

COMMONWEALTH OF PENNSYLVANIA

HOUSE OF REPRESENTATIVES

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House Transportation Committee :  
Public Hearing on :  
Small Airports :  
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Sewickley Country Inn  
Ohio River Boulevard  
Sewickley, Pennsylvania

Tuesday, November 16, 1993

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

REPRESENTATIVE SUSAN LAUGHLIN,  
Chairman, Subcommittee on Aviation  
REPRESENTATIVE RICHARD J. CESSAR  
SENATOR GERALD LAVALLE  
REPRESENTATIVE LARRY ROBERTS  
PAUL PARSELLS,  
Executive Director, Transportation Committee  
PAUL LANDIS,  
Minority Executive Director,  
Transportation Committee

**Commonwealth Reporting Company, Inc.**

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P R O C E E D I N G S

10:15 a.m.

1  
2  
3 CHAIRMAN LAUGHLIN: I would like to introduce some  
4 members on the panel here. On my far left we have Julie  
5 Boyle who is the Transportation Committee secretary. Paul  
6 Landis is on the staff of Representative Rick Cessar, and  
7 Rick Cessar is on my immediate left here. He is the Minority  
8 Chairman of the Transportation Committee. We have Senator  
9 Jerry LaValle, who is my Senator from Beaver County, and we  
10 have Paul Parsells who is the Executive Director of the  
11 Transportation Committee.

12 It's very nice to see so many people here. I have  
13 been asked to conduct this hearing since I became  
14 Subcommittee Chairman of the Aviation Committee. By the way,  
15 Russ Fairchild, who is the Minority Subcommittee Chairman of  
16 Aviation, was unable to make it. I talked to him last week,  
17 and he wished that he could be here with you but he had  
18 another commitment. I just wanted you to know that he  
19 really wanted to come down.

20 We have some very good testimony, and we have some  
21 very good people here testifying on some of the concerns of  
22 the small airports, and possibly, through legislation, we may  
23 be able to make some changes that need to be done.

24 The first person to testify is Keith Chase, who is  
25 the Deputy Secretary for Aviation with the Department of

1 Transportation. I am so happy that he was able to come down  
2 here and give us this testimony.

3 So, you may start right now, Mr. Chase.

4 MR. CHASE: Thank you, Madam Chairman. One of the  
5 things I will ask even before I begin is that, so our  
6 Legislators can see the charts, if possibly someone could  
7 position the two charts I have here, maybe, at each end so  
8 that you can see them. I will refer to them at a couple of  
9 points in my remarks.

10 The other point I will make, even before I give you  
11 my prepared testimony, is that I have attached a map at the  
12 back of the testimony that is similar to that map of  
13 Pennsylvania airports, and you may want to refer to that as  
14 well.

15 Finally, I know I have about a 15-minute time  
16 limit. While I believe that I have somewhat of a lengthy  
17 presentation, I will try to go through it quickly, and  
18 hopefully it's informative despite the possibility of  
19 exceeding my allotted time.

20 I do appreciate the opportunity to address the  
21 Committee regarding the Commonwealth's aviation programs  
22 focusing on the needs and challenges of small airports.

23 There is much attention today to the larger  
24 elements of our aviation system, as seen through the  
25 President's recent National Commission to Ensure a Strong and

1 Competitive Airline Industry and the construction of a few  
2 major airports, such as Denver's and the tremendous new  
3 Pittsburgh Mid-field terminal, but it is indeed laudable  
4 that you underscore the value of small airports by holding  
5 this hearing today.

6 Just as the interstate highway system works in  
7 concert with lower volume traffic routes, so we must plan for  
8 an aviation system comprised of large and small airports in  
9 order to provide access and efficiently move people and  
10 goods.

11 The Bureau of Aviation works to promote, develop  
12 and preserve Pennsylvania's airport system. Act 164 of 1984  
13 authorizes the Bureau to provide assistance to all public  
14 airports, including those are privately-owned but publicly  
15 accessible. Act 164 also provided for expanded airport  
16 development.

17 Over the years, program appropriations have  
18 steadily increased from \$1 million annually in the 1980's to  
19 the current \$6.75 million level. If that chart could have  
20 been shown going back to the early 1980's, the growth in the  
21 rate of state assistance airports would be even more steep.  
22 These funds frequently are tied to federal assistance and are  
23 key to ensuring the growth and development of Pennsylvania's  
24 airport system.

25 Our airport programs are funded through a tax on

1 jet fuel, 1.8 cents per gallon, and AvGas at 3.6 cents per  
2 gallon. In addition, Acts 117 and 223 of 1990 provided  
3 nearly \$21 million in bond financing for over 130 improvement  
4 projects and 40 public airports. Act 188 of 1991 authorized  
5 another \$7.49 million in bond financing for capital projects  
6 at five public airports. Another \$6.7 million was authorized  
7 in Act 47 of 1993.

8 With this major infusion of capital budget  
9 assistance, Pennsylvania is a national pacesetter in  
10 financial support for small airports. In the fiscal year  
11 '92-'93, we had over 250 active projects to show on the chart  
12 with \$29.3 million in state funds.

13 Pennsylvania ranks fourth nationally in the number  
14 of airports per square mile. There are 141 public-use  
15 airports and over 350 private airstrips. Of those 141  
16 public-use airports, 16 provide scheduled commercial  
17 service. The remainder are smaller general aviation  
18 airports. There are six scheduled-service airports that  
19 provide service by large commercial carriers. The remaining  
20 10 provide commuter service.

21 Pennsylvania's 125 public-use general aviation  
22 airports and more than 350 private-use airstrips provide  
23 access and important services to the many businesses, future  
24 pilots and pleasure flying groups that utilize general  
25 aviation aircraft.

1           The economic significance of these airports,  
2 however, is easily overlooked. Our 1988 Aviation Economic  
3 Impact Study estimated that general aviation airports and  
4 heliports annually contributed approximately \$250 million in  
5 economic output, capital expenses, sales and taxes, \$53  
6 million in payroll and were associated with the creation and  
7 sustaining of 3,700 jobs.

8           Local general aviation airports serve as catalysts  
9 in attracting and sustaining industry in the Commonwealth.  
10 Surveys show that companies consider proximity to a general  
11 aviation airport to be either essential or important in their  
12 site selection criteria.

13           I can tell you first-hand that Tioga County, for  
14 example, has forfeited opportunities to attract firms in that  
15 county because the only airport, state-owned Grand Canyon,  
16 could not accommodate business aircraft with its tiny 2,200-  
17 foot runway. That runway will be extended to 3,600 feet next  
18 year.

19           It is also essential to remember that many of these  
20 smaller airports add to the capacity of our larger airports  
21 by relieving them of general aviation traffic which could  
22 cause delay and heighten the safety challenge.

23           It is news to no one that the aviation industry has  
24 been experiencing turbulent times in recent years. We've  
25 seen the demise of Eastern Airlines, Pan Am and Braniff

1 Airlines, as well as the problems encountered by TWA and  
2 Continental, among others. The airline industry has lost a  
3 whopping \$10 billion over the last three years, and recently  
4 the elimination of 28,000 jobs at Boeing jolted this segment  
5 of our economy.

6 General aviation, as well, has felt the impact of  
7 the prolonged economic recession. Some of the major causes  
8 of the general aviation downturn include a decrease in  
9 corporate and recreational flying, the cost of complying  
10 with new environmental laws, insurance liability demands on  
11 airport owners and operators as well as aircraft  
12 manufacturers, inadequate or nonexistent local zoning  
13 ordinances to protect airports, insufficient local revenue,  
14 private or public, to assist in maintenance, development or  
15 expansion and pressure by land developers to acquire  
16 property in close proximity to existing airports with the  
17 resultant degradation of safety.

18 The picture may not be all negative, however. Some  
19 forecasts do indicate that the downward trend may soon level  
20 or even reverse. The General Aviation Manufacturers'  
21 Association reports the general aviation manufactures are  
22 well-positioned for growth once the economy recovers. The  
23 third quarter increase in GNP in this regard is encouraging.

24 The Aircraft Owners and Pilots Association also  
25 expresses confidence for the future of general aviation, and



1 it is worth noting as an aside that a new general aviation  
2 airport will open in Bedford, Pennsylvania next year.

3 I will briefly overview the revenue base of small  
4 airports to simply demonstrate their huge financial challenge  
5 today. Airports derive their revenue from several sources.  
6 Larger commercial airports receive most of their revenue from  
7 passenger and freight carriers and related operations.  
8 Smaller scheduled-service airports and general aviation  
9 airports have a variety of revenue sources, none of which,  
10 however, are large in and of themselves.

11 Airline service at small commercial service  
12 airports generally does not contribute substantially to  
13 operating revenue and capital improvements. The contribution  
14 is usually limited to landing fees and terminal space  
15 rentals. Given the size of the aircraft normally operated  
16 and the counter space required, this income is usually  
17 minimal. A few smaller airports provide some terminal  
18 concessions which also contribute to airport revenue.

19 Almost all general aviation or commuter airports  
20 rely significantly on aircraft maintenance operations and  
21 services as the main source of operating revenue. Whether  
22 operated by the airport or contracted to a fixed-based  
23 operator, this generally comprises the bulk of airport  
24 income. Aviation services cover a wide variety of activities  
25 and the mix varies from airport to airport.

1           If an airport has the space available and financing  
2 can be arranged, aircraft storage facilities, hangars, are  
3 provided. However, the cost of constructing these facilities  
4 has become so expensive that net revenues rarely break even  
5 with expenses.

6           Recently, T-hangar storage for 20 aircraft was  
7 built at Lancaster Airport. Even with full occupancy the  
8 facility barely breaks even, providing no addition net  
9 revenue from this airport cost center.

10           Aircraft storage is, however, a source of operating  
11 revenue in those cases where the buildings have been in place  
12 long enough to be amortized. Many airports would like  
13 expanded subsidies for hangar construction. To date, this  
14 has not generally been a priority for the either the FAA or  
15 the state DOT's in light of larger capital improvement needs  
16 and due to the somewhat private nature of these projects.

17           The subsidy question aside, there is a bona fide  
18 need for more hangars. Many GA airports have long waiting  
19 lists of aircraft owners desirous of such facilities.

20           In several communities, county or municipal  
21 financial support -- general aviation airports -- provides  
22 enough revenue to offset small operating shortfalls. There  
23 is no single source of revenue, however, that can be regarded  
24 as a base for operating funds. Our small airport operators  
25 continue to display much resourcefulness and creativity to

1 survive a very trying and difficult operating environment.

2           Some select issues: Among key issues for small  
3 airports are compliance with environmental mandates and land  
4 encroachment associated with housing and business  
5 development. Many of Pennsylvania's airports were designed  
6 and built in an era of little development outside large  
7 population centers.

8           Some communities are also increasingly concerned  
9 and active in efforts to control airport-related noise. The  
10 Pennsylvania Bureau of Aviation has been assisting airport  
11 owners and operators concerning these new and high visibility  
12 challenges.

13           A recent example is the Van Sant Airport in Bucks  
14 County. The local municipality issued airport noise  
15 restrictions exceeding federal standards. The new ordinance  
16 imposed a \$500 daily fine on the airport exceeding the local  
17 noise standard.

18           The airport faced possible closure since the new  
19 requirements were not possible to meet, especially since the  
20 airport had no control over transient aircraft using that  
21 airport. As a further obstacle, the municipality imposed an  
22 amusement tax on glider operations which would further reduce  
23 the airport's ability to remain financially viable.

24           The Bureau and the Federal Aviation Administration  
25 proved in federal court that the FAA has responsibility for

1 regulating aircraft noise. Therefore, the local noise  
2 ordinance was preempted. Local governments find themselves  
3 frequently pressured by new residents, developers and others  
4 to close airports or drastically curtail operations.

5 I do not want to depict the airports as helpless  
6 victims, though. More now than ever they must adapt to  
7 change and reach out to their community. This is especially  
8 so in the arena of environmental regulation. New  
9 requirements for underground fuel tank removal, contaminated  
10 soil, storm water runoff and development pressures will  
11 greatly challenge many of Pennsylvania's small airports.

12 We must also carefully weigh the pros and cons of  
13 unfunded mandates on airports. House Bill 2157, for example,  
14 would require airport authorities that purchase additional  
15 property or easement by eminent domain to remit the amount of  
16 lost tax revenue to the municipality in which the property is  
17 located.

18 These acquisitions are almost always pursued for  
19 reasons of public safety and therefore have public benefit.  
20 This proposal could discourage such efforts and could further  
21 squeeze already thin airport pocketbooks.

22 I'd like now to overview some of PennDOT's aviation  
23 programs. Many of the Department's programs are indeed  
24 tailored to the needs of airports that are not eligible for  
25 federal assistance.

1           First, aviation development; it's on your bar chart --  
2 represents the blue portion. Our Aviation Development  
3 Program funds most airport development projects. Runway and  
4 taxiway construction, airport lighting systems and  
5 obstruction marking, land acquisition, installation or  
6 improvement of nav-aids, navigational aids, are but a few  
7 examples.

8           The Bureau generally funds 50 percent of the non-  
9 federal share of federally funded projects and 75 percent for  
10 non-federally funded projects. Of the 92 projects to be  
11 funded under the '93-'94 Aviation Development Program when  
12 Representative Cessar and the rest of the Commission  
13 considers it on Thursday, 53 projects, or 58 percent, are  
14 federal aid projects. The remaining 39, or 43 percent, are  
15 funded through the 75/25 state local participation.

16           Approximately \$13 million in requests were  
17 received this year for consideration. The current level of  
18 funding provided is \$6 million, \$4 million for all category  
19 airports and \$2 million that is a special appropriation for  
20 business category airports, which are the blue dots as you  
21 look at the map.

