

Regional airlines have between 30 and 45 percent of all airline departures at 14 of the 20 busiest airports. That is a lot of departures, but it is not necessarily a lot of demand on airport infrastructure.

Airport Needs of Regional Airlines

Regional airlines may have significant ramp space requirements at many airports. It is desirable to have the airline departure lounges close to the aircraft to minimize the time required to move passengers from the terminal to the aircraft. One of the advantages in flying regional airlines is that the boarding process is considerably shorter than that of large jets. In many cases passengers can be boarded just 10 to 15 minutes before the scheduled departure time.

Regional airlines need to find solutions to the problems of ramp safety and weather protection when crossing ramps. Some regionals are now using nose-in parking to covered walkways, and one has developed an adapter to connect loading bridges with large turboprop aircraft. There continues to be a need for airlines and local airport authorities to cooperate in developing plans that provide a similar level of service to passengers flying to and from communities served by regional carriers.

Reaching Agreement

There is an immediate and a continuing need for airlines and airports to reach agreement on what needs to be done. Airports are an integral part of the aviation system. They are dependent on the success and fiscal health of the airlines that serve their communities. Decisions on airside and landside projects must have the agreement of those who produce the revenue, i.e., the airlines.

Passenger Facility Charges are something that regional carriers and airports have found little agreement on. RAA members objected to PFCs when they were first proposed and continue to resist the imposition of this tax and the requirement that airlines collect it. Regional airlines will continue to participate in the deliberative process as PFC-funded programs are proposed, however it is a time-consuming and difficult task for many regional carriers.

On the other hand, we have had agreement with the smaller airports on how to address the issue of previously uncertificated airports now served by FAR Part 121 aircraft. This is the Part 139 issue, and the difficulty lies in determining which elements of Part 139 should be applied to airports that receive service from aircraft with 10 to 30 passenger seats. This has been a very constructive and reasonable dialogue between airport and airline representatives.

Few doubt that the mutual objectives of airports and regional airlines is to provide safe and convenient scheduled air service. The decisions are then limited only to agreeing on what achieves the desired level of safety and convenience at reasonable cost.

BUSINESS AVIATION PERSPECTIVES

John W. Olcott
National Business Aircraft Association

The National Business Aircraft Association (NBAA) represents companies that use general aviation for business transportation. NBAA member companies are economic leaders in our Nation. They have annual revenues of in excess of \$4 trillion and employ over 16 million people. They are the most active users of business aviation in the world. The last year they purchased close to \$1 billion in airline tickets. The bottom line is that they need transportation. Business aircraft are major users of the Nation's air transport system.

Today we have heard from several representatives of the aviation community: major airlines, regional airlines, commercial service airports (large and small), and now the more sophisticated end of general aviation (GA) airports. NBAA members use airports of all sizes throughout the system as destination points and connecting nodes, and each is important. The 29 major hub airports are extremely important, but NBAA members do not use these airports very much. At the top five airports in terms of airline activity, general aviation represents less than five percent of the operations, and this activity is spread throughout the whole day. At the top 20 air carrier airports, GA represents less than 10 percent of all traffic. On the other hand, at the top 20 GA airports scheduled air carriers represent almost none of the total activity.

The airlines (major carriers and regional operators) serve approximately 550 airports in the contiguous United States, but 75 percent of all airline passenger emplanements are concentrated at 55 major locations. The business aviation community serves 5,500 airports—ten times the number with any type airline service and 100 times the number with convenient and frequent commercial service. Walter Coleman of the Regional Airline Association pointed out with great and justifiable pride that you can reach any place in the United States with two stops on a commercial carrier. Business aviation can reach any place in the United States with direct (nonstop) flights. In fact, a NBAA member-company airplane flew from Tokyo to Teeterboro nonstop yesterday. The capability of the business aviation community is indeed great, and a very important part of the Nation's air transport system.

