



DULUTH AIRPORT AUTHORITY

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December 15, 2008

Airport Funding Advisory Task Force
100 Rev. Dr. Martin Luther King Jr. Blvd.
State Office Building, Room 121
St. Paul, MN 55155-1606

**RE: Comments from the American Association of Airport Executives (AAAE)
Regarding Legislative Airport Funding Advisory Task Force**

Members of the Airport Funding Advisory Task Force:

On behalf of the American Association of Airport Executives (AAAE), I am writing to provide comments regarding the report submitted to the Legislative Airport Funding Advisory Task Force by Conklin & de Decker and the proposal received by the Minnesota Business Aviation Association. AAAE has membership from over 3,000 airports across the U.S. including 34 members from the State of Minnesota. Our organization works with member airports to create a network of knowledge and training, provides federal legislative and regulatory affairs assistance to help shape federal policy governing aviation and ensure airport perspectives are included as legislation and regulation are developed, and provides education to our members which allow them to be more efficient and productive managers for their airports.

First of all, the Task Force should recognize the Conklin Report only addresses three of the six Legislative Task Force study areas and additional study needs to occur regarding the adequacy of current sources of revenue for the State Airports Fund, policy considerations regarding the use of the sales tax on aircraft as a potential source of revenue to support the Fund, and projected aviation needs of the future, including required investments in aviation infrastructure. **Further, no changes to the current aviation funding system should be made without first developing a method of ensuring with certainty these dedicated funds, collected from the aviation community, are used for their intended purpose of maintaining and enhancing aviation infrastructure and the overall system of airports in Minnesota.**

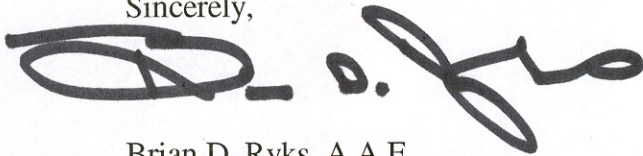
It is well documented State Airports Fund dollars are not sufficient to support the needs identified by Minnesota airports on an annual basis. There has not been an increase in the appropriation of Airport Development and Assistance funding since 2001. In fact, the State Legislature has taken revenues from the Fund twice since 2003, further pushing back much needed infrastructure improvements to our system of airports. The funds taken from this account must first and foremost be re-paid, and secondly, policy firewalls must be enacted to ensure the funds are used for their intention and not redistributed across the state's general fund.

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The Minnesota Business Aviation Association (MBAA) has proposed a shift in revenue collections that would reduce aircraft registration fees and replace that revenue loss through increased fuel tax across the board and landing fees on transient aircraft. The proposal is complex and needs considerable analysis to determine the impacts to all users of the system including our Fixed Base Operators (FBOs) who provide tremendous services to our airports and the flying public. Fuel sales is the most critical component of an FBO business and we need to ensure a restructuring of the Airports Fund collections does not adversely affect an FBO's ability to compete nationally and globally in attracting transient aircraft operations. Alternatively, the MBAA proposal should also include shifting aircraft sales tax revenue from the general fund to the Airports Fund. I believe this should be the first priority in their proposal.

While the Legislative Airports Funding Advisory Task Force study has provided needed background information and a starting point for this discussion, additional analysis and participation needs to occur in order to determine a long-term solution. Minnesota has developed and maintained an excellent system of airports and we need to collectively ensure these airports are able to provide the infrastructure to meet the demands of the aviation community, provide job growth throughout the State's aviation businesses and ensure aviation in Minnesota remains competitive throughout a domestic and global environment. I am eager to offer my insight and perspective on behalf the AAAE as the discussions continue.

Sincerely,

A handwritten signature in black ink, appearing to read "B. D. Ryks". The signature is stylized and cursive.

Brian D. Ryks, A.A.E
State Representative, AAAE Great Lakes Chapter
Executive Director, Duluth Airport Authority