

Memorandum

To: Chair and Commissioners

Date: November 24 2008

From: Chris Kunze
Chair, Technical Advisory Committee on Aeronautics

File No: Reference # 4.10a

ACTION

Ref: Technical Advisory Committee on Aeronautics Report on Accomplishments

Issue:

Should the Commission accept from its Technical Advisory Committee on Aeronautics (TACA) its annual report on accomplishments?

Recommendation:

Staff recommends that the Commission accept TACA's report on its accomplishments and use it to develop the Commission's own annual report to the Legislature.

Background:

During 2008, TACA:

- Continued to recommend that the Commission support legislation dealing with the impacts from incompatible land use on airports.
- Continued to recommend that the Commission support legislation that would provide a stable funding source for the Aeronautics Account.
- Continued to focus on a comprehensive review of the role and responsibilities of the Caltrans Division of Aeronautics and the funding sources from state programs related to aviation.
- Recommended that the Commission approve an amendment to the 2007 Capital improvement Plan (CIP), which the Commission approved at its May 2008 meeting.
- Recommended that the Commission retain a match rate of 10% that local agencies must provide to obtain State funds for Acquisition and Development projects. The Commission adopted TACA's recommendation at its June meeting.
- Recommended that the Commission continue the Airport Improvement Program (AIP Match) rate of 2.5 percent by the State, which, in turn, increased the local match for federal grants. The Commission adopted TACA's recommendation at its June meeting.

- Considered and tracked several bills regarding:
 - airport land use commissions (SB 1118);
 - the reporting of flight delays and runway incursions (AB 1407);
 - minor administrative changes in the San Diego Regional Airport Authority (SB 1510);
 - fractionally owned aircraft taxation (AB 3080);
 - regulation of hot air balloons (SB 911); and
 - operational restrictions at Santa Monica Airport (AJR 37).
- Actively supported SB 1118 through letters and testimony, which sought to update the California Public Utilities Code to solidify and strengthen airport land use law to preclude and prevent further incompatible land use around airports.
- Requested presentations from aviation entrepreneurs and experts to understand in more detail the impact of new aviation technology, both in terms of traffic management and new aircraft on California’s aviation system.
- Received briefings on NextGen air traffic control/routing equipment and protocols. The new technology when implemented will reduce fuel consumption, CO₂ and other emissions, and reduce flight times.
- Recommended to the Commission that it advise BT&H to set forth an action plan so that:
 - BT&H would provide its leadership in NextGen activities and sustainable air transportation,
 - BT&H would provide participation in the Alliance for Sustainable Air Transportation, and
 - California positions itself to be the nation’s next test bed for NextGen technologies
- Recommended that the State’s Airport CIP project list be amended, as appropriate, when FAA adds a project to its list of projects eligible for federal funding.
- Reviewed the California Airports Best Practices Guide, a joint venture by the Association of California Airports, FAA, and Division of Aeronautics, and recommended its wide distribution by the Division of Aeronautics to public use airports in the State.

2008 ACTIVITY AND ACCOMPLISHMENTS

Air Transportation

The Aeronautics Program comes from a 10-year Capital Improvement Plan comprised of a fiscally unconstrained list of projects from eligible airports. The Aeronautics Program, a biennial three-year program of projects, is fiscally constrained. The Aeronautics Account, which receives revenues from State general aviation fuel taxes, funds the Aeronautics Program. Funding from the Aeronautics Program, combined with local matching funds, is used to receive federal Airport Improvement program (AIP) grants and fund capital outlay projects at public-use airports through the Acquisition and Development (A&D) element of the California Aid to Airports Program (CAAP). The CAAP also includes a statutory annual credit grant program, which provides annual non-discretionary grants of \$10,000 for each general aviation airport in the State. Aeronautics Account funds are applied first to Caltrans aeronautics operations and the annual credit grant program. Any remaining funds are then available for the projects in the Aeronautics Program adopted by the Commission.

During the year, the Commission received advice from its Technical Advisory Committee (TACA) on Aeronautics regarding the Aeronautics Program and the matching ratios of the Aeronautics grant programs. The Commission adopted at its May meeting an amendment to the Capital Improvement Plan. In June 2008, the Commission retained a match rate of 10% that local agencies must provide to obtain State funds for Acquisition and Development projects. In the same month, the Commission also continued the reduced match rate of 2.5% for the Airport Improvement Program (AIP Match), which increased the local match required to qualify for federal grants. The reduction in the AIP matching rate will permit previously unfunded A&D non-safety projects to receive State funding.

The Commission also received advice from TACA on pending legislation. TACA members, representing their own organizations, also actively supported SB 1118 (Negrete McLeod), which the Commission supported.

Commission's Aviation Responsibilities

The Commission's primary responsibilities regarding aeronautics include:

- advising and assisting the Legislature and the Secretary of the Business, Transportation and Housing (BT&H) Agency in formulating and evaluating policies and plans for aeronautics programs;
- adopting the California Aviation System Plan (CASP); a comprehensive plan defining state policies and funding priorities for general aviation and commercial airports in California; and
- adopting and allocating funds under the biennial three-year Aeronautics Program, which directs the use of Aeronautics Account funds to:
 - provide a part of the local match required to receive Federal AIP grants; and
 - fund A&D capital outlay projects for airport rehabilitation, safety and capacity improvements at public-use airports.

Under Section 14506.5 of the California Government Code, the chairman of the California Transportation Commission appoints a Technical Advisory Committee on Aeronautics (TACA), after consultation with members of the aviation industry, airport operators, pilots, and other aviation interest groups and experts, as appropriate. TACA gives technical advice to the Commission on the full range of aviation issues considered by the Commission. The current membership of TACA includes representatives from airport businesses, aviation divisions of large companies, air cargo companies, pilots and aircraft owners, managers of commercial and rural airports, managers of operations at major commercial airports, a manager from a commercial air and spaceport, metropolitan and local planning organizations, and federal and state aviation agencies.

