



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

Item No.  
**20**

Meeting Date: **DECEMBER 2, 2010**

**Subject:**

**2011 Legislative Agenda**

**Recommendation:**

Adopt Resolution No. 2010-0141, adopting the 2011 Legislative Agenda.

**Background/Justification:**

Authority Policy 1.60 (Legislative Advocacy Program) provides the Board an opportunity to adopt a legislative agenda comprised of general legislative guidelines and specific goals. The legislative agenda serves as the foundation for the Authority's Legislative Advocacy Program and provides direction to the Authority's legislative team in implementing the Authority's public policy objectives.

Authority staff is also required to present the Board with monthly reports concerning the status of legislation with potential impact to the Authority and San Diego International Airport. This action ensures that the Board is kept apprised of the legislative team's progress in carrying out the Board's legislative agenda and offers a mechanism for the Board to provide any additional direction to the legislative team.

Attached for the Board's consideration is a proposed 2011 legislative agenda (Attachment A) developed by the Authority's legislative team. Once adopted by the Board, Authority staff will work with legislative consultants, legislators, administration officials, and others to advance the Authority's legislative agenda.

**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.

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**Equal Opportunity Program:**

Not applicable.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

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**RESOLUTION NO. 2010-0141**

**A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE 2011 LEGISLATIVE AGENDA**

**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, in accordance with the Authority's Legislative Advocacy Program Policy set forth in Authority Policy 1.60, the Board is afforded the opportunity to adopt a legislative agenda, including general legislative guidelines and specific goals; and**

**WHEREAS, once adopted by the Board, the agenda will serve as the foundation of the Authority's Legislative Advocacy Program; and**

**WHEREAS, Authority staff will work with legislative advocates, legislators, administration officials, and others in Sacramento and Washington, D.C., to identify and pursue opportunities to advance the Authority's legislative agenda; and**

**WHEREAS, the Authority's Legislative Advocacy Program also requires staff to present the Board with monthly reports concerning the status of legislation with potential impact to the Authority and San Diego International Airport; and**

**WHEREAS, the Board can provide direction to the Authority's legislative team as is necessary to achieve the Authority's objectives;**

**NOW, THEREFORE, BE IT RESOLVED that the Board of the San Diego County Regional Airport Authority hereby adopts the 2011 Legislative Agenda (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.**

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PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 2nd day of December, 2010, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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**San Diego County Regional Airport Authority  
2011 Legislative Agenda**

**State Policy/Legislation**

**Airport Authority Act "Spot Bill"**

Although the legislative team is not recommending any changes to the Airport Authority Act, it is possible that the Authority Board may identify a need for legislation during the next legislative session. Therefore, the legislative team recommends the introduction of a placeholder "spot bill" to provide the Authority with the opportunity to advance legislation should the need arise.

***Recommendation:*** *Introduction of a "spot bill" in the State Legislature, allowing the Authority to advance legislation during the next session should the need arise.*

**AB 32 Implementation**

Assembly Bill 32, the "Global Warming Solutions Act of 2006," was signed into law September 27, 2006. Under this law, the State's greenhouse gas (GHG) emissions must be reduced to 1990 levels by 2020. The California Air Resources Board (CARB) approved the AB 32 scoping plan on December 12, 2008, providing an outline for actions to reduce California's GHG emissions. The Scoping Plan requires CARB and other state agencies to adopt regulations and other initiatives reducing GHGs. As AB 32 implementation moves forward, Authority staff will continue to monitor the potential impact of any new emissions reduction requirements on SDIA.

***Recommendation:*** *Monitor any potential impacts of AB 32 implementation on SDIA and identify actions that can be taken to protect SDIA.*

**High-Speed Rail Prioritization/Alignment**

The San Diego to Los Angeles connection is currently in the Phase II stage of planning. The favored alternative for this 167-mile segment includes a stop at the proposed intermodal transit center (ITC) near SDIA.

