



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
4

Meeting Date: **MARCH 1, 2012**

Subject:

March 2012 Legislative Report

Recommendation:

Adopt Resolution No. 2012- 0025, approving the March 2012 Legislative Report

Background/Justification:

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires Authority staff to present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The March 2012 Legislative Report updates Board members on legislative activities that have taken place during the month of February. The Authority Board can give direction to staff on legislative issues contained in the attached Legislative Report (Attachment A).

State Legislative Action

The Authority's legislative team recommends that the Board adopt a Support position on SB 973 (Vargas). This legislation would exempt from the California Environmental Quality Act the approval of a park use or special events permit for a limited duration event for civic, charitable, community development, or recreational purposes.

Federal Legislative Action

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

On February 14, 2012, President Obama signed into law H.R. 658, a four-year Federal Aviation Administration Reauthorization bill. This legislation provides an annual authorization level of \$3.35 billion for the Airport Improvement Program (AIP) and adds 16 slot exemptions for air carriers to travel nonstop between Washington Reagan National Airport (DCA) and destinations beyond the 1,250 mile (DCA) flight limit.

On February 13, 2012, the Administration released its Fiscal Year 2013 budget request. The President's request proposes a reduction of \$926 million in AIP funding while proposing an increase in the Passenger Facility Charge limit for larger airports. The budget also proposes \$2 billion for competitive airport grants as part of a \$50 billion infrastructure package targeted for roads, railways, and runways.

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 RELATIONS

RESOLUTION NO. 2012-0025

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE MARCH 2012 LEGISLATIVE
REPORT

WHEREAS, the 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 March 2012 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority 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.

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PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 1st day of March, 2012, 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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March 2012 Legislative Report

State Legislation

Legislation/Topic

**AB 973 (Vargas/Garrick) – California Environmental Quality Act (CEQA):
Exemption for Limited Duration Events**

Background/Summary

This bill would exempt from CEQA the approval of a park use or special events permit for a limited duration event that has a specified purpose, is located on public property, within a public right of way, or within a defined event venue.

A limited duration event is defined as a recreational tournament, sporting event, youth tournament, racing or walking event, fireworks display, holiday celebration, concert, military appreciation event, block party, wedding, job fair, festival and parade, street fair, beach and neighborhood cleanup, farmers' market, art market, and other similar event lasting 48 hours or less.

Events that include the erection or demolition of permanent structures would be excluded from the exemption.

Anticipated Impact/Discussion

This Authority participates in and sponsors various community events that may require CEQA approval if this legislation is not approved.

Status: 1/19/12 – Introduced
 2/2/12 – Referred to the Senate Committee on Environmental Quality

Position: Support

Legislation/Topic

State Budget

Background/Summary

The Governor proposed a Fiscal Year 2012-13 budget totaling \$137 billion in state spending. This includes \$92.6 billion from the General Fund for most state services, \$39.8 billion from special funds, and \$5 billion on bond-funded projects. The Governor's budget projects that the General Fund faces a \$9.2 billion shortfall over the next 18 months. The budget proposes a mix of spending cuts and new sales and income taxes to close this gap and create a

\$1.1 billion reserve. These taxes are part of a proposed November 2012 ballot initiative. If state voters reject the tax initiative, the Governor proposes additional spending cuts, mainly affecting education, health and social programs.

Anticipated Impact/Discussion

The State Controller recently issued a report showing that tax revenue in January was \$528 million lower than the Governor assumed in the budget. The Authority's legislative team will continue to monitor the state budget to ensure there are no adverse impacts to the Authority as a result of the budget process.

Status: 1/10/12 – Introduced by the Governor

Position: Watch

Legislation/Topic

**AB 605 (Dickinson) – California Environmental Quality Act (CEQA):
Transportation Impacts**

Background/Summary

This bill would have required the Governor's Office of Planning and Research (OPR) to prepare and adopt guidelines that would establish the percentage reduction in the projected trip generation and vehicle miles traveled for a project as compared to the average for that project type. OPR would also have been required to develop a list of mitigation measures that a project may incorporate to reduce the project's projected trip generation and vehicle miles traveled.

