



AACA partners with national and Alaskan groups to advocate for passage of wise federal and state regulations that affect the aviation community. Following are a few of the issues we addressed in 2008 and priorities for 2009.

2008 Legislative Work

TITLE 17 RURAL AIRPORT LEASE RATES

In direct response to a formal petition from AACCA, a moratorium on drastic rate increases was declared, public hearings were held, and lease rates were reduced from original proposals of increases up to 800%. Final increases to aviation users will be 4% January 2011 and 4% January 2013 up to, but not to exceed, fair market value. Increases to non-aviation users will be 8% annually until fair market values are reached for each airport.

DETERIORATION OF AIRPORTS THROUGHOUT ALASKA

Deferred maintenance on airports in Alaska has grown to over \$96 million dollars. Over 180 communities rely solely on air transportation as their lifeline for food, supplies, medical support, and emergency response. AACCA is concerned because the deterioration of runway and taxiway surfaces continues to increase the risk to aircraft and crews, and threatens the safety of many Alaskan communities.

NOTAM SYSTEM IMPROVEMENT

Representatives from the DOT&PF Statewide Aviation, the FAA, and the aviation community have met and will be working to clarify the current system and identify areas for improvement and movement towards a responsive, accurate process. It is the desire of all participants to provide the safest possible environment for aviation transportation in the State of Alaska.

CAPSTONE LOAN PROGRAM

The State of Alaska Capstone Revolving Loan Program was signed into law in April 2008. The FAA's progress in providing new WAAS GPS instrument procedures in Alaska has created a present benefit of increased access. Consequently, operators who want to install WAAS units (which usually include MFDs) will be able to use the Capstone Loan Program now, and can equip with the ADS-B complete system at a later time after release of the FAA final rulemaking.

ADS-B INFRASTRUCTURE DEPLOYMENT IN ALASKA

AACA is working with local and national aviation groups to modify the current installation agreement and also to

- Insist that the FAA continue with the Alaska Statewide ADS-B ground infrastructure deployment on the original schedule or accelerate the schedule,
- Urge FAA to finalize the ADS-B avionics performance standards needed to receive services in the National Airspace System, and
- Urge the FAA to continue and to expand the GPS/WAAS area navigation implementation in Alaska to provide safer access to all flying passengers.

USPS POSTAL HUB DESIGNATIONS

Seven years ago, the USPS Rural Services Improvement Act (RSIA) 2002 was established, and a number of Alaskan mail-only air carriers went out of business as a result of changes impacting carrier qualifications to transport bypass mail. Bypass mail is unique to Alaska, with shipments originating in Anchorage and Fairbanks. The USPS is working on intra-Alaska postal hub expansion further into bush Alaska. While the designation of these proposed new hubs is conceived to reduce USPS financial losses, the full impacts upon the aviation industry and the State of Alaska budget must be considered. We conclude that the cost of building and maintaining infrastructure, and requisite safety compromises, far outweigh the monetary savings to the USPS by initiating hub expansion in Alaska.

FUNDING FOR THE MEDALLION FOUNDATION

The Medallion Foundation's mission is to reduce aviation accidents in Alaska by fostering a new safety culture and by promoting higher safety standards through research, education, auditing and advocacy. Sustaining the Medallion Foundation is vital to ensure positive impacts on aviation safety in the State of Alaska and the U.S.



2009 Legislative Priorities

STATE

AIAS Fee Increases (Alaska International Airports System)

BACKGROUND:

The AIAS, consisting of the Ted Stevens Anchorage (ANC) and Fairbanks (FAI) International Airports must cover costs rather than rely on state funds. Revenue predictions indicate a 20 percent decrease this year. Cargo traffic between Asia and the Lower 48 has slowed since late 2007.

ISSUE:

The DOT&PF intends to modify certain fees for AIAS, which will become effective July 1, 2009, for AIAS users. New landing fees will not affect aircraft of less than 6,000 pounds Certificated Maximum Gross Takeoff Weight.

Specific rates and charges are proposed, with other previously established rates and charges applicable to the AIAS remaining unchanged. Copies of the proposed rates and fees schedule are available from Keith Day, Controller, Alaska International Airports System (address below), telephone 907 266-2404.