***Recommendation:*** *Advocate for advancing the San Diego to Los Angeles connection to Stage I, working with SANDAG and other local agencies. Continue to monitor any legislation related to the High Speed Rail Authority.*

**Protection of Caltrans Aeronautics Funding**

This grant funding is awarded to California airports through the California Department of Transportation, Division of Aeronautics.

**Recommendation:** *Continue to work with the California Airports Council (CAC) to protect this state funding program.*

#### **Health Care Reform**

It is anticipated that reform of the state health care system will be a major priority of the incoming Brown Administration. Staff will closely monitor the state implementation of the 2010 federal health care reform laws and monitor any state health care proposals by the Administration or legislators to determine their relation to the recent federal health care reform laws and any potential impact they would have on the Authority.

**Recommendation:** *Monitor new state health care reform proposals and analyze their potential impact on the Authority.*

#### **Workers Compensation Rates**

A filing was recently submitted to the State Insurance Commissioner on behalf of insurers by the Workers' Compensation Insurance Rating Bureau (WCIRB) seeking a rate increase of 28%. The Insurance Commissioner rejected this proposal, and has instead proposed a series of reforms to the rate-making system to increase transparency and reduce costs. Staff will continue to monitor any new filings/proposals and determine their impact to the Authority.

**Recommendation:** *Protect the Authority from any potential cost increases or other detrimental changes to the Workers Compensation system.*

#### **Pension Reform**

In response to declining economic situations and budget deficits, many of California's local governments, including the City of San Diego, are reviewing current pension programs for changes that would reduce their financial obligations to cover the cost of employee pensions. Based on this, as well as recently publicized abuse of pension benefits in some jurisdictions, staff anticipates the introduction of pension reform legislation.

**Recommendation:** *Monitor and identify the potential impact of pension reform legislation on the Authority and its employees and retirees.*

#### **Environmental Process Streamlining**

It is anticipated that state legislation will be introduced to review and streamline current environmental review and processing requirements. Such action could benefit SDIA via a reduction in project time and costs.

**Recommendation:** *Monitor and identify legislative and regulatory proposals to streamline current environmental processes that could benefit the Authority and SDIA.*

#### **ALUC Plans**

The potential exists for the introduction of state legislation that would alter the current state requirements and guidelines for the development of Airport Land Use Compatibility Plans

(ALUCPs). The Authority, serving as San Diego's Airport Land Use Commission, has begun the process of updating the ALUCP for SDIA, with updates to the Navy's local facilities to follow.

**Recommendation: Monitor efforts to amend the current ALUCP process and analyze their potential impacts on SDIA and the ALUC.**

#### **Unfunded Mandates**

Since its creation as an independent agency, the Authority has borne significant costs resulting from several unfunded state mandates. Staff will identify any proposals for unfunded state mandates that would impact the Authority and determine their potential costs to the agency.

**Recommendation: Identify any unfunded mandates and analyze their impact/cost to the Authority/SDIA.**

#### **State Grants**

Authority staff will continue to work with our legislative consultants, Authority staff, and others to identify and apply for any applicable state grant funding, including homeland security, emergency preparedness, and planning funding.

**Recommendation: Continue to identify and pursue available State funding.**

## **Federal Policy/Legislation**

### **Federal Aviation Administration Reauthorization**

Both the House and Senate passed multi-year FAA Reauthorization bills in the current Congress. However, it is not anticipated that a final bill will be passed during the lame-duck session of Congress. Passage of a multi-year reauthorization bill is expected to be a major priority of Congress in next year's session.

***Recommendation:*** *Strongly advocate for passage of a multi-year FAA Reauthorization bill that includes an increase in the current PFC limit, maintains high level of Airport Improvement Program funding, and provides SDIA with an opportunity to compete for nonstop service to Washington Reagan National Airport.*

### **Washington Street Improvement Project**

The Authority continues to coordinate with the Marine Corps, City of San Diego, Port District and others to improve the Washington Street intersection and access to the north side of the airfield and the Marine Corps Recruit Depot. Although an improvement design has been agreed upon, staff continues to identify and pursue the necessary funding to implement the proposed improvements.