22           This year we will allocate considerable more funds  
23 for smaller general aviation airports than in prior years.  
24 If discretionary federal aid continues to contract, the  
25 importance of state funding will, of course, increase.

1 I would like to note, as an aside, that we are  
2 working to produce standard designs for certain projects like  
3 fuel system replacements in order to reduce project costs and  
4 further stretch our resources.

5 The Capital Budget: Beginning in fiscal year 1990-  
6 1991 -- and the Capital Budget, for everyone in the room  
7 today, is the pinkish-type bar over there. That's really  
8 responsible for the major growth in Pennsylvania aviation  
9 funding.

10 Beginning in '90-'91 and each fiscal year since,  
11 the General Assembly has included in the Commonwealth's  
12 budget, Capital Budget, a cumulative total over that period  
13 of over \$35 million in bond-financed airport projects.  
14 Almost all of these projects assist small commercial and  
15 general aviation airports.

16 Our Department has been diligently working with the  
17 airport sponsors to promptly let these projects. Projects in  
18 over 40 airports are included in the first four years of our  
19 Department's 12-year planning program.

20 The Capital Budget funding has helped to free up  
21 additional dollars within our annual development program for  
22 projects at small general aviation airports. For example,  
23 several scheduled-service airports have used the Capital  
24 Budget funds to leverage 90 percent federal funding for  
25 federal improvement projects.

1           Our tax rebate program: The real estate tax  
2 reimbursement program provides tax relief for public  
3 airports. Portions of airport property which are not  
4 revenue-generating, like runways, taxiways, clear zones, are  
5 eligible for tax reimbursement. Our 1992 program provided  
6 approximately \$155,000 in relief to 35 public airports.

7           Pennsylvania is one of only a few states that offer  
8 this type of assistance to help preserve privately-owned  
9 public-use airports. This program is funded from the 3.6  
10 cents tax of AvGas which I mentioned earlier. It usually  
11 yields about \$400,000 to \$500,000 annually in revenue, and  
12 any unused funds, anything over that \$155,000, we reprogram  
13 for additional development projects.

14           Our runway and taxiway rehab -- kind of a highway  
15 maintenance of airports: The runway rehab program provides  
16 \$500,000 annually to preserve runways and taxiways by  
17 filling cracks, sealing pavements and performing minor  
18 repairs. The program began four years ago to help small  
19 airports preserve and protect their facilities.

20           The Department provides 75 percent of eligible  
21 project costs. This year we will issue approximately 14  
22 grants to eight airport sponsors. For any of these programs,  
23 if you would like me to provide you with lists of the  
24 grantees, I would be glad to mail that to each of you.

25           Runway marking: Our runway marking, or painting

1 program, is unique. It provides, at no cost to the airport,  
2 painting for touchdown bars, center lines, runway numbers,  
3 taxiway center lines, etcetera, for public airports. The  
4 Bureau provides the labor, the equipment, which is paint, and  
5 material to perform these projects. About 15 airports are  
6 completed each year.

7           Airport licensing is a major responsibility for the  
8 Bureau of Aviation, and in order to ensure the safety of the  
9 many airports and heliports in Pennsylvania, each facility is  
10 inspected by the Bureau prior to licensing. In addition,  
11 Bureau staff conduct annual safety inspections at all public  
12 airports and public heliports to make sure that they are  
13 complying with Pennsylvania aviation requirements.

14           WeatherMation is something we are hearing more of a  
15 clamor for. WeatherMation is the trade name for a  
16 computerized satellite-based weather information system which  
17 has been in operation in Pennsylvania since early 1989 with  
18 the installation of 40 user-friendly computer systems at  
19 Pennsylvania airports.

20           The system provides ready access, either locally at  
21 each site or via modem, for the many daily users to assist in  
22 pre-flight planning. Five of the units which have the  
23 highest usage have been upgraded in the past year to keep  
24 pace with technological advances, and I would like to expand  
25 the program to many other airports and do these updates as



1 quickly as we can.

2           Funded virtually entirely by the Department, this  
3 program has been exceptionally well received by the aviation  
4 community, and now we are studying the feasibility for  
5 providing current weather information directly to the  
6 aircraft in flight, utilizing new technologies.

7           Each year the Bureau provides other services at no  
8 cost. We continue to provide updates to our state  
9 aeronautical chart and airport directory. We provide high  
10 visibility markers for utility wires adjacent to public  
11 airports.

12           Our highway sign program improves directional  
13 signing to all public airports. I know that everyone is  
14 interested in highway signing, and everyone seems to be an  
15 expert at highway signing.

16           Our aviation staff is always available to provide  
17 technical assistance, and we continue to participate in  
18 various research programs for improving and marketing our  
19 aviation infrastructure.

20           Now I would like to touch on a few select special  
21 initiatives, and each I could talk about at length, but I  
22 will be very brief. Several special initiatives are worthy  
23 of note. First I would like to talk about our air service  
24 study and provide you with copies of the executive summary  
25 here.

1           The Department earlier this month released its  
2 assessment of Pennsylvania air service. The Department  
3 commissioned this study due to increased concern over the  
4 financial stability of commercial carriers, the recognized  
5 link between scheduled commercial service and economic  
6 development opportunities and the Commonwealth's  
7 responsibility to promote a strong commercial airport system.

8           The study's objectives were to document where air  
9 service demand is generated, to develop existing versus  
10 potential demand scenarios for each market using data from  
11 travel agent services, to identify factors which impact each  
12 local market, to outline specific market opportunities for  
13 realistic air service and to provide a hands-on air service  
14 planning tool for each region.

15           This is a study that won't sit on the shelf because  
16 we have provided a copy to each region that has data specific  
17 to that region. Here again, if you would like copies of  
18 those technical reports on a region by region basis, I would  
19 be more than glad to provide them.

20           The study provided recommendations regarding  
21 specific air service improvements for each market that can  
22 realistically be supported, technical data for airlines to  
23 verify and support as they evaluate service improvement  
24 recommendations, summary documents and a slide presentation  
25 useful for communicating study results with various groups

1 and a self-help tool which will aid local awareness of the  
2 community's roll related to air service initiatives. Again,  
3 the executive summaries are available to the Committee  
4 members and to those in attendance today.

5 An aviation systems plan: Next year we intend to  
6 complete a state-wide airport system plan for Pennsylvania.  
7 It has been too long since this had been done in our state.  
8 This will be done with extensive participation of airport  
9 sponsors and regional planning agencies throughout the state.

10 We will develop a comprehensive system needs  
11 planning document which will provide an improved basis for  
12 targeting federal and state resources. This document will  
13 include a priority listing of crucial air transportation  
14 system needs. Work begins in partnership with the aviation  
15 community on December 2nd to consider the work scope.

16 System plans are frequently FAA funded, but FAA  
17 planning dollars are scarce. We consider this project to be  
18 very important and will, therefore, start it with state funds  
19 and pursue federal funds as we go. I can keep your Committee  
20 apprised of progress on a regular basis if you wish.

21 Turning to airport hazard zoning; Act 164 required  
22 zoning within airport hazard areas to limit the height of  
23 objects around airports. It requires communities having land  
24 within a airport hazard area to include limits on the height  
25 of structures based on their proximity to the airport. To

1 date, over 65 airports have reported that one or more  
2 communities in their vicinity have passed or are considering  
3 implementing ordinance.

4 Bureau of Aviation personnel continue to provide  
5 technical assistance to encourage compliance, but the  
6 compliance rate is low, too low, approximately 30 percent,  
7 for various reasons including general reluctance among  
8 municipalities to zone and the lack of penalties in the law  
9 or incentives for complying or not complying respectively.

10 We are going to attempt to double compliance by the  
11 end of the next fiscal year. Emphasis will be placed on  
12 commercial service airports first, initially concentrating on  
13 runway approaches. Later the focus will extend to other  
14 hazard areas and then to smaller non-airline service  
15 airports.

16 I would like to talk about something I'm very  
17 excited about and that's PennDOT-Aviation Council Strategic  
18 Action Plan, of which I brought copies of the first draft of  
19 this document.

20 The Bureau of Aviation maintains a very close  
21 working relationship with the Aviation Council of  
22 Pennsylvania. The Council has two primary goals; to serve as  
23 the voice of aviation in Pennsylvania and to serve as a  
24 vehicle for sharing information among airport managers.

25 One thing I would point out to the Committee is

1 that in several cases we have statutory advisory committees  
2 in the Commonwealth. We have a rail freight advisory  
3 committed that is created. We don't have such a body for  
4 aviation. The Council is not created in statute, and I would  
5 just point that out for your information.

6 PennDOT and the Aviation Council recently completed  
7 the joint action agenda that I held up a moment ago. The  
8 action plan includes special initiatives in the areas of  
9 economic development, aviation safety, public awareness,  
10 government relations -- they are interested in talking to you  
11 more -- and education. I am personally excited over our  
12 upcoming efforts in each area and, in particularly, economic  
13 development.

14 Here, what we plan to do immediately is to publish  
15 a directory of properties on or near airports which commerce  
16 and other economic development agencies, locally and  
17 regionally, can use to assist in targeting commercial or  
18 industrial development.

19 Aviation safety is addressed in several ways. The  
20 Department continues to fund and participate in safety  
21 seminars in conjunction with the AOPA and the Federal  
22 Aviation Administration. With the Aviation Council we have  
23 jointly provided and are planning more future seminars at  
24 various locations to benefit small airport operators.

25 The Bureau and the Council work together in

1 promoting aviation awareness, and in support of this effort a  
2 speakers' bureau is planned, recognizing that more has to  
3 done to help promote the importance and the understanding of  
4 aviation, particularly as it relates to our small airports.

5 Some of the goals within the strategic action plan  
6 have already been met. Many are in process, and all are  
7 expected to be achieved between now and 1996, and I have  
8 copies available for you.

9 Environmental seminars: I mentioned earlier that  
10 environmental compliance is a key challenge, and perhaps the  
11 major challenge, for small airports today.

12 On May 26th, PennDOT and the Council sponsored an  
13 aviation environmental workshop. Presentations covered the  
14 environmental assessment process, storm water management,  
15 de-icing facilities and preparation of airport specific  
16 environmental plans covering hazardous materials and waste  
17 management.

18 The presentations were made by professionals from  
19 industry, regulatory agencies, technical consultants, airport  
20 operators, etcetera. Conference attendees registered for  
21 only \$25, far less expensive than similar conferences which  
22 are usually, typically cost prohibitive for personnel from  
23 small airports.

24 The Department has also been providing technical  
25 assistance and project funding on a priority basis to help

1 address underground storage tank requirements. The FAA does  
2 not fund these projects, so airports are increasingly looking  
3 to PennDOT. Fuel is the lifeline of airports, and as such,  
4 this has been an area of increased focus.

5 Summary: By way of summary I would just like to  
6 highlight a few directions and opportunities I believe are  
7 important for small Pennsylvania airports.

8 Number one is sustained funding. Maintaining  
9 federal and state funding for airport development truly  
10 represents a sound investment in transportation and economic  
11 infrastructure. I believe we can further improve the  
12 strategic allocation of these funds through the upcoming  
13 aviation system planning effort.

14 Two is expanded technical assistance. Our roll in  
15 providing technical assistance will only grow. Assisting  
16 airports in complying with environmental requirements like  
17 storm water management appears to be an area where we can  
18 provide valuable help while avoiding duplicate expenditures  
19 by small, financially strapped airports.

20 Three is to establish closer ties with economic  
21 development organizations. Some small airports like  
22 Hazelton's, for example, have a well established and results-  
23 oriented relationship with their region's economic  
24 development entities. Many others do not. I intend to  
25 promote these ties statewide through our work and partnership

1 with the Pennsylvania Aviation Council.

2 Four is ISTEA, something we have heard of over and  
3 over. The Intermodal Surface Transportation Efficiency Act,  
4 or ISTEA, of 1991, the federal legislation for  
5 transportation, made major changes to the transportation  
6 planning process, and we strongly advocate active involvement  
7 of airports in their regional planning processes. I don't  
8 believe it's happening in many areas, and we need to work  
9 very hard at promoting more involvement of airports in that  
10 process.

11 Five is creative funding. It may not be realistic  
12 to consider increasing aviation taxes to fund airport  
13 improvements. The jet fuel tax, for example, is levied on  
14 the airline industry which is reeling in financial trouble.

15 We do need, however, to see how we can creatively  
16 apply other programs and financing instruments, such as low  
17 interest PEDA loans, to airports. So far we have been  
18 looking at this, but it's been difficult and may require some  
19 adjustment to legislation that could be considered.

20 Number six, participation in the Pennsylvania  
21 Aviation Council, is something I cannot advocate enough for  
22 airports and people interested in aviation who are not  
23 involved. I believe that here in Western Pennsylvania the  
24 representation is not as high as it is in other areas of the  
25 state, and it should be.



1 I'm most excited over the opportunities for  
2 partnership we have with the Council, and looking forward --  
3 and I'm very appreciative of it's forward-looking  
4 orientation. I'd advise any airport in Pennsylvania, as I  
5 said, to get involved with the Council Six or seven new  
6 committees have been formed recently with very ambitious and  
7 results-oriented agendas.

8 Seven, and lastly, is customer service. PennDOT  
9 and its Bureau of Aviation will continue to explore new ways  
10 to be closer to our customers, making sure our efforts and  
11 resources are linked to their priorities and needs. We have  
12 reduced our time in processing grants, for example, and now  
13 we are exploring the feasibility of further enhancements  
14 through the use of electronic transfer of funds as is done  
15 by the FAA.

16 Pennsylvania is moving ahead to improve it's  
17 aviation and other infrastructure, and this is key to our  
18 ability to remain competitive in an evolving global economy.