We are here today to address the Nation's air transport system, a vital enabling technology for meeting

national economic and social objectives. Transportation has always driven the economy, and it will do so in the future. In fact, as we are about to enter the 21st century, The Nation's economic strength will be as important, and perhaps more important, than its military strength. That is a position that was well-expressed in the statement of Secretary of Commerce Mickey Kanter to President Clinton in a Commerce Department report issued last summer.

Who should be responsible for the development and maintenance of the air transport system? Obviously the beneficiaries should be responsible for the funding of the system. The question is, who are the beneficiaries? Are they the direct users of the system? Yes. But there are many nondirect users of the system and many beneficiaries who never fly on one of the ATA member companies' aircraft, never fly on a regional airliner, and never fly in GA aircraft. Property values are higher where there is good transportation. Grandparents can see their grandchildren because they can fly on low-cost air carriers. Three thousand people can be employed in a little town of 4,000 because that town is linked to the rest of the Nation through a GA airport.

Air transportation is clearly vital to serve the needs of the nonusers, but it is also vital to serve the needs of the Federal Government. Today's debate is driven by the need to balance the budget. The most effective way of balancing the budget is to have a strong economy. The deficit was less than anticipated last year because the economy was better than anticipated. There was an article in the Washington Post (April 14, 1997) on how the deficit is lower than people had hoped for because the economy is stronger. In the final analysis the government benefits significantly from the air transportation system. Data from a 1993 study by Wilbur Smith indicated that air transportation in the early 1990s contributed \$771 billion annually to the national economy. A conservative estimate of tax revenues from the economic activity stimulated by aviation is about \$30 billion dollars—10 to 15 times the amount of investment that the Federal Government puts into the air transportation system. If the Federal Government walks away from its responsibilities for air transportation, it will be the loser, and our Nation will be the loser.

There needs to be a partnership among all components of the air transport system—major airlines, regional carriers, general aviation, large airports, small airports, and the Federal Government. The air transport system, especially airports, must be sustained and modernized. We must move forward collectively to solve the problems of air transport growth and development and make sure that we do not end up with a second-rate air transport system as we move into the 21st century.

STATE AVIATION AGENCIES

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This presentation covers the following topics: background on state aviation agencies nationwide, airport system components, statewide aviation system planning, diversity of these plans by state, airport capital improvement plans, States' airport development needs, comments on other needs assessments presented today, and finally, recommendations and conclusions.

Background

All 50 states, Guam, and Puerto Rico have state aviation agencies. All are members of the National Association of State Aviation Officials (NASAO). Four states are represented at today's meeting: Minnesota, Maryland, New Jersey, and Virginia. All states have statewide aviation system plans and airport capital improvement plans. Half of the states have prepared aviation economic impact studies. About ten percent of the states own and operate their own airports.

State aviation agencies are involved in a variety of funding programs. Forty-seven states provide a matching share for projects funded under the Airport Improvement Program (AIP). In addition, 12 states have their own aviation loan programs, and 20 states fund maintenance and navigational aid programs. States spend between \$450 and \$500 million annually on airport development. Twenty percent of those funds are used to match federal AIP grants; the remaining 80 percent goes for state-only grants and loans. The funding is provided for a variety of projects, including planning, construction, maintenance, land acquisition, and nav aids. NASAO publishes a report annually titled *State Aviation Database* which includes data on each state's aviation programs and related financial information.

Specifically, in fiscal year (FY) 1995, states spent \$450 million on airport development. This funding was distributed to all categories of airports across the country. Of the \$450 million, a total of \$360 million was distributed as "state-only" funds, the bulk of which are allocated to funding projects at primary hub airports. A total of about \$235 million. In FY 1995, state-only funds were distributed to general aviation airports (\$73 million), reliever airports (\$22 million), nonprimary commercial service (\$7 million), and primary nonhub (\$23 million).

A look at the history of state apportionment funding for general aviation airports under AIP shows a substantial decline. In FY 1992, when AIP was at the \$1.9 billion