

---

# **Michigan Airport Conference**

**February 17-18, 2016**

**Department of Transportation  
Office of Aeronautics**

**Mike Trout, A.A.E.**

# LEGISLATION

## Aeronautic Funding

Package of bills signed into law Dec. 23, 2015, assigned Public Acts 258, 259, 260, 261, 262 and 263 of 2015, with immediate effect.

- *Amends Aero Code and Sales and Use Tax Acts*
- *Redirects GF – Amount “Equal To” 2% Sales/Use Tax*
  - *\$10-12 Million Total*
- *Creates the Qualified Airport Fund - 65% (\$7-8 million)*
- *Aero Fund - 35% (\$3-4 Million)*
- *Maintains 3¢ Excise Tax with 1.5¢ Rebate*
- *Ensures Compliance w/FAA’s Revenue Use Policy*

# LEGISLATION

---

**HB 4032** – Would regulate transportation network companies (i.e., Uber). Impact airports' ability to control access and manage ground transportation on property. Introduced 1/15/15; referred to the House Communications and Technology Committee.

**HB 4244** – Would amend the Natural Resources and Environmental Protection Act and eliminate liability for landowners for accidents that are a result of aviation activities. Passed by the House 4/21/15; referred to the Senate Judiciary Committee.

**HB 4727** – Would amend the Tall Structure Act to require meteorological evaluation towers (METs) be marked in accordance with federal standards. Passed by the House 10/28/15; referred to Senate Transportation Committee. On 2/9/16, committee recommended immediate effect and referred to the whole Senate.

**HB 4857/4875 & SB 563** – Would ban sale or release of Sky Lanterns. Introduced 9/9/15, 9/17/15, 10/14/15; referred to the House and Senate Regulatory Reform Committees.

# LEGISLATION

**HB 5026** – Would authorize/regulate the use of unmanned aerial vehicles; provide power and duties of certain state agencies, depts. and local units of gov.; prohibit disclosure of information collected; provide penalties and sanctions. Introduced 10/27/15; referred to the House Government Operations Committee.

**SB 326** – Would designate the B-24 Liberator as the official state airplane. Passed by the Senate 10/21/15; referred to the House Government Operations Committee.

**SB 699** – Tie-barred to SB 700. Would add to Michigan Compiled Laws, Chapter 554 (Real and Personal Property) to clarify property owner rights. Limit access to first 300 feet of airspace over private property as owned by an individual, partnership or corporation. Would ban UAVs from flying into this airspace w/o permission from the property owner. Introduced 1/13/16; referred to the Senate Transportation Committee.

**SB 700** – Tie-barred to SB699. Would amend the Aero Code as to clarify existing language and add a chapter to restrict the operation of unmanned aerial vehicles (UAVs) (commonly known as drones) from flying over federal, state, and local property unless a law or ordinance allow for it. Also would set restrictions on flying over public property w/o permission of the property owner. Introduced 1/13/16; referred to the Senate Transportation Committee.

# REAUTHORIZATION

## Aviation Innovation, Reform, and Reauthorization (AIRR) Act

Key points and figures addressed:

- **AIP Funding Levels** -- FY16--\$3.35B; FY17--\$3.42B; FY18--\$3.49B; FY19--3.57B; FY20--\$3.65B; FY21--\$3.73B; FY22--\$3.81B
- **EAS Funding** – FY16--\$175M; FY17--\$178M; FY18--\$181M; FY19--\$185M  
FY20--\$300M; FY21--\$308M; FY22--\$315M
- **Small Community Air Service** -- \$6M per year through FY22
- **State Block Grant Program Cap** – Raised from 10 to 20 states allowed

