

**Citizens Advisory Committee  
Aviation Subcommittee**

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**Commission Conference Room  
2700 East Airport Service Drive  
Capital City Airport**

**Meeting Minutes**

**June 2, 2008**

**Start Time:** 2:00 p.m.

**Present:** Bill Gehman, Dan DeGraaf, James Koslosky, Keith Ledbetter, Sylvester Payne, Kirk Steudle.

**Absent:** Linda Miller-Atkinson, Mike Fikes, Robert Struck.

Mr. Payne made a motion to approve the minutes from the May 16, 2008 meeting, seconded by Mr. Koslosky. Motion carried unanimously.

Mr. Gehman discussed the timeline for completing the Subcommittee's report. He noted that the report was due to the CAC chairperson on June 20, 2008.

Mr. Gehman led a discussion of the concepts of "minimum", "good", and "better" to be used in the report. Matt Brinker (MDOT) presented material on aviation funding needs under the alternative scenarios. Items from the discussion that Subcommittee members agreed upon or that should be considered in drafting the Subcommittee report included:

- Eliminate the "minimum" and "good" scenarios from the spreadsheet titled "Michigan Aviation Funding Need 2009-2030" and change what is currently listed on the spreadsheet as the "better" scenario into the "good" scenario.
- Redefine "better" to include more items such as capacity enhancements and items that are not currently eligible for funding.
- The implications of the "do nothing" scenario, which could include declining service, closing runways, and the inability to match federal aid, should be presented in a clear and compelling manner in the report. (Koslosky, Steudle)
- The report should do a good job of explaining what the public gets under each scenario (Steudle)
- Areotropolis should be discussed in the report given its importance. (Steudle)

Mr. Gehman discussed the "best" scenario and how it is suppose to capture a vision of what the aviation infrastructure should be to make it world class. Among the issues mentioned by Subcommittee members and MDOT staff to consider in describing the "best" scenario were the importance of intermodal connections, meeting all the needs outlined in the MASP and Policy Plan

for Air Service, and/or creating framework flexible enough to allow us to adapt to emerging trends. Mr. Koslosky suggested the Subcommittee give thought to how our scenarios might change if oil prices continue at high levels over the long-term. He mentioned the steps be taken in Grand Rapids to help keep costs down for airlines.

Mr. Gehman led a discussion of funding options. The Subcommittee agreed to develop a list of funding alternatives without looking in detail at amounts that could be raised under alternative tax structures and rates. The Subcommittee developed the following list of funding options.

- Fuel Tax
  - Increase Rate
  - Eliminate Rebate
  - Change Rebate
  - Percent or Ad Valorem Tax
  - Differential Rates (i.e. GA vs. Air Carrier or AvGas vs. Jet)
- Capturing 1 cent of the 6 cent sales tax on aviation related items for the Aeronautics Fund
- Service Charges (agency charges) i.e. Tall Structure Permit Fees & Aircraft Registration
- Airport Parking Tax
- Statewide Rental Car Tax
- Aircraft Registration Fees
  - Increase, base on value
  - Change to Personal Property Tax

Mr. Brinker discussed a document he prepared titled "Proposed Licensing/Permitting Fee Revisions. Questions and discussion followed.

Mark Noel discussed pavement deterioration and our ability to forecast pavement life and conditions into the future.

Mr. Gehman asked members if they have any requests for information to pose to MDOT. None were forthcoming.

Next scheduled meeting  
June 13, 2008  
2:00 – 4:00 pm  
Bureau of Aeronautics  
Commission Conference Room  
2700 E. Airport Service Drive  
Lansing, MI 48906

End Time: 4:00 pm