ACTION:

All carriers should review the printed document to determine impacts upon your operations and submit comments as appropriate. Please copy AACOA with your comments so that they may be incorporated into our Association response. Submit written statements or comments to Keith Day, Controller, Alaska International Airports System, P.O. Box 196960, Anchorage, Alaska 99519-6960, or deliver to Room C-3588, South Terminal, Ted Stevens Anchorage International Airport. Comments must be received no later than 4:30 p.m., June 30, 2009.

Government Aircraft in Competition with Private Commercial Carriers

BACKGROUND:

Since formation, AACOA has been dealing with the issue of State and federally owned aircraft operating in competition with the private sector, and we continue to investigate new aircraft uses in the State. Currently under investigation is the use of aircraft on the North Slope and in Katmai National Park. In Katmai a deHavilland Beaver has been purchased for Park personnel use, replacing a Cessna 206. The Beaver will assume work that has been provided by local air carriers. For decades the Minerals Management Service has conducted environmental studies off the coast of Alaska, using commercial operators. Two years ago, MMS contracted with NOAA to continue the surveys without putting the contract back out to bid to the private sector.

ISSUE:

Government agencies are required to conduct a thorough cost benefit analysis for any aviation services. While they are regulated under USC Title 43, Chapter 29, Subchapter III, Section 1346, Paragraph F to work with the Department of Commerce for aircraft services, they are also required under OMB Circular A-76 to make a determination in regards to competition with commercial service providers. Government summarization of the Circular states:

- Per OMB Circular A-76 an "Inherently Governmental (IG) function" must be so intimately related to the public interest as to mandate performance by Government employees.
 - Exercise of Sovereign Government Authority
 - "Sovereign" defined as supreme, superior, & independent
 - Exercising ultimate control
 - Substantial, extensive, & independent discretion
 - Has final signature authority
 - Establishment of procedures & processes related to oversight of monetary transactions or entitlements
- **All other activities are considered Commercial Activities (CA).**



Medallion Foundation Funding

BACKGROUND:

The mission of the Medallion Foundation is to reduce aviation accidents in Alaska by fostering a new safety culture and promoting higher safety standards through research, education, auditing and advocacy.

ISSUE:

Sustaining the Medallion Foundation is vital to ensure positive impacts on aviation safety. The thirty-six Alaska air carriers currently in the Medallion safety program serve 100% of the communities in Alaska. Their voluntary participation in the Medallion safety program results in a higher level of air safety for all of Alaska's communities and for our residents who fly on these carriers. Continued work of the Foundation will allow the participation of more air carriers and continued improvements in aviation safety for the citizens of Alaska.

Military Operations: Army Stationing & Training of Increased Aviation Assets

BACKGROUND:

The U.S. Department of the Army is evaluating the Army's proposed action in the context of two separate action alternatives. The action alternatives include training-related and construction-related activities required for augmentation of existing aviation units in Alaska. Under the action alternatives, the existing aviation units and aviation assets would be reorganized to support local integrated training on Army training lands in Alaska as either an Aviation Task Force stationed only at Fort Wainwright or as a Combat Aviation Brigade split-stationed between Fort Wainwright, Fort Richardson, and Eielson Air Force Base.

ACTION:

Public meetings were held in May 2009 at Anchorage, Fairbanks and Delta Junction. Please review the printed document to determine impacts upon your operations and submit comments as appropriate prior to June 22, 2009. Please copy AACA with your comments so that they may be incorporated into our Association response to the Draft Environmental Impact Statement.

The printed document may be reviewed at the Alaska Resources Library & Information Services (ARLIS), Alaska State Library, Delta Community Library, Fairbanks North Star Borough Public Library (North Pole Branch), Fairbanks North Star Borough Public Library (Noel Wien Library), U.S. Department of the Interior Library (Office of the Regional Solicitor), and the U.S. Department of the Interior Library (Office of Environmental Policy and Compliance). An electronic version of the Draft EIS may be downloaded from the U.S. Army Garrison Alaska Conservation website at <http://www.usarak.army.mil/conservation/> or may be requested from AACA at 907 277-0071. For questions you may contact Ms. Carrie McEnteer of the U.S. Army at 907 361-9507.