***Recommendation:*** *Continue to work with all interested parties to identify and obtain funding necessary to implement the proposed improvements to Washington Street.*

### **Elimination of Alternative Minimum Tax on Private Activity Bonds**

The American Recovery and Reinvestment Act of 2009 provided a two-year alternative minimum tax (AMT) exemption for private activity bonds. The FAA estimates that U.S. airports, including SDIA, issuing private activity bonds during this tax "holiday," will save over \$1 billion over the life of the bonds. Airport Associations continue to advocate for an extension to the current AMT exemption, scheduled to expire at the end of 2010. The Future of Aviation Advisory Committee created by U.S. Transportation Secretary LaHood is also expected to advocate for an extension to the AMT exemption.

***Recommendation:*** *Support efforts to extend the current Alternative Minimum Tax exemption for airport private activity bonds.*

### **Surface Transportation Reauthorization Bill**

A new Surface Transportation Reauthorization Bill is expected to be a major priority of the new Congress. The bill may provide opportunities for the Authority to obtain funding for SDIA projects as well other local transportation projects that could benefit SDIA. Staff will work with the Authority's legislative consultants and local transportation agencies to include categories and funding opportunities in this bill that could benefit SDIA.

***Recommendation:*** *Monitor and advocate for funding in the Surface Transportation Reauthorization Bill that could benefit SDIA.*



### **Intermodal Transit Center Funding**

Following a year-long airport planning effort involving several elected and appointed San Diego leaders, the concept of an Intermodal Transit Center (ITC) connecting SDIA to other regional transit modes was agreed upon. SANDAG has begun the planning for the ITC in coordination with Authority staff, who are planning a consolidated rental car facility that will connect to the ITC. Additional coordination will be necessary as this the ITC moves forward. The Authority can play a role in supporting the efforts of SANDAG in identifying and obtaining funding necessary in latter stages of the ITC project.

***Recommendation:*** *Continue to coordinate with SANDAG and assist in identifying and advocating for funding necessary to advance the Intermodal Transit Center.*

### **Health Care**

Following the recent passage of comprehensive health reform legislation, it is anticipated that several legislators will attempt to amend, and potentially repeal, the new laws. At the same time, Administration officials are expected to continue to implement the new legislation. Authority staff will continue to monitor both the implementation as well as proposed legislation to reverse or amend the new health care laws and any potential impact to the Authority.

***Recommendation:*** *Monitor implementation and proposed changes to the 2010 health care reform laws and identify proposals that would impact the Authority.*

### **Education Program Tax Exempt Reimbursement Level**

Section 127 of the U.S. tax code allows an employee to exclude from income up to \$5,250 per year in employer-provided tuition assistance for undergraduate and graduate-level courses. Without Congressional action, this provision will expire at the end of 2010. The Authority currently provides up to \$5,000 in tuition reimbursement per year to employees, who could be adversely impacted should the current exemption expire.

***Recommendation:*** *Advocate to extend, or make permanent, the current employer-provided tuition assistance exemption.*

### **Federal Grants**

Authority staff will continue to work with our legislative consultants, Authority staff, and others to identify and apply for any applicable federal grant funding, including Airport Improvement Program (AIP), Quieter Home Program (QHP), Voluntary Airport Low Emission (VALE) Program, Transportation Investment Generating Economic Recovery (TIGER), Homeland Security, stimulus/infrastructure, and planning funding.

