



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

4

Meeting Date: **JANUARY 10, 2013**

Subject:

January 2013 Legislative Report

Recommendation:

Adopt Resolution No. 2013-0002, approving the January 2013 Legislative Report.

Background/Justification:

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires that Authority staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The January 2013 Legislative Report updates Board members on legislative activities that have taken place during the month of December. The Authority Board gives direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A).

State Legislative Action

The Authority's legislative team is not recommending that the Board adopt any new positions on state legislation.

The State Legislature is scheduled to reconvene on January 4, 2013. Legislators have until January 27th to submit bill requests to the Office of Legislative Counsel.

Federal Legislative Action

The Authority's legislative team is not recommending that the Board adopt any new positions on federal legislation.

President Obama and Congressional leaders continue to negotiate on a comprehensive tax increase and spending reduction package in an effort to avoid \$109 billion in across-the-board "sequestration" spending reductions scheduled to begin on January 2, 2013. If Congress does not approve a deal before this date, Federal Aviation Administration funding will be cut by \$1 billion, which is expected to reduce the number of air traffic controllers and delay the implementation of the Next Generation Air Transportation System (NextGen). Transportation Security Administration funding will be cut by approximately \$500 million, reducing the current level of airport security screeners and air marshals.

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Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL AND COMMUNITY RELATIONS

RESOLUTION NO. 2013-0002

**A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE JANUARY 2013 LEGISLATIVE
REPORT**

WHEREAS, the San Diego County Regional Airport Authority (Authority) operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board gives direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board in directing staff may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby APPROVES the January 2013 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board FINDS that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 10th day of January, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
**DIRECTOR CORPORATE SERVICES/
AUTHORITY CLERK**

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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January 2013 Legislative Report

Federal Legislation

Legislation/Topic

S. 3542 (Klobuchar/ Blunt), H.R. 6028 (Walsh) – The No-Hassle Flying Act of 2012

Background/Summary

This bill would streamline security screening of checked baggage on commercial flights originating from preclearance airports outside of the United States. This would apply to airports with agreements that delineate and implement security standards and protocols that are comparable to the United States.

Anticipated Impact/Discussion

Currently, TSA has the discretion to determine on a location-by-location basis if re-screening checked baggage is necessary. This bill would free up TSA resources for other priorities and reduce the number of missed connections.

Status: S. 3542: 12/14/12 – Presented to the President
H.R. 6028: 9/11/2012- Approved by the House in a voice vote, and referred to Senate Committee on Commerce, Science, and Transportation

Position: Support (10/4/12)

Legislation/Topic

H.R. 6328 (Hochul) – Clothe a Homeless Hero Act

Background/Summary

This bill would require the Transportation Security Administration (TSA) to distribute unclaimed clothing to needy or homeless veterans.

Anticipated Impact/Discussion

Currently, the TSA turns over unclaimed clothing to SDIA's lost and found. If left unclaimed, the clothing is donated to the K9 unit of the Harbor Police Department for training.

Status: 12/7/12 – Approved by the Senate by a unanimous vote
11/27/12 – Approved by the House by a unanimous vote

Position: Support (9/6/12)

Legislation/Topic

S. 3216/H.R. 5855 - Fiscal Year 2013 Department of Homeland Security Appropriations

Background/Summary

This bill would fund Department of Homeland Security (DHS) operations and programs for Fiscal Year 2013. Highlights of the Senate version of the bill include:

- Overall funding level of \$45.2 billion
- \$11.9 billion for Customs and Border Patrol (CBP) (21,186 officers)
- Requires CBP to be more transparent with airport authorities in its staffing decisions
- Additional \$4.5 million to expand Global Entry Program to 5 additional airports
- \$7.6 billion for Transportation Security Administration (48,000 TSA screeners)
- A \$2.50 increase in airline passenger security fees

Highlights of the House version of the bill include:

- \$10.2 billion for Customs and Border Patrol (21,186 officers)
- Continues the current limit of 46,000 TSA screeners
- Does not include Administration-backed language allowing CBP to enter into reimbursable fee agreements for CBP services
- Does not include an increase in the passenger security fee
- Includes an additional \$15 million for the Screening Partnership Program

Anticipated Impact/Discussion

Passage of a Fiscal Year 2013 DHS Appropriations bill will ensure annual funding levels for TSA and CBP operations for the year and will assist the Authority to ensure adequate operation and staffing levels at SDIA.

