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Background Brief on ...

Aviation

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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 McDermitt 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 eight 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, Salem, 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 Legislative Assembly. The Department of Aviation is a small agency with 17 employees and a biennial budget of about \$20 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 matching purposes.

Statewide Pavement Maintenance Program

State aviation fuel tax increases approved by the 1999 Legislative Assembly 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 8 years of the program, 80 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 Pendleton, North Bend, Klamath Falls and Newport airports
- 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
- Installation of a satellite-based traffic and weather broadcast system covering most of Oregon

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 300,000 tons of freight annually. The next busiest freight airports, Eugene and Medford, handle about 4,000 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: One of the biggest concerns for airports is the continued pressure to develop open space near airports into incompatible land uses. Such uses include the proliferation of telecommunications structures or tall buildings, residential development that can bring in noise-sensitive neighbors, and stormwater detention areas or other uses that can attract waterfowl that pose a potential hazard to aircraft.

Airport and airspace security: While the security and safety of air travel has always been of vital importance, it has become even more so since the terrorist attacks of September 11, 2001. Efforts are ongoing to strike a proper balance between accessibility of airport facilities and airspace and the need to ensure that proper security measures can be implemented.

Securing air service at smaller airports: The economies of smaller communities can be greatly benefited by regular air service to allow the movement of passengers and goods by air.

However, in many cases it is not in the economic interest of air carriers to serve these communities.

Recent Legislative Action

Senate Bill 152 (2005) requires operators of public-use airports to notify the Department of Aviation 180 days prior to permanently closing an airport.

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

House Bill 2278 (2007), known as ConnectOregon II, provides \$100 million in lottery bond authority for aviation, rail, transit, and marine projects. With funds from the first ConnectOregon package adopted in Senate Bill 71 (2005), the Transportation Commission approved \$16.7 million in grants for 9 airport projects throughout the state.

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