



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

4

Meeting Date: **JANUARY 5, 2012**

Subject:

January 2012 Legislative Report

Recommendation:

Adopt Resolution No. 2012-0001, approving the January 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 January 2012 Legislative Report updates Board members on legislative activities that have taken place during the month of December. 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 is not recommending that the Board adopt any new positions on state legislation this month.

The State Legislature is scheduled to reconvene on January 4, 2012.

Federal Legislative Action

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

Following the December 6, 2011 resignation of Federal Aviation Administration (FAA) Administrator Randy Babbitt, Deputy Administrator Michael Huerta is now serving as acting FAA Administrator.

Authority Strategies:

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

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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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. 2012-0001

**A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE JANUARY 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 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 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 Section 21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 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**

January 2012 Legislative Report

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. 1801 (Cravaack) - Risk-Based Security Screening for Members of the Armed Forces Act

Background/Summary

This bill requires the Transportation Security Administration (TSA) to develop and implement a policy that expedites service members and their families through security screening at airports when they are travelling on official orders. This bill requires that the policy be introduced within six months following the enactment of the bill.

Anticipated Impact/Discussion

Although the method that TSA would use to expedite services members through security is unclear, this legislation could require modifications to passenger screening checkpoints at SDIA.

Status: 11/29/11 – Approved by the House by a vote of 404 to 0 and referred to the Senate
12/12/11 – Approved by the Senate by a voice vote

Position: Watch (6/2/11)

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. 674/S.89 (Herger/Vitter) - IRS Code Amendment, Vendors

Background/Summary

Beginning January 1, 2012, federal, state, and local governments with total expenditures of \$100 million or more will be required to withhold 3 percent from all payments for goods and services to guard against possible business tax evasion.

This bill would amend the Internal Revenue Code by repealing the imposition of the 3 percent withholding of goods and services payments.

Anticipated Impact/Discussion

If not repealed, this requirement could negatively affect construction companies and small businesses, increase the costs of performing public works contracts, and increase taxpayer costs.

Status:

11/10/11 – Approved by the Senate by a vote of 95 to 0
11/16/11 – Approved by the House by a vote of 422 to 0
11/21/11 – Signed into law by President

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

House Version:

The House 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 \$3.17 billion in FY 2011 and \$3 billion annually for FY 2012-2014
 - Essential Air Service Program for most communities phased out over three years
- Creates a pilot program allowing up to 5 airports to use PFC revenue for intermodal ground access projects

Senate Version:

The Senate approved a two-year Reauthorization Bill with the following provisions:

- Passenger Facility Charge (PFC) cap stays at \$4.50, but pilot program introduced for up to 6 airports where airports may impose a PFC without regard to dollar amount limitations if the airport collects the charge directly from passengers, and if approved by the Department of Transportation
- AIP funding at \$4 billion in FY 2010, and \$4.1 billion in FY 2011 (up from current \$3.5 billion)
- Increases minimum amount for discretionary AIP from \$148 million to \$520 million

Status: 2/17/11 – Passed in the Senate by a vote of 87 to 8
4/1/11 – Passed in the House by a vote of 223 to 196

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 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

Position: Watch (11/3/11)

Legislation/Topic

H.R. 2112 (Kingston) – Fiscal Year 2012 Department of Transportation Appropriations

Background/Summary

This legislation provides FY 2012 funding for various federal agencies including the DOT and the FAA. The bill provides \$3.35 billion for the Airport Improvement Program, which is \$165 million less than the current AIP level, and \$9.64 billion for FAA Operations.

The legislation also includes a temporary extension of funding to December 16, 2011, for federal other agencies and departments, including DHS and TSA. This bill would also require airports to post air passenger rights signs when requested by the Department of Transportation as a condition of receiving AIP funding.

Anticipated Impact/Discussion

Although the \$165 million reduction in AIP funding could potentially affect SDIA's ability to compete for federal funding for airport projects, this bill would provide airports with more clarity on the annual funding level and disbursement of AIP funds.

Status: 11/1/11 – Approved by the Senate by a vote of 69 to 30
6/16/11 – Approved by the House by a vote of 217 to 203
11/18/11- Signed into law by the President

Position: Support (12/1/11)

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 are 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)