Status: 5/22/12 – S. 3216 - Senate Appropriations Committee approved
6/7/12 – H.R. 5855 - Approved by the House on a vote of 234 to 182

Position: Support (6/7/12)

Legislation/Topic

H.R. 4166 (Doggett) – Coal Tar Sealants Reduction Act of 2012

Background/Summary

This bill would prohibit the manufacturing of coal tar sealant one-year after the bill is enacted into law, the processing or sale of coal tar sealant one and one-half years after the bill is enacted into law and would prohibit the use of coal tar sealant two and one-half years after the bill is enacted into law.

Anticipated Impact/Discussion

The Authority applied coal tar on SDIA's runway in 2006 and doesn't anticipate needing to re-apply until 2014. The current alternative material to coal tar would require applications at least every five years, and has more limited availability, which could increase costs to the Authority.

Status: 3/9/12 – Referred to the House Committee on Energy and Commerce

Position: Watch (5/3/12)

Legislation/Topic

H.R. 2179 (Miller) – Transportation Security Administration (TSA) Transfer of Unclaimed Funds Act

Background/Summary

This bill would direct the Assistant Secretary of Homeland Security to annually transfer unclaimed money recovered at airport security checkpoints to the local United Service Organizations (USO). These funds would be used for activities supporting the local USO airport centers. The funds are currently used by the TSA for civil aviation security.

Anticipated Impact/Discussion

This legislation would provide a direct financial benefit to SDIA's own USO facility instead of funding a large federal program.

Status: 5/8/12 – Approved by the House Committee on Homeland Security

Position: Support (4/12/12)

Legislation/Topic

H.R. 2469 (Cohen) - End Discriminatory State Taxes for Automobile Renters Act of 2011

Background/Summary

This bill would prohibit most state and local governments from imposing taxes on the rental of motor vehicles.

Anticipated Impact/Discussion

Because the bill exempts federally assisted airports from the proposed tax prohibition if a concession fee is involved, there would be no direct impact to SDIA or the Authority.

Status: 7/8/11 – Introduced and referred to the House Committee on the Judiciary

Position: Watch (8/4/11)

Legislation/Topic

H.R. 1691 (Richardson) - Prevention of Unreasonable Fees Act

Background/Summary

This bill would prohibit the operator of a "transportation terminal" (e.g. airport) from charging fees to providers of limousine and other prearranged ground transportation, unless the fee is pre-approved by the U.S. Secretary of Transportation. Under this bill, transportation terminal operators would be limited to the collection of fees charged to the general public for access to, or use of, the terminal, and for the availability of ancillary facilities. Transportation terminal operators would still be allowed to require vehicles for hire to use, and pay for, segregated parking facilities if the fee is the same as that charged to the public. The bill would also allow the state or its political subdivisions to require a license or fee (other than a prohibited transportation terminal fee) for a motor vehicle providing certain other prearranged ground transportation.

Anticipated Impact/Discussion

According to the author's staff, this bill was introduced to prevent excessive fees such as those collected for repeated circling and registration for limited use of airport facilities. San Francisco International Airport was specifically identified as an example by the author. This bill is opposed by Airports Council International-North America (ACI-NA), and the American Association of Airport Executives (AAAE). Limousine and taxi drivers contribute to the wear and tear on airport roads, including SDIA, and can legally be charged for their usage.