19 Through the support of you, the legislature,  
20 Pennsylvania remains a leader in closing federal funding  
21 shortfalls through alternative financing as shown on that  
22 chart. This is demonstrated through our capital budget  
23 initiatives, real estate tax reimbursement program and  
24 funding of smaller privately-owned airports through our  
25 aviation development program.

1 I want to thank you again for this opportunity to  
2 address the Committee and for allowing me to take more time  
3 than I was allocated. I will be glad now to answer any  
4 questions you may have. Thank you.

5 CHAIRMAN LAUGHLIN: Thank you very much, Keith. I  
6 know you have answered a lot of my questions here, but first  
7 I would like to tell you that we do have another member from  
8 the Transportation Committee, Representative Larry Roberts,  
9 here.

10 We will start with Representative Rick Cessar.

11 REPRESENTATIVE CESSAR: No questions. That was a  
12 very good report. I appreciate the time and effort you put  
13 into this report.

14 MR. CHASE: Thank you, Representative.

15 CHAIRMAN LAUGHLIN: How about you?

16 SENATOR LAVALLE: Just one comment, maybe; you  
17 allude to the environmental mandate, and one of the concerns  
18 I think a lot of us have is that we have a tendency not to be  
19 able to get a balance between economic issues and  
20 environmental problems as with the attempt to use abandoned  
21 mill sites. What do you suggest would relieve some of this,  
22 or how do you approach that? I know we have environmental  
23 concerns, but sometimes I think we tend to go in a much  
24 stronger direction than we need to.

25 MR. CHASE: I think overall, Senator, our approach

1 within PennDOT is we are not a conflicting agency with DER.  
2 We attempt to work in partnership with them. Now, that may  
3 sound trite, but I think we have done some very concrete  
4 things to actually move the process along wherever we can.

5           Within the past couple years, you may be aware,  
6 PennDOT has created a Bureau of Environmental Quality, and if  
7 I have to sum up just in a few words what they do that is  
8 very valuable, it is that the Bureau of Environmental Quality  
9 has streamlined the environmental process from the project  
10 side.

11           For example, one of the things the Bureau does is  
12 it will bring the resource agencies all together in one room  
13 so that the project sponsor will not have to go through  
14 individual hurdles, but be able to deal with the resource  
15 agencies in one setting and all at once.

16           Beyond that, I think what we need to do in terms of  
17 aviation specifically is the following: I think PennDOT has  
18 a role in advocacy before the DER, and we're prepared to do  
19 that. John Rinehart will probably talk later a little bit  
20 about storm water management. This is an emerging concern.

21           There are things going on nationally that I think  
22 we need to be advocates before DER and try to work with them  
23 to come up with reasonable approaches.

24           I think, in addition to the advocacy roll, this  
25 technical assistance roll is probably going to take more and

1 more of our time, but it is an area that should take more of  
2 our time because there are many small airports who, for them,  
3 this is entirely new ground in terms of complying with  
4 environmental regulations. It's indeed a change for them,  
5 so I think what you will see is a greatly expanded  
6 environmental technical systems effort on our part.

7           Through the Bureau of Environmental Quality, for  
8 example, we have a number of open-ended contracts that work  
9 to move projects quickly through the environmental process.  
10 The Bureau of Environmental Quality is not just the highway  
11 service agency, but I've already talked to the Director,  
12 Wayne Kober, and we are looking at ways, through these open-  
13 ended consulting contracts, where we can go out and help  
14 small airports, and they won't have to do it on their own.

15           As I have talked about the financial situation of  
16 small airports, I hope I have given you the impression or the  
17 idea that they are operating on a shoestring. Many are, so  
18 when they have to look at the prospect of an expensive  
19 consultant to help them comply with environmental  
20 requirements, it's typically prohibitive.

21           Nevertheless, these environmental laws and  
22 environmental regulations are there for a reason, and we are  
23 not going to fight them, but we are going to help the  
24 airports comply with them.

25           SENATOR LAVALLE: Thank you.

1           CHAIRMAN LAUGHLIN: I just wanted to ask you one  
2 thing. Over the last ten years have there been a lot of the  
3 small airports closing down?

4           MR. CHASE: There have been, and that's been  
5 particularly the case in southeastern Pennsylvania where the  
6 pressures for land use are even greater. In fact, as I  
7 contrast the southeastern part of Pennsylvania with this  
8 portion of the state, one of the things you have here that is  
9 the envy of southeastern Pennsylvania is a very strong  
10 reliever system.

11           You have a number of airports like Beaver County  
12 and Allegheny that provide very important relief, as I had  
13 mentioned in my remarks, to the scheduled-service facility,  
14 which in this case is Greater Pitt, but, yes, we do have  
15 airports closing, and the important part of the upcoming  
16 aviation system plan is to get some baseline definition of  
17 what is our minimum system; almost the equivalent of asking  
18 the question of what would happen if Route 80 or traffic  
19 Route 15 went out of existence?

20           We're going to be asking those kinds of questions  
21 and doing that kind of analysis for airports. But, that is a  
22 trend representative, and it is a trend that we should be  
23 concerned about.

24           CHAIRMAN LAUGHLIN: Well, I'm glad to hear that  
25 because I don't think we can afford to have any more of our

1 small airports closed down, especially in this day and age  
2 and in the future.

3 MR. CHASE: You're absolutely right.

4 CHAIRMAN LAUGHLIN: I don't know if Larry Roberts  
5 has anything to question you on.

6 REPRESENTATIVE ROBERTS: Yes, I do. First of all I  
7 would like to apologize for being late, but if I were able to  
8 fly in, I would have been here on time.

9 MR. CHASE: I flew in, and I still arrived late.

10 REPRESENTATIVE ROBERTS: I miscalculated all the  
11 construction on the highway up I-79. I am a licensed pilot,  
12 so I am very much familiar with some of the problems that we  
13 have, and I am also aware of the trend that you spoke of.

14 It concerns me as a private pilot because when you  
15 fly around, you like to know where the airports are, and you  
16 like to have the convenience and the availability of a place  
17 to land, if you have to land, and sometimes just for a little  
18 recreation.

19 I am pleased to have this map. I was late and  
20 didn't get all your testimony, but since I have the text, I  
21 will read this and am pleased to have this. I'm going to  
22 tell you that I'm going to use this map, as a flyer, because  
23 it will come in handy.

24 The FAA, as you know, provides us with sectional  
25 charts, those of us who fly. Unfortunately it splits

1 Pennsylvania so if I fly, I have to use several maps and  
2 charts and try to go from one to the other.

3 My question is; in trying to promote aviation in  
4 Pennsylvania, do we have an aviation map just of  
5 Pennsylvania, just for flyers?

6 MR. CHASE: We do.

7 REPRESENTATIVE ROBERTS: Do we?

8 MR. CHASE: We do, and in addition to providing you  
9 with multiple copies of the map, I will provide you,  
10 Representative, with multiple -- along with this map I will  
11 provide you with multiple copies of our aviation map and be  
12 glad to have you share that with your constituents and  
13 others who are interested.

14 REPRESENTATIVE ROBERTS: Good, that will be good to  
15 have.

16 MR. CHASE: It's an excellent map, and what I will  
17 do is provide copies of the map and the airport directory.  
18 We have an excellent airport directory. My suitcase was too  
19 packed this morning, so I couldn't fit everything in there,  
20 as you can see here, but the airport directory is an  
21 excellent resource, and I will make sure you have each next  
22 week.

23 REPRESENTATIVE ROBERTS: I wasn't aware of that. I  
24 do have an airport directory for the United States, but I  
25 didn't know there was one for -- that was going to be my next

1 question.

2 MR. CHASE: I will give you the Pennsylvania  
3 airport directory, and maybe we need to do a better job of  
4 letting people know it's out there, but that's always a  
5 challenge.

6 REPRESENTATIVE ROBERTS: Thank you very much.

7 MR. CHASE: Thank you.

8 CHAIRMAN LAUGHLIN: Any other questions?

9 [No response]

10 CHAIRMAN LAUGHLIN: I just want to say to you that  
11 in your testimony you spoke about legislation possibly being  
12 needed to help the small airports, and I would very much like  
13 to work with you in putting together the language in that  
14 legislation.

15 MR. CHASE: I appreciate that, Representative, and  
16 it is needed. I think, particularly when we look at programs  
17 like PEDDA, there may be technical type amendments that are  
18 going to be very valuable to airports. Right now, for  
19 example, they cannot do these hangar projects because I think  
20 there is a \$400,000 minimum floor, and we need to get that  
21 floor a little lower so that these projects can be affordable  
22 for the small airports. I will look forward to working with  
23 you and the other members. Thank you.

24 CHAIRMAN LAUGHLIN: Thank you very much for the  
25 excellent testimony, and thank you for coming.



1 MR. CHASE: Thank you.

2 CHAIRMAN LAUGHLIN: The next person to testify is  
3 John Rinehart, and he is the Executive Director of the  
4 Reading Regional Airport.

5 MR. RINEHART: Madam Chairman and members of the  
6 Aviation Subcommittee, I am John Rinehart, President of the  
7 Aviation Council of Pennsylvania to which Keith referred so  
8 kindly in his remarks before. I believe that my testimony  
9 will be somewhat briefer than his because my staff is  
10 somewhat smaller, and I don't have as many people.

11 Our members include large and small public and  
12 private airports ranging in size from Pittsburgh  
13 International to Smoketown, and diverse airports ranging from  
14 large full-service organizations to "mom and pop" enterprises  
15 struggling to eke out a living in the aviation industry. Our  
16 membership includes large multinational corporations with  
17 multi-aircraft flight departments capable of intercontinental  
18 flight and small businesses with one single-engine aircraft  
19 used to travel about the Commonwealth.

20 We also represent the interests of recreation  
21 pilots, those who fly for the sheer joy of it. Therefore, my  
22 testimony will touch lightly on a wide variety of subjects  
23 important to all of our membership.

24 The Council is privileged to work closely with the  
25 Department of Transportation represented so ably here today

1 by it's Secretary, Keith Chase, and the Bureau of Aviation  
2 led by Charles Hostetter. I am pleased to say that our  
3 relationship is symbiotic in character. Together we have  
4 achieved a great deal over the past few years, and judging  
5 from the scope of work Keith laid out, we have a lot of work  
6 to do.

7 Over the course of the past few years the General  
8 Assembly has approved the distribution of critically needed  
9 financial aid to small airports in Pennsylvania, the  
10 development fund to which Keith referred. The Department of  
11 Transportation, with the Bureau of Aviation, has worked hard  
12 to distribute the money in the shortest time possible. We  
13 airport operators are grateful for that quick response.

14 On behalf of those airports which received funds  
15 from ACT 117, 223, 228 and more recent acts, let me say thank  
16 you.

17 You will be pleased to learn that the Westmoreland  
18 County Airport Authority used their funds to purchase snow  
19 removal equipment, to construct an access road, to  
20 rehabilitate a runway and a taxiway, to expand an aircraft  
21 parking apron, to build a fuel farm, T-hangars and a parking  
22 lot. They used \$650,000 of state money to attract over \$2  
23 million in federal assistance. Good investment.

24 Lancaster is using their money to purchase land and  
25 to improve their terminal building.

1           The Clearfield-Jefferson Counties Regional Airport  
2 Authority leveraged \$235,000 to attract \$2.5 million in  
3 federal assistance. With it they extended a taxiway to the  
4 full length of the runway, rehabilitated and expanded their  
5 terminal aircraft apron, installed a new fuel farm and  
6 removed several old underground tanks in accordance with DER  
7 regulations.

8           The Reading Regional Airport Authority received  
9 \$1.114 million and used it to dispose of hazardous waste left  
10 by a former tenant, to rehabilitate one taxiway and to  
11 construct another, to light both taxiways, to rehabilitate  
12 two aircraft parking aprons and to refurbish the passenger  
13 terminal in accordance with ADA regulations. Reading used  
14 their funds to attract an additional \$1.6 million in federal  
15 funds.

16           Other recipients have been equally successful in  
17 leveraging their state funds to complete vitally important  
18 projects. As impressive as this has been, there is much left  
19 to be done.

20           Most organizations appearing before the General  
21 Assembly come hat in hand requesting more money. We will not  
22 disappoint you today. Airports across Pennsylvania need the  
23 continued support of the General Assembly if we are to retain  
24 a vibrant aviation infrastructure.

25           Federal mandates to install airfield signs, to purchase

1 land for safety areas at the end of runways, to clean up our  
2 environment, to improve the accessibility of our terminals,  
3 to acquire rescue equipment and to improve security all  
4 require large sums of money. Little is left over to  
5 adequately maintain our basic infrastructure of runways,  
6 taxiways and aprons.

7           The Bureau of Aviation distributes approximately  
8 \$6 million a year to airports. The source of these funds is  
9 from fuel taxes, but somehow or another they don't seem to  
10 have kept up with inflation in these bad, or rough, economic  
11 times.

12           This has been just a fraction required to fill  
13 needs and is an insufficient amount to maintain the barest  
14 necessities such as pavement and lighting. There is precious  
15 little, if any, money to build hangars and other service  
16 buildings on our airports.

17           A husband and wife who successfully run their  
18 privately-owned airport recently told me that they had risked  
19 their entire retirement nest egg to build a few T-hangars to  
20 store small aircraft on their airports, as the customers  
21 wanted. After three or four years they are now just  
22 beginning to see a margin of profit to redeem their nest  
23 egg.

24           "Special" funds are welcome, but airports need the  
25 assurance of a steady stream of funding if they are to do a

1 better job of long-range planning. Hit or miss financial aid  
2 programs do little to instill confidence. Airports are  
3 afraid to plan ahead. Lending institutions need assurances  
4 that they will be repaid.