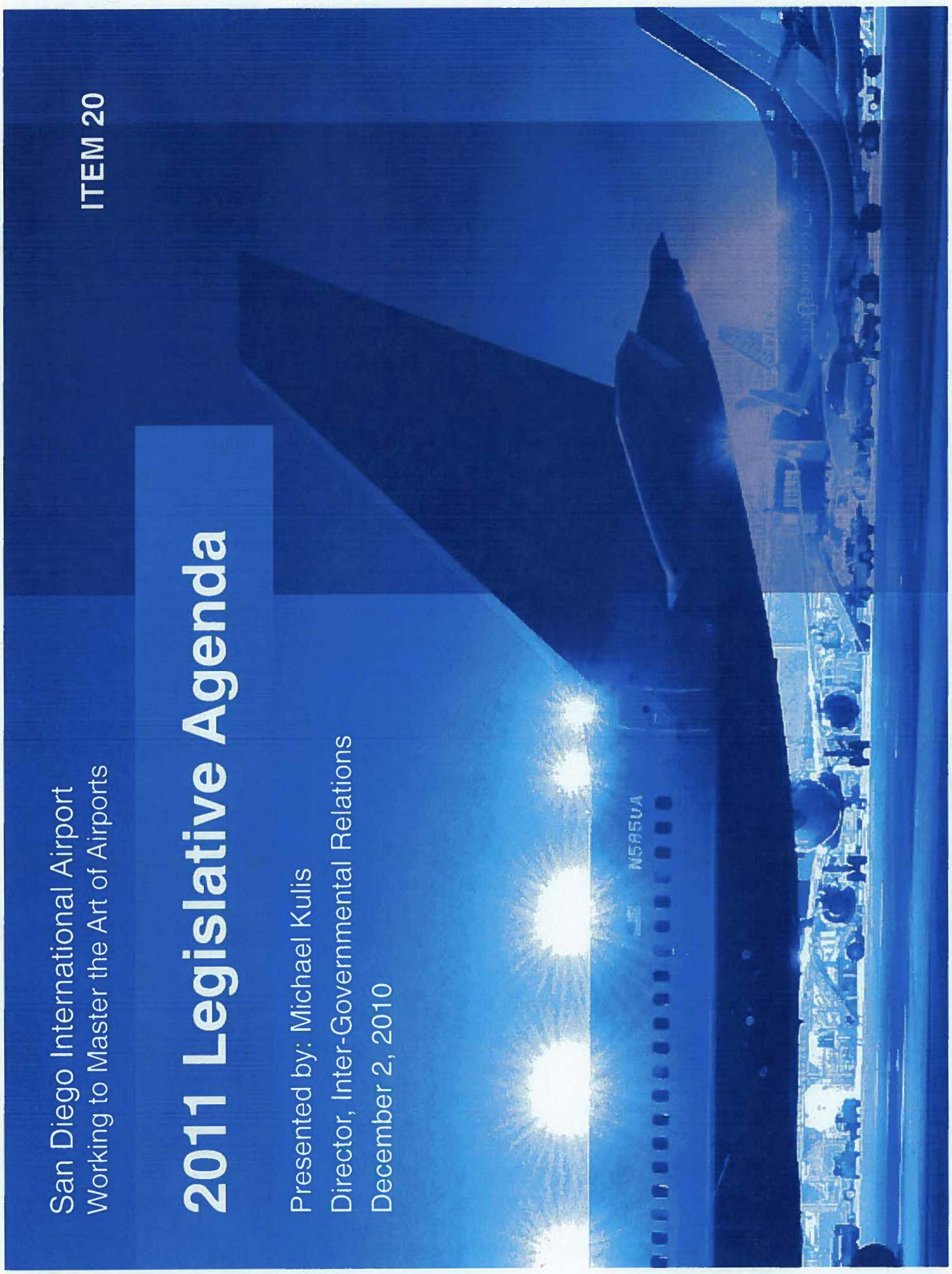
***Recommendation:*** *Continue to identify and pursue available Federal funding.*

San Diego International Airport  
Working to Master the Art of Airports

# 2011 Legislative Agenda

Presented by: Michael Kulis  
Director, Inter-Governmental Relations  
December 2, 2010

