

The FAA Funding Debate and User Fees

By Phil Boyer
AOPA President

How should the Federal Aviation Administration be funded? Should Congress retain the existing system, which provides funds from excise taxes and from the general fund, or move to an entirely new system of user fees?

The Administration is telling the country that the FAA must have a funding system that ties the agency's revenues to its costs of doing business. To do that, the president is expected to propose a radically different user fee system, a proposal strongly supported by the airlines.

This would be a mistake. The current tax system serves the aviation sector extremely well, having provided the FAA with the funds it needs for nearly four decades. But wherever user fee funding systems have been implemented, they have proved onerous, ill-conceived, and ultimately damaged general aviation.

"There is no bigger issue facing general aviation today. Our future is hostage to the FAA funding decision. If we choose user fees or radical new

taxes, America's unique personal aircraft transportation system will die."

The Issues:

- Does the FAA need more money?
- Is the current tax system "broken"?
- Are individual airspace "users" paying enough?"
- Who controls the airspace system – Congress or the airlines?

The Players:

The FAA and Department of Transportation...

...want user fees to "match revenue to costs," to eliminate congressional controls on what they spend, and to charge pilots directly for FAA services.

The Big Airlines...

...want to shift some of the costs to support the FAA onto GA, and they want to control the air traffic control system and access to "their" airspace.

The White House...

...wants to take FAA funding "off

budget" by charging user fees to free tax revenue for non aviation uses.

General Aviation...

...wants to preserve a robust aviation system that is the envy of the world and that serves all citizens, not just the wealthy.

The Time line:

Congress must take action by October 2007, either to renew or modify the taxes that currently fund the FAA or to institute user fees.

"This isn't about blips, or funding, or whether individual pilots pay enough. It's about creating a radical new way to pay for government safety services and turning control of safety over to private industry. It's about cost, safety, and freedom. It's about preserving general aviation and the freedom of average citizens to fly for business and pleasure."



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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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Is Your Airport Growing or Dying?

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

After many discussions with airport operators around the state, many tell me that there is not much growth going on at their airport. Fewer people are learning to fly, so there is less aircraft rental, maintenance, fuel sales, hangar rentals or aircraft sales. From my experience this trend generally follows the economy. However, there are other factors involved. How friendly is your Fixed Based Operator? What services are provided? Do they offer great customer service? Find out who the movers and shakers are at your airport. Those airports that seem to be growing usually have a motivated person pushing for success. Each airport is different and that mover and shaker can be in many forms. Is it the Mayor, City Manager, County Supervisor, Airport Commissioner or Board Member? Is it the Fixed Base Operator or the Airport Manager or

just an enthusiastic pilot? Is it YOU? I challenge you to think about who that mover and shaker is and go to that person and thank them for their efforts. Most likely those airports that have movers and shakers are growing airports. If you can't think of who is a mover and shaker at your airport, get one. The survival of your airport is critical. I have a saying I like, but I don't know from where it came: "ACTIVITY BREEDS OTHER ACTIVITY." That same mover and shaker through their efforts at the airport, will help grow your community. That brings us back to my original question: "Is your airport growing or dying?" If it's growing, "Congratulations!" If it's dying, get busy! There are several associations in the state that can offer suggestions. The Iowa Public Airports Association (IPAA), The Iowa Department of Transportation (IDOT), The Iowa Aviation Promotion Group (IAPG), and The Iowa Aviation Business Association (IABA).

GET 'EM FLYING AND KEEP 'EM FLYING!

For more information, call 515-727-0667 or visit iowaairports.org

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www.IowaAirports.org

IPAA Updates Its Website

By Mike Roe

Washington Municipal Airport (AWG)
Treasurer of Iowa Public
Airports Association

The proper tools are essential to achieve any goal. And we have one great tool! IPAA designed a new web page that has proven to provide the tools to communicate information to the membership, as well as allow members or an interested party to contact the association. They can contact elected officials at the state or federal levels.

Our Web site, www.iowaairports.org, is your gateway. Learn what is going on within your organization and reach what you are looking for with 2 or 3 clicks. Find out what events are coming up by clicking on the "Events" tab, or contact your senator or legislator by clicking on the "Legislative Issues" tab – then choose

either state or federal. In this page also see legislative priorities and white papers which include responses from your elected officials on important issues like the aviation fuel tax being diverted to the road use fund at the federal level. Why not go to this page now and e-mail your Federal elected officials and give them feedback of your displeasure with this diversion of funds!

Look up past issues of *Airwaves* or current news releases. You can even go to our easy links page with one click and get to many sites of interest including The Office of Aviation as well as their calendar of events, The FAA Central Region, Flight Standards district office, and The Iowa Aviation Promotions Group.

We are working to make this site more fluid as issues come and go that are of interest to our members and

critical to aviation as a whole. Please go to the "About IPAA" page and click "Board of Directors" and e-mail a member with your question/concern or stay on the home page and click on "E-mail Our President" to send your thoughts to the top.

We want to hear from you, as well as provide a dynamic organization that meets the needs of its members. We want to be successful in promoting positive results on issues. If you think there should be some information on this page or issues addressed, please let us know.

We think you'll find that our Web site, www.iowaairports.org is one dynamic tool of communication and information flow. Please help us by using it and asking for the information you need if it is not shown. If it is of interest to you, it may be of interest to others.

AIRPORTS RECEPTION

Please join us for the Iowa Public Airports Association (IPAA)

DAY ON THE HILL
Wednesday, March 14, 2007
11:45 a.m. – 1:00 p.m.
Room 116

"Concrete" sundaes provided by the Iowa Concrete Paving Association.

"Concrete" Sundaes Served

Representatives from Iowa airports, the Iowa Concrete Paving Association (ICPA), and the Aircraft Owners and Pilots Association (AOPA) will be available to discuss aviation issues.



We wish to thank the following companies for supporting our efforts to publish this newsletter.



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2007 IPAA STATE LEGISLATIVE PRIORITIES

APPROPRIATE ALL AVIATION TAXES/FEE'S IN NEWLY CREATED AVIATION TRUST FUND:

Beginning in FY 2008, revenues from aviation fuel taxes and aircraft registration fees will be deposited into the State Aviation Fund. The legislation states that 50% be deposited into the State Aviation Trust Fund in FY 2008, and then 100% will be deposited in FY 2009. IPAA thanks legislators for this important legislation passed in the 2006 session and encourages full appropriation of available funds for airport improvement programs. In addition, IPAA encourages the legislature to create legislation which

also directs the deposit of use taxes collected from aircraft sales into the State Aviation Fund for reinvestment into Iowa's air transportation system.

VERTICAL INFRASTRUCTURE FUNDING:

Maintain Commercial Service Vertical Infrastructure funding at \$1.5M, General Aviation Vertical Infrastructure funding at \$750,000 for land side development, and \$564,000 for air side projects at public-owned, public-use airports in Iowa.

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.

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