5 We would like to encourage the members of the House  
6 Aviation Subcommittee to look for some additional funds to  
7 boost the annual state aid to airports to continue the  
8 development program, if you will.

9 We recognize that merely throwing money at the  
10 problem without accountability is unthinkable. The General  
11 Assembly and the citizens of Pennsylvania need to be assured  
12 that their funds are being spent wisely. For that reason the  
13 Bureau of Aviation needs to be supported in their two  
14 efforts.

15 First is a realistic state system plan of airports  
16 which they are now undertaking. This plan must be more than  
17 a compilation of the wishes and desires of airport sponsors  
18 and pilots based at the airports. The planners must be  
19 charged with a requirement to remain within a budget and to  
20 make tough decisions to recommend projects which will benefit  
21 all of Pennsylvania, but to do that they need some kind of  
22 dollars out there and assurance of that.

23 Second, the Bureau should be supported in their  
24 efforts to develop a system for prioritizing requests for  
25 funding which come before them. The criteria should include

1 costs benefit analysis as well as safety and other necessary  
2 matters, and they should be as objective as possible.

3 The Council would encourage the General Assembly to  
4 find some way of supporting strategically important airports  
5 which are privately-owned and available for public use. Many  
6 privately-owned airports serve important roles in the economy  
7 of Pennsylvania and need to be retained.

8 The Council and the Bureau have initiated  
9 discussions with the Department of Commerce to establish a  
10 loan program for financing revenue producing projects on  
11 airports such as hangars, T-hangars, fuel farms and the like.  
12 Small airports cannot put together a large enough loan  
13 program to attract favorable interest rates. Lending  
14 institutions look at building constructions at airports as  
15 poor risks in many cases. The Department of Commerce should  
16 be encouraged to work with the Bureau in this effort.

17 Earlier I spoke of the high costs of federal  
18 mandates. The greatest of these costs is associated with  
19 the quality of our environmental requirements. Airport  
20 administrators understand and support efforts to clean up our  
21 environment. However, the costs of compliance is already  
22 high and climbing yet higher.

23 Airport operators have spent large sums of money to  
24 remove underground tanks and to remediate contaminated soil  
25 problems. Many of these tanks have been abandoned by

1 previous tenants without any financial wherewithal or legal  
2 obligation to clean up after themselves.

3 Now an additional problem is coming before us.  
4 Recent federal and state efforts to establish and enforce  
5 regulations regarding storm water runoff have airport  
6 administrators quivering in their boots. Many airports in  
7 Pennsylvania are participating in a national group which is  
8 formed to help the federal Environmental Protection Agency to  
9 identify the problems and to find solutions.

10 Sadly, the deadline for publishing federal  
11 regulations has passed without so much as a notice of  
12 proposed rule making. The Council has just learned the EPA  
13 is expected to publish their proposed regulations within a  
14 few days.

15 The Pennsylvania Department of Environmental  
16 Resources is charged with regulating storm water runoff  
17 within the state. DER seems no closer than the EPA to the  
18 publication of their proposed regulations. The Council hopes  
19 that DER will examine the EPA regulations carefully before  
20 proceeding with their own.

21 I wish to assure members of the Committee that it  
22 is the intent of our membership to comply with the  
23 regulations. We only ask for DER's consideration regarding  
24 the unique character of airports. It is our contention that  
25 regulations should be environmentally sound and financially

1 feasible. The Council is seeking a joint audience with the  
2 Bureau of Aviation and DER to discuss our concerns.

3 The General Assembly of the Commonwealth of  
4 Pennsylvania has seen fit to pass legislation requiring local  
5 jurisdictions to govern the height of construction around  
6 airports. Many airports have enjoyed the cooperation of  
7 those surrounding communities to comply with this  
8 legislation, but not all communities are willing to restrict  
9 the landowner's use of his or her property. Enforcement  
10 efforts should be increased and sanctions placed against  
11 those communities that refuse to comply.

12 While we're on the subject of airport zoning, let  
13 me suggest that it might be wise to push zoning requirements  
14 beyond simple regulations governing height. Airports have  
15 been struggling with noise issues for several years. Many  
16 airports are already surrounded by noise-sensitive neighbors  
17 and burdened with the cost of relief.

18 There are some airports which enjoy open space  
19 around them. This open space should be preserved or planned  
20 for compatible land use. Owners of residential properties do  
21 not like to hear that the airport was there first and that  
22 they should learn to live with it or move.

23 Intermodalism, ISTEA, has become one of the leading  
24 transportation buzz words of the decade. A statewide  
25 planning effort is underway to identify how we can link the



1 various modes of transportation more advantageously. This  
2 effort should be applauded, and those of us in the Council  
3 have been participating.

4 When completed, it is to be looked to for direction  
5 regarding the wisest use of funds. An airport without  
6 adequate access roads is useless. Airports should exist for  
7 a purpose, as well, and Pennsylvania is fortunate to have a  
8 Secretary of Transportation who is a strong advocate for  
9 intermodal transportation.

10 Airports are not only part of the transportation  
11 network, but they are also part of an economic network.  
12 Several airports in Pennsylvania are surrounded by office and  
13 industrial parks. Others are surrounded by vacant land which  
14 could be used to the economic advantage of communities.

15 Industrial parks are compatible with airports.  
16 They create jobs in the community. They help to finance the  
17 development of the airport. Combined with airports they  
18 generate a significant impact on the economy of Pennsylvania  
19 as documented by the study which Keith shared with you.  
20 Airports help to create jobs. The Council would encourage  
21 greater use of the resource of vacant land which surrounds  
22 many of our airports.

23 Returning to money again, I would like to discuss a  
24 procedural matter with you. According to the present  
25 procedures, an airport must file a request for funds with the

1 Bureau of Aviation to draw down on allocated funds. For some  
2 reason, beyond the Bureau of Aviation, several weeks pass  
3 before airports receive the funds.

4 This places a financial hardship on those airports  
5 and the contractors whom they hire. Somewhere there is a  
6 log, and I think only one, which, if loosened, will release  
7 the flow of funds in a more acceptable time frame.

8 We would like to recommend the state follow the  
9 example of the federal government and set aside a grant  
10 amount in a bank and permit the airports to draw down on  
11 their account after documenting compliance with the program  
12 to the satisfaction of the Bureau.

13 Some of you have expressed concern for the high  
14 cost of interstate air transport before the Aviation Council.  
15 We share your concern, but we cannot seem to gain the  
16 attention of the airlines. We would like to see lower fares  
17 for short-haul traffic across Pennsylvania. Lower fares  
18 would help to draw Pennsylvania together. However, we would  
19 be opposed to any effort to re-regulate the airlines.  
20 Somehow we just have to work it out.

21 Madam Chairwoman, the Aviation Council of  
22 Pennsylvania appreciates the interest of your Committee in  
23 our concerns. We pledge our cooperation in a combined effort  
24 to position Pennsylvania to meet our air transportation needs  
25 in the 21st century.

1           We thank you for this unique opportunity to appear  
2 before you and the rest of the members of Committee.

3           I must say that Keith and I say somewhat the same  
4 things because we talk together a lot, but we did not  
5 rehearse this presentation.

6           CHAIRMAN LAUGHLIN: Thank you, Mr. Rinehart. That  
7 was very informative. You were speaking about procedure to  
8 fund the Bureau of Aviation at a faster pace. I think we do  
9 have -- not a faster pace. I shouldn't have said that.

10           It's the Bill that we have in the Business and  
11 Economic Development Committee to support what you have been  
12 suggesting here on getting your funding in a timely fashion.  
13 I don't know if it covers airports, though.

14           No? It doesn't. It's only vehicles. Maybe we  
15 ought to include -- it's only trucks for what, trucking?

16           REPRESENTATIVE CESSAR: I think that's what it is.

17           CHAIRMAN LAUGHLIN: Maybe we ought to include  
18 airports in that.

19           MR. RINEHART: We would be pleased to hear that.

20           CHAIRMAN LAUGHLIN: Okay. Well, we are taking care  
21 of some of the people, anyway, but there was one other  
22 question I wanted to ask you and it just left my mind for  
23 right now. I don't know if Rick has something else to ask.

24           REPRESENTATIVE CESSAR: Thank you, Madam Chairman,  
25 I do. You mentioned you are opposed to re-regulating the

1 airlines. Why?

2 MR. RINEHART: At this particular point I think we  
3 have gone a long way down the road to seeing airlines work  
4 on a competitive basis. I think what I'm saying here is, in  
5 light of what's happening in Hawaii where Senator Inowe has  
6 introduced legislation at the federal level to permit the  
7 State of Hawaii to regulate funds for intra-island flight  
8 within the state, there may be some attention or some efforts  
9 to do that in other states. I don't know. I keep hearing  
10 that.

11 I don't think that is the way that we would solve  
12 the problem here. I think that somehow or another we have to  
13 work with the airlines to convince them that there are lot of  
14 people who would go from the eastern end of the state to the  
15 western end of the state in the aircraft and save ground  
16 transportation if we could work it out and work out the  
17 fares. I think it's a marketing tool that we have to do --  
18 we, as users, need to do with the airlines.

19 REPRESENTATIVE CESSAR: I think we have a problem  
20 here. If you fly from Pittsburgh to Philadelphia,  
21 Pittsburgh to Harrisburg, it's outrageous what we are being  
22 charged. From here to Harrisburg it's like \$400. From here  
23 to Philadelphia it's almost \$600. Deregulation really hasn't  
24 helped in that area, has it, for the short flights?

25 MR. RINEHART: It hasn't, and there are too many

1 little stories, anecdotal stories, where it's cheaper to fly  
2 to the west coast than it is to fly to the western part of  
3 the state from the eastern part of the state. I think we  
4 need to work on that, and I think we need to work in a  
5 cooperative effort with the airlines to do that.

6 REPRESENTATIVE CESSAR: Don't you think regulation  
7 would help the small airports, small airlines?

8 MR. RINEHART: No, I think not. The issue here now  
9 is the small airlines, the regional carriers, the ones that  
10 serve the Readings of the -- the other, however many, are  
11 served only by commuter carriers. Those are the air carriers  
12 that are making money. US Air Express, to my knowledge, is  
13 doing quite well financially, thank you. US Air is having  
14 some problems.

15 That's another issue, but they have separated, and  
16 right now the competition among the long-haul routes -- along  
17 the long-haul routes -- seems to be driving the fares down  
18 where there is not an adequate amount of competition, or  
19 comparable competition, at the short-haul routes to drive the  
20 fares down. That's where I think it needs work to be done.

21 REPRESENTATIVE CESSAR: Another subject; when you  
22 talk about small "mom and pop" operations, what are you  
23 talking about?

24 MR. RINEHART: I mean just that, a family of two in  
25 a privately-owned airport.

1           REPRESENTATIVE CESSAR: How big, what can they  
2 accommodate, runway size and all that? Should we really be  
3 spending money to try to keep those operations in business?  
4 Is it worth our effort?

5           MR. RINEHART: I'm not sure that, and I may get in  
6 trouble on this one, but I'm not sure that every airport is  
7 worth state's attention. I wouldn't contend that, and those  
8 that are there for other reasons may be supported by their  
9 own users.

10           However, I think the Commonwealth can look at some  
11 kind of criteria which is developed out of key statewide  
12 systems study which would pinpoint those publicly-owned, as  
13 well as privately-owned for public use, airports that are  
14 valuable to the state's economy and as well to the state's  
15 recreation; not only business economy, but the state's  
16 recreation.

17           A lot of people come to Pennsylvania in their  
18 airplane just for recreation. We can fund those pinpoint  
19 airports that are valuable and support them. I think that  
20 would be -- as to every airport, I'm not so sure.

21           REPRESENTATIVE CESSAR: I agree with you, because  
22 we talked -- we look in terms of developing an intermodal  
23 transportation system, and it is vital that we do have a good  
24 intermodal transportation system along with the small  
25 airports. I concur with you that not every airport in this

1 Commonwealth ought to be considered for some type of  
2 financing.

3 MR. RINEHART: I may lose my job as President for  
4 saying that, but that's okay.

5 REPRESENTATIVE CESSAR: Well, you won't lose your  
6 job because I won't say anything and nobody else here will  
7 either, but I do thank you for your comments and appreciate  
8 them.

9 Thank you, Madam Chairman.

10 CHAIRMAN LAUGHLIN: Thank you very much. I just  
11 remembered what I wanted to ask you. Are there regulations  
12 on the level of noise coming from airports? I know they  
13 don't have them at some of the industrial sites. I just  
14 found that out. There is no regulation for noise levels. Is  
15 there any regulation on noise levels for the airlines, or  
16 airports?

17 MR. RINEHART: Yes, on the airline airports,  
18 definitely. The FAA has established a series of regulations  
19 which has been more restrictive in terms of noise over the  
20 last several years. Stage three, the quietest stage is to go  
21 into effect somewhere about the turn of the century, if I'm  
22 not mistaken. The airlines are now in the neighborhood of  
23 40 percent to 45 percent compliant, as I recall, on a  
24 national basis with that regulation.

25 That's true. That is happening. As far as the

1 smaller GA airports with the single-engine aircraft, light  
2 twins, I'm not familiar with any regulation. However, in  
3 planning for airports, whether they be public or private,  
4 there are guidelines to suggest compatible land use around  
5 the airports in relationship with noise. That's why I refer  
6 to land use planning.

7           There's a number 65 LDN, whatever that means, but  
8 there is a number out there to contour, noise contour, that's  
9 generated around the runways which would suggest to the  
10 communities that are willing to cooperate with the airport  
11 that this would be a place not to build houses.