ITEM 20





## **Legislative Advocacy Program**

- Authority policy allows Board to adopt legislative agenda
- Agenda is comprised of general guidelines and specific goals
- Agenda serves as the foundation for Authority's legislative program
- Monthly reports provide opportunity to give specific direction to staff



# 2010 State Highlights

## Authority-supported bills enacted into law

- AB 1660 (Salas) - Emergency aircraft flights for medical purposes
- SB 1192 (Oropeza) - Rental car facility fees
- SB 1333 (Yee) - Avigation easements
- AB 2572 (Bradford) - Charter-party carriers of passengers  
(following significant amendments to bill)



## State Political Landscape

- GOP “wave” stopped at California border
- Democrats won all but one Statewide Constitutional office
- Jerry Brown wins third term as Governor
- Senate
  - Same composition
  - More moderate than Assembly
- Assembly
  - Democrats gain 1 seat
  - More liberal than Senate



# State Political Landscape

## Proposition results show voter attitudes to:

- Protect Local Government Revenues (Prop. 22)
- Reject tax/fee increases (Prop. 26)
- Continue current AB 32 implementation (Prop. 23)
- Gov.-elect Brown's 2011-12 budget proposal expected in early Jan. 2011
- State budget deficit expected to be \$28 billion
- Several new legislators, committee chairs
- Deadline for bill submittal - mid-February



# 2011 State Legislative Proposals

Spot Bill - introduction of “spot” bill in case Authority legislation is needed this session

AB 32 - continued monitoring/advocacy as implementation continues

High-Speed Rail - continue to advocate for San Diego to L.A. alignment prioritization

Caltrans Aeronautics Grants - continue to work with CAC to protect state funding

Health Care Reform - protect Authority from any changes/mandates



## **2011 State Legislative Proposals**

Workers Compensation - protect Authority from potential increases

Pension Reform - monitor/act to ensure Authority interests are protected

Environmental Streamlining - support streamlining efforts that would benefit Authority/SDIA

ALUC Plans - monitor efforts to amend current ALUCP process

Unfunded Mandates - oppose unfunded mandates impacting Authority/SDIA





## 2010 Federal Highlights

- TSA Stimulus Grant – \$28.3 million for T-2 in-line explosive detection system (EDS)
- FAA Reauthorization Bill – House and Senate passage of bill
- Sound Attenuation Funding - \$20 million (highest-ever level of funding for SDIA)
- AMT “Holiday” for Private Activity Bonds



# Federal Political Landscape

## 112th Congress

- Republican House
  - Speaker John Boehner
- Democrats retain majority in Senate
- Transportation & Infrastructure Cmte.
  - Chair expected to be John Mica
- FAA Bill will be a priority - expected to be very similar to current bill
- PFC increase may be more challenging
- Aviation Subcommittee – Reps. Costello and Petri change seats



# Federal Political Landscape

## 112th Congress

- “Business-friendly” policy initiatives
- Transportation expected to remain a bipartisan issue
- Discretionary spending may be at risk
- Administration - greater need for clearly-defined policy positions



## **2011 Federal Legislative Proposals**

FAA Reauthorization - advocate for passage of multi-year bill

Passenger Facility Charge - advocate for House-supported level of \$7.00

Airport Improvement Program - support House and Senate-proposed funding level

Washington Reagan Slots - support efforts for increased SAN-DCA service

Washington St. Improvements - obtain funding for Washington St. intersection project



## **2011 Federal Legislative Proposals**

Surface Transportation Reauthorization - advocate for funding levels and categories needed for SDIA-related projects

Intermodal Transit Center - advocate for ITC project funding

Health Care - monitor proposed changes to 2010 Health Care Reform laws

Education Reimbursement Tax Status - extend tax free treatment of SDIA tuition reimbursement program

Questions?