This statutorily mandated advisory committee lends its expertise to the Commission as the Commission carries out its responsibility in advising the Secretary of the BT&H Agency and the Legislature on State policies and plans for transportation programs in California. During 2008, TACA continued to focus on a comprehensive review of the role and responsibilities of the Division of Aeronautics of the Department of Transportation (Caltrans) and the funding sources for the various state programs related to aviation. TACA has been working with Caltrans, the BT&H Agency and the Legislature to develop potential stable revenue sources and to clarify roles and policies for the State in developing and maintaining California's aviation system.

The members of the Technical Advisory Committee on Aeronautics are:

- Michael Armstrong, Program Manager, Aviation Planning, Southern California Association of Governments
- Daniel Burkhart, Director of Regional Programs, National Business Aviation Association
- Peter Hill, Vice-Mayor, Rocklin City Council
- Jack Kemmerly, Director of California Operations, Exceptional Strategies, Inc.
- Chris Kunze, TACA Chairman, Acting Director, Long Beach Municipal Airport
- Harry A. Krug, Association of California Airports, Airport Manager, Colusa County Airport
- Robert Leonard, Assistant County Executive Officer, Sacramento County
- Mark F. Mispagel, Attorney/Consultant, Law Offices of Mark F. Mispagel
- John Pfeifer, Aircraft Owners and Pilots Association (AOPA), California Regional Representative
- Alexander Waters, Vice President of Business Development, KaiserAir, Inc.
- William T. Weil, Jr., TACA Vice-Chairman Mojave Air and Spaceport.
- Alex Wilcox, Principal, Jet Blue.
- John Chalker, California Transportation Commission, Commission liaison (until March 2008)
- Joseph Tavaglione, California Transportation Commission, Commission liaison (until March 2008)
- Carl Guardino, California Transportation Commission, Commission Liaison (from March 2008)
- Phil Tagami, California Transportation Commission, Commission Liaison (from March 2008)
- Gary Cathey, Acting Chief, Division of Aeronautics, California Department of Transportation, Ex Officio

Acquisition & Development Match Rate Unchanged

By statute, the Commission annually establishes a local matching rate between 10% and 50% that local agencies must meet to receive Acquisition and Development (A&D) grants. At its June meeting, based upon the Department's and TACA's advice, the Commission retained the 10 percent A&D local match requirement that it originally established in 1995. This action continues to ensure that the maximum number of airports participate in the Aeronautics Program. Further, a low match rate does not result in a small number of large grants because statute limits California Aid to Airports Program A&D Grants to a maximum of \$500,000 per airport per year.

AIP Match Rate Reduced

The Commission retained last year's AIP state match rate of 2.5 percent at its June 2008 meeting. The local jurisdictions agreed to provide a higher local match rate for federal funds. This reduced state match rate help free up State funds that will allow the Commission to fund A&D projects that were previously unfunded.

Legislation

The Commission advises and assists the Legislature and the Secretary of the BT&H Agency in formulating and evaluating policies and plans for aeronautics programs. The Commission is concerned about the shifting of Aeronautics Account funds to the General Fund. In fact, the Commission focused over the last few years on the need to establish a stable funding source and for additional funding to allow more capital improvements for general aviation. TACA recommended legislation to make the Aeronautics Account a stable revenue source. The suggested legislation would prohibit permanent transfer of funds from the Aeronautics Account to the General Fund. Under the suggested legislation, the State shall repay all transfers, as if they were loans, with interest at a specified future date.

The Commission is also concerned about the impacts from incompatible land use around airports and recommended that the Legislature take action on this issue. For several years, the Commission has included in its Annual Report the recommendation to work with representatives of the Business, Transportation and Housing Agency and the Department to: "...update, as necessary, the California Public Utilities Code sections 21670 through 21679 to further solidify and strengthen airport land use law to preclude and prevent incompatible land use around airports." In late 2007 and early 2008, several TACA members, representing their respective organizations, and Commission staff met with several legislative staffs regarding the Commission recommendation.

On January 24, 2008, Senator Gloria Negrete McLeod introduced SB 1118: Airports: airport land use commissions. The bill was sponsored by the Aircraft Owners and Pilots Association and strongly supported by the Association of California Airports, the Southwest Chapter of the American Association of Airport Executives, the California Pilots Association, and the National Business Aviation Association, as well as a number of smaller associations. The bill proposed the elimination of exemptions from the requirement that all counties with public use airports establish countywide Airport Land Use Commissions and the elimination of certain alternative processes to countywide Airport Land Use Commissions. Primary opposition to the bill came from the County of San Bernardino and the City of Watsonville, neither of which are in compliance with current code.

The bill passed in the Senate May 1 (32-1) and was sent to the Assembly Rules Committee for assignment. The bill passed the Assembly Local Government (policy) and Appropriations (fiscal)

Committees. During the Assembly process, significant controversy developed regarding a current lawsuit between the Watsonville Pilots Association and the City of Watsonville over the city's general plan and compliance with the current Aeronautics Code and the California Environmental Quality Act. Many members of the Assembly reportedly took the position that the Assembly Member representing the Watsonville area should be given the opportunity to work out a local solution and that passage of SB 1118 would negatively impact the ability to accomplish a local solution. The bill failed in the Assembly on August 14, 2008 on a vote of 27 ayes, 25 noes, and 28 abstentions. The bill was granted reconsideration; however, it was not brought up again and was placed on the inactive file on August 30, where the bill died with the end of the regular legislative session.