Military Operations: Delta MOA

BACKGROUND:

The US Air Force proposes to improve required training for Major Flying Exercises (MFEs) by charting the Delta MOA Complex. MFEs would activate the proposed MOA in two-week intervals up to a maximum of 60 days per year for a maximum of 2.5 hours twice a weekday, with three hours between exercises daily.

The proposed action would establish expanded contiguous airspace to provide a realistic setting for these exercises. The Delta corridor separates the Yukon MOAs from Ranges R-2202, R-2205, and R-2211 and the Fox and Eielson MOAs, requiring military aircraft to transition the corridor by climbing above 18,000 feet or funneling through the low-level Birch or Buffalo MOAs. The abrupt and segmented changes in altitude associated with the current MOA structure introduce pilot concerns about the boundary of airspace and artificially constrain realistic threat-avoidance and attack run-in training.

ISSUE

AACA believes there are better solutions and multiple alternatives to both provide the Air Force with desired airspace connection and still insure aviation safety and community access to vital air support.



- Forcing IFR traffic into VFR at low altitudes along a major corridor utilized by slow moving aircraft (many not equipped with radios), numerous tourist aircraft not familiar with the area, and prevalent high winds with turbulence will be a significant safety impact.
- The proposed MOA would shut off access to V-444, a major east-west route and the only viable instrument service route for support to communities in Eastern Alaska.
- The Air Force findings state that, “Medevac, fire survey, firefighting, or emergency flights would be given priority.” Yet, during Delta TMOA activity in past years, delays have occurred to medevac service despite the promised “priority” classification. As proposed, the MOA could have a negative impact on emergency medical air service and air commerce to the communities of the Upper Tanana Valley and the Delta Junction area.
- In addition, the proposed natural gas pipeline shall be placed through this corridor. Planning and construction will require frequent access by aircraft and will significantly increase air traffic.

FEDERAL

Aviation Infrastructure Spending

BACKGROUND:

The United States Congress allocated additional economic stimulus monies to be used for highway, bridge, railroad and aviation projects that had been put on hold due to lack of federal funding through appropriations and lack of state funding.

ISSUE:

Congressional leadership stated that the funding is to create millions of jobs, helping to boost the economy. The delay of the FAA Reauthorization Act of 2007 has halted aviation infrastructure projects that are not only essential to our airports’ ability to generate economic benefits, but also to the safety and security at our nation’s airports. Critical investments are needed to modernization our air traffic control system (NextGen). Aviation infrastructure should be a priority in the upcoming economic legislation, demonstrating Congress’ commitment to investing in America’s air transportation system.

User Fees

BACKGROUND:

The Transportation and Infrastructure Committee of the US House of Representatives approved the FAA Reauthorization Act of 2009 (HR 915) which did not include user fees for general aviation. The FAA budget-reauthorization act does not include user fees, but the administration has proposed a budget that would include user fees, and the Senate has not taken a stance on the issue. AACA believes the issue will arise once again and require a concerted effort by the aviation community to defeat.

ISSUE:

Commercial airline travel is the reason why the cost of air traffic control services continues to increase, and general and business aviation are incremental users of the system. Increasing the cost to non-scheduled operators will result in operators flying less frequently.

Large Aircraft Security Program:

BACKGROUND:

In October 2008, the Transportation Security Administration published a proposed rule that will govern operations for all aircraft weighing more than 12,500 pounds and require operators to implement an approved security program. The proposed rule, titled the Large Aircraft Security Program (LASP), combines a number of



security programs currently in place for general aviation, including the Twelve-Five Standard Security Program and would impose security programs on thousands of privately operated general aviation aircraft.

