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Background Brief on ...

Aviation

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, 12 of which receive federal grant funds for improvements. 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 serving a variety of functions 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 13 employees and a biennial budget of about \$10 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 (FAA) 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, performs airspace studies of proposed tall structures, 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 Department of Aviation 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 such as those awarded in the *ConnectOregon* III Rural Airports program are essential to receipt of federal funds because FAA grants require a local match.

Statewide Pavement Maintenance Program

State aviation fuel tax increases approved by the 1999 Legislative Assembly raise about \$1 million a year for pavement maintenance at all public-use airports across the state. Local airport owners provide a five to 50 percent match to state funds. Since inception of the program 66 airports have participated in the program.

Other recent statewide agency projects include:

- Compilation of a Cost Unit Analysis of statewide airport projects to assist with estimating project costs.
- Assistance with air service retention and expansion for Oregon's smaller commercial air service airports.

- Development of a statewide Aviation System Plan and airport Economic Impact Analysis.
- Requisition of aerial photography of all public use airports to assist with planning activities.
- Management of the *ConnectOregon* Rural Airports grant program. This program provides for the local match required for FAA Airport Improvement Program grants.

Aviation-Related Businesses

An economic impact analysis was recently completed to assess jobs and businesses directly and indirectly influenced by Oregon's commercial and general aviation airports. The Oregon Department of Aviation continues to work with local jurisdictions to convey the economic value of Oregon's 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 500,000 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 compatibility: A major concern 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

House Bill 2149 (2009) increased the registration and renewal fees for civil aircraft and created a new registration category for single-engine turboprop aircraft. There are now ten different aircraft classification fee schedules, ranging from \$30 for ultralight aircraft to \$350 for fixed-wing turbojets. Single-engine, fixed-wing aircraft saw the smallest increase (\$5/year), while fixed-wing turbojets saw the largest (\$188/year).

House Bill 2150 (2009) increased pilot registration fees from \$8 to \$12, and renewal fees from \$16 to \$24. The additional revenue is to be used to defray the cost of search and rescue operations.

Senate Bill 680 (2005) required the state to establish pilot programs at three rural airports to encourage industrial development. Senate Bill 170 (2009) increased the maximum number of airports that may participate in the pilot project to six and expanded eligibility to airports that lack a permanent air traffic control tower.

House Bill 2001 (2009) provided an additional \$100 million in lottery bond authority for aviation, rail, transit and marine projects. This was the third edition of the *ConnectOregon* program; following House Bill 2278 (2007) and Senate Bill 71 (2005). The first *ConnectOregon* program approved \$16.7 million in grants for

nine airport projects throughout the state, while *ConnectOregon II* approved 10 aviation projects for a total of \$26.9 million. House Bill 2001 also provided for the set-aside of \$5 million to be used exclusively for rural airport improvement projects within Oregon.

Senate Bill 171 (2009) provided statutory authority to the Department of Aviation to prevent the construction of structures that present a hazard to air navigation near airports. Prior to passage of the measure, the Department had authority to define which objects or structures were to be considered air navigation hazards, but no authority to prohibit their construction.

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