

**Before the Aviation Subcommittee
Committee on Transportation and Infrastructure
United States House of Representatives**

**AIRPORT FINANCING AND
DEVELOPMENT**

**Statement of
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Statement Highlights:

1. General Aviation (GA) airports play a critical role in the national transportation system. They serve as economic engines for their communities, centers of public benefit activities, and vital transportation links.
2. General Aviation airports rely on Airport Improvement Program (AIP) funds to execute a wide range of maintenance, expansion, and improvement projects that address safety, capacity, and environmental concerns.
3. The need for such projects is high and any discussion of airport financing should recognize the importance of maintaining at least the current level of commitment to providing federal airport funding.

The Aircraft Owners and Pilots Association (AOPA) has more than 350,000 members nationwide. As a not-for-profit individual membership organization, AOPA's mission is to effectively represent the interests of its members as aircraft owners and pilots concerning the economy, safety, utility, and popularity of flight in general aviation (GA) aircraft.

General Aviation airports play a critical role in the transportation system

As pilots flying in the United States, we are fortunate to have access to the safest and most efficient air transportation system in the world. The aviation network of 5,200 public-use airports, complemented by the more than 13,000 privately owned landing facilities is a unique national resource. General aviation is a significant economic engine that contributes approximately \$150 billion to the annual gross domestic product and approximately 1.2 million jobs in communities nationwide. Each year, 170 million passengers fly using personal aviation, the equivalent of one of the nation's major airlines.

In addition to directly creating jobs, general aviation airports attract businesses to the communities where they are located, delivering economic benefits far beyond the airport boundaries. They may serve as reliever airports in congested

metropolitan areas and offer aircraft, including airliners, a safe place to land in the event of an emergency.

America's airports are the true backbone of aviation, and without a robust airport network, aviation cannot continue to grow. It is important to note that all of the new technology and capabilities under discussion with NextGen will be underutilized unless pilots have a place to take off and land. America's GA airports foster air transportation and link many communities to our aviation system in ways that cannot be achieved by reliance on a few hundred primary airports.

Of the 3,330 airports included in the FAA's National Plan of Integrated Airport Systems (NPIAS), only 499 support scheduled commercial air service. For many other aviation needs, Americans rely on the other 2,563 public-use landing sites, which link America's vast rural expanses to the larger world.

GA airports support a wide range of other vital activities, including agriculture, law enforcement, emergency medical transport, firefighting, pipeline patrol, environmental monitoring, package delivery, and wildlife management.

A broad range of humanitarian and charitable activities also rely on general aviation airports. Small general aviation airports are frequently used to deliver humanitarian aid following natural disasters such as hurricanes or earthquakes. In addition, general aviation aircraft operating from small airports are routinely used by charities to connect wounded veterans to their families, bring patients to specialized medical care, and perform dozens of other charitable and humanitarian services.

General Aviation airports rely on AIP funds

Airports are as critical to the aviation transportation system as on- and off-ramps are to our federal highway system. Congress has wisely recognized that a federal aviation network is only possible by using tax revenues from various parts of the system for financial support. To illustrate how this is similar to other modes, if federal highways had been built in only those states that have contributed since

1956, the Interstate and U.S. highway system would exist in only 15 states! Drivers in Wisconsin, New Jersey, Tennessee, California, Missouri, Florida, Ohio, Georgia, Michigan, South Carolina, North Carolina, Oklahoma, Indiana and Texas have “subsidized” federal-aid highway construction in 35 other states and the District of Columbia.

AOPA strongly supports the financing approach of using the time-tested system of passenger transportation and aviation fuel taxes in combination with general fund tax revenues to support the FAA and the aviation system.

Funding for the Airport Improvement Program (AIP) comes from the FAA’s Airport and Airway Trust Fund, which receives revenues from a series of excise taxes paid by users of the national airspace system, including taxes on aviation fuels. The Trust Fund was designed to finance investments in the airport and airway system and, to the extent funds were available, cover the operating costs of the airway system as well. However, no general fund revenues are appropriated to support AIP.

The Airport Improvement Program provides grants to public agencies and, in some cases, to private airport owners for the planning and development of public-use airports that are included in the NPIAS developed by the FAA and submitted to Congress every two years.

AIP grants for planning, development, or noise compatibility projects may go to these federally identified public-use airports, including heliports and seaplane bases. For small primary, reliever, and general aviation airports, the grant covers 90 percent of eligible costs.

Projects eligible for AIP grants include improvements that enhance or improve airport safety, capacity, and security, or meet environmental concerns.

Without the assistance of federal funding, many small airports could not perform necessary maintenance projects to ensure runway safety, provide airport lighting, or offer essential facilities like hangars and tiedowns.

The need for infrastructure improvements is extensive

The FAA's most recent NPIAS Report to Congress indicates that America's airport infrastructure needs are significant. Over the five years from 2013 to 2017, the FAA estimates that airports will require some \$42.5 billion to meet all AIP-eligible infrastructure development demands, significantly more than the authorized level of AIP funding for that period. Despite the growing need, AIP funding remained at an annual level of roughly \$3.5 billion since fiscal year 2005 until it took a slight drop to \$3.35 billion. Based on these numbers, it is clear that the need and annual funding levels are out of balance, and all the while projects continue to manifest.

Maintaining at least the current funding level is vital

The passage in April 2000 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) introduced a new funding source for general aviation airports: non-primary entitlement. Non-primary entitlement funds are specifically for general aviation airports and 121 Non-primary Commercial Service airports listed in the latest published National Plan of Integrated Airports (NPIAS), that show needed airfield development. GA airports with an identified need are eligible to receive annually the lesser value of 20% of the 5-year cost of their current NPIAS value or \$150,000. A funding condition of non-primary entitlement is that Congress must appropriate \$3.2 billion or more in AIP for that fiscal year.

Because of the many services provided by general aviation airports, the high level of infrastructure needs, and the restrictions on non-primary entitlement, it is essential that the current level of AIP funding be maintained in any future airport funding plans.

Conclusion

In conclusion, general aviation airports play a vital role in the life of this nation. The need for infrastructure, safety, security, and environmental improvements is vast and continues to grow. General aviation airports rely heavily on AIP and non-

primary entitlement funds to make necessary improvements and maintain requisite levels of safety.

On behalf of the more than 350,000 members of AOPA, we appreciate your leadership in addressing the funding concerns of general aviation airports so our national transportation system can continue to serve the economic, social, and humanitarian needs of the nation.

Thank you for the opportunity to appear before this subcommittee.