

POLICY STATEMENT PS-1-06
TITLE: PRINCIPLES FOR FAA/AIP REAUTHORIZATION

Aviation is a vital component of a balanced, multimodal transportation system, and is essential to each state's economy, tourism, and community development. Major challenges facing aviation today and in the future include congestion at major hubs, safety and security, and the development of airport infrastructure at rural and smaller airports. This requires a comprehensive strategy, which includes improving airport facilities as well as the national airspace system.

Congressional authorization of the Federal Aviation Administration and its programs as well as the tax mechanism that funds the Airport and Airways Trust Fund expires on September 30, 2007. Reauthorization of these programs should embody the following principles and policies:

- **Airport and Airways Trust Fund**

A dedicated aviation trust fund supported by aviation users should support the national air transportation system, including airports of national, state and local significance.

Over the short-term, the existing fuel tax based mechanism, which adds revenues to the Airport and Airway Trust, should be maintained, and the along with general fund contributions, continue to be used to finance airport and aviation system improvements. Over the longer term, Congress and the Administration should examine approaches to supplement the existing trust fund mechanism through improved efficiencies in FAA administration and distribution of funds as well as additional revenue streams necessary to ensure sufficient and stable funding will be available to meet future capacity needs.

- **Airport Improvement Program**

A multi-year Airport Improvement Program (AIP) must be reauthorized and continue to be funded through the existing revenue mechanism at the maximum levels that can be sustained by the Airport and Airway Trust Fund.

Congress must continue to guarantee that all revenue dedicated to the Airport and Airway Trust Fund is spent each year for its intended purpose and that there is continued commitment of federal general funds.

Congress should contribute general funds for FAA administration and operations and maintain AIP funds for exclusive use on airport infrastructure improvements as originally intended. A continuing contribution of general funds FAA operations is required in order to reflect the widespread economic benefits from nation's aviation system, which accrue to all Americans, regardless of whether they travel by air.

- **Innovative Finance**

Innovative financing methods, such as state infrastructure banks and state revolving loan programs, may provides states with supplemental funding to meet the need of smaller airports.

Congress should permit greater flexibility in the use of Passenger Facility Charges.

In order to make it more attractive for the private sector to participate in aviation infrastructure projects, Congress should reclassify tax-exempt private activity bond as public purpose airport assets and eliminate the Alternative Minimum Tax (AMT) penalty.

- **State Block Grant Program**

The State Block Grant Program, which has demonstrated its effectiveness, should be available for voluntary participation by all qualified states.

- **Essential Air Service Program/Small Community Air Service Development Program**

Congress and the Administration should maintain and fully fund the Essential Air Service and the Small Community Air Service Development Program

- **Freight**

Over the past five years, air freight has been the fastest growing segment of domestic freight movements in the United States, with respect to the total value of freight moved. Air freight is an essential component of the American cargo industry, and critical to U.S. commerce and industry.

- **Aviation Safety and Security**

Safety should be a prime consideration of all aviation programs. Aviation security is an issue of compelling national significance, and federal measures need to be taken to ensure that airport and in-flight operations are as secure as possible from terrorist threats and other security risks.

Congress and the Administration should provide sufficient funding to ensure implementation of adequate safety and security measures at commercial airports, and general aviation airports where risk exists, but should not divert funding from the user-based AIP program for federally mandated security projects which benefit all Americans.

Congress should adopt a risk-based (i.e., threat-based) system of air cargo inspection and screening rather than a universal program.

- **Environmental Process Improvements**

Congress should consider policies that identify airports in the federal system as essential public facilities and encourage protection of these transportation assets from incompatible land uses that may limit their ability to meet the demand for future air travel.

Congress should consider additional steps to expedite the environmental process while preserving all environmental protections.

Congress should clarify that state agencies with statewide jurisdiction over aviation – including, aviation agencies within State DOTs – can prepare EISs under FAA supervision, as allowed under NEPA Section 102(2)(D).