12           This would be a place to put something else such as  
13 a golf course, and industrial park, a business center or some  
14 other kind of thing that would help the economy of the  
15 community and also the economy of the airport insofar as the  
16 airport would not be required to buy the residential  
17 development at a future date.

18           CHAIRMAN LAUGHLIN: Okay. Thank you.

19           Jerry, do you have anything to add?

20           SENATOR LAVALLE: I would just be interested in  
21 knowing -- you say in your testimony that you want to have an  
22 audience with the Bureau and DER about your concerns.  
23 Obviously your concerns are environmentally sound rules and  
24 regulations that also match up with being financially  
25 feasible. I would be very much interested in knowing what



1 the results of that meeting may be.

2 MR. RINEHART: So would I at this point. What  
3 we're looking for here is specifically, and let me target the  
4 Storm Water Compliance Act -- just that we've passed the  
5 deadline. We're trying to find out what's going on here.  
6 There has been a lot of conversation back and forth between  
7 Washington and Harrisburg in terms of how these are going to  
8 be applied to the Commonwealth. Many airports have been  
9 visited, or some airports have been visited, by  
10 representatives of DER to talk about storm water. That makes  
11 us nervous. Are we hanging out there because we have not  
12 filed with certain things, certain applications? This is  
13 going on.

14 What we would like to do, and it's what I just saw  
15 before I came, or late yesterday when it came in the mail --  
16 the EPA is now looking to publish their regulations regarding  
17 storm water. If what I saw is correct, a lot of us who were  
18 nervous yesterday need not be worried today because we don't  
19 put enough de-icing materials out there to be a cause of  
20 concern.

21 I hope that's the case, and I hope the DER follows  
22 along with that. We want to be compliant, we want to be  
23 supportive, but there are limits to our financial  
24 capabilities.

25 CHAIRMAN LAUGHLIN: Larry, would you like to ask

1 something?

2 REPRESENTATIVE ROBERTS: Yes. Do you know off-hand  
3 if any of the airports in Fayette or Greene Counties are  
4 members of the Council?

5 MR. RINEHART: I think so, but I can't specifically  
6 say which ones.

7 REPRESENTATIVE ROBERTS: Could you get that  
8 information for me and let me know if my airports are  
9 members?

10 MR. RINEHART: I certainly will.

11 REPRESENTATIVE ROBERTS: I have another question  
12 that perhaps I should have asked to Secretary Chase, but  
13 perhaps you could answer it. On the map that we received in  
14 the Secretary's package I'm looking at the Connellsville  
15 Airport which is specifically identified as a business  
16 airport, and others that are identified as general service.  
17 What is the difference between -- or who makes this  
18 determination and classifies them?

19 MR. CHASE: The business airport -- when John  
20 mentioned some priorities for funding -- we do have some  
21 priorities for funding. The aviation system plan will be  
22 done even to improve that.

23 We have three categories representative for the  
24 funding; the scheduled-service airports, the business  
25 airports and the general service. On the map in front of

1 you, I think the blue dots show well what I consider to be  
2 the backbone of our network, those business airports.

3 They're called business airports because they can  
4 accommodate business class aircraft. The runways have to be  
5 3,500 feet or more, there has to be lighting and there has to  
6 be an instrument, precision or non-precision, approach.

7 I mentioned Tioga County in my testimony. If you  
8 look at that on the map, you will see that northern tier area  
9 is without a business airport. Because they don't have that,  
10 they have lost economic development opportunities.

11 We cannot even land a state plane in Tioga County.  
12 We have to go to Elmira, New York, or into Williamsport. So,  
13 as we direct resources, a couple things we like to do is put  
14 emphasis on those business class airports, and then for the  
15 next level down, the general service airport, is to fund  
16 projects that will move them up into the business category.  
17 That's a very important focus of the program.

18 Out here in Al Speak's planning area you will see  
19 in western Pennsylvania we have quite a few that are in the  
20 business category that really make up the backbone of the  
21 reliever system for the area out here.

22 REPRESENTATIVE ROBERTS: That was a loaded  
23 question, by the way. I knew the answer, but I was setting  
24 you up for a comment.

25 MR. CHASE: All right.

1           REPRESENTATIVE ROBERTS: In southwestern  
2 Pennsylvania, you're right, we have a number of business  
3 airports. In fact, we have a good number of airports.

4           You may or may not have heard of the recent  
5 business summit at Nemaocolin Woodlands that was held last  
6 week by the Speaker of the House and the Democratic  
7 leadership. That's within my District. Nemaocolin Woodlands  
8 sits above Uniontown. In fact, Joe Hardy, the owner of the  
9 84 Lumber Companies, owns Nemaocolin Woodlands, and he has a  
10 corporate jet and he has his own runway, but it was closed  
11 down for repairs, which doesn't show on this map, by the way.

12           We had an awful lot of -- the business summit was a  
13 meeting of business people in Pennsylvania trying to pull  
14 together to try to find out what we could do to create a  
15 better business climate in Pennsylvania. We had a good  
16 turnout, but as I circulated and spoke to a lot of the CEO's  
17 from businesses across Pennsylvania, I learned that a lot of  
18 them did, in fact, fly in in the corporate jets.

19           I look at our map and we have Connellsville, which  
20 is a about ten miles from Nemaocolin Woodlands. None flew in  
21 there. Then there is Somerset, another business airport  
22 located about 15 miles from Nemaocolin Woodlands, and none of  
23 them flew into this airport. I was dismayed to learn that  
24 they flew into Morgantown, West Virginia, across the state  
25 line, which is about 40, 45 miles from Nemaocolin Woodlands.

1 I mention this to you because I would ask that  
2 perhaps we work a little closer together to promote our  
3 airports. We need to make sure that our airports are sound,  
4 and we can invest and make them good airports, but we also  
5 need to promote their use.

6 When I learned that we had all these corporate  
7 executives from the state of Pennsylvania flying into a West  
8 Virginia airport when I had two close by, I didn't really  
9 know how that occurred. I just mention that as a comment.  
10 We need to work on that. We need to promote our airports a  
11 little better, and the maps that we mentioned may be a way of  
12 doing that.

13 CHAIRMAN LAUGHLIN: Thank you very much. The next  
14 person is Homer King, who is President of the Aero Club of  
15 Pittsburgh.

16 MR. KING: Representative Laughlin, thank you and  
17 your people for inviting me to appear this morning. My  
18 appearance is a little different than some of the other  
19 speakers, and inasmuch as I read the list here, I see that  
20 most of the other people are connected with a managed -- some  
21 airport or some airport facility, or something.

22 I am here as President of the Aero Club of  
23 Pittsburgh, and maybe a little historical background on that  
24 might be helpful to explain why I was invited to come.

25 The Aero Club of Pittsburgh is a unique

1 organization. It is the oldest aero club in the United  
2 States, having been formed and founded in 1909. It got  
3 around to being incorporated by court decree about 1921, and  
4 it is a non-profit organization.

5 It is particularly unique in that the Aero Club of  
6 Pittsburgh does not own an airport. It does not even have a  
7 clubhouse. In fact, the Aero Club of Pittsburgh does not  
8 even own any airplanes. However, many of the members of the  
9 Aero Club own airplanes and fly airplanes, and those are old  
10 airplanes and brand new airplanes.

11 The Aero Club of Pittsburgh has been very, very  
12 instrumental in the development of aviation, particularly in  
13 western Pennsylvania. The Aero Club of Pittsburgh was  
14 instrumental in founding Roger's Field, which was the first  
15 airport in western Pennsylvania, located out in Fox Chapel  
16 where the Fox Chapel High School now is.

17 Then the Aero Club was instrumental in getting  
18 started with the Allegheny County Airport in 1932. It had  
19 something to do with the opening of the Greater Pitt in 1952,  
20 and just last year we participated in the opening ceremonies  
21 at the Greater Pittsburgh International.

22 The Aero Club of Pittsburgh, as I said before, has  
23 no particular facilities of it's own, but it does have about  
24 475 members, all of who are devoutly interested in the  
25 progress and promotion of aviation, and basically general,

1 although not specifically so, and not limited to that.

2 Our members include people who just think about  
3 airplanes, those people who build little airplanes, build big  
4 airplanes and people who fly airplanes and who rent  
5 airplanes. We have people who do model airplanes, and we  
6 have members who are commercial pilots who fly 747's on  
7 international routes. So, we cover a wide spectrum.

8 There was a gentleman by the name of Clifford Ball,  
9 who was the founder of the first air mail system in the  
10 United States after Representative Kelly from McKeesport got  
11 the Air Mail Act passed. Clifford Ball, operating out of a  
12 place called Bettis Field, which is about four or five miles  
13 from Allegheny County Airport, founded the Clifford Ball  
14 Airlines which carried air mail from Pittsburgh to Youngstown  
15 to Cleveland and eventually to Washington and to  
16 Philadelphia. This was the first air mail service, civilian  
17 air mail service, in United States.

18 Just historically, before that time, after World  
19 War I, the United States government thought that the United  
20 States Army should fly the air mail, and they tried that for  
21 several years with disastrous results -- killed, I think, 15  
22 or 18 pilots, and wiped out half of the available airplanes  
23 that they had which were Jenny D-4s at that time.

24 With that historical background of what the Aero  
25 Club of Pittsburgh has to offer, we are interested,

1 specifically and very basically, in general aviation because  
2 we think it is a good thing. We think that in order to have  
3 general aviation and promote its benefits, small airports are  
4 very, very important.

5 Costs has something to do with this; a lot to do  
6 with it. Most people are familiar with the municipally-owned  
7 and municipally-operated airports. I'm going to limit my  
8 remarks basically to this area west of the Laurel ridge; from  
9 there over to the Ohio line although we do go to other  
10 airports all over the state.

11 Everybody knows of Greater Pitt International and  
12 Allegheny County, Latrobe, Westmoreland County, Butler  
13 County and Rostraver. These are all controlled airports, but  
14 there are a number of other airports around that we think are  
15 very important that are uncontrolled.

16 Right in our immediate area we have, of course,  
17 Pittsburgh-Monroeville. We have a place called Bouquet.  
18 Over north of the city, up above of New Kensington, is a  
19 place called West Penn, and we have Mount Pleasant-Scotdale.  
20 We think it's important that these airports be maintained and  
21 kept, but for some reason while funds seem to be available  
22 for municipally-owned and municipally-operated airports, the  
23 funds are not so available for privately-owned and publicly-  
24 operated airports.

25 I am familiar with the Pennsylvania Aviation Law



1 and the regulations pertaining thereto. In fact, I had  
2 something to do with the formation of those some ten, 15  
3 years ago when I was Chairman of the Pennsylvania Bar  
4 Association Aeronautical Committee. For some reason these  
5 privately-owned publicly-operated airports do not seem to be  
6 able to get the funds that they need to do this.

7 Is it really important? I think it was mentioned  
8 earlier that it is not believed that all privately-owned  
9 publicly-operated airports should survive, and I think that  
10 this is true. However, I think a close look has to be taken  
11 at these airports to decide which ones should survive.

12 For instance, if you were in the Monroeville area  
13 and you wanted to go to Greater Pitt, and if you want to  
14 catch a flight out of Greater Pitt, say, at 5:00, you had  
15 best leave Monroeville about 1:00 in the afternoon unless, of  
16 course, you take a helicopter, if you can find one. A  
17 helicopter would do that. Or, if you could get a friend who  
18 has an airplane at Pittsburgh-Monroeville Airport, he can fly  
19 you there in about 15, 20 minutes, maybe a little bit less.

20 I fly out of Pittsburgh-Monroeville. I have my  
21 airplane out there. Many times people come in; business  
22 people come into that area because it's much easier, quicker  
23 and, I believe, cheaper to do that than it is to go to  
24 Greater Pitt and take that drive from Greater Pitt.

25 One of the unfortunate things about our brand new

1 airport here in Pittsburgh is that there are times when it is  
2 impossible to get there, and so this is -- your Committee  
3 deals with transportation, and this is something that I think  
4 should be addressed.

5           The cost of operation of the airports varies. To  
6 get a tie-down space or hangar space, if you can find any,  
7 over at Allegheny County is very, very expensive as compared  
8 to what you would pay at one of the other privately-owned and  
9 publicly-operated airports. Tie-down space at Allegheny will  
10 run anywhere from \$125 to \$200 per month.

11           A hangar, if you can find one, is two or three  
12 times that at Allegheny County. The county does not own the  
13 hangars. They rent the space, and then you build your  
14 hangar, put your own in there. At the smaller airports you  
15 can get a much better arrangement.

16           In my prepared remarks I had a few statistics which  
17 might be interesting to show. There's been a general decline  
18 in recent years in general aviation. I'll just give you a  
19 few of these numbers, and these are FAA figures that were  
20 released a little bit earlier this year.

21           They say that the IFR traffic levels at the FAA  
22 route traffic control centers is down 10.4 percent from 1992.  
23 They say that the hours flown in piston-powered aircraft is  
24 down 10.7 percent. The number of student pilot certificates  
25 processed in the first quarter of 1993 were down 16.6

1 percent, and also private pilot licenses and people with  
2 instrument ratings were down 9.5 percent and 17.5 percent,  
3 respectively.

4           The cost of getting a private pilot's license, at  
5 least around this area, will run between \$3,000 and \$5,000 if  
6 you do this at a municipally-operated airport, but if you  
7 want to join a flying club, and there are a number of them  
8 that operate out of privately-owned publicly-operated  
9 airports, that cost can drop to just about half, or maybe  
10 two-thirds, of that.

11           The fuel arrangements and the cost of the fuel at  
12 the municipally-operated airports around this area is  
13 generally over the \$2 range for 100 octane AvGas low-lead,  
14 but at most of the privately-owned publicly-operated  
15 airports, that cost is about \$1.81 to \$1.86. I don't know  
16 exactly why that is except that it's the cost of operating  
17 the airport.

