



September 2014

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

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 in Malheur County. 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 six commercial service airports, as well as most of the state's general aviation airports. Commercial service airports are located in Portland, Eugene, Medford, Redmond, Pendleton, 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. Over 370 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 12 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 is an entirely “Other Funds” agency and derives no revenue from lottery or General Funds. All revenues 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. State funds such as those awarded in the *ConnectOregon* program are essential to receipt of federal funds because FAA grants require a 10 percent 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. A 2012 study funded by the FAA found that the Pavement Maintenance Program (**PMP**) extended the life of the average runway by up to 24 years. Considering that the FAA regards pavement life as 20 years, the investment in the PMP represents a potential cost avoidance of an entire runway repair cycle saving airport

sponsors an average of \$2 million per renovation avoided.

Other recent statewide agency projects include:

- Extensive outreach to the airport community around the state to provide assistance and expertise to their airport administrators.
- Partnership with FAA and federally funded public-use airports to improve airport infrastructure through a Statewide Capital Improvements Program (**SCIP**) that helps match airports in Oregon with FAA grant funding; since 2009, over \$297 million has been invested in Oregon’s public-use airports with FAA grants.
- Development of a statewide Aviation System Plan and airport economic impact analysis.
- Update to the Statewide Aviation System Plan (Chapter 8) on the economic importance of aviation in the state.
- Modal selection of the *ConnectOregon* Airports grant program; this program helps provide 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 study showed that Oregon’s airports and the businesses around them provide a \$22 billion dollar impact and over 76,000 jobs to the Oregon economy. The Oregon Department of Aviation continues to work with local jurisdictions to convey the economic value of Oregon’s airports.

Oregon is home to the leading producer of general aviation homebuilt aircraft kits, located near Aurora, Van’s Aircraft. The world’s largest manufacturer of avionics, Garmin, also has a facility in 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 for proximity to airports. Such uses include the proliferation of telecommunications structures or tall buildings, residential development that can bring in noise-sensitive neighbors as well as storm water detention areas or other uses that can attract waterfowl that pose a potential hazard to aircraft.

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 recent years, airlines have consolidated operations and reduced service to smaller communities nationwide, including some (Newport, Astoria, Salem, and Klamath Falls) in Oregon.

Recent Legislative Action

House Bill 2710 (2013) restricted the use of “drones,” unmanned aerial systems (UAS) by private citizens and law enforcement. It also required The Department of Aviation to begin registering UAS in 2016 and to provide a report to the Legislative Assembly in 2014 on the status of federal regulation of UAS and recommendations on registration of private UAS.

Senate Bill 178 (2013) provided the Department of Aviation with civil penalty authority for enforcement of aviation-related statutes. Senate Bill 602 (2013) banned seaplanes from operations on Waldo Lake.

Staff and Agency Contacts

Patrick Brennan
Legislative Committee Services
503-986-1674
patrick.h.brennan@state.or.us

Mitch Swecker, Director
[Oregon Department of Aviation](#)
503-378-2340

Kathryn Vernon
[Federal Aviation Administration](#)
(425) 227-2001

Committee Services provides centralized, non-partisan research and issue analysis for the Legislative Branch. Committee Services does not provide legal advice. Background Briefs are intended to give the reader a general understanding of a subject, and are based on information which is current as of the date of publication. Legislative, executive, and judicial actions subsequent to publication may affect the timeliness of the information.