for recreational uses and to further discuss other possible areas for recreational airport development. Commissioner Kamarainen thanked Mr. Frederick for all of his work on the North Fox Airport and working with DNR to open up recreational possibilities throughout the state. He also stated that he appreciates all of the GA members for volunteering their time.

Commissioner Kamarainen reported possible opportunities to work with the Michigan Science Teachers Association to introduce aviation into science curriculums. He also encouraged committee members to search for opportunities to link local airports with schools.

The committee continues to discuss the possibility of a Michigan Pilots Association. There was interest expressed on the committee's questionnaire circulated at the Great Lakes Aviation Conference.

The committee also talked about Meteorological Evaluation Towers (METs). (The Commission approved a recommendation at a special meeting held on February 18, 2015, to require reporting of location and marking of METs in Michigan, as recommended by the National Transportation Safety Board.) Commissioner Kamarainen thanked Rick Hammond for the knowledge he brought to the MET discussion.

Chairman Salo thanked Commissioner Kamarainen for his report.

- C. Chairman Salo asked Commissioner Kavalhuna to give his report on the Commercial Air Service Committee.

Commissioner Kavalhuna reported that the Commercial Air Service Committee (CASC) worked in conjunction with Trillion Aviation to complete Phase I of the air service development project. The results of that effort were shared with individual airport sponsors during break-out sessions held in conjunction with the Michigan Airport Conference on February 18-19, 2015.

Phase II of the project primarily involves revision and update of the Policy Plan for Michigan Air Service (PPMAS). Work has begun towards that effort, and a draft is currently under review by CASC members and MDOT staff.

The next committee meeting is tentatively scheduled to follow the Commission meeting slated for May 13, 2015. The committee will discuss the PPMAS draft and offer any suggestions and additions as necessary.

Chairman Salo thanked Commissioner Kavalhuna for his report.



IV. COMMISSIONER COMMENTS

Chairman Salo asked if any of the commissioners would like to make a comment.

Vice Chairman Fiddler referred to Exhibit E, Pilot's Bill of Rights 2 legislation, and asked whether there has been an amendment to the bill allowing private pilots to be able to fly VFR or IFR. Mr. Hammond replied that there has been a change in the bill allowing both rules.

Commissioner Kevin Jacobs commented on the significance of the Pilot's Bill of Rights 2 legislation and how many individuals it would impact, if passed. He commended Director Trout for recognizing the importance in supporting the bill.

Commissioner VanderVeen inquired whether the book entitled "1992 Michigan Laws Relating to Aviation" will be updated. Commissioners agreed that it would be a good idea to update the book. Commissioner Kavalhuna volunteered to assist.

Director Trout commented that he too was not aware of such a compilation of laws, but is interested in an update and suggested that MET and UAS information could be included as well. He stated that perhaps the book was stopped from being updated due to publication costs and that the new version will most likely be electronic.

Commissioner Kavalhuna complimented staff for doing a good job with the Aeronautical Chart and stated that it is a really good product. Director Trout informed the Commission that Randy Coller is responsible for updating the Aeronautical Chart each year, and thanked him for a job well done.

There were no other comments.

V. PUBLIC COMMENT

Chairman Salo asked if anyone would like to make a public comment.

Vickie Vandenberg, Dan Schiffer, Dave Groh and Debbie Groh spoke on behalf of the Mason Jewett Advisory Group (MJAG), a group of Mason Jewett Airport users and tenants. MJAG spoke about safety and business concerns regarding the airport and stated that they have asked for assistance from the Capital Regional Airport Authority (CRAA) representatives, but have not received support. After further discussion, commissioners suggested that MJAG provide its requests to the full CRAA Board.

Chairman Salo thanked everyone for their comments. There were no other public comments.

CLOSING

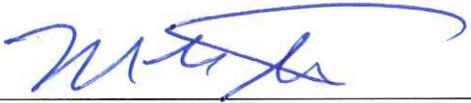
The next meeting is scheduled for Wednesday, May 13, 2015, 10:00 a.m., at Western Michigan University's College of Aviation, Battle Creek, Michigan.



The meeting was adjourned at 11:45 a.m.



Roger Salo, Chairman



Michael G. Trout, Director

Dated: 5/13/15