18           I think it is important, since cost is such a  
19 factor anymore, that the privately-owned public-operated  
20 airports be assisted and an effort should be made to keep  
21 them in existence. The smaller airports can also be used as  
22 reliever airports although they might not fit into the  
23 business category as it's now known.

24           Just a few little items that I think might be  
25 helpful and that I think your Committee could address itself

1 to is the constant encroachment of building developments  
2 around airports. It's very strange that developers will come  
3 in and build right next to an airport, and then they will  
4 complain about the noise, and the airport has been there for  
5 40, 50 years.

6 Representative Laughlin asked a question of one of  
7 the prior witnesses about whether there was any noise  
8 abatement or any noise program at airports. There is, of  
9 course, with the big commercial airports and commercial  
10 airliners. However, most privately-owned publicly-operated  
11 airports have their own regulations about things like that.

12 This is done as a matter of courtesy, as well as a  
13 matter of safety, to the people who do live around there.  
14 The landing patterns at almost all of these airports is  
15 usually directed away from the homes and buildings that are  
16 underneath.

17 At Butler Airport, for example, there is no  
18 regulation, but they have a recommendation. I don't know how  
19 they would ever really enforce it, but everybody pays  
20 attention to it. When you take off on 26 you do not make a  
21 turn over the school. You always turn out the other way.

22 At Monroeville, when you're taking off on 23, you  
23 always make a right turn out, not a left because a left puts  
24 you right over Monroeville. Similarly, when you are coming  
25 in and landing, you have a right-hand pattern on 23 and a

1 left-hand pattern on 5 to stay away from the town.

2 Most of the privately-owned publicly-operated  
3 airports do this out of respect for the people who live  
4 around there as well as, should something happen like an  
5 engine stop, which doesn't happen very often, but should it  
6 happen, you're not forced to land in somebody's living room,  
7 which can spoil everybody's whole day.

8 The Pennsylvania airplane law and the regulations  
9 talk about the erection of antenna and towers, and of course  
10 this is very important, but for some reason there does not  
11 seem to be a great amount of coordination between the people  
12 who want to do this and the enforcement of these laws.

13 It's a strange thing that when somebody wants to  
14 erect a tower somewhere near, or in the proximity of, an  
15 airport, they must get FAA approval, but there seems to be a  
16 lack of communication between the FAA people and some of the  
17 other people who are in the area.

18 I had an experience, I guess it must be about ten  
19 years ago, where a tower was going to be erected within two  
20 and one-half miles of an airport, and for some reason nobody  
21 found out about this until the tower started to go up. The  
22 tower was going to be 2,800 and some feet which put it 800  
23 feet above the landing pattern of two airports which were  
24 within a four-mile radius. One was within a four-mile radius  
25 and the other was within about six miles, I think.

1           It was a very, very definite danger, and I couldn't  
2 find out how the FAA had approved this. Well, they had gone  
3 to the local town and gotten some kind -- a rubber stamp  
4 approval. How this was done, I don't know, but they had it.  
5 We went to court on it, and I was successful in getting the  
6 people building the tower to reduce it by 1,000 feet to at  
7 least get it down below the landing pattern.

8           This is something that was very expensive to  
9 everybody, including the people who wanted to build the  
10 tower. Something should have been in existence to keep this  
11 from happening. I don't know whether this is within the  
12 problems of your Committee or not, but there should be some  
13 kind of greater coordination between the zoning at airports  
14 and the construction and maintenance of the airports.

15           I know we are running a little short on time. I  
16 thank you. If I can answer any questions, I will be very  
17 happy to.

18           CHAIRMAN LAUGHLIN: Thank you very much, Mr. King.  
19 You mentioned that the Aero Club does not own an airport,  
20 does not have a clubhouse, does not own any airplanes, but  
21 the Aero Club, through Tom Michael, when he heard that I was  
22 the Subcommittee Chairman on Aviation, was the one that  
23 brought me to your luncheon, and it resulted in this hearing.

24           MR. KING: I remember it well, and I am very happy  
25 that you remembered us.

1 CHAIRMAN LAUGHLIN: Thank you.

2 Rick, is there anything you want to ask Mr. King?

3 REPRESENTATIVE CESSAR: Absolutely. Thank you for  
4 being here, Mr. King. The only thing I would like to say is  
5 that you mentioned that Roger's Field in Fox Chapel was the  
6 first airport in Allegheny County.

7 MR. KING: I believe so.

8 REPRESENTATIVE CESSAR: Well, I'm here to tell you,  
9 sir...

10 MR. KING: That's wrong?

11 REPRESENTATIVE CESSAR: No, it's absolutely  
12 correctly, absolutely correct. That is in my legislative  
13 district, so that is a point of renown, and you pointed that  
14 out to me today. For you being here, I am extremely happy,  
15 and thank you very much for that information, but I did know  
16 that.

17 MR. KING: Well, very good. I will say that that  
18 is the one time when the Aero Club of Pittsburgh did have a  
19 clubhouse. There was an old farm house there, and they used  
20 that as a clubhouse. If you ever have an opportunity to see  
21 the original charter of the Aero Club, it has all these  
22 restrictions in there. There shall be no alcoholic beverages  
23 and all of these no-no's down there -- no smiling in the  
24 outer lobby and all of this.

25 Of course, you have to understand that back at that

1 time, at the time the Aero Club got its non-profit charter,  
2 this was done through the Court of Common Pleas, not like  
3 it's done today, through Harrisburg.

4 Also remember that this was during the days of  
5 Prohibition, and so if you didn't put all those kinds of  
6 things in your charter, that you were going to abstain from  
7 strong alcoholic drink and no ogling of women as they walked  
8 down the street, and all of this -- if you didn't put all of  
9 that in your application for the charter, you didn't get it.  
10 That's why it's there.

11 This was before my time, but it's my understanding  
12 that all those restrictions were honored more in the breach  
13 than in the observance. Thank you very much.

14 CHAIRMAN LAUGHLIN: We do have Rosemary Palmer, who  
15 is the Director of the Erie International Airport, to give  
16 her testimony at this time.

17 MS. PALMER: Thank you for the opportunity to share  
18 with you Erie International Airport's legislative concerns.  
19 We greatly appreciate legislative efforts over the last  
20 several years to fund airport capital projects.

21 Erie has been the beneficiary of a recent capital  
22 program grant which will be used to match federal dollars  
23 and also passenger facility charges to do such things as  
24 airfield rehabilitation, Americans With Disabilities Act  
25 compliance, noise mitigation, terminal improvements and



1 environmental assessment for the runway extension and safety  
2 improvements.

3 We note the Transportation Commission's recent  
4 inclusion of airport projects in the 12-year planning  
5 process. We also salute the Bureau of Aviation for the  
6 statewide air service study that was released two weeks ago.  
7 We are grateful particularly for the Bureau of Aviation's  
8 pavement rehabilitation program and how it responds to  
9 changing airport needs.

10 I'm sure I speak for all state airports in  
11 acknowledging increasing legislative support for aviation as  
12 an economic development tool within the Commonwealth.  
13 Companies cite access to commercial service airport behind  
14 only skilled labor and highways as the most important factor  
15 in site location and retention decisions. Most companies  
16 want to locate within 30 minutes of any airport and 45  
17 minutes of a commercial service airport.

18 Airports in Pennsylvania's rural communities are  
19 sometimes, quite literally, the lifeblood of the community,  
20 preserving adequate medical evacuation and blood supplies.  
21 Those airports also preserve access to interstate commerce  
22 for small communities.

23 There are three things that the Commonwealth of  
24 Pennsylvania can do to foster and support the aviation  
25 industry that is so vital to its economic health. More funds

1 must be appropriated to maintain and improve the  
2 infrastructure and computerize the Bureau of Aviation's  
3 services. Department of Environmental Resource Storm Water  
4 Permits should be encouraged to use the EPA model permit for  
5 airports, and communities should be encouraged to enact  
6 airport hazard zoning and compatible land use plans.

7           Airports are no less important to the  
8 Commonwealth's future than education and highways. The  
9 Bureau of Aviation's economic impact study provides ample  
10 data to support that fact, yet aviation has been  
11 traditionally self-funded with ticket and cargo taxes on the  
12 federal level, and fuel and registration taxes on the state  
13 level. Restricting aviation funding to levels that the  
14 industry itself can support completely ignores the value of  
15 the industry to all Pennsylvania citizens.

16           The present \$6 million annual funding level ought  
17 to be more than doubled. Erie International Airport's needs  
18 for the next seven years top \$40 million. That includes a  
19 1,000-foot runway extension needed to assure flight  
20 reliability, which will require bridging or relocating one  
21 road and bridging the substandard runway safety area on  
22 another.

23           It also includes rehabilitation of the terminal  
24 that was dedicated the year before Pittsburgh's old terminal  
25 was dedicated, and the third big ticket item is completion of

1 the noise mitigation plan. All the plans have the support of  
2 our municipal planning organization.

3 While we hope to receive federal funds for some of  
4 the work, it will not be enough. Assuming best case that the  
5 Federal Aviation Administration funded 90 percent of all  
6 projects, \$4 million remains.

7 When you know that the proposed 1994 Erie  
8 International Airport operating budget of \$1.5 million shows  
9 a mere \$24,000 excess revenue over expenses, even while  
10 eliminating two positions and without wage and benefit  
11 increases for the remaining airport personnel, and when you  
12 know that our passenger facility charges that we collect are  
13 committed to completed and ongoing projects until 1997, you  
14 understand how dire the circumstances are.

15 How can we raise the capital improvement funds? We  
16 have the highest rates in all categories for concession and  
17 landing fee and rental rates that the traffic will bear.  
18 They are also in the high range of fees at comparable  
19 airports. We are not the highest in all cases, but we are in  
20 the high range. We have levied PFC's on our customers. Our  
21 local governments are strapped.

22 Erie International Airport's tale graphically  
23 points out the need for more aviation infrastructure funding.  
24 Erie is, no doubt, the worst case among the six largest  
25 commercial service airports in the state. That is probably

1 because Erie is the sixth largest commercial service airport  
2 in the state -- that marginal break-even line that airports  
3 have.

4           The situation I described is not unique to Erie  
5 International. The same struggles and inappropriate, but  
6 necessary, trade-offs are shared by many airports and  
7 communities.

8           The good news about airport infrastructure is that  
9 rehabilitation is cyclical. Runways are rehabilitated every  
10 15 years. Terminals may last 20, and master plans last ten  
11 years. If we can ever catch up with the backlog of  
12 projects, future ones could be spread out better over  
13 multiple years eliminating funding peaks and valleys.

14           Many airport delay projects for as long as possible  
15 hoping their funding priority will increase. Sometimes that  
16 means that the eventual project costs more because more work  
17 was required than would have been if the project had been  
18 done when it should have begun. It is poor management of our  
19 limited resources, but what choice is there?

20           In Erie's case we will soon close the only taxiway  
21 to one runway because the taxiway has literally disintegrated  
22 within the last two months. We knew two years ago that the  
23 taxiway should be rehabilitated, but rehabilitating the  
24 runway, which was in approximately the same condition, came  
25 first. Our luck has simply run out.

1           We have requested emergency FAA funding and we hope  
2 we receive FAA funding for next year, but in the meantime,  
3 operations will suffer.

4           Perhaps you know that some airports are closed  
5 because the struggle became too much. Other airports are  
6 patched together with chewing gum and bailing wire, both of  
7 which, no doubt, meet all safety regulations, and while I am  
8 not one to be unduly alarmed when a single airport is  
9 decommissioned, the trend starkly shows the inability of  
10 smaller airports to survive without outside help.

11           The time has come to consider grants without  
12 matching share requirements for airports that can demonstrate  
13 need and having exhausted all other alternatives. The time  
14 has also come to expand the definition of capital  
15 improvements.

16           Not only is the funding level inadequate, but the  
17 distribution formula sometimes obstructs usage of the funds  
18 for the most pressing projects. Since the formula serves the  
19 goal of assuring that smaller airports obtain some funds, the  
20 formula can only be changed with the infusion of more funds,  
21 and the Bureau of Aviation's dedicated employees can no  
22 longer effective work without full computerization of their  
23 offices.

24           When I realize what they are still manually doing  
25 because personal computers are not provided, I cringe. No

1 wonder they struggle to process paperwork in a timely  
2 fashion. No wonder airports have to wait weeks for  
3 reimbursement payments, increasing the costs of projects and  
4 straining relationships with suppliers.

5           The Federal Aviation Administration has implemented  
6 a computer draw down process. I was delighted to hear that  
7 Keith is working on that, and I know that he has worked on  
8 that, the computerization, for some time. I don't know what  
9 the problem is within the Bureau of Aviation itself.

10           A second way the Commonwealth could help airports  
11 is by encouraging airport hazard zoning and compatible land  
12 use planning, but it is important that the legislative  
13 solutions recognize that many airports are not located within  
14 the jurisdiction that owns them.

15           That means that those with zoning power may not  
16 have the will to use it on behalf of another jurisdiction.  
17 It is wrong to penalize airports that cannot control what  
18 surrounding jurisdictions do. On the other hand, perhaps  
19 airports themselves could be granted power to enact hazard  
20 zoning and compatible land use if the affected jurisdictions  
21 refused to do so.

22           A third way the Commonwealth could be of help to  
23 airports is to use its powers to encourage the Department of  
24 Environmental Resources to adopt the recently announced  
25 Environmental Protection Agency group permit as its model for

1 airport storm water discharge permits.

2 Airports typically respect and protect the  
3 environment. Many of us have long since adopted best  
4 management practices and other measures to prevent  
5 environmental harm. However, we are greatly concerned about  
6 unfunded legislative mandates, and no one has funded the  
7 storm water plan and monitoring that would be required.

