



AirWaves

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IPAA AirWaves

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AirWaves is published as an informational tool for all public airports in the State of Iowa. It is directed to all airport decision makers including airport management, state/local government leaders and airport businesses. We welcome your comments, thoughts and suggestions on how we may serve you better.

Dan Smith, President (CBF)
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Iowa Public Airports Association (IPAA) 2007 Legislative Priorities

State Legislative Priorities

VERTICAL INFRASTRUCTURE FUNDING:

Maintain Commercial Service Vertical Infrastructure funding at \$1.5M and General Aviation Vertical Infrastructure funding at \$750,000 for landside development projects at public-owned, public-use airports in Iowa.

USE TAX ON AIRCRAFT SALES DEPOSITED INTO THE STATE AVIATION FUND:

Beginning in FY 2008, revenues from aviation fuel taxes and aircraft registration fees will be deposited into the State Aviation Fund. IPAA encourages that revenues from use taxes collected from aircraft sales also be deposited into the State Aviation Fund to be reinvested into Iowa's air transportation system.

AIRPORT PROPERTY TAXATION:

Public property is exempt from property taxes. Public-owned, public use airports are public facilities. IPAA requests that there be legislative clarification that airport property used for agriculture is not subject to property taxation. The main purpose of such property is to maintain runway protection zones for the safety of aviation activities.

EMINENT DOMAIN:

Public-owned airports are important public facilities. Public airports support air transportation that benefits Iowa's economy and quality of life. IPAA supports the use of eminent domain when necessary for publicly-owned airport projects that play a role in maintaining and increasing safety and in meeting the growing air transportation demands.

Federal Legislative Priorities

REAUTHORIZATION OF FEDERAL AVIATION PROGRAMS:

IPAA encourages a five year reauthorization of federal aviation programs that sets spending levels for the Airport Improvement Program (AIP), Essential Air Service, Small Community Development Grants, and other programs that develop and maintain facilities at airports around the country.

A major component of the federal aviation program is the Airport Improvement Program (AIP), which provides funding for airport rehabilitation and development projects. IPAA encourages the reauthorization of the AIP to provide \$3.9B in 2008 with \$100M increases every year throughout the reauthorization.

In Iowa, 69 general aviation airports and eight commercial service airports are eligible for funding from the AIP. Vision 100, which provided AIP funding for the years 2004-2007 has worked well for Iowa airports and IPAA would like to see the basic components of that program remain in place.

IPAA supports maintaining primary and non-primary entitlements within the AIP to provide a predictable funding stream to commercial and general aviation airports throughout the nation and Iowa.

USER FEES:

IPAA believes the current funding system for the Airport and Airway Trust Fund is fair and a stable source of revenue. IPAA strongly opposes any effort to impose additional user fees on general aviation.

IPAA supports the current system of ticket taxes, fuel taxes, and cargo taxes as a means of providing a revenue stream to the aviation trust fund. If adjustments to the revenue stream are required, they should be made within the existing structure.

Imposing additional user fees would unnecessarily create additional administrative bureaucracy, would hurt general aviation activity and safety, and would place an

unfair burden on general aviation to fund an air traffic control system designed to accommodate hub and spoke airline operations.

ESSENTIAL AIR SERVICE:

IPAA supports the Essential Air Service (EAS) program administered by the U.S. Department of Transportation. The EAS program provides subsidies to continue air service in smaller communities across the nation that would have been negatively impacted by airline deregulation in 1978.

The EAS program has worked well for Iowa and has been responsible for maintaining air service in the Burlington, Fort Dodge, and Mason City regions.

IPAA encourages Congress to fully fund the EAS program at a minimum of \$120M annually. IPAA also strongly opposes any local match requirement.

FEDERAL TAXATION ON AVIATION JET FUEL:

IPAA strongly opposes the current method of taxing aviation jet fuel. Fuel taxes from the sale of jet fuel are currently taxed at diesel fuel rates and are credited to the Highway Trust Fund. In order for the taxes to be credited to the Aviation Trust Fund, the fuel vendor or buyer must apply with the IRS for a refund for the difference between the diesel fuel tax (24.4 CPG) and the jet fuel tax (21.9 CPG).

The process is confusing and places the burden on the fuel vendor or buyer to get the fuel taxes credited to the proper trust fund. In addition, the aviation community seriously questions if fuel tax fraud involving jet fuel and the trucking industry is actually occurring and has seen no evidence to support those claims.

IPAA supports recently introduced legislation (S. 2666 the "Aviation Fuel Tax Simplification Act") which suspends the current fuel tax collection method until October 1, 2007 until a better system can be determined.

