



Committee on Transportation and Infrastructure
Subcommittee on Aviation

The Federal Aviation Administration's
Airport Improvement Program

Testimony of

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Chairman Costello, Congressman Petri and Members of the Subcommittee –

Thank you for the opportunity to address the Transportation and Infrastructure Committee's Aviation Subcommittee at such a highly critical time in the aviation industry. As your committee addresses and acts upon the reauthorization of the programs of the Federal Aviation Administration, we need to recognize that the Airport Improvement Program's administration and funding is critical to the growth of our nation's airports, airlines and local communities.

Our aviation system is faced with continuous systemic challenges, including environmental pressures (reducing noise impacts and aircraft emissions on local communities), air traffic constraints particularly in the larger metropolitan centers, emerging global markets such as China, the continuous threat of terrorist attacks, the instability of oil pricing and U.S. airlines struggling to redefine profitable business models. Together, these factors arguably present the most significant challenge to our nation's air transportation system ever experienced.

As the Executive Director and Chief Executive Officer of the Jacksonville Aviation Authority, it is my hope and intent to stress to the Aviation Subcommittee the critical sense of urgency to enhance and reauthorize the Airport Improvement Program. The Jacksonville Aviation Authority owns and operates four airports in northeast Florida. Our primary airport within our region is Jacksonville International Airport (JAX), which

serves as the regional commercial airport for northeast Florida and southeast Georgia. JAX is classified as a medium hub airport. In 2006, approximately six million passengers traveled through the airport. Supporting JAX are seven general aviation airports within the region accounting for 491,000 annual aircraft operations.

As one of the fastest growing regions in the United States, Northeast Florida relies heavily on the continued ability to expand and improve its aviation services and infrastructure. Currently, the Aviation Authority is engaged in multiple capital improvement programs that are supported by Passenger Facility Charges and Airport Improvement Program funding which will enhance both air and landside capacity. These programs represent approximately \$400 million in capital funding. The largest funding components of the capital improvements are related to aircraft apron areas, terminal expansion, and in-line hold baggage screening system enhancements.

Secondarily, the Aviation Authority is engaged in continued efforts to transition and improve Cecil Field from a military airfield to a civil general aviation airport. The Jacksonville Aviation Authority received title and operational responsibility of a significant portion of NAS Cecil Field in September 1999, through the 1993 Base Realignment and Closure Act (BRAC).

Due to tremendous population growth projected in this region over the next 10 years, it is anticipated that JAA's capital program will be in the half billion dollar range. The

following are examples of projects required over the next five years for which significant support is needed through various FAA grants and PFC dollars.

- Jacksonville International Airport
Terminal Modification of Course B
Construct & Rehab Course B Apron
Construct New Air Carrier Apron
Land Acquisition for New Runway
Comprehensive and Environmental Planning

- Cecil Field Airport
Construct Parallel Taxiway
Airport Roadway Rehab
Mid field Area Drainage Improvements
Construct Air Traffic Control Tower

- Craig Municipal Airport
Upgrade Airfield Righting & Signage
Design & Rehab Runway 5/23
Security Fencing
Comprehensive and Environment Planning

- Herlong Municipal Airport

Design and Construct 600 ft Extension Runway 7/25

Rehab Runway 11/29

Design and Construct Turf Runway TR/25L Taxiway System

Our total projected capital program funding needs over the next five years represents almost \$250 million, of which approximately \$75 million would qualify for FAA funding and \$40 million would be supported by PFC dollars.

The JAA believes it is extremely essential that these funding streams be maintained and enhanced in the context of the 2007 legislative reauthorization proceedings.

ISSUES FOR CONSIDERATION IN REAUTHORIZATION OF THE AIP

The Jacksonville Aviation Authority respectfully requests the committee's support for future growth of the national air transportation system by enhancing and reauthorizing the FAA Airport Improvement Program. Specifically, we urge the Aviation Subcommittee to support the following issues, all of which are essential in order for airports to be able to accommodate future growth and provide efficiencies in passenger and cargo service.

Increase Passenger Facility Charges (PFC)

We believe the maximum allowable PFC fee should be increased from \$4.50 to \$7.50. In addition, the FAA should have the ability to create an indexing formula that will allow for inflationary adjustments.

JAA also strongly supports revisions to update the guidelines that govern which projects qualify for PFC funding and how they are approved because the current process is too restrictive - in essence, streamlining the current application process that has become much too cumbersome and time consuming.

Local airport authorities need more latitude when making decisions on land acquisitions for future runways, creative capacity enhancement projects and noise/environmental abatement initiatives. The FAA's existing cookie - cutter approach to these types of local initiatives does not allow for the flexibility needed when dealing with unique issues at individual airports.

Maintain Airport Improvement Program Funding

Airport Improvement Program (AIP) grants from the FAA are the cornerstone of capital improvement funding at public-use airports. We strongly support the proposal to simplify the AIP funding request structure. However, we have serious concerns about the Administration's almost \$1 billion proposed cut in the AIP authorization level.

This major cut will severely impact the AIP Discretionary Program and limit the resources available for letters-of-intent (LOI) for large capacity projects which are vital to the national air transportation system. It is almost certain that large and medium-hub airports will lose their passenger entitlements under the Administration's proposal. These airports are dependent on LOIs and discretionary grants to fund needed improvements and capacity projects.

Continue the Military Airport Program (MAP)

Reauthorization of the Military Airport Program (MAP) is essential to those communities which have been given the responsibility of converting closed military bases to civilian use. The Jacksonville Aviation Authority's participation in the MAP is a prime example of how this program can successfully transition former military airfields to commercial airports that help strengthen our nation's aviation system, especially in fast-growing regions such as Northeast Florida.

The Jacksonville community took ownership of the former Cecil Field Naval Air Station through the BRAC process. Cecil Field is valued at approximately \$1 billion. This facility provides Northeast Florida with a significant civil aviation capacity now and well into the future. However, to realize the full benefit of this aviation asset will require continued maintenance and capital investments to improve its infrastructure. To date, through the MAP, Florida Department of Transportation, Florida's Office of Trade, Tourism and Economic Development and local matching funds, JAA has invested over \$52 million in Cecil Field, of which \$26 million has come via the MAP. The MAP funds received continue to be a critical element in Cecil Field's successful transition to a civilian airport.

Privatization of Public Airports

JAA supports the Administration's proposal to increase the number of slots from 5 to 15 for commercial service airports to participate in the FAA's Privatization Pilot Program. This is a critically important change in the reauthorization as local communities search

for more efficient and effective alternatives to fund large capital projects in their aviation systems.

Summary Statement

Again, I want to thank you, Chairman Costello and committee members, for allowing me to share with you some of my thoughts about the future of our commercial aviation system. As I mentioned, I have serious concerns about proposals to reduce funding for one of this country's most important assets – its airports and related aviation infrastructure. I am at the same time optimistic about the future. As I have traveled the country in my role as a member of the Executive Committee of the Airports Council International – North America, I am constantly reminded of the resourcefulness and creativity of those involved in maintaining and expanding our aviation system on both the local and national levels.

But no matter how resourceful and creative our aviation professionals are, there is only so much they can accomplish with limited funding.

A stronger and enhanced Airport Improvement Program is critical to accommodate the growth of the nation's air transportation system. I urge your consideration to the issues which I have addressed here today, as the committee moves forward with the reauthorization of the FAA's Airport Improvement Program.

Thank you.