



May 2004  
Volume 2, Issue 1

## Inside this Brief

- **Oregon Airports**
- **Oregon Department of Aviation**
- **Funding and Projects**
- **Aviation-Related Businesses**
- **Air Freight**
- **Continuing Issues**
- **Recent Legislative Action**
- **Staff and Agency Contacts**

Legislative Committee Services  
State Capitol Building  
Salem, Oregon 97301  
(503) 986-1813

Background Brief on...

# Aviation

*Prepared by: Janet Adkins*

## Oregon Airports

Oregon's airport network consists of 98 public-use airports, ranging in size from Portland International Airport with over 12 million annual passengers, to small unattended airports like the Alkali Lake State Airport. By means of this network, the aviation industry serves multiple essential activities including agriculture, fire suppression, business transportation, recreation, tourism, emergency medical transportation, search and rescue, high-value cargo movement, mail service, and military exercises.

Local jurisdictions (cities, counties, or port districts) own Oregon's seven commercial service airports, as well as most of the state's General Aviation airports. Commercial service airports are located in Portland, Eugene, Medford, Redmond, Klamath Falls, Pendleton, and North Bend. The state owns and maintains 28 General Aviation airports, many of which are in remote areas. Because Oregon is a relatively large land-area state, maintaining these airports is vital to the aviation network, providing regular and emergency landing and fueling areas for those flying within or through the state. About 350 private-use airports are also located in Oregon..

## Oregon Department of Aviation

The Oregon Department of Aviation can trace its roots back to 1921, predating even the creation of a federal aviation agency. The agency became part of the Oregon Department of Transportation in the 1970s, but is again a separate agency through action of the 1999 Legislature. The Department of Aviation is a small agency with 16 employees and a biennial budget of about \$16 million including federal funds. The agency is overseen by a seven-member Board of Aviation appointed by the Governor and confirmed by the Senate.

While the Federal Aviation Administration is the major regulator of air space, aircraft safety, and pilot licensing, the state plays a key role in these activities, especially for smaller airports, and as an operator of 28 airports. The state Department of Aviation registers pilots and aircraft based in the state, licenses public-use airports, conducts airport inspections, provides technical assistance to local airport managers on planning, zoning, and airport design, and provides public information about aviation.

## Funding and Projects

Local airport operations are funded through various combinations of landing fees, ticket fees, freight fees, parking fees, local taxes, vendor contracts, and rents.

Oregon Aviation Department revenues all derive from state user fees and federal funds. State aircraft fees, aircraft fuel taxes, and airport fees support the state-owned airport system and fund improvements at other airports in the state. State pilot registration fees support air search and rescue efforts coordinated by the Oregon Emergency Management Office.

Federal funds for airports derive from ticket fees, fuel taxes, international carrier departure fees, and freight fees. The federal Aviation Investment and Reform Act (AIR 21) provided a 60 percent increase in federal funds for grants to both large and small airports. State funds have proven essential to receiving the federal funding, because the state funds can be used by smaller localities for the required local match.

**Statewide Pavement Maintenance Program:** State aviation fuel tax increases approved by the 1999 Legislature raise about \$1 million a year for pavement maintenance. Local airport owners provide a 5 to 50 percent match under the program. Over the first four years of the program, 52 airports, both state and locally owned, participated in the program. The pavement program also benefited when restrictions on the use of federal Airport Improvement Program funds for maintenance were eased.

Other recent agency projects include:

- Helping develop a model land use ordinance for local governments to protect airports
- Helping fund a market analysis for Corvallis and Newport airports
- Developing a Statewide Air Service Development Action Plan
- Co-Sponsorship of Northwest Airport Managers Seminar in May of 2004
- Developing an Economic Impact Study for Public-Use Airports in the state
- Conducting a Statewide Land-Use Zoning Inventory of Public-Use Airports

## Aviation-Related Businesses

A 1998 study estimated that 11,800 jobs were attributable to aviation-related tenants at Oregon

airports, and another 12,800 secondary jobs supported these businesses. Seventy-six percent of respondents in a general business survey from the same study indicated the importance of commercial air service to their business activity and 36 percent said proximity to General Aviation airports was important. Oregon is also home to two of the leading producers of homebuilt aircraft kits, one located near Aurora, the other near Redmond.

## Air Freight

Freight is handled at all of Oregon's commercial service airports and at a few General Aviation airports. Portland International Airport handles over 250,000 tons of freight annually. The next busiest freight airports, Eugene and Medford, handle between three and four thousand tons annually. Oregon's air freight volumes and tonnages are small compared to rail, highway, and marine modes, but measured in terms of value, air freight is significant and growing, especially in international trade.

## Continuing Issues

- Airport and surrounding land use conflicts
- Airport and airspace security
- Securing or maintaining air service at smaller airports

## Recent Legislative Action

Senate Bill 108 (1999) created a separate Department of Aviation

House Bill 2199 (1999) increased aviation fuel tax from 3 to 9 cents/gallon, and jet fuel tax from ½ to 1 cent/gallon, to fund a runway pavement improvement program

Senate Bill 2 (2001) increased membership on Aviation Board from five to seven members

Senate Bill 106 (2001) permitted self-service aviation fueling at airports.

## Staff and Agency Contacts

Ron Rende	Oregon Department of Aviation 503-378-8689 x 226
Ray Ballantyne	Federal Aviation Administration 503-493-7500
Janet Adkins	Legislative Committee Services 503-986-1621