# REAUTHORIZATION

## ➤ Contract Tower Program Protection and Reform

- ❑ If ATC corp. proposes to close FAA contract tower resulting in airspace change or reclassification, legislation requires corp. to conduct following assessments:
  - Safety risk management;
  - Impact of proposed closure on operation of national airspace system;
  - Impact of proposed closure on local communities, including air service and any safety or operational info determined necessary to understand safety impact of proposed closing;
  - Also requires to develop process to receive input from public, impacted air traffic service users, local communities, and affected airport operator.
- ❑ FAA is prohibited from conducting benefit/cost (B/C) analyses, unless air traffic drops by 25% in a year or more than 60% over three years. B/C analyses will be conducted annually at cost-share airports.
- ❑ Removes the \$2 million cap on AIP entitlement and state apportionment funds that an airport can use to construct and/or equip an FAA contract tower. Allows airports to use AIP entitlement and state apportionment funds for remote towers.

# REAUTHORIZATION

## ➤ Passenger Facility Charge (PFC)

- ❑ Allows more airports to apply maximum PFC (\$4.50).
- ❑ Streamlines PFC application process to increase airport flexibility in financing projects. Reduces both airport and federal administrative costs.
- ❑ Removes restrictions on PFC, allowing airports to more effectively finance projects that improve airport infrastructure.

## ➤ 3<sup>rd</sup> Class Medical Reform

- ❑ In lieu of 3<sup>rd</sup> class med. certificate, permits pilots to operate aircraft weighing up to 6,000 lbs. (w/5 passengers or less) at or below 14,000 ft., w/valid driver's license.
- ❑ Requires these pilots to complete on-line medical education course every two years.

## ➤ Tower Marking

- ❑ Directs FAA to establish standards for the marking of covered towers over 50 ft.
- ❑ Directs FAA to establish a public database with tower specifications and locations.

## ➤ Non-Primary Entitlement (NPE) for Unclassified Airports

- ❑ Unclassified airports would receive NPE for three years (FY16-19) at the FY14 levels.
- ❑ These specified airports would not be allowed to carry over or transfer these funds during this period.

# REPORTS

---

- Michigan Aviation System Plan (MASP)
- Policy Plan for Michigan Air Service (PPMAS)
- Annual Report to the Governor

# STRATEGIC PLAN

Michigan Department of Transportation

## The Strategic Plan

### WIGs, Sub-WIGs & Innovation Focus

*and how they connect*

**Strategic Plan**

**MDOT Mission:**  
Providing the highest quality integrated transportation services for economic benefit and improved quality of life.

**MDOT Vision:**  
MDOT will be recognized as a progressive and innovative agency with an exceptional workforce that inspires public confidence.

**MDOT Values:**

<b>Quality:</b> Achieving our best within our resources.	<b>Teamwork:</b> Effective involvement of people.	<b>Customer Orientation:</b> Knowing our customers and understanding their needs.	<b>Integrity:</b> Doing the right thing.	<b>Pride:</b> In MDOT and the importance of our work.
---	--	--	---	--

**Strategic Areas Of Focus**

Leadership | System Focus | Safety | Partners | Workforce  
Customer-Centered | Innovative & Efficient

**Wildly Important Goal (WIG)**

### Increase MDOT's capacity to INNOVATE.

**Innovative Thinking**  
Any idea or action that results in added value.

**Measure:** In all areas of the department, achieve a 25% improvement in value-addition (in terms of safety measures, cost reduction, increased quality or reduced schedule) by December 31, 2016, through the rapid application of innovative products, processes and technology.

**Sub-WIGs: Region/Bureau/Office (R/B/O)**

**Positive Culture:**  
Shared values and behaviors that:

- Promote an atmosphere of trust
- Provide a sense of purpose
- Seek continuous improvement
- Encourage and support creativity
- Freedom to challenge the status quo

**Specific and actionable innovation initiatives that help achieve the WIG.**

(Truly Important Goals: (TIGs), used in some R/B/Os, are an even finer level of specificity)

## Wildly Important Goal

Increase MDOT's  
Capacity to Innovate

In all areas of the department, achieve a 25% improvement in value-addition (in terms of safety measures, cost reduction, increased quality or reduced schedule) by Dec. 31, 2016, through the rapid application of innovative products, processes and technology.