8 Aviation groups spent two years educating the EPA  
9 about how airports work and what the effects of various  
10 substances used on airport were. The information was based  
11 on data collection.

12 We suggest that DER should adopt the EPA airport  
13 permit standards rather than developing its own. We also  
14 hope that airports which cannot afford the consultant's fee  
15 to draft the permit-required plans will be provided with the  
16 help necessary to meet the requirements.

17 Along these lines I can point to one difference  
18 that was made. The general permit which has been issued,  
19 which the DER adopted word for word from the EPA in November  
20 of 1992, had a monitoring requirement for airports with  
21 50,000 operations.

22 The aviation groups went to EPA as they were  
23 working on their specific industry permits and said that  
24 operations is not the proper way of breaking out who should  
25 and who shouldn't. If you have 50,000 general aviation

1 operations, none of which are using de-icing fluids, then you  
2 don't have a problem. If you have 50,000 commercial service  
3 ones, all of which are using significant, then you do. You  
4 should make the determination based on how much substance is  
5 being used.

6 The EPA adopted that in their permits, which is  
7 supposed to be published as a notice of proposed rule making  
8 this week. That is one example of how the industry was able  
9 to educate EPA about how to do it in a way that was  
10 responsible and responsive.

11 I am sure that you are familiar with media account  
12 of the challenges facing the aviation industry. If smaller  
13 airports are to provide the infrastructure and services  
14 required for the economic health of Pennsylvania, we need  
15 legislative help.

16 We pledge our help to you. I'm sure that any  
17 airport director would be more than happy to assist you in  
18 formulating any plans that you would like to consider.

19 We also express our appreciation for this  
20 opportunity and for what you have done for us already.

21 Thank you.

22 CHAIRMAN LAUGHLIN: Thank you very much. The  
23 unfunded legislative mandates that you spoke about are coming  
24 up, even with the municipalities, across the state. I just  
25 read not too long ago where President Clinton is going to be



1 addressing that, and hopefully, whenever we have a mandate  
2 coming from the federal government, they are going to fund  
3 that.

4 We have been fighting over that for many years, and  
5 I even sent letters to the federal government along with DER  
6 because DER is making municipalities do certain studies and  
7 not funding them. I hope we're going to be able to address  
8 that with the federal government, too. I appreciate your  
9 testimony.

10 Larry, is there anything that you would like to  
11 say?

12 SENATOR ROBERTS: No.

13 CHAIRMAN LAUGHLIN: All right. Thank you very  
14 much.

15 The next person to testify is Dan Donatella who is  
16 Chairman of the Board of Beaver County Airport. I'm very  
17 familiar with the Beaver County Airport since I live in  
18 Beaver County, and I'm sure he's going to have some  
19 information that is going to be very helpful to all of us.

20 MR. DONATELLA: Thank you very much, Madam  
21 Chairman. I want to say, before I comment on my testimony  
22 today, that I am extremely pleased that this Committee found  
23 it necessary to come to our area to give us an opportunity to  
24 be heard.

25 I think you ought to be commended for that because

1 I can't recall, frankly, in recent times when we had the  
2 House Transportation Committee on airports come down to this  
3 area, so I am extremely appreciative of that and giving us an  
4 opportunity to testify.

5           Following the text that I presented, I am going to  
6 be as brief as I can. First of all, I do want to say I  
7 completely agree with the testimony given this morning by the  
8 Deputy Secretary, Keith Chase. I think the man is right on  
9 the mark with his comments.

10           I am extremely pleased to have this opportunity to  
11 testify this morning before this Committee regarding the  
12 small airports and their needs.

13           It is common knowledge that aviation is one of the  
14 most significant and important factors that effects our  
15 economy locally, statewide and nationally. Small airports  
16 are a critical element in Pennsylvania's transportation  
17 network that links our Commonwealth with the rest of the  
18 nation and the world. Small airports and their facilities  
19 have become vital to America's businesses and corporations.

20           Contrary to belief, a recent survey indicates that  
21 commercial airlines and hub-airports service a very small  
22 percentage of corporations and businesses compared to the  
23 smaller general aviation airports. The fact is that most  
24 Fortune 500 corporations do not fly commercial airlines to do  
25 business, but rather own their aircraft, which they find is

1 essential to their business because of the flexibility  
2 business aircraft ownership affords.

3           Businesses and corporations acquire these aircraft  
4 because of the thousands of small general aviation airports  
5 available to them throughout the Commonwealth and the nation  
6 which are capable of handling this type of aircraft, which  
7 saves considerable time for the executive and affords the  
8 ability to reach many more local business.

9           Although hub-airports are certainly vital to our  
10 national transportation system, the fact is these hub-  
11 airports cannot adequately service corporate America. That  
12 is why the small general aviation airports are in continuous  
13 need of improvements to keep pace with ever increasing  
14 demands that are placed upon them.

15           The Commonwealth has developed an extensive network  
16 of public-use airports over the years, of which more than  
17 two-thirds are designated general aviation airports. By  
18 comparison, and including Philadelphia and Pittsburgh, the  
19 Commonwealth has only -- I mentioned 17 here. I think the  
20 Deputy Secretary said this morning that it is 15 commercial-  
21 use airports. The Commonwealth has approximately also 350  
22 private-use airports.

23           Pennsylvania, like most of the northeast, suffered  
24 severe economic devastation during the past decade. To help  
25 rebuild Pennsylvania, the Commonwealth of Pennsylvania, the

1 Bureau of Aviation must continue to help fund projects and  
2 improvements for the small general aviation airports.

3 Over 85 percent of the Commonwealth's major  
4 employers depend on commercial air service to conduct their  
5 business. It is now known and recognized that small general  
6 aviation airports help to attract new industries and business  
7 to the Commonwealth and local areas, which provide for  
8 thousands of jobs.

9 The Commonwealth of Pennsylvania Bureau of  
10 Aviation, through its Aviation Development Grants Program,  
11 has played a vital and major role to help economic recovery  
12 in both the Commonwealth and the various local counties by  
13 providing significant financial aid to small general aviation  
14 airports.

15 Local municipalities and counties, without the  
16 financial aid received through the Bureau of Aviation, simply  
17 could not sustain major airport improvements/projects  
18 essential to meet the increased demands by the ever growing  
19 number of users.

20 Most important, the Bureau of Aviation has  
21 recognized a need by the small general aviation airports to  
22 fund very critical airport improvement projects that are not  
23 eligible under the Federal Aviation Administration criteria.

24 It is my belief that without the Aviation  
25 Development Grant Program administered by the Bureau of

1 Aviation, a great number of small general aviation airports  
2 would suffer an even more adverse economic impact because the  
3 local municipalities and/or the counties do not have the  
4 funding available to make these essential and critical  
5 airport improvements.

6 Most small general aviation airports already  
7 require subsidies from local governments just to maintain the  
8 airport management and operations, let alone fund major  
9 airport improvements. The fact is, very few small general  
10 aviation airports break even or even turn a profit.

11 Presently there are a number of small general  
12 aviation airports throughout the Commonwealth that can't even  
13 afford to accept or apply for a grant through the Bureau of  
14 Aviation simply because they cannot manage the 25 percent  
15 match as required by the terms of the grant.

16 These small general aviation airports are falling  
17 through the cracks because after operations costs supported  
18 by local tax dollars, no money remains to seek or apply for  
19 airport improvement grants. Because of their inability to  
20 support airport improvements that would help render the  
21 airport operation solvent, attract new growth and business,  
22 the airport and facilities remain in a spiral of adverse  
23 economic depression.

24 I suggest to this Committee that small general  
25 aviation airports in the Commonwealth be categorized and a

1 strategy be formulated to determine a method or formula to  
2 financially assist those small general aviation airports that  
3 lie in designated economic depressed areas, beyond the 75/25  
4 percent, as required by the Aviation Development Grant  
5 Program. Without some special financial assistance many of  
6 these airports will remain economically depressed with no  
7 hopes of growth or development.

8 Over the past few years, the Commonwealth of  
9 Pennsylvania, Bureau of Aviation, since the implementation of  
10 the Aviation Development Grants Program, has significantly  
11 helped the small general aviation airports. Prior to that  
12 time, the Bureau of Aviation most generally only helped in  
13 providing the five percent state match for grants to small  
14 airports through the Federal Aviation Administration.

15 The Bureau of Aviation, in my opinion, has  
16 streamlined its operation and recognized the needs of small  
17 general aviation airports to a certain extent.

18 I am here today to give testimony before the  
19 Committee that the Aviation Development Grants Program is  
20 working and is working very well. On behalf of, and in the  
21 interest of, the small general aviation airports, I urge this  
22 Committee to ensure the continuation of the Aviation  
23 Development Grants Program because of the inability of local  
24 municipalities and counties to fund airport improvement  
25 projects so vital and essential to the economic growth of the

1 local area and the Commonwealth of Pennsylvania.

2 I commend the Honorable Susan Laughlin and the  
3 members of the House Transportation Committee for conducting  
4 this public hearing and affording us an opportunity to  
5 testify.

6 I also wanted to thank the Deputy Secretary for  
7 Aviation, Mr. Keith Chase, for his fine cooperation and his  
8 interest and concerns for the development and growth of small  
9 general aviation airports within our Commonwealth.

10 I again thank you for coming here and giving us an  
11 opportunity to speak, but I do feel very strongly about  
12 something being done to take care of, probably, some of the  
13 airports that Mr. King talked about that simply don't have  
14 the money to come for a grant.

15 For example, if you apply for a \$100,000 grant, it  
16 means that you have to come up with \$25,000. Well, that kind  
17 of money is just now out there, frankly speaking. Most  
18 airports apply first of all through the Federal Aviation  
19 Administration's program, obviously because that is a 90/10  
20 proposition with the FAA paying 90 percent of the grant, five  
21 percent through the Bureau and a remaining five percent with  
22 the county.

23 One thing that is significant that is good about  
24 the Bureau of Aviation's program is the fact that many of  
25 their projects qualify for funding that FAA will not assist

1 you with. So, what happens, when an airport has a grant  
2 that they cannot obtain through the Federal Aviation  
3 Administration, is that they do turn to state government  
4 because there, at least, 75 percent is certainly better than  
5 the local municipalities paying the full amount.

6 It is a tremendous help on those projects that  
7 airports need that FAA will not fund. Without that -- that's  
8 the funding I'm speaking of -- without that kind of funding  
9 from Keith Chase and his department, you could go on and on  
10 about the number of programs that simply would not occur on  
11 the local level.

12 When you talk about economic development, and all  
13 the people that know, they form these strategies and they  
14 define the economically depressed areas. I think this  
15 Committee may consider some special help for those airports  
16 that lie in those economically depressed counties or areas  
17 and that need help beyond the 75/25, even if it is just for  
18 funding a couple of their projects -- to give them that  
19 special consideration if they would qualify in an  
20 economically depressed area.

21 In conclusion, again I'm very pleased, Madam  
22 Chairman, with the program and certainly the fine cooperation  
23 of Mr. Chase's office. I think they have come a long way,  
24 and I think the program that he outlined this morning will go  
25 a long way to help not only the small airports, but all



1 airports in general in the Commonwealth. I thank you.

2 CHAIRMAN LAUGHLIN: Thank you, Mr. Donatella. I  
3 know you have done a great job as the Director of the Beaver  
4 County Airport, and I commend you for that.

5 I know that Beaver County is a distressed area, and  
6 we have helped with other agencies because we are a  
7 distressed community, but we will have to look into the  
8 aviation aspect of it. I don't know, but maybe we can reduce  
9 the match money for the local airports. That's a  
10 possibility.

11 Thank you very much, and Larry, is there anything  
12 that you would like to say?

13 REPRESENTATIVE ROBERTS: No, but I enjoyed your  
14 presentation. No questions.

15 MR. DONATELLA: Thank you very much. Any other  
16 question?

17 CHAIRMAN LAUGHLIN: Thank you very much for coming.

18 We have one more person, and that is Jim Dunbar.  
19 He is Vice President of the Aero Club of Pittsburgh.

20 MR. DUNBAR: I thank you very much for the  
21 privilege of contributing to this Committee.

22 I would like to briefly read to you some statistics  
23 that were formulated by the Economic Impact of Civil Aviation  
24 on the U. S. Economy, and this was for the year 1992. It was  
25 done by the Partnership for Improved Air Travel, which is

1 basically a think-tank in Washington, D.C.

2           What they did is do this with regard to general  
3 aviation. I must tell the Committee that there is no  
4 commercial aviation involved in this. There is no  
5 manufacturing of jobs in these statistics.

6           Basically, general aviation constitutes 7.9 percent  
7 of, basically 8 percent, of aviation as we know it here in  
8 the United States today. The total economic impact in the  
9 nation is \$42 billion annually, keeping in mind no  
10 manufacturing, no commercial.

11           In addition, there are total jobs of 537,000. Now,  
12 let's break that down to Pennsylvania. The annual economic  
13 activity in just the state of Pennsylvania, one year, and  
14 again, that is with no commercial and no manufacturing, is  
15 \$1 billion and 43 million.

16           The annual earnings -- and right away everybody  
17 thinks of a corporation, but this is not true. This goes to  
18 salaries to pilots, co-pilots, certainly line boys who pump  
19 the gas, certainly mechanics and secretaries. It can be  
20 anybody who is connected with general aviation. The annual  
21 earnings are \$343,100,000 per year. Now, the jobs are  
22 13,930, basically 14,000 jobs, just connected with general  
23 aviation.

