



November 2006

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 97 public-use airports, ranging in size from Portland International Airport with over 13 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 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 by 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 Office of Emergency Management.

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 are essential to receipt of federal funds, because state funds can be used by smaller localities for 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 five to 50 percent match under the program. Over the first six years of the program, 56 airports, both state and locally owned, participated in the program.

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
- Developing a statewide Aviation Master Plan
- 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

An economic impact study is underway to assess jobs and businesses directly and indirectly influenced by Oregon's commercial and General Aviation airports.

Oregon is home to four of the leading producers of general aviation aircraft and homebuilt aircraft kits, located near Aurora, Redmond and Bend. The world's largest manufacturer of avionics also has a facility near Salem.

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 270,000 tons of freight annually. The next busiest freight airports, Eugene and Medford, handle about four thousand tons annually. 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 air service at smaller airports

Recent Legislative Action

Senate Bill 152 (2005) authorized issuance of \$10 million in lottery bonds over two biennium to help fund a new terminal at the North Bend Airport.

Senate Bill 71 (2005) provided \$100 million of lottery bond authority for aviation, rail, transit, and marine projects. Under the program, known as *Connect Oregon*, the Transportation Commission approved \$16.7 million in grants for nine airport projects throughout the state. An additional \$1.6 million was approved for a broadcaster/receiver network to provide local traffic and weather information as well as radar-like capability.

Senate Bill 680 (2005) required the state to establish pilot programs at three rural airports to encourage industrial development.

Staff and Agency Contacts

Bob Hidley, Oregon Department of Aviation
503-378-4880

Scott Speer, Federal Aviation Administration
503-493-7500

Janet Adkins, Legislative Committee Services
503-986-1621