Your Airport Matters

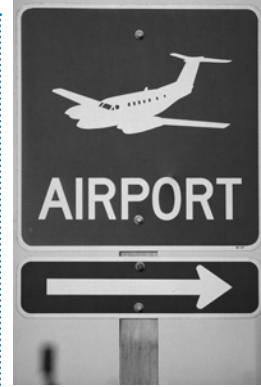
By Danny F. Smith
Council Bluffs Airport Authority
Exec Director
President of Iowa Public
Airports Association

At the recent FAA Central Region Airports Conference, I attended a breakout session and viewed a movie called "One Six Right." It was the story of the Van Nuys California Airport. In 1927, land was purchased by aviation enthusiasts in the middle of a large valley in the middle of nowhere. But, they had a dream! There was only a dirt or turf runway 16/34 and smudge pots for lighting. Several pilots and aircraft owners heard of the new airport and started using it regularly. Then the Depression hit and the airport became a ghost town. The movie shifts to modern day asking people how they got interested in Aviation. Many answers were given. One answer reminded me of my interest in flying. When I was young I liked climbing trees or reaching the top of a hill allowing me to see for long distances. I always thought flying would allow the same pleasure. So when I was old enough to pay for flying lessons, I started taking flight instruction. After numerous starts and stops, I achieved my pilot's license. One of my proudest days was when I soloed. I was actually flying by myself and could see and go anywhere I wanted.

After serving in the U.S.M.C. as a plane captain on A-6 Intruders, A-4 Sky Hawks and F-4 Phantoms, I continued my career in aviation as an aircraft mechanic/lineman. Soon I was a certified Propeller Repairman and Non-Destructive Testing Repairman. Then I became a Fixed Base Operator (FBO - the

service provider at the airport) and now Airport Director for the Council Bluffs Airport Authority. Before Council Bluffs, I had worked at a large FBO that had lots of jet traffic and was at a commercial service airport. It was quite a change at Council Bluffs, where there were 28 aircraft based, most of which did not or could not fly. After learning that 12 FBO's had tried to operate the airport in the previous 25 years, I realized there were problems that had to be addressed. The mindset among city council members was that the FBO was making a killing off those expensive aircraft. The lease was not FBO friendly and the lease rate even less friendly. Much prayer and discernment was used to create a plan for success, coupled with hard work and sacrifice. So after sharing profit and loss statements with the City and the Airport Commission, it became obvious that the FBO could not survive very long. Leases were changed and the FBO survived. Another factor was that it takes a long time to establish trust, especially when some of the previous FBO operators were unethical. It takes time to build a customer base of repeat visits for service. In my opinion the service and friendliness of your FBO is your best attraction among pilots and aircraft owners.

At a recent Airport Advisory Council meeting one of the participants asked if anyone knew of an individual or individuals that would like to start an FBO at his airport. I was thinking of several airports in the same dilemma. Then I wondered what kind of lease or incentives those communities offered to attract an FBO Operator. Many communities want activity at the airport: charter, flight instruction, maintenance, etc.



But do they know how costly these are to provide, or even consider the high insurance premiums that are attached.

In Council Bluffs, we have resolved these issues by sharing information with our Airport Board. Now we have 92 based aircraft. Iowa Western Community College's A&P (Airframe and Power plant) School is now on site with a new \$4.3 million dollar facility, thanks to the care and guidance of the Council Bluffs Airport Board and the FBO working together. The flight school at the FBO has taken off as a satellite for the University of Nebraska, Omaha and now a Federal Aviation Regulations Part 141 School. LifeNet Helicopters are based at the airport. A \$30 million expansion project is ongoing and we now have a waiting list of 54 aircraft wanting hangars. The FAA is currently providing 95% of the expansion cost through their Airport Improvement Program.

How can a community pass up such an opportunity requiring only a 5% investment for a 95% return on eligible funding items? The services your FBO provides are key to your success. Your airport does matter. It can grow your city. A great example is the Van Nuys California Airport, which is now the busiest general aviation airport in the world started by aviation enthusiasts with a shared dream.

IPAA Meets at FAA Meeting in Kansas City



Mike Roe gives a presentation displaying the web site to those who attended the IPAA general membership meeting in Kansas City.



Delegation attending the conference in Kansas City. From left to right: Independence City Manager Alan Johnson, Independence Mayor Frank Brimmer, IPAA President Dan Smith of Council Bluffs, Independence Airport Manager Jim Connell.



IPAA President Dan Smith, addressing the general membership of IPAA at the conference in Kansas City.



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