24           The reason I bring these statistics in is that I  
25 would like to discuss basically two things. One is a little

1 airport out beyond Bridgeville called Campbell's, and you  
2 would know it as Pittsburgh Metro Airport. It is an airport  
3 that is owned by an individual and his family, Charlie  
4 Campbell. However, it is a public airport, and one of the  
5 features of this airport, for some time, was that they had a  
6 franchise with Piper Aircraft to take and sell Piper aircraft  
7 and to obviously work on the aircraft from a mechanical  
8 standpoint, pump gas, so on and so forth. The airport has  
9 thrived as long as Piper was in business.

10 Now Piper is out of business, as are basically  
11 Beechcraft and Cessna. Cessna Aircraft today builds only  
12 jets at \$5 million plus. Beechcraft has its own jet, however  
13 they have several turbo-prop aircraft which will basically  
14 run \$3 to \$4 million.

15 We're not talking about the little aircraft that  
16 sustained these airports. And, why has this occurred? It's  
17 called product liability.

18 Now let me tell you about a Beechcraft Bonanza.  
19 I've had two Beechcraft Bonanzas. Basically, when that first  
20 came out in production, they sold somewhere between \$6,000  
21 and \$8,000. Today, to buy a new Beechcraft Bonanza, it's  
22 going to run you somewhere between \$150,000 to \$200,000.  
23 However, here's the hooker; of the \$150,000, \$75,000 goes for  
24 product liability insurance. They could manufacture that  
25 much cheaper, but they have to include that in.

1           Why am I bringing that up? It's for the simple  
2 reason that without the ability to sell aircraft and make a  
3 profit, a fee or a commission, or whatever you want to call  
4 it, to help sustain the operation -- this is not occurring  
5 now.

6           What is happening is that little airport,  
7 Campbell's, as is magnified all over the Commonwealth, then  
8 has a problem. What they are depending upon is sales and/or  
9 whatever little amount of mechanical activity occurs. We  
10 have a detriment that way, so slowly we're losing jobs by  
11 virtue of the fact that there are no new aircraft for sale.

12           Now let me tell you what the problem is. Sometime  
13 ago, and that was the year 1991, I had an opportunity -- I'm  
14 in the real estate business, have a Broker's license here in  
15 Pennsylvania. I had an opportunity to get involved with some  
16 people in Orlando who wanted to purchase the factory at  
17 Lockhaven.

18           There was a gentleman out of Morgantown, West  
19 Virginia, who at the time had a small line of aircraft being  
20 produced, and we're only talking about, maybe, one or two a  
21 month, but the idea was to get involved and bring in Augusta  
22 Helicopters and get them involved in this factory.

23           Now, you say why up there? There is a pool of  
24 talent of people that have great expertise in manufacturing  
25 aircraft. The problem was most lenders would not lend --

1 because of the product liability fear, will not lend to an  
2 aviation-related product. If they had gone into something  
3 else, they probably could have sold that factory up there.

4 Now, as you know, Piper went bankrupt, and the  
5 factory was sold at foreclosure to a gentleman in  
6 Philadelphia. He bought it with the idea that he would be  
7 able to turn it around. It's never been turned around.

8 When you go after these lenders -- when you boil  
9 it down, there are certain lenders who will only entertain  
10 something, but when we went to them, and including Chase  
11 Manhattan -- I might tell you this. I was then involved with  
12 the Governor's Committee in Harrisburg and the Department of  
13 Commerce of the Commonwealth. At that point in time, even  
14 though we had gone and we were trying to get some kind of way  
15 to avert this product liability, it wasn't possible.

16 Chase turned it down. They were fearful that if --  
17 let's give an example -- as Piper, if they made \$4 million a  
18 year and they lost the case, and the judgments came against  
19 them for \$8 million, they had a real problem. Do that a  
20 couple of times, and that's one of the reasons Piper is out  
21 of business. Without this infusion of new aircraft, we've  
22 got a serious problem here in this country.

23 I would think this Committee would want to go to  
24 the legislature and examine the possibilities of restricting  
25 that, much as your car manufacturers, as you know, will give

1 you three years and 30,000 miles of unconditional  
2 workmanship, but once you go beyond that -- and that's the  
3 way liability should act.

4 Example: You can take a 25-year old aircraft.  
5 It's been worked on for many, many years with a number of  
6 different mechanics, some of them licensed by the FAA, a lot  
7 of them not licensed. Many, many parts come into that  
8 aircraft that are not licensed or certified by the FAA. They  
9 are car parts, basically, but they go on that airplane.  
10 Twenty-five years later something happens, but they come back  
11 on the manufacturer, Piper, Beechcraft and Cessna, and get  
12 these big awards.

13 This is what the problem is, and without influx of  
14 new aircraft -- now there are certain, what they call, kit  
15 aircraft. An individual can buy a kit aircraft and put it  
16 together himself. There's no liability there because he  
17 spends 2,500 to 5,000 hours just putting that airplane  
18 together out of a kit. There is a little bit of sales that  
19 way.

20 There are some foreign manufacturers, but aside  
21 from the jets and the expensive turbo-prop, you don't have  
22 that influx of small aircraft. As a result, a guy or an  
23 outfit like Campbell's at Pittsburgh Metro, without those  
24 commissions and without the new aircraft coming in, are  
25 having a real problem existing.

1 I know this Committee is concerned with safety and  
2 with many aspects of the airports and aviation, but keep in  
3 mind that we're starting to slowly strangle the aviation  
4 industry without these small aircraft. The big aircraft,  
5 yes, but who can afford them? The small aircraft, that is a  
6 problem.

7 As far as I'm concerned, I've been a pilot for  
8 years, have done real estate deals, and there is no way to go  
9 except in some cases -- if I had to go from here, Pittsburgh,  
10 to Palm Beach, Florida, I could do that commercially.  
11 However, what happens if I have to go to Myrtle Beach, then  
12 over to Sarasota and come back to Boca Raton? I can do that  
13 with a small aircraft in one day. Never, commercially.

14 We need small aircraft. We need to get rid of that  
15 product liability and get these aircraft manufactured again,  
16 or it is slowly being strangled.

17 Now I would like to point this out. There is an  
18 outfit in Montreal, Canada, called Bombmidier. Bombmidier by  
19 itself is not famous. They do have a line of jets and they  
20 own the company completely that is call Ken Air, and they  
21 produce the Challenger jet. They have also purchased another  
22 company which you are probably all familiar with, and that is  
23 called Lear Jet. Bombmidier owns Lear Jet 100 percent.

24 They did away with a factory in Arizona. They have  
25 consolidated it all into Wichita, Kansas, but they have

1 another entity, and apparently in one of the Provinces in  
2 Canada, Alberta, I believe, they have gone to the legislature  
3 there and restricted product liability so that when an  
4 aircraft is manufactured there, for a limited time there is  
5 liability. However, beyond a certain period of time, there  
6 is no liability, and I think you are going to see more  
7 manufacturing going on there.

8 I would like you to go back to the Legislature of  
9 Pennsylvania and suggest that they get in touch with these  
10 people at Bombmidier and find out how they are doing it and  
11 restrict the liability here in this Commonwealth. I think  
12 that is perhaps the biggest detriment at the present time  
13 facing the general aviation activities, and that is this  
14 product liability and the restriction of small aircraft  
15 coming into the market place.

16 I thank you very much.

17 CHAIRMAN LAUGHLIN: Thank you very much for your  
18 testimony. I did want to ask you one question.

19 MR. DUNBAR: Sure.

20 CHAIRMAN LAUGHLIN: You mentioned that Piper and a  
21 couple other manufacturers have closed down because of  
22 product liability; that was the reason for them closing?

23 MR. DUNBAR: Basically, yes, and I might tell you  
24 this; there was a fellow by the name of Stewart Milar who  
25 bought Piper a few years back. He was going to go back into



1 the production of the Piper Cub, and so on and so forth.

2 He got into trouble financially, and he has had  
3 several suitors. I understand that now he is out of it, but  
4 in every case it was the product liability that stopped the  
5 sale of Piper Aircraft, including outside entities outside  
6 the United States.

7 CHAIRMAN LAUGHLIN: There is no other company that  
8 manufacturers small airplanes?

9 MR. DUNBAR: As I said, Beechcraft does have the  
10 Bonanza yet.

11 CHAIRMAN LAUGHLIN: I mean in the United States.

12 MR. DUNBAR: Yes, Beechcraft with the Bonanza. I  
13 believe Cessna still has a small line going, but instead of  
14 the 12 or 15 that they used to have, they only have like one,  
15 and the jet, and of course they had a turbo-prop, but they  
16 got rid of that too. The same with Beechcraft, but it does  
17 have the smaller Bonanza, I believe, on the one single line  
18 instead of the 12 or 15 they were used to.

19 Incidentally, Piper had some very fine lines, but  
20 they're out of all of them with the exception of a turbo-  
21 prop, which I understand they are still manufacturing in Vero  
22 Beach. In every case where the suitors came to purchase, it  
23 was the product liability that stopped the sale of Piper  
24 Aircraft.

25 REPRESENTATIVE ROBERTS: Mr. Dunbar, do you have

1 any idea what the status of the federal legislation on  
2 product liability is?

3 MR. DUNBAR: I can't answer that other than I know  
4 it's in the hopper. You're talking about federal now, right?

5 REPRESENTATIVE ROBERTS: Right.

6 MR. DUNBAR: It's in there somewhere, but nothing  
7 has ever come out of it. I think this is, perhaps, the most  
8 serious thing in the United States today with regard to  
9 general aviation.

10 REPRESENTATIVE ROBERTS: I thought they were making  
11 progress on the product liability deal. I thought maybe you  
12 would know.

13 MR. DUNBAR: No, I can't answer other than I know  
14 it's in committee or some place. It's never come out, as far  
15 as I know, but it should. You know, the one thing it has  
16 done is -- with the investment tax credit going off and that  
17 luxury tax going on, plus product liability, it's really  
18 decimated not only the aviation industry, but the boat  
19 industry, and so on and so forth. This is a big problem.

20 REPRESENTATIVE ROBERTS: Perhaps we can consider a  
21 resolution to the United States Congress asking them to move  
22 on the Federal...

23 MR. DUNBAR: No question, it should be done, and I  
24 think that this Committee could initiate, go through our  
25 Legislature and into the Congress because it's needed

1 vitally.

2 Thank you very much.

3 CHAIRMAN LAUGHLIN: Thank you.

4 MR. KING: Just to elaborate a little bit on what  
5 Jim was saying; Moony Aircraft, out of Texas, has a very fine  
6 single-engine, high-performance aircraft, and they, last year  
7 I believe, made between 200 and 300 of them.

8 Piper, in their general line, has not been making  
9 single-engine aircraft except for the Malibu, which is a  
10 high-performance aircraft, pressurized, high-altitude  
11 airplane. Although, last year Piper did make what they call  
12 the Cadet, which is a Piper Warrior, which is -- I think now  
13 they have put a 150-horsepower engine in it, but it used to  
14 be 110, but most of these were sold overseas. They made 300  
15 or 400 of those.

16 Piper is still making single-engine airplanes if  
17 you wanted to order an Archer or one those single-engines,  
18 but they will make them on special order.

19 Cessna has not made any single-engine airplanes for  
20 about ten years; that is, they don't make any of their 150's,  
21 152's, 172's, all single-engine stuff, although they're still  
22 making the twin-engines. Basically Cessna, of course, has  
23 gone to the jet field.

24 What Jim has said has a lot of truth in it. The  
25 product liability aspect has had a lot to do with this, but

1 of course, the general economy has a lot to do with it too.

2 If you're just going to build one or two airplanes, the  
3 cost of the liability insurance on the product liability  
4 aspect is very, very high. If you're going to build 500  
5 airplanes, of course, you spread that over -- of course it's  
6 less. It's not exactly just the product liability aspect.  
7 The general economy has something to do with it as well.

8 I just thought that might be little bit helpful.

9 CHAIRMAN LAUGHLIN: Thank you. Is there anyone  
10 else who would like to say something before we close?

11 [No response]

12 CHAIRMAN LAUGHLIN: Okay. I think this was a very  
13 productive hearing. We've gathered a lot of information here  
14 from Keith Chase and from the other people who gave  
15 testimony, and I'm sure and hopeful that we're going to be  
16 able to put something in legislation through your help, and  
17 if there's any other suggestions that any of you can come up  
18 with that can formulate legislation to help you, we're going  
19 to be there for you.

20 I understand that this is probably the first time  
21 we had a legislative body come before the Aero Club and the  
22 different people associated with aviation. I think this is a  
23 first with the state, anyway. I want to thank you again for  
24 coming.

25 I don't know if Larry Roberts would like to say

1 something. Larry?

2 REPRESENTATIVE ROBERTS: Yes, I would just comment  
3 to those who provided testimony that it was very interesting,  
4 very informative and somewhat enlightening as well. I  
5 appreciate the effort that you have made to come here today  
6 and give us the information that you did.

7 I don't know if you noticed that I was underlining  
8 a lot. It was nice to have the text here. It made it easy  
9 for me to take some notes.

10 We'll certainly make use of the information you  
11 brought to us today, and I think that by working with  
12 Representative Laughlin you may be able to make some progress  
13 in the directions that you suggested we move in.

14 Thank you for being here today.

15 CHAIRMAN LAUGHLIN: We do have some testimony here  
16 if anyone wants to take a copy for themselves. It is  
17 available to you.

18 Again, thank you very much for coming, and this  
19 hearing is closed.

20 (Whereupon, at 12:40 p.m., the hearing was  
21 concluded.)

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C E R T I F I C A T E

I hereby certify, as the stenographic reporter,  
that the foregoing proceedings were reported stenographically  
by me, and thereafter reduced to typewriting by me or under  
my direction; and that this transcript is a true and accurate  
record to the best of my ability.

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By: Barbara Scrimizzi Spin  
Barbara Scrimizzi Spin

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