Under this bill, projects meeting or exceeding the percentage reduction in trip generation and vehicle miles traveled, or projects that incorporate sufficient emissions mitigation measures would not have needed to consider the transportation-related impact of the project in environmental documents prepared pursuant to CEQA.

Anticipated Impact/Discussion

This bill would have required the Authority to establish a percentage reduction in the projected trip generation and vehicle miles traveled for any new development project.

Status: 1/9/12 – Referred to the Assembly Committee on Natural Resources
2/1/12- Died in Committee

Position: Watch (2/9/12)

Legislation/Topic

AB 1455 (Harkey) – High Speed Rail

Background/Summary

The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008 general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail.

This bill would reduce the amount of general obligation debt authorized pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of January 1, 2013.

Anticipated Impact/Discussion

This bill could impact the proposed construction for the section of high-speed rail to San Diego County.

Status: 1/10/12 – Introduced
2/9/12 – Referred to the Assembly Committee on Transportation

Position: Watch (2/9/12)

Legislation/Topic

AB 662 (Hueso) – Airport Land Use Compatibility Plans

Background/Summary

The Authority's Board acts as the Airport Land Use Commission (ALUC) for San Diego County and is responsible for the preparation, adoption, and amendment of airport land use compatibility plans (ALUCPs) for airports located in San Diego County.

Under current law, ALUCPs for military installations must be consistent with the safety and noise standards in an air installation compatible use zone (AICUZ). Under this legislation, an ALUCP would no longer have been required to be consistent with the safety and noise standards in an AICUZ if the AICUZ was not adopted pursuant to a public process resulting in the adoption of an environmental impact statement under the National Environment Protection Act (NEPA).

Anticipated Impact/Discussion

Authority representatives participated in meetings with Assemblymember Hueso and other interested parties to discuss this bill and its anticipated impact on the ALUC.

Status: 1/12/12 – Approved by the Assembly Committee on Local Government by a vote of 6 to 2
2/1/12 – Died in Committee

Position: Watch (5/5/11)

Federal Legislation

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.

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 Fixed Base Operators. 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 Reform
4/12/11 – S. 785 - Introduced and referred to the Senate Committee on Homeland Security and Government 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: 5/5/11 – 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

S. 223 (Rockefeller)/ H.R. 658 (Mica) - FAA Reauthorization Act

Background/Summary

The House and Senate approved a four-year FAA Reauthorization Bill with the following provisions:

- Passenger Facility Charge (PFC) cap stays at \$4.50
- Airport Improvement Funding (AIP) cut from \$3.5 to \$3.35 billion annually through Fiscal Year 2015
- Increases the number of slots at Washington Reagan National Airport (DCA) by 16 – 8 for new entrants and limited incumbents and 8 for incumbents for destinations beyond the 1,250 mile (DCA) flight limit
- Airlines are required to display the Department of Transportation consumer protection hotline for passengers
- Increases the number of airports that can participate in privatization pilot program from 5 to 10
- Requires TSA to approve airport-sponsored opt-out applications within 120 days unless doing so would compromise security. If an application to TSA is denied, TSA must provide an explanation to the airport

Status: 2/14/12– Signed into law by the President

Position: House Version: Watch (3/3/11)
Senate Version: Support (3/3/11)

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. 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 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 House

Position: Watch (11/3/11)

Legislation/Topic

H.R. 2594 (Mica) – 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 will either have to reduce their carbon dioxide emissions or pay a fine. The U.S. airline industry is opposed to the program based on their 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: 10/24/11 – Approved by the House by voice vote and sent to the Senate
12/17/11 – Referred to the Senate Committee on Commerce, Science and Transportation

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 authorize the Department of Homeland Security (DHS) and DHS programs. The bill would require an internal review by Customs and Border Patrol (CBP) to ensure there is adequate staffing in each of the 10 international airports in the U.S. with the largest volume of international travelers. H.R. 3116 would also require implementation of the exit component of the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program at airports to ensure that visitors have stayed beyond the time they are allowed to remain in the country.

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)