# STRATEGIC PLAN

---

## Wildly Important Goals

### Update the Michigan Airport System Plan (MASP)

The measure of success will be the approval and endorsement of the MASP update by the Michigan Aeronautics Commission during their meeting in March 2017.

### Replace Outdated Flight Scheduling Software with Current Web-Based Technology

Success will be measured by achieving a 50% reduction in staff time required to open and close flight logs and retrieve current flight information.

### Replace Existing Invoice Payment Process with ProjectWise Electronic Workflow

The measure of success will be a 20% reduction in time necessary to process payments.

# STAFF UPDATES

For overall efficiency and effectiveness of our team, the following changes are being implemented:

## Aeronautics Administration

### ➤ **State Administrative Manager – Vacant upon retirement of Rick Hammond**

Responsibilities include:

- Manage the Transport and Safety Section and Inspection Unit.
- Commission advising duties of handling committees, legislative issues, communication and liaison with other agencies, associations and groups.
- While pilot experience will be preferred, it is anticipated this person will not actively fly MDOT aircraft, but manage activities related to pilot assigned duties.

## Transport and Safety Section

### ➤ **Section Manager – Vacant upon retirement of Rick Carlson**

Responsibilities include:

- Supervise the section, including transport, maintenance, and EF units, including duties as chief pilot and safety officer.
- Oversee the safety management system, training, scheduling, and other duties.
- Report to the State Administrative Manager.

# STAFF UPDATES

## Programming Section

### ➤ **Section Manager – Dave Baker**

Responsibilities include:

- Supervise transportation engineer manager, maintenance supervisor, budget analyst.
- Manage office budget, airport improvement program, reports, building maintenance.

### ➤ **Transportation Engineer Licensed Manager – Vacant**

Responsibilities include:

- Supervise the Grants and Contracts Unit, including aircraft registration, airport and manager licensing, and directory personnel.
- Manage primary airport grants.

### ➤ **Transportation Engineer Grant Coordinator – Betsy Steudle**

Responsibilities include:

- Manage the State Block Grant Program

### ➤ **Aircraft Registrar – Michelle Duncan**

Responsibilities include:

- Aircraft Registration
- Dealer and Flight School Licensing

# STAFF UPDATES

## Planning and Development Section

### ➤ **Airspace Analyst – Hilary Vanderstow**

Responsibilities include:

- Tall Structure Permitting
- Community Benefit Assessments

### ➤ **Departmental Analyst – Vacant**

Responsibilities include:

- Perform research and analytical work in the Statewide Airspace Program, Community Benefits Assessment Program, and Disadvantaged Business Enterprise Program.
- Design, maintain, and update the contract proposal/specifications for airport construction projects.
- Assist in the analysis of airport safety critical data maintained in the Airport System Manager Program.

### ➤ **Property Specialist – Chip Kraus to MDOT Real Estate Services Section**

# EVENTS & HAPPENINGS

---

- Michigan Aviation Caucus – Feb. 24, GCSI, Lansing
- NASAO Washington Briefing – Feb. 24-26, Wash. D.C.
- 1<sup>st</sup> Annual MBAA Business Aviation Operations Government Relations Luncheon – March 14, GCSI, Lansing
- MBAA/MAAE Legislative Day – March 15, State Capitol, Lansing
- MAC/STC Joint Meeting – March 24, Lansing
- MAC Meeting – May 25, Selfridge Air National Guard Base
- AOPA Fly-In – Sept. 16-17, W. K. Kellogg Airport, Battle Creek
- Air Transportation Expo – Sept. 22, Oakland County Int'l. Airport

# THANK YOU

## QUESTIONS?

“Aviation is proof that, given the will, we have the capacity to achieve the impossible.”

Eddie Rickenbacker