Status: 5/3/11 – Introduced and referred to the House Committee on Transportation and Infrastructure

Position: Oppose (7/7/11)

Legislation/Topic

H.R. 1474/S. 785 (Duncan/Thune) - Freedom from Government Competition Act of 2011

Background/Summary

This bill requires that any government entity receiving federal funds contract out all federally-funded work – except in cases of national defense/homeland security and where there is no private source - to the private sector. This bill would require airports to contract with a private fixed base operator (FBO) to provide services at their airport.

This legislation was initiated on behalf of the National Air Transport Association in an effort to prevent airports from serving as FBO's. It is opposed by Airports Council International-North America (ACI-NA), and the American Association of Airport Executives (AAAE).

Anticipated Impact/Discussion

Although the Authority currently uses a private company for SDIA's FBO, this bill would mandate that the airport contract with a private FBO in the future, eliminating our option to provide our own FBO services, should the Authority choose to do so.

Status: 4/12/11- H.R. 1474 - Introduced and referred to the House
Committee on Oversight and Government Reform
4/12/11 – S. 785 - Introduced and referred to the Senate
Committee on Homeland Security and Governmental Affairs

Position: Oppose (6/2/11)

Legislation/Topic

H.R. 1586 (King) - Expanding Airport Security Screening Opt-Out Programs

Background/Summary

The bill would authorize the Secretary of Homeland Security to approve applications submitted by airports for private screening programs if such applications have not been acted on by the TSA within 120 days of receipt. The Secretary must approve the application unless it can demonstrate that doing so would hurt the effectiveness of screening or otherwise harm aviation security.

Anticipated Impact/Discussion

This legislation would result in an expedited review of a Screening Partnership Program application should the Authority decide to use this program in the future.

Status: 4/15/11 – Referred to the House Committee on Homeland Security

Position: Watch (5/5/11)

Legislation/Topic

H.R. 386 (Lungren) - Securing Cockpits Against Lasers Act of 2011

Background/Summary

This Act amends the federal criminal code to prohibit the aiming of the beam of a laser pointer at an aircraft or in its flight path, and imposes a fine and/or prison term of up to five years for such action.

The following would be exempt from the prohibition:

- Individuals conducting research and development or flight test operations for an aircraft manufacturer or the Federal Aviation Administration
- Department of Defense or Department of Homeland Security personnel conducting research, development, operations, testing or training
- Individuals using a laser emergency signaling device to send a distress signal

Anticipated Impact/Discussion

Although this legislation would have no direct impact to the Authority or SDIA, it could enhance aviation safety by protecting pilots from laser interferences.

Status: 2/28/11 – Approved by the House on a voice vote and referred to the Senate Judiciary Committee

Position: Support (4/7/11)

Legislation/Topic

H.R. 235 (Brady) - Cut Unsustainable and Top-Heavy Spending Act of 2011

Background/Summary

This bill would eliminate several federal programs including grants to large and medium hub airports under the Airport Improvement Program (AIP). This bill would also rescind any unobligated funds made available for such grants.

Anticipated Impact/Discussion

Because SDIA relies on AIP funding for its capital improvements program, the elimination of this funding could limit the Authority from moving forward on some airport projects.

Status: 1/7/11 – Introduced and referred to thirteen House Committees

Position: Oppose (4/7/11)

Legislation/Topic

H.R. 3011 (Rogers) - Transportation Security Administration Reauthorization

Background/Summary

This bill would reauthorize for two years the Transportation Security Administration (TSA) and TSA programs. If approved, this would be the first TSA reauthorization since the creation of the agency in 2001. Specifically, this bill would fund the TSA at \$7.8 billion in FY 2012 and at \$7.5 billion in FY 2013. It would also establish a "trusted traveler" program at airports to expedite passengers meeting certain security criteria through security checkpoints.

Anticipated Impact/Discussion

If passed, this legislation would help to ensure that SDIA remains adequately staffed by TSA personnel and could assist in reducing security checkpoint wait times for some passengers.

