

Technical Advisory Committee for Aeronautics  
Minutes  
Wednesday, June 16, 2010

1:00 PM to 3:00PM  
Sacramento International Airport  
Media Conference Room  
6900 Airport Boulevard  
Sacramento, California

<http://www.catc.ca.gov>

**1. Welcome and Introductions**

Chris Kunze, TACA Chair, convened the meeting at 1:05 PM. TACA member attendees made self introductions.

**TACA Members Present:**

Dan Burkhart, NBAA; Harry Krug, Association of California Airports; Chris Kunze, City of Long Beach Airport; Michael La Pier, Sacramento County Airports; Mark Mispagel, Law Office of Mark F. Mispagel; John Pfeifer, Aircraft Owners and Pilots Association; Sandy Waters, KaiserAir; and Tom Weil, California City

**Commissioners Present:**

Commissioner Joe Tavaglione, absent; Commissioner Robert Alvarado, absent

**Commission Staff Present:**

Robert Chung and Susan Bransen

**Caltrans Staff Present:**

Gary Cathey, Terry Barrie, Kevin Ryan, Philip Crimmins, and Derek Kantar

**2. Approval of April 21, 2010 Minutes**

TACA members revised the minutes as follows:

Agenda Item 6 - CASP System Needs Assessment. Revised second sentence to read: "The SNA helps to prioritize public use general aviation airport infrastructure needs around the State while maximizing limited dollars."

Agenda Item 8 - Annual versus Biennial AIP Match Rate. Revised last paragraph to read: "Mr. Krug moved to approve the 2010/11 \$1.65 million set aside for the AIP grant program. Mr. Pfeifer seconded the motion. Motion carried 7-0."

Mr. Burkhart moved to approve the April 21, 2010 minutes as amended. Mr. Pfeifer seconded the motion. Motion carried 8-0.

### **3. Status Reports and Upcoming Actions**

#### **3a Caltrans Aeronautics Division**

Mr. Cathey provided a status summary for the 2006 and 2008 aeronautics projects programmed. As of June 2, 2010, there are twelve 2006 projects programmed for state funds totaling \$1,769,700 and ten 2008 projects programmed for state funds totaling \$1,643,105.

Mr. Cathey explained that in prior years the Division of Aeronautics received a continuous appropriation to support the aeronautic grant programs. It was not until this fiscal year that the authority to issue grants was suspended. This suspension discontinued the Division of Aeronautics' authority to move forward funding the grant programs.

As of today, the fiscal year 2010/11 budget outlook for the Aeronautics Program is good. There is no indication that the Legislature intends to suspend the appropriations for the Aeronautics program next fiscal year. As a result, the Division of Aeronautics is on track to send out annual credits as soon as the budget is signed. In addition, the Division of Aeronautics is in the process of sending letters to remind applicants to request their AIP matching grants. The dollars are in the account to fund these programs; it is the authority to spend the dollars that is needed through enactment of the next budget. The goal of the Division of Aeronautics is to get the dollars out to those in need as soon as possible once the budget is signed.

#### **3b. CTC**

Ms. Bransen explained that Commissioners Tavaglione and Alvarado were unable to attend the meeting today. Since the last TACA meeting Commissioner Zarian's reappointment by the Governor was withdrawn. Commissioner Zarian was the Vice Chair. The timing is not yet known as to when a new Commissioner will be appointed by the Governor. Also, the Commission will need to elect a Vice Chair. The timing for this is also not yet known.

At the May CTC meeting the 2010 Aeronautics Program and the Annual Review of Matching of California Aid to Airports Program (CAAP) grant match of 10% were presented to the Commission as information items. The next CTC meeting will be held on June 30<sup>th</sup> and July 1<sup>st</sup>. Aeronautics items on the agenda include the adoption of the 2010 Aeronautics Program and the adoption of the 10% rate for local Government matching of CAAP Grants. The California Aviation System Plan's System Needs Assessment Element originally planned as information at the June meeting was withdrawn by Caltrans and will be presented at the August CTC meeting.

#### **3c. TACA**

Mr. Kunze is continuing to follow through on seeking an air cargo representative such as UPS per the discussion at the last TACA meeting. Mr. Kunze also requested to be notified if anyone knows a person(s) with Part 135, V LJ, or other airline experience that would be interested in participating as a member of TACA.

#### **4. Revenue/Expenditure Survey Status Report**

Mr. Barrie provided a brief overview of the presentation that Mr. Ryan would make with respect to the aviation related revenue/expenditure information gathered. Mr. Ryan explained that he worked with the Board of Equalization to update the revenue and expenditure information presented in prior years. He also requested information from the Department of Finance, and the Legislative Analyst's Office. The Department of Finance, Financial Research Unit, did not respond to the Division's letter of inquiry. The Legislative Analyst's Office responded that they do not have specific information to provide but will work with the Division in future years, if requested to do so. The goal of this effort by the Division of Aeronautics is to increase the funding for the State Aeronautics programs. The Capital Improvement Program (CIP) shows needs totaling approximately \$3.65 billion. At the current rate of funding for this program, it could theoretically take 40 years to address the CIP needs. Implementing the projects identified in the CIP over a 40 year period is too long.

Mr. Ryan provided an overview of the California Aviation User Taxes June 2010 PowerPoint presentation and notes. He also provided a draft letter prepared at the request of TACA to summarize the disproportionate allocations to the state aeronautics program in relation to revenues generated from aviation and the need for additional funding to meet the critical needs of the state's aeronautics program. Upon receipt of comments from the TACA members, the letter will be finalized on Caltrans Division of Aeronautics' letterhead and Mr. Cathey will issue it to TACA. TACA can then determine whether to approve it to be brought forward to the Commission with a recommendation that the Commission send a letter to advise the Legislature and the Administration of the disproportionate share of revenues for general aviation and the need for additional funding.

Mr. Kunze estimated that General Aviation Excise Tax (AVGAS) is down significantly this year over prior years. Mr. Ryan agreed that AVGAS has decreased. Based on the most recent data available, general aviation jet fuel was \$2.774 million last year and is \$1.355 million this year. AVGAS was \$4.457 million last year and is \$3.078 million this year. There is a three month lag time for the State Controller's Office to post current year revenue transfer information. However, even accounting for a three month lag in reporting the current year revenue figures, it is safe to assume that avgas and jet fuel sales volume and revenue transfers will be less than in prior years.

Mr. Krug suggested that, for Slide 3, the total revenues should reconcile to the total expenditures. As currently presented, only \$5.5 million of the \$7.4 million total revenues is accounted for with respect to expenditures. Mr. Burkhart agreed and stated that the slide should depict the variance and explain the reason for the difference.

Mr. Kunze said that Slide 11 and Slide 3 have two different revenue numbers. Slide 3 shows total general aviation excise tax revenues of \$7.4 million and Slide 11 shows total general aviation excise tax revenues of \$8.2 million (8.2 was based on data provided to Aeronautics by the State Board of Equalization). Mr. Ryan said that the \$7.4 million reported on Slide 3

(reported transfers by the SCO to the State Aeronautics Account) is accurate and the figure on Slide 11 will be corrected.

Mr. Krug questioned the validity that only dealers of general aviation aircraft pay sales tax as all aircraft sales in the state would be subject to tax. Mr. Ryan explained the Board of Equalization has not clarified whether the general aircraft sold by dealers' category includes or excludes private aircraft sales. Mr. Ryan explained that the roll up by the Board of Equalization is difficult given the method of reporting. For example, at the local level, non aviation sales (boats, jet skis, etc.) are reported together with aviation sales. Mr. Burkhart questioned how "dealers" was defined. Mr. Ryan said that the legal definition of "dealer" should be used. Mr. Burkhart said that he recalled that FAA defines "dealer" as one who has a license from the FAA. Mr. Burkhart suggested that a footnote should be added to clarify the slide.

Mr. Cathey suggested that a note be added to Slide 5 that sales and use taxes are not applied to AVGAS. While the notes for Slide 4 address this, Mr. Cathey felt it was important that Slide 5 indicate this as well. Mr. Krug requested that the total Aircraft Jet Fuel Revenues of \$201.4 and the State General Fund and Local Funds totaling \$201.0 be reconciled.

Mr. Barrie explained that the information was developed through a process that will enable the Division of Aeronautics to update the revenue and expenditure information annually by working with the Board of Equalization. Mr. Ryan will revise the PowerPoint and notes based on the discussion today and send it to Ms. Bransen for forwarding to TACA. A letter summarizing this information prepared by Caltrans to TACA will also be forwarded to the TACA members for comment. The letter will be brought forward as an agenda item at the next TACA meeting.

Mr. Barrie concluded by stating that, overall, the data shows that only 2% of the total revenues generated by general aviation activities is transferred to the state Aeronautics programs. Mr. Burkhart stated that the goal of TACA should be to get more for the aeronautics program than the current funding level. Mr. Ryan explained that a case can be made that additional revenues are needed to address the basic general aviation system needs as identified in the CASP, General Aviation System Needs Assessment as well as the Capital Improvement Plan (biennial unconstrained wish list provided by airports).

## **5. Legislation**

Mr. Crimmins provided an update relative to federal reauthorization. He explained that there are two different bills that the House and Senate are each working on. The difference between the two bills pertains to Federal Express' ability to unionize. The discussions are currently held behind the scenes without a formal committee(s) to follow the progress. July 3, 2010 is the date in which the current federal authorization extension will lapse. If the House and Senate do not finish there will be another need to extend federal authorization another three months.

Mr. Crimmins shared that he attended the FAA conference in Los Angeles recently. Elliott Black, Deputy Director, Office of Airport Planning and Programming, Federal Aviation

Administration, was a keynote speaker. Mr. Black said that the federal authorization extensions have cost everyone a lot of money. For example, costs have increased due to the need to phase projects unnecessarily.

Mr. Krug said that the amount of grant applications is also down in the western region (California, Arizona & Nevada). It was not clear whether the loss is greater in California. However, the ability to meet the federal match requirements is also a primary reason for the reduced number of applications. Mr. Ryan also raised the question as to whether the federal stimulus dollars that must be spent on “ready to go” projects may also have had something to do with the decrease in applications as well as the fact that dollars are now available from other funds.

Mr. Crimmins provided an overview of the key legislation as identified on the handout “Summary of Aviation Legislation in California” prepared by Caltrans, Division of Aeronautics on June 16, 2010.

Mr. Pfeifer explained that SB 1141 (Negrete McLeod): Airports, airport land use commissions. This bill passed the Senate on June 2, 2010 by a 25 to 10 vote. The 10 votes against were Republican. The 25 votes were Democrats with the exception of 2 Republicans voting in favor. The bill moves to the Assembly Local Government Committee on June 30, 2010. There appears to be a good chance for passage in the Assembly as some of the opposition from the prior years has gone away and or perspectives have changed. The recent vote in the Senate is a reflection of what is going on in the current budget negotiations. All of this indicates that there is a good chance for the bill to pass when it makes it to the Assembly floor.

Mr. Pfeifer provided an update for AB 48 (Portantino): Private postsecondary education: California Private Postsecondary Education Act of 2009. AB 48, chaptered on October 11, 2009, is now the law. The law did not contain an exemption for FAA approved schools as was previously provided, by intention as a result of the 2008 Silver State Helicopters failure. As a result, FAA approved flight schools are now receiving letters from the Bureau for Private Postsecondary Education (Bureau) within the Department of Consumer Affairs, informing them that they are no longer exempt, requiring that they obtain state approval to operate, and requiring a \$5,000 filing fee. AOPA is working on a bill that would apply a two year moratorium on implementation. This will provide AOPA the time necessary to push forward a clarifying bill.

Mr. Burkhart said that, as currently written, this is a “kill jobs bill.” Mr. Mispagel said that the Bureau is currently sending letters to flight schools informing them that they are no longer eligible to continue without paying the fee. Mr. Pfeifer agreed that not only is there a \$5,000 licensing fee but there are other additional fees required. The bill is not clear when certain fees are required. For example, the bill does not define what a site means and which type of site has a fee attached. Apparently the Author of this bill acknowledges the problem and is the author of the cleanup bill. It is evident that flight schools are now aware of this bill and its impacts and they are contacting their Legislators.

Mr. Pfeifer also provided a brief summary of Assembly Joint Resolution No. 41 pertaining to the Santa Monica Airport. Individuals living in Santa Monica believe that the airport activities are too noisy and polluting. They want FAA to take action to fix this. There are amendments being made and the resolution is expected to pass. Mr. Kunze questioned potential ramifications of this to other airports. Mr. Burkhardt said that if Congress were to take the resolution and enact it for the entire country, it would have serious ramifications to all airports. Mr. Cathey agreed.

Mr. Pfeifer said that Assembly Joint Resolution No. 33 pertaining to general aviation is a good resolution and it has passed the Assembly. It is in the Senate now.

#### **6. CASP System Needs Assessment**

Mr. Barrie thanked everyone for their comments. He explained that they have addressed the comments received and need a final blessing from TACA that the draft SNA is ready to bring forward to the CTC with any additional changes arising out of the meeting today.

Mr. Kunze had the following comments to the draft SNA:

- Recognizing that the Policy Element was coming in the future, he suggested that the next time the System Needs Assessment (SNA) is prepared; the Policy Element should be updated before the SNA as the policy will be the framework to prepare and implement the SNA. Mr. Barrie said that they will revisit the SNA after the Policy Element is complete. The Policy Element is targeted to be finalized in the March/April 2011 timeframe. Mr. Chung said that either way each document influences the other. After the Policy Element is complete, it is likely to impact the SNA and vice versa.
- Suggested that in the future, because of the nexus to capacity, the SNA should consider noise mitigations; runway safety area acquisition costs, if known, including priority capacity and safety projects for general aviation. Mr. Kunze has been told that at some Southern California airports, in the future, airspace capacity could be a limiting factor to meet peak hour demands. So, in future versions, airport capacity discussions such as on Page II-1, might use the term “airfield capacity” or “airport facilities capacity” or, at least acknowledge the airspace issue.
- As written, the SNA element identifies capital needs at various general aviation airports in the state. This is confusing with the title as it appears to mean airlines and everything else. This document should be clear that the SNA really is meant to provide an assessment of general aviation system needs. Therefore, suggested that in future versions, the Division of Aeronautics consider changing the title to reflect “General Aviation System Needs Assessment”.
- Tables E-1 through E-2 on pages E-3 and E-4 – If these tables address general aviation only, suggested adding “General Aviation” to each table for clarification. Mr. Cathey said that these tables would exclude Visalia and a few other airports. Mr. Kantar said that commercial airports are only identified in Chapter 2 and not in these tables. He said that he could make clarifying changes to these tables now prior to finalizing the document.

- Executive Summary, page E-2 – Suggested adding a paragraph or two about funding needs and how dollars could potentially address the needs in the report along with the positive impacts on general aviation in California. It is important that this document identify and explain the major disconnect between the available funding and the needs. Mr. Kantar said that he could add language to address this by working with Mr. Ryan with respect to funding and expenditure information as discussed in Agenda Item 4.
- Pages I-2 and II-3 – these pages refer to 30 commercial airports. Mr. Kunze questioned whether there were 31 commercial airports and 2 joint use airports for a total of 33 airports. He requested that Mr. Kantar verify that the number used in the SNA is correct and used consistently throughout the document. Mr. Cathey said that there are 249 public use airports and 30 of these are commercial. Joint use airports are military owned and could be considered either public use or commercial. These joint use airports are the March Inland Port Riverside and Palmdale Airports. Mr. Kantar will double check the data as reported for commercial and joint use airports throughout the SNA.
- Page I-7 – questioned and suggested that “capacity mitigation” be rephrased to state “capacity enhancement”.
- Page I-19 – The text refers to five airports. However, the list provides only four airports. Mr. Kantar reassured everyone that this error has already been fixed.
- Page II -17 - This paragraph reads that general aviation at the Bob Hope Airport (Burbank) is carrying 57 tons of cargo. The wording is misleading.
- Page II- 18 – John Wayne Airport (SNA) was noted as not having international flights, however flights may now be occurring between Canada (or will very shortly) and requested that the language be checked and updated.
- Page III-1 – This page refers to “order of magnitude”. Suggested stating that the costs are estimated as they seem much more specific than order of magnitude.
- Appendix I – Classification of airports and defining NPIAS airports would help to make the document more stand alone and understandable.

Mr. Waters had the following comments to the SNA:

- Commended/complemented Caltrans on a very well done job developing the SNA.
- Section 3, District Pie Charts – Suggested that these charts be enlarged for better clarify.

- Section 3, District Airports – Raised a concern that the classification titles are different between Districts. The titles/classifications should be consistent for all Districts.
- Section 3, General Aviation and Reliever Airports – Introduction refers readers to the tables and figures. Suggested that this be revised as the text should include the message and should then be used to refer the reader to the tables and charts.
- Appendix A – Inconsistent comparisons are used within the appendix. Data should be consistently compared. For example, one section references the number of passengers vs. the percentage of enplanements.
- Section 3, District Airports – Project attribute details includes the word “dimensions”. However, the word dimension is misspelled throughout the document including the legend.

Mr. Pfeifer recommended that the misspelling of McClellan be corrected on page III-60.

Mr. Weil questioned the designation of airports by Districts. It is somewhat confusing for Kern County where the Bakersfield Airport interfaces with District 9 while other cities of the County interface with District 8. The question is whether the mapping set forth in the SNA correlates with the actual District the airport will work with. Mr. Kantar said that, in order not to create confusion with respect to designated Caltrans District boundaries, the SNA utilizes the District boundaries adopted by the Department and the Districts as set forth in established boundary maps. As a result, this document does not provide additional detail with respect to “on the ground” day to day processes.

Mr. La Pier said that the summary of revenues and expenditures provided in the PowerPoint by Mr. Ryan today should be added to the SNA Appendix 3. This would be a good starter for those that are not as familiar with sources and uses of aviation funding. Mr. Kantar agreed that since this the revenues and expenditures report is now complete the opportunity exists to add this new information before the SNA is finalized. Mr. Kunze suggested that the new information added in the Appendix with respect to funding be referenced in the Executive Summary since many readers will not have time to read past the summary section. Mr. Pfeifer suggested a tri-fold handout that could be provided to Legislative Staff. He said this would be very helpful. A one pager for Legislative Chief of Staff’s that provided an overall summary with the Caltrans Logo on it including a tear out in the actual bound copy was also suggested.

Mr. Kantar said that a fact sheet incorporating Mr. Ryan’s sources and uses of aviation revenue data along with the SNA summary could be done. He will move forward to make the changes suggested today in time to bring the SNA forward to the Commission at the August meeting as an information item and in September for approval. He will also bring the Caltrans prepared letter and the fact sheet to the next TACA meeting for discussion. Mr. Kantar reminded everyone that the tables in Appendix 4 of the SNA contain the most critical data to understand the needs. While the SNA is updated only once every five years, these tables are regularly

updated. Mr. Barrie is plans to update the system needs as the AIP updates are made and post these needs on the Division of Aeronautics' webpage.

#### **7. Division of Aeronautics NextGen Update**

Mr. Cathey provided a handout of the ADS-B Ground Stations planned Nationwide and in California. He explained that FAA has broken California into sections that cover Seattle, Oakland and Los Angeles. These areas are planned to receive the bulk of the receivers. Airport detection equipment was installed at LAX, San Diego and John Wayne Airports. San Francisco is the next airport planned to receive airport detection equipment. NextGen is coming to California and Caltrans has worked with FAA's contractor, ITT, to identify sites for NextGen implementation. Mr. Cathey does not have a list of locations as the sites are not necessarily at airports but at locations that will provide coverage to many airports.

Caltrans has not prepared a "white paper" with respect to NextGen. Currently Caltrans is networking and assisting California airports and FAA wherever possible. Mr. Cathey plans to provide TACA with an update on NextGen implementation from his perspective as a regular agenda item in the future if this would be of interest to TACA. At this meeting he provided a brief overview of ADS-B and at future meetings he will provide an update on certain equipment, state of the art procedures and other aspects of NextGen.

Mr. Burkhart said that ADS-B benefits are primarily surveillance and will only work if everyone has it and only applicable to those with transponders. If have a thirty mile veil there must be a transponder on board. It is very expensive, not light and not small. If required at Sacramento International Airport, aircraft without the required transponders would have to go to a different airport. FAA expects a phase in period and the expectation is to implement ground technology first with equipment technology to follow. The cost will not go down as FAA must approve the equipment which differs from other types of technological equipment (example, calculators and televisions) where the costs decrease over time. However, there are tremendous benefits to NextGen. For example, NextGen will allow tunnel approaches in such areas as Palm Springs with difficult geographical conditions and Los Angeles with highly congested conditions.

Mr. Cathey said that he is doing what he can to work with FAA to facilitate that California gets its fair share. As of now the ADS-B Ground Stations cost the State nothing. As a result, Caltrans is doing what they can to help FAA and airports with this effort.

Mr. Kunze said that the CTC sent a letter to FAA in support of California to be used as a NextGen test bed. Southern California has applications for test bed trials. Long Beach Airport was interested in acting as a first responder airport. Long Beach Airport sent a letter to FAA which he requested that Caltrans read and consider supporting the request they made. Mr. Cathey agreed to read the letter and assist the Long Beach Airport if he can by writing a letter of support. Mr. Weil informed the TACA members that Mojave Airport was selected as an ADS-B antenna site. A tower in Mojave houses the antenna for the NextGen system and should be

activated shortly. Mr. Kunze suggested that Mr. Weil keep the TACA informed on the status of Mojave Airport's NextGen activities at future meetings.

**8. Other Business/Adjournment**

No other business was discussed. Meeting adjourned at 3:15PM.