



OKLAHOMA AERONAUTICS COMMISSION POSITION REGARDING FAA REAUTHORIZATION

In FY '06, Oklahoma received a federal investment of \$22.5 million for its 100 federally designated general aviation airports. This money was invested through the FAA Airport Improvement Program, authorized by VISION 100, the current FAA Reauthorization, set to expire at the end of FY '07. This funding is critical to the safe and efficient air transportation system Oklahoma must have to meet the needs of commerce and communities across our state. It, along with additional federal funding under VISION 100 and AIR-21 (the FAA Reauthorization before VISION 100, effective FY 2001-2004), has allowed Oklahoma to address needs in our aviation system that had been neglected for years. In 2000, just prior to AIR-21, Oklahoma received only \$5 million in federal funds for *all 100* general aviation airports.

Much of this funding has been invested through the Non-Primary/General Aviation Entitlement Program (NPE). Of the \$22.5 million investment in FY '06, \$13.8 million was through NPE. All 100 of these airports are receiving NPE grants and the vast majority are receiving the maximum annual amount of \$150,000. NPE has been truly wonderful for the Oklahoma Airport System—particularly airports in non-metropolitan areas. It has allowed us to do what was impossible just seven years ago.

Under the Administration/FAA proposal for FAA Reauthorization, **Oklahoma would lose at least \$6.5 million because 44 of the 100 general aviation airports would no longer receive federal funding, and 34 would receive \$100,000 instead of \$150,000.** We cannot afford to lose this money for our Airport System.

The title of the FAA proposal for Reauthorization is the "*Next Generation Air Transportation System Financing Reform Act of 2007.*" As the title suggests and the rhetoric leading up to the release of this proposal certainly indicated, the premise for this proposal is that the funding mechanism in place to fund our air transportation system is broken and will be inadequate to pay for the modernization of the system. The facts simply do not support that premise. The Congressional Budget Office testified last fall that if everything simply stays the same (i.e., the current ticket taxes and aviation fuel taxes), there will be a \$19 billion surplus in the Airport and Airway Trust fund by 2010. Former Transportation Department Inspector General Ken Meade has said much the same, that the revenue sources for the trust fund do not need to be changed and there will be plenty of revenue in the trust fund to pay for the modernization of the system. Add to this that the current funding mechanism has also stood the test of time, almost four decades, and you must reach the conclusion

that there is no reason to abandon a funding methodology that has worked in exchange for a system that will result in less money, less investment in our national air transportation system and, apparently, the incurring of debt to pay for modernization.

The FAA's proposal looks like a solution in search of a problem. The appropriate response to such an illogical proposition unsupported by the facts is "if it ain't broke, don't fix it." That seems to work well for the average Oklahoman and we think it applies here, too.

The FAA proposal also provides for user fees, an almost 400 percent increase in the aviation fuel tax on general aviation and a new 13-member board to govern the air transportation system in place of Congress. And, keep in mind that all this change and it still yields less than the current funding mechanism, the appeal of which is magnified by its simplicity and ease of collection (contrast this to a user fee approach that would require the creation of a separate bureaucracy which would divert money away from the system just to collect these fees).

All of these features would be very harmful to general aviation. That would appear to be ill-advised when we know from national studies that business after business says that the reason it located or expanded in a particular community was close proximity to a good general aviation airport. Such airports are the gateways to the world for communities, and this is particularly true in Oklahoma. Whether its ConocoPhillips in Bartlesville with 2,600 employees, Koch Industries in Muskogee with 1,500 employees, Seaboard Foods with 4,000 employees in Guymon, Tyson Foods with 1,200 employees in Idabel, the Chickasaw Nation with 2,000 employees in Ada, Michelin with 2,000 employees in Ardmore, Love's Country Stores in OKC with 1,500 employees or Unit Drilling in Tulsa with 3,000 employees, all cite convenient access to a general aviation airport with a 5,000 foot runway as a significant reason for their location or expansion in that community.

The funding mechanism that has been in place for almost 40 years has resulted in the finest, safest and most efficient air transportation system on the planet. It is the model for other countries. Do not throw something away that has worked well and will yield more revenue and a larger investment in our system for a proposal that yields less and would result in less of an investment in that system. **If it ain't broke, don't fix it.**