



NASAO PRIORITIES FOR FAA REAUTHORIZATION

February, 2017

Airport Improvement Program (AIP)

- Increase AIP investment by \$250 million to \$3.6 billion and grow the program's funding to \$4 billion by FY 2022

Non-Primary Grants

- Revise how Non-Primary Entitlement (NPE) funds can be carried over
- Replenish state apportionment which has been reduced by \$120 million from FY 2001 to FY 2013
- Prevent undue forfeiture of State Apportionment funds to the FAA

State Block Grant Program

- Raise or eliminate the current limit of 10 states in the State Block Grant Program, allow the use of a reasonable amount of AIP funds to administer the program and grant Block Grant States authority to distribute non-primary funds in the same manner as State Apportionment Funds

FAA Revenue Sources

- Ensure a minimum general fund contribution of 25%
- Continue use of the fuel tax at the pump, not user fees, to generate trust fund revenue from general aviation.
- Reform the system by which the ticket tax generates airline passenger funding for the FAA trust fund to take into account changing airline business models

Fuel Fraud Tax Law

- Simplify the process to make it easier for fuel vendors to file for rebate
- Ensure that all aviation funds are properly deposited in the AATF
- Strike fuel fraud law altogether if sufficient improvements cannot be made

Unmanned Aircraft Systems

- Allow for states to play a key role in integrating UAS technology into our airspace
- Outline a constructive federal/state/local partnership on drone integration, regulation, and enforcement
- Explore alternatives for the UAS industry to contribute to funding UAS integration into the nation's airspace

Sales Tax Dedication (Napolitano Amendment)

- Ensure that all aviation funds are properly deposited in the AATF
- Oppose any efforts to relitigate statutory revenue use requirements applying to state and local government taxes on aviation fuel

Air Service

- Protect Essential Air Service (EAS) by authorizing it at current levels.
- Revisit the 1,500 hour minimum flight time rule and establish pilot qualifications instead based on intensive flight training and demonstrated proficiency rather than a flight time number alone.
- Continue the Small Community Air Service Development Program at a minimum annual level of \$5 million.

Federal Contract Tower Program

- Protect the important safety function performed by contract towers by fully funding the program.
- Eliminate the annual benefit/cost analysis unless an airport's traffic drops by at least 25 percent annually, prohibit FAA adding non-site specific/indirect costs to benefit costs analyses and removing the \$2 million cap on AIP eligibility for tower construction.

NextGen

- Adequately fund NextGen activities to shape an efficient, safe, secure and productive aviation system
- Any changes to the funding or governance mechanism should not adversely impact other programs funded through the trust fund.

Passenger Facility Charges

- Raise the \$4.50 cap to \$8.50 to account for inflation since the last increase, index the cap going forward and provide greater flexibility in the use of the funds.

Airport Bonds

- Reduce finance costs by permanently excluding airport private activity bonds from the Alternative Minimum Tax (AMT).

Airport Cooperative Research Program

- Maintain current funding for the Airport Cooperative Research Program (ACRP)