ISSUE:

AACA has serious concerns with the LASP proposed rule including the following provisions:

- The “one-size-fits-all” approach does not consider the markets it will severely impact, especially Alaska.
- Alaskan communities do not have the ability to issue picture ID.
- Most Alaskan communities do not have the capability or facilities for security operations.
- Prohibited items necessary for Alaskan living cannot be carried due to limited external cargo capacity.
- The financial burdens of compliance cannot be borne by Alaskan communities and aviation companies.
- FBI background check of pilots is unnecessary for owner-piloted aircraft.
- Passenger lists are required to be submitted for comparison to the terrorist watch list, threatening air medical flights and, thus, community safety.

FAA Reauthorization Legislation

BACKGROUND:

The strength of our national airspace system and its ability to meet future demands is dependent upon infrastructure. Congress must pass a comprehensive, long-term reauthorization bill that will help provide the resources necessary to enable our country to meet the current and growing demands being placed on the aviation system.

ISSUE:

AACA supports the following provisions contained within the FAA Reauthorization bills from the 110th Congress:

Repeal of the Fuel Fraud Provision: The 2005 Highway Bill contained a provision altering the collection method of fuel taxes for business and general aviation fuel providers, which has had a significant financial impact on the aviation industry and constitutes a *de facto* tax increase. When aviation fuel is purchased at 24.4 CPG, it is deposited into the Highway Trust Fund. Only when a fuel provider applies to the IRS for the 2.5 cents refund does the remaining 21.9 cents transfer from the Highway Trust Fund into the Airport and Airway Trust Fund. In many cases, an operator or fuel provider does not apply for a refund; therefore, the aviation trust fund receives no revenue from the sale of the aviation jet fuel. This policy has increased Highway Trust Fund revenues by hundreds of millions of dollars at the expense of the Airport and Airway Trust Fund.

Airports Providing Aviation Services: Congress must closely monitor government-run entities that attempt to compete with private industry at our nation’s airports. Aviation businesses such as fixed base operators are better equipped to provide aviation services at an airport, and the government must recognize that airport management should focus on fostering a competitive environment that will benefit air travel passengers.

Accelerating Implementation of Next Generation Air Transportation System (NextGen): Funding provided for NextGen in the FAA reauthorization bill will enable the agency to make critical upgrades to existing facilities and equipment and implement new technologies that will better define routes within the national airspace system, allowing more aircraft to travel within the airspace. Additionally, this technology will minimize the impact on the environment due to aircraft flying more direct routes, improving fuel efficiency and reducing CO2 emissions.

FAA Standardization of Regulatory Interpretations:

BACKGROUND:

One of the biggest burdens confronting the general aviation industry is varying interpretation of FAA regulations by the agency’s Regional, Aircraft Certification (ACOs) and Flight Standards District Offices (FSDOs). Currently, there are 9 FAA regions, 10 ACOs and more than 80 FSDOs that each issue approvals on a wide range of maintenance and operational requests made by regulated entities such as Part 135 on-demand charter operators, Part 145 repair stations, and Part 141 and 61 flight training facilities. These regulated entities are constantly challenged by regulatory interpretations that vary from one inspector within one FSDO or ACO to another and are estimated to cost general aviation businesses hundreds of millions of dollars annually when previously approved actions are subject to “re-interpretation.” Inconsistent and varying interpretations of compliance also demonstrate a shortcoming in the FAA’s ability to coordinate its workforce and ensure that the decision-making abilities vested in inspectors are respected across all divisions of the agency, impairing efforts to achieve a uniform safety standard



nationwide. NATA recently surveyed its members and found that eighty-nine percent felt that their businesses have suffered due to inconsistent interpretations within the FAA of federal regulations.

ISSUE:

A General Accounting Office report has been requested to review how inconsistent regulatory interpretations are costing the FAA and the aviation industry hundreds of millions of dollars in resources, while raising serious concerns about unified safety standards.

Emergency Suspension of Part 135 Certificates

BACKGROUND:

Over the past two years, the FAA has issued numerous emergency suspensions or revocation orders to Part 135 carriers. Inconsistent regulations within the agency have resulted in operator certificates being revoked, which later were ruled by the National Transportation Safety Board (NTSB) as unwarranted. Further, Part 135 carriers have received the ultimate penalty for operational infractions, while Part 121 counterparts are merely fined and permitted to operate although they were found to have knowingly operated in violation of safety requirements. For example, in May the FAA issued an emergency order of revocation to Air Trek, a Part 135 air charter operator. The appeal of FAA actions were heard by an NTSB law judge who determined there were only two valid regulatory violations out of 14 that were issued; both related to operations at a base Air Trek closed a year before the violations were issued. The judge also stated that the violations were not significant enough to warrant revocation of their certificate. Air Trek lost millions of dollars in revenue and incurred thousands of dollars in legal fees.

ISSUE:

A consistent, clear mechanism for compliance is essential to ensure actions taken against an operator aren't discriminatory. For example, the FAA has taken enforcement action against an operator when the operator's action in question was known to and approved by the operator's local FAA inspector. If the FAA continues to state that their inspector workforce acts with the authority of the Administrator, then an inspector's approval must be respected and relied upon as a defense by an operator.

In addition, under current law, the NTSB is required to defer to FAA interpretations of the law and regulations, which prevents the NTSB from exercising independent judgment in reviewing FAA enforcement. AACOA supports NATA efforts for language to be included in the next NTSB reauthorization legislation to state that the NTSB shall consider all valid interpretations of laws and regulations when conducting a hearing related to operator appeals to the FAA.

TSA Revised Requirements for Airport-Issued Identification

BACKGROUND:

The Transportation Security Administration (TSA) determined that to maintain effective security at airports, there was a need to revise the requirements regarding airport-issued ID, and the individuals who apply for or hold identification media at the airport. These revisions include identification verification, fingerprinting, criminal history records checks, and a Security Threat Assessment.

ISSUE:

The Aviation Security Directive (SD 1542-04-08F) was issued unilaterally without comment or input, with a June 1, 2009 compliance date. The Security Directive (SD) would require all persons accessing the Air Operations Area—thus all pilots and aircraft owners—to have an ID badge issued by the airport or be accompanied by someone who holds an ID badge. The pilot must also, then, hold an ID badge for any airport where he lands, or arrange to be accompanied to and from his plane by badge-carrying airport personnel.

- The SD was issued without due process, user/public comment, or a Notice of Proposed Rulemaking.
- The SD is considered "classified" and details are not available to the community for discussion.
- It is inconsistent and over-reaching. Other industries are not controlled under the same measurements (i.e., pickup drivers are not badged and monitored, yet they share the road with tractor-trailers over 12,500 gross weight.
- The financial burden upon airports and the businesses upon their premises is not justified.



Expedited Processing Of Employee Access Badges at Commercial Airports

BACKGROUND:

America's airline services providers continue to encounter inefficiencies in seeking to obtain identification and clearance for employees to access the secure area of commercial airports. Incidents over the last year at major commercial airports in the U.S. highlight the need for a uniform employee screening and identification process. Elimination of the endless bureaucracy and redundancy associated with applying for and obtaining the appropriate ID card for employees is vital.

Currently, no standardized process exists for the screening and approval of airport employees. Each airport authority is permitted to design and implement its own procedures for approving employees, with no required coordination between airports. Many airline services providers service commercial airline aircraft at a large number of airports across the country. The lack of standardization between airports for issuing secure credentials continues to increase the administrative costs for these service providers to hire and train new employees.

ISSUE:

Aviation groups are advocating for the Transportation Security Administration to implement a comprehensive, national policy governing the screening and credentialing of airport employees. A streamlined process for screening and badging airport employees will benefit all stakeholders in the aviation industry, and will ultimately move us closer to our goal of a seamless airport security operation.

Environmental Policy:

BACKGROUND:

As climate change becomes a priority for the Obama administration and the Congress, it is important to note the efforts of the general aviation community. The aviation industry is one of the fastest growing sectors of the economy and much attention has been focused on carbon dioxide emissions from aircraft.

ISSUE:

The FAA has projected that by 2025 the number of domestic enplanements will have doubled to 1,482 million per year. The environmental impact of air travel is increasingly important to consumers, which is why the aviation industry is collaborating to address this important issue prior to legislative mandates and control.