



*A MEMBERSHIP ORGANIZATION
REPRESENTING PUBLIC-OWNED
AIRPORTS IN THE STATE OF IOWA*

IPAA Federal Legislative Priorities 2020

Although the FAA Reauthorization process is complete, IPAA encourages increasing spending levels through the appropriation process for the Airport Improvement Program (AIP), Essential Air Service, Small Community Air Service Development Grants, Contract Tower Program, and other programs that safely operate, develop, and maintain facilities at airports around the country.

Airport Improvement Program:

Congress authorized \$3.35 billion for AIP in FY20 and another \$1 billion in supplemental AIP finding for projects at airports smaller than large hub airports.

Airport Improvement Program Requested Actions

- As Congress continues to consider the Fiscal Year 2020 Department of Transportation spending bill, we urge lawmakers to help airports finance critical infrastructure by fully funding the AIP program.
- Fund the traditional AIP program to provide \$3.35 billion in 2020.
 - These monies already collected and deposited in the Airport and Airway Trust Fund, we must protect these funds and budget from Sequestration or FAA Operating uses.
- We also urge Congress to appropriate at least \$500 million in supplemental AIP funding in FY20 – the same amount that Congress approved in Fiscal Year 2019,
- Continue to fully fund the Non-Primary Entitlement for General Aviation airports.

Passenger Facility Charge:

These FAA authorized funds are levied and collected locally and are used to construct runways, taxiways, terminals, security improvements, and many other items travelers encounter daily. The current collection amount of \$4.50 per passenger and is not indexed to inflation which restricts the amount of money available for large capital projects. Since the PFC came into existence in 1990, it has had **only one increase** to its current amount. In the meantime, construction costs have more than tripled.

Passenger Facility Charge Requested Action

- We urge lawmakers to adjust the outdated federal cap on local PFCs, increasing the cap to \$8.50 and indexing it to inflation.
 - Increasing the PFC to \$8.50 and indexing it to inflation would ensure long term funding viability for even the smallest of commercial service airports.
 - Allowing these funds to be used for revenue generating items like parking lots, airline offices, etc. would significantly reduce the impact on smaller airports, their tenants, and their sponsors.

Essential Air Service:

There are 174 communities nationwide receiving EAS subsidized air service, including four in Iowa (Burlington, Fort Dodge, Mason City, and Waterloo). IPAA strongly supports fully funding the Essential Air Service Program and elimination of the Public Law No. 112-95 restrictions on airport eligibility to participate.

Essential Air Service Requested Action

- We urge Congress to fully fund the EAS program in the FY20 DOT spending bill.

Contract Tower Program:

Compromises in public safety services like Air Traffic Control (ATC) is never to be used to protect the FAA administrative structure. ATC cuts should be the last option on the table, not the first. In 2013, 251 public use airports were identified for tower closures. Dubuque is Iowa's only contract tower, yet it's the 2nd busiest airport in Iowa, as measured by aircraft operations, and 3rd busiest in the three-state region of Iowa, Wisconsin, and Illinois. Dubuque's air traffic consists of a mix of airlines, corporate jets, helicopters, flight training, and military aircraft all maneuvering at different altitudes, speeds, and flight regimes. Any proposal to eliminate ATC services is unacceptable.

Contract Tower Program Requested Action

- Safety and common-sense dictates continued funding of the ATC program and the contract tower program or restoration of FAA staffing of these facilities. Funding is NOT to be provided by reducing AIP Discretionary funds to airports. We urge Congress to fully fund the Contract Tower program in the FY20 DOT spending bill.

Small Community Air Service Development Program:

The U.S. Department of Transportation manages the Small Community Air Service Development Program. This program helps small and non-hub airports with monetary support of airline and air service recruitment endeavors. The Department of Transportation's grant application has very restrictive guidelines, which limit airport participation to one-time projects. If those methods work to attract one carrier, you may not seek a grant to offer the same incentives to another carrier. Eliminating that restriction would allow communities to implement previously viable methods for recruiting new/expanded air service.

Small Community Air Service Development Program Requested Action

- We urge Congress to appropriate \$10 million for the Small Community Air Service Development program during consideration of the FY20 DOT spending bill. This is the same amount that Congress recently approved as part of the FAA reauthorization bill.

National Aviation Workforce Shortage

The national aviation workforce shortage is a very real threat to every airport and community within Iowa. In total, 76-percent of Iowa's air service is on a regional airline. The regional airline industry is the primary hiring source for new pilots by the major air carriers. All segments of Iowa's aviation system and, therefore, our communities are feeling the negative economic consequences of the workforce shortage.

By 2026, Iowa's annual economic loss due just to the pilot shortage will top \$741 million and 7,000 jobs. The 10-year cumulative loss to Iowa's economy is \$3.9 billion (data from "A Man-Made Disaster" by Flightpath Economics).

Aviation Workforce Requested Actions:

- Appropriate the \$5 million dollars for the established of a grant program for aviation workforce training.
- **Lower financial barriers to the profession:** Improve financial support for pilot training by expanding federal student loan coverage, establishing loan forgiveness programs, providing for student loan deferment while students complete qualification requirements, allowing accreditation reforms to flight schools to receive federal financial aid, protecting and streamlining the GI Bill, and creating tax incentives for employer-based programs.
- **Increase pathways to required flight hours:** Encourage FAA to approve structured training pathways offered by certificated air carriers for credit toward pilot qualification when such programs *enhance safety*.
- **Modernizing pilot training:** Encourage FAA to evaluate new R-ATP pathways and provide credit for scenario-based, modern training methods, such as high-fidelity flight simulators.

IPAA is strongly opposed to:

Continued Diversion of Federal Taxes on Aviation Jet Fuel

IPAA strongly opposes the convoluted tax process of aviation jet fuel. Fuel taxes from the sale of jet fuel are currently credited to the Highway Trust Fund. In order for the taxes to be properly credited to the Airport and Airway Trust Fund, the fuel vendor or buyer must apply with the IRS for a refund of the tax, and only then are the funds transferred to the Airport and Airway Trust Fund.

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. The aviation community seriously questions if fuel tax fraud involving jet fuel and the trucking industry is occurring and has seen no statistical evidence to support those claims.

Taxes on Aviation Jet Fuel Requested Action:

- Deposit all jet fuel taxes into the Airport and Airway trust fund where they belong.