Status: 9/22/11 - Introduced and referred to the House Committee on Homeland Security and the House Committee on the Judiciary

Position: Support (10/6/11)

Legislation/Topic

S. 1660 (Reid)/ H.R. 12 (Larson) - The American Jobs Act of 2011

Background/Summary

This legislation proposes spending \$447 billion for the purpose of creating jobs. Specifically, the bill would alter the Internal Revenue Code by reducing employment and unemployment tax rates, providing new tax credits and through other actions. The Senate has proposed funding the proposal with by imposing a surtax on individuals with annual incomes of \$1 million or more.

The bill includes \$50 billion for investment in transportation infrastructure. Of that amount, \$2 billion would go toward airport infrastructure projects. Airport development grants funded through this legislation would not require a local match.

This legislation would also exempt private activity bonds issued by airports in 2011 and 2012 from the alternative minimum tax. In addition, the bill would create a \$10 billion for a National Infrastructure Bank and provide \$1 billion for the Next Generation Air Transportation system.

Anticipated Impact/Discussion

If enacted into law, this legislation could provide new funding for SDIA projects.

Status: 10/5/11 - Introduced in the Senate
9/21/11 – Introduced in the House and referred to eleven House Committees

Position: Watch (11/3/11)

Legislation/Topic

H.R. 2594/ S. 1956 (Mica/ Thune) – European Union Emissions Trading Scheme Prohibition Act of 2011

Background/Summary

This legislation would direct the Department of Transportation to prohibit operators of U.S. civil aircraft from participating in any emissions trading scheme unilaterally established by the European Union. Under the European Union's carbon-emissions trading system, beginning in January 2012, U.S. airlines flying into or out of Europe must reduce their carbon dioxide emissions or pay a fine. The U.S. airline industry is opposed to the program based on its belief that it violates international agreements and infringes on U.S. sovereignty.

Anticipated Impact/Discussion

This legislation is not expected to have any direct impact on SDIA or the Authority.

Status: 11/27/12 – Signed into law by the President

Position: Watch (11/3/11)

Legislation/Topic

H.R. 3116 (King) – Department of Homeland Security (DHS) Authorization Act for Fiscal Year 2012

Background/Summary

This legislation would reauthorize Department of Homeland Security (DHS) operations and programs and DHS programs for the first time since DHS was created in 2003. Provisions in the bill would require an internal review by Customs and Border Protection (CBP) to ensure there is adequate staffing at each of the ten international airports in the U.S. with the largest volume of international travelers.

The legislation would also require implementation of the exit component of the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program at airports.

Anticipated Impact/Discussion

Approval of this bill could help ensure that SDIA continues to have an adequate level of federal security and sufficient CBP staffing for international flight passenger processing.

Status: 10/13/11 – Approved by the House Committee on Homeland Security by a vote of 20 to 12

Position: Watch (12/1/11)

Legislation/Topic

S. 2322 (Murray)/H.R. 5972 - Fiscal Year 2013 Transportation Appropriations Act

Background/Summary

This legislation provides annual funding for the Department of Transportation and Federal Aviation Administration (FAA) operations and programs. Both the Senate and House versions of this legislation would fund the Airport Improvement Program (AIP) at \$3.35 billion – the full amount authorized for this program in the recently enacted FAA Reauthorization bill. Both versions would provide \$9.7 billion for FAA operations and would continue the prohibition on the use of AIP funds to replace baggage conveyor systems, reconfigure terminal baggage areas or make other improvements necessary to install bulk explosive detection systems. Both bills would prohibit the FAA from requiring airports to provide space free of charge in airport-owned buildings.

The House bill provides the FAA with \$2 million to enhance investigations of airport revenue diversion. The House bill also includes a provision preventing airports from receiving AIP funds unless they agree to provide cost-free space in non-revenue producing areas to DOT to conduct outreach on air passenger rights.

Anticipated Impact/Discussion

Approval of this bill would assist the Authority by providing annual AIP funding for which the Authority could compete.

Status: 4/19/12 – S. 2322 - Passed by Senate Appropriations Committee
6/29/12 – H.R. 5972 - Passed by House on a vote of 261 to 153